

Human Resource Development South Africa (HRDSA) Draft strategy for discussion 2010 – 2030



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ACRONYMS AND ABBREVIATIONS

ABET	Adult Basic Education and Training
AIDS	Acquired Immunodeficiency Syndrome
ASGISA	Accelerated and Shared Growth Initiative for South Africa
ATR	annual training report
BPO&O	business process outsourcing and offshoring
CHE	Council for Higher Education
COHORT	Committee of Heads of Research and Technology
DG	Director-General
DMV	Defence and Military Veterans
DPLA	Department of Co-operative Governance and Traditional Affairs
DPSA	Department of Public Service and Administration
DST	Department of Science and Technology
DTI	Department of Trade and Industry
ECD	early childhood development
ESSA	Employment System of South Africa
FET	further education and training
FOSAD	Forum of South African Directors-General
FTE	full-time equivalent
GDP	gross domestic product
GER	gross enrolment ratio
GET	general education and training
GHS	General Household Survey
HDI	Human Development Index
HEI	higher education institution
HETSA	Higher Education and Training South Africa
HET	higher education and training
HIV	Human Immunodeficiency Virus

HRD	human resource development
HRDC	Human Resource Development Council
HRDSA	Human Resource Development Strategy for South Africa
IPAP	industrial policy action plan
ICT	information communications technology
JIPSA	Joint Initiative on Priority Skills Acquisition
MINMEC	Minister and Provincial Members of Executive Council Committee (convened by a national minister for the purpose of intergovernmental coordination within a particular sector, such as health, social development, etc.)
MIS	management information system
MSTE	mathematics, science, technology and engineering
MTSF	Medium-Term Strategic Framework
NEDLAC	National Economic Development and Labour Council
NACI	National Advisory Council on Innovation
NIPF	National Industry Policy Framework
NQF	National Qualifications Framework
NRF	National Research Foundation
NSA	National Skills Authority
NSDF	National Skills Development Framework
NSDS	National Skills Development Strategy
NSFAS	National Student Financial Aid Scheme
PALAMA	Public Administration Leadership and Management Academy
PIRLS	Programme for International Student Assessment
PPP	purchasing power parity
PSETA	Public Service Sector Education and Training Authority
SACMEQ	Southern and Eastern African Consortium for Measuring Educational Quality
SAPS	South African Police Service
SAQA	South African Qualifications Authority

SARCHI	South African Research Chairs Initiative
SETA	Sector Education and Training Authority
SET	science, engineering and technology
SET HCD	science, engineering and technology human capital development
SMME	small, medium and micro enterprise
SSP	sector skills plan
Stats SA	Statistics South Africa
TIA	Technology Innovative Agency
TIMSS	Trends in International Mathematics and Science Studies
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WSP	workplace skills plan

1. INTRODUCTION AND BACKGROUND

Since the inception of democracy, various policies and strategies of the South African Government have identified the development of adequate human resources to meet the development needs of the country as a key strategic priority. The Reconstruction and Development Programme (RDP) identified Human Resources Development (HRD) as one of the five core programmes to drive the implementation of reconstruction and development in South Africa:

The Government's economic policies require human resource development on a massive scale. Improved training and education are fundamental to higher employment, the introduction of more advanced technologies, and reduced inequalities. Higher labour productivity will be the result of new attitudes towards work and especially new skills in the context of overall economic reconstruction and development. New and better management skills are urgently required.
(South African Government, 1994)

This priority was reinforced in the Growth Employment and Redistribution Strategy, which stated that transformation depended on “enhanced human resource development”. The Accelerated and Shared Growth Initiative for South Africa (ASGISA), which was launched in February 2006, is primarily aimed at giving effect to government’s commitment of halving unemployment and poverty by 2014. The analysis on which ASGISA was based identified the shortage of suitably skilled labour as one of six binding constraints to accelerated growth in South Africa. The development and implementation of a credible HRD strategy is therefore consistent with the historical and current thrust of government’s development agenda. HRD has been identified as a vital instrument in all government strategies to accelerate development.

The most important strategic priority for South Africa relates to reconciling immense opportunities that flow from our post-1994 successes with the emerging challenges of our development trajectory. Our peaceful transition to democracy, delivered through the commitment and forbearance of all South Africans, yielded rapid gains in key areas of development, including:

- A favourable trajectory of economic growth;
- Dramatic improvements in the delivery of social services such as water and sanitation, housing and electricity;
- A dramatic increase in social grants;
- A justifiable Bill of Rights; and
- Removal of legislated racial barriers

However, many significant challenges remain. Our development agenda remains the central focus of public policy and forms the basis of collective endeavour in all spheres of our society. For the most part, intractable and urgent challenges remain. These include:

- Poverty;
- Income inequality;
- Threats to social cohesion;
- Ongoing demographic inequities (race, gender, age, class and geographic); and
- The impact of globalisation.

This new strategy therefore:

- Recognises both the demand- and supply-side HRD issues;
- Acknowledges that HRD spans several domains, from the foundations of early childhood development right through to labour market entry;
- Recognises systemic challenges as impediments to successful HRD policy implementation;
- Locates HRD in the broader development context and takes into account the challenges posed by developmental issues such as poverty, inequality, high unemployment levels, lack of social cohesion, etc.

2. WHY AN HRD STRATEGY FOR SOUTH AFRICA?

Human resource development has featured prominently in the international discourse on development. Most countries are implementing a systematic strategy for HRD in support of economic growth and development. The growing complexity of the work place – accelerated through the dynamic impact of globalisation on national economies, production and trade – has put the question of HRD at the heart of contemporary public policy and development strategies. Developments in the global context make it imperative for all countries to respond effectively to the dynamic and competitive forces that impact on how national economies relate to the global economy. With regard to HRD, economic competitiveness is measured not only by the aggregate skills of a country's workforce, but – perhaps more importantly – by the flexibility and capacity of the workforce to adjust speedily to the rapid changes in technology, production, trade and work organisation. Consequently, the ability to respond to these changes with speed and efficiency has now become the area where many countries seek a competitive advantage.

According to Ziderman (1997:352):

There has been a move from primary reliance on policies that emphasised capital investment in plant, machinery and infrastructure, or export-led growth strategies, to a broader approach that assigns a central role to investments in human capital. Expenditures on improved education, training and health are now no longer regarded solely (or mainly) as benefits stemming from economic growth and rising incomes; increasingly, they are also seen as investments in human capital that make this sustained economic growth possible. This approach is shared not only by national governments, but is endorsed in the investment policies of international aid agencies.

Most countries and multilateral institutions acknowledge the need to give systematic attention to the role of HRD in supporting national economic growth and development programmes. This global acknowledgement of the importance of HRD is illustrated by the response of the United Nations, which formally inserted HRD on its agenda through Resolution 33/135 of 1978, following discussions on the subject over many years. The 1989 General Assembly Resolution 44/213 declared:

[H]uman resources development is a broad concept ... requiring integrated and concerted strategies, policies, plans and programmes to ensure the development of the full potential of human beings ... so that they may, individually and collectively, be capable of improving their standard of living (United Nations Programme in Public Administration and Finance, 1995:5).

Box 1 below summarises the evolution of thinking on HRD within the United Nations General Assembly. The United Nations, in its Programme in Public Administration and Finance (1995, p. 3) makes an emphatic case for HRD:

It is generally agreed that if overall human conditions are to improve, there must be increasing emphasis on human resources development. Appropriately, such development provides for increases in productivity, enhances competitiveness and supports economic growth. However, the process, by definition, is very complex.

The contribution of education and training to economic and wider development has been demonstrated in varied national contexts. However, experience and systematic research has also emphasised an important qualification: HRD is a *necessary* condition, but it is not a *sufficient* condition for economic growth and development. (This qualification has been taken into account in the formulation of this HRD strategy). Thus, if HRD is to create the desired development outcomes, it needs to be integrated with the whole range of development strategies currently being implemented. Without doubt, the lack of adequate human resources severely constrains social and economic growth and development. Almost all countries have therefore identified HRD as a key policy and development priority.

There is both anecdotal and empirical evidence of skills shortages in a number of occupations and economic sectors within South Africa. Importantly, this fact co-exists with a relatively high level of unemployment. It also contributes to individuals' low levels of success in finding employment after successful completion of education and training. It is clear that there is a tangible problem arising from the mismatch between the supply of and demand for skills in the South African labour market.

The best way to address this mismatch, and to ameliorate the implications that arise as a result, is to implement a successful, comprehensive and credible HRD strategy. A wide range of activities is being implemented by the public and private sectors which are focused on HRD. This strategy cannot, and indeed does not, seek to include all of these activities in the public and private domains.

In view of our current and projected economic and social development activities and objectives, it is necessary to adopt a short- as well as medium-term perspective. There are certain areas of priority economic growth that require us to overcome the skills shortages which are constraining growth and investment over the short term. But effective and credible HRD cannot depend entirely on short-term measures. The focus of this strategy is therefore equally on medium and long-term perspectives. The HRD-SA is therefore explicitly designed to respond to the imperatives of urgency and sustainability.

Box 1: Overview of the evolution of perspectives on HRD in the United Nations General Assembly

In its current formulation, human resource development in the United Nations is built on two basic principles, namely that:

- The human being is at the centre of all development activities; and
- Human resources are an essential means of achieving economic, social and development goals.

In 1993, the report of the UN Secretary-General on developing human resources for development (A/48/364) recognised five interacting components as major building blocks for effective human resources development:

- a) Promoting lifelong acquisition of knowledge, skills and competencies necessary for the performance of chosen roles that contribute economically and socially to the self and others;
- b) Facilitating the application of knowledge, skills and competencies in chosen roles in rewarding ways;
- c) Improving access to assets (such as land, shelter, capital and information) without which the development of human capabilities is often essentially stunted at the source;
- d) Sustaining human resources through policies and regulatory mechanisms that underpin broad inter-sectoral support for both the acquisition and the application of knowledge and skills; and
- e) Ensuring a modicum of the sense of the individual, local and national security; peaceful political and favourable national and international economic conditions.

These building blocks form the basis for deriving essential activities to accomplish the mission:

- Basic education and continued objective-directed training, particularly basic education, upgrading of skills, demand-oriented technical training and education for women, and their integration into the development process;
- The importance of appropriate and sustainable technologies in the training and educational processes in developing countries, particularly the role of intensified international cooperation through, *inter alia*, the transfer of relevant technology and education and training programmes, such as distance education programmes, and utilising appropriate and sustainable technologies to broaden the range of available resources;
- The vital importance of national capacity-building in developing countries, particularly the critical importance of qualified personnel;
- The integration of HRD into comprehensive and well-conceived, gender-sensitive strategies for human development, including supportive measures in vital and related areas such as population, health, nutrition, water, sanitation, housing, communication, education and training and science and technology, as well as the need to create more opportunities for employment in an environment that guarantees opportunities for political freedom, popular participation, respect for human rights, and justice and equity. All these are essential for enhancing human capacities to meet the challenge of development
- To assess progress in those areas there is a need for appropriate qualitative and quantitative indicators
- Full mobilisation and integration of women in the formulation and implementation of appropriate national policies to promote HRD;
- The importance of women and the youth in HRD and support for conferences on these two themes;
- The vital importance of cooperation between the public and private sectors through effective implementation of policies, plans and programmes for economic

- development and the optimal use of resources to that end;
- The vital importance of appropriate national policies and their implementation to promote human resource development through the optimal use of resources, taking due account of the importance of primary education and primary health care programmes; and
 - The important role of NGOs in HRD.

(Source: United Nations Programme in Public Administration and Finance, 1995:5)

3. CONCEPTUALISING THE HUMAN RESOURCES DEVELOPMENT STRATEGY

Interventions in human resource development represent an essential contribution to promoting the country's development agenda. The need to develop and implement a robust HRD strategy is as important today as it was at the onset of our democracy in 1994. Our notion of an HRD policy framework is influenced by the challenges that the country seeks to address, our history, institutions, resources and the developing policy environment. In addition, our concept of HRD recognizes that inefficiencies in the system such as, 'bottlenecks and logjams in the skills pipeline', remain a major challenge to us realizing our strategic HRD goals.

This HRD policy framework is grounded on broad-based and opportunity-specific HRD strategies and policies that are synchronised with South Africa's economic development needs. It focuses on the elements of HRD that significantly and positively impact on our economic performance such as (i) educational attainment, (ii) skills development, (iii) science and innovation, and (iv) labour market/employment policies. Consequently, this HRD Strategy needs to be situated within the realities of increasing competition and the spread of global production systems, and the need to attain equity and reduce poverty and inequality.

Our central national concern is to accelerate development so that there is a match between supply and demand for human resources. Therefore our HRD approach needs to be multi-pronged, comprising of a high- and intermediate-level skills strategy on the supply side, underpinned by a demand strategy that stimulates large-scale labour-absorbing employment growth supported by appropriate inputs of low-level skills training.

As a result of its scope, HRD impacts on a wide range of institutions, processes and policies in and outside the governmental system. For this reason, the HRD policy framework endeavors to establish a coherent institutional framework for HRD-oriented policies that take into account both demand and supply side issues. In doing so, this document embraces the work of government line departments, public and private entities, NGOs and a multitude of private enterprises.

4. INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTING THE HRD STRATEGY

The primary institution for HRD coordination among government, organised business, organised labour, community representatives, professional bodies, research and academic representatives

and other relevant stakeholders will be a Human Resource Development Council (HRDC) to be established under the leadership and stewardship of the Deputy President. The Minister of Higher Education and Training is responsible for the management of the strategy. In addition, at least the following government ministers will be members of the Council: Basic Education, Trade and Industry, Labour, Science and Technology, Public Service and Administration, Economic Development, Performance Monitoring and Evaluation, National Planning Commission, Home Affairs and Co-operative and Traditional Affairs.

A Technical Working Group (TWG), which mirrors members of Council will be established and report directly to Council. Its role is to advise Council on strategic matters relating to HRD matters and to execute the decisions of Council. It will be chaired by one of the Deputy Chairs of Council, as appointed by the Deputy President in consultation with the Minister of Higher Education and Training.

The TWG will as and when necessary, establish Technical Task Teams to enlist expertise needed to execute the decisions of Council. The composition of the Task Teams will be guided by the identified task/project to be undertaken.

The Department of Higher Education and Training will provide the necessary strategic, management, administrative, technical and logistical support through an HRD Support Unit and Secretariat. An HRD Secretariat will be established with requisite capacity to implement the day to day activities arising from the stewardship, coordination, management and implementation of the HRDSA. The secretariat will consist of senior officials of the Presidency (one of whom will chair the Secretariat), Department of Higher Education and Training (as an alternate chair when required), the chairperson of the HRDC Technical Working Group and one additional member nominated by the Technical Working Group of the HRDC.

The overarching recommendation for achieving integrated planning within government is to ensure that the HRD planning mechanisms are aligned to the existing architecture for government-wide planning, namely the National Planning Commission in the Presidency. This will ensure that the HRDSA is fully responsive to government's strategic priorities. At the same time, it will ensure that HRD planning is able to benefit from the institutional mechanisms, policy frameworks and practices that constitute the thrust of government planning. Integration needs to extend beyond government to effectively marshal the current and potential contribution to HRD that originates from outside the public sector. This includes working together with the Department of Economic Development, which is leading the process of articulation and integration of various policies to ensure coherence as these relate to the industrial policy and the IPAP; and (b) the creation of a single and comprehensive process for labour market analysis and the modelling of skills supply and demand for all sectors.

5. ACCOUNTABILITY, MONITORING, EVALUATION AND REPORTING

The Minister of Higher Education and Training has primary responsibility for the monitoring and evaluation of the HRDSA. Monitoring and evaluation will be based on indicators and targets contained in this document and carried out according to an agreed schedule of reporting and monitoring and evaluation activities. The monitoring and evaluation system for the HRDSA will be aligned with the Performance and Monitoring Evaluation Unit within the Presidency.

Reporting on non-governmental activities in areas of HRD that impact on this strategy will be enhanced. This will include the development of a clearer picture of the wide array of highly

commendable activities and investments related to skills development being undertaken in the private sector. The modalities for achieving this objective will be jointly worked out with representatives of organized business and transacted within the HRD Council. A proposal in this regard will be tabled for consideration by the HRD Council within six months of its establishment.

Quarterly reports will be prepared by responsible institutions and agents for each of the special programmes included in the HRDSA. These reports will primarily serve as early warning signals and will guide implementation and remedial action where required. Progress will be monitored on an annual basis and the results published in a consolidated annual report upon implementation of the HRDSA. The annual report will be complemented by the annual reports that will be prepared by each of the departments and agents responsible for the main subsystems of the education and training system. These reports will serve primarily to review performance and revise targets, where necessary. They will also serve as a key accountability mechanism for the HRDSA.

A major review, based on systematic evaluation studies and impact assessments, will be conducted every five years. These will include reviews by each of the main subsystems within education and training, and will substantively rely on independent assessments, including assessments using alternative data sources (such as those from Stats SA) and those used by line departments.

6. THE ROLE OF GOVERNMENT DEPARTMENTS AND OTHER SPHERES OF GOVERNMENT

Many provinces have already instituted, to varying degrees, HRD strategies in response to strategic priorities within their jurisdictions. These strategies are derived from the various provincial growth and development strategies. Similarly, various occupation-specific HRD strategies have been or are being developed. Some notable examples include occupational categories for educators and medical staff.

It is not feasible or desirable to have a central HRD strategy that covers the full HRD mandates of all departments and spheres of government, the national skills development strategy or other strategies relevant to the private sector and civil society. Consequently, the departmental, provincial and local government and occupational HRD related strategies need to be subsets of the HRDSA. They should reflect the priorities of the HRDSA through the lens of local and sectoral conditions; cater for the indicators over which they have jurisdiction, and include activities and programmes that cater for their own strategic priorities and imperatives.

Many departments and entities have clearly defined roles in relation to the HRDSA. The indicators and activities related to each line department or subsystem (such as basic education, higher education and training, science and innovation and the occupational learning and training system) expressed in the HRDSA, will be transacted through the respective coordinating and/or national intergovernmental forums (such as MINMECs) to ensure inter-spherical integration of planning and the delivery of the targets identified. This is true in particular for indicators related to basic education, higher education and training, and health for which provinces have a statutory mandate.

The HRDSA is intended to provide a framework for the elaboration of department, provincial and local government HRD strategies and plans. These strategies and plans need to be designed to respond to local priorities and imperatives. In addition, provinces and local governments and other stakeholders may also adopt special programmes that are specific to the province.

7. THE ROLE OF COMMUNITY, ORGANISED LABOUR AND BUSINESS, RESEARCH AND ACADEMIC SECTOR, PROFESSIONAL BODIES AND OTHER STAKEHOLDERS

The scope and importance of the HRDSA for South Africa's development agenda dictates that its success depends on the full contribution of all social partners. Government has a significant role to play in terms of its mandate and the public resources it holds in trust, but it cannot perform this role optimally without substantive input from communities, organised labour and organised business. It is vital that the HRDSA is recognised as one that transcends the boundaries of government endeavours.

Community, organised labour and business; professional bodies; and research and academic institutions are engaged in numerous significant activities, which shape both the policy environment and the development of human resources in the country. In view of the above, explicit and inclusive institutional mechanisms will be established to facilitate conditions that allow for the optimal and substantive participation of all stakeholders in the planning, stewardship, and monitoring and evaluation of this strategy. The mechanisms and tools for the stewardship, coordination and management of the HRDSA are predicated on: (a) integration with the existing institutional mechanisms established to achieve integrated planning and intergovernmental coordination; and (b) a model for coordination and consultation that includes all the necessary stakeholders (HRDC and the various other structures).

8. BRIEF REVIEW OF HRD IN SOUTH AFRICA

In 2001 the first HRD Strategy for South Africa of the democratic government was launched. The strategy established a sound foundation for the effective implementation of the country's human resource development. It detailed a number of strategic objectives, indicators and indicative actions, which assigned clear responsibilities to specific government departments and entities. The main aim of the 2001 HRD Strategy for South Africa was:

To maximise the potential of the people of South Africa, through the acquisition of knowledge and skills, to work productively and competitively in order to achieve a rising quality of life for all, and to set in place an operational plan, together with the necessary institutional arrangement to achieve this.

To date there is no integrated and comprehensive framework, nor institutional measures and capacity for research and knowledge production, with regard to HRD in South Africa. Therefore monitoring and evaluation was not optimally done. However, this does not mean that research has not taken place. The Human Sciences Research Council (HSRC) has played a particularly active role in this area. Furthermore, each department, institution or sector has undertaken its own initiatives, with the focus in each case being at sub-system level. The various analyses show that uneven progress was made in implementing the HRDS 2001, with some indicators

being met and exceeded while less was achieved in other cases. A brief reflection indicates the following:

Improving the foundation of human development

- Early childhood education is one sector that demonstrated dramatic expansion off a very low base. Nationally the allocation for ECD was just under R200 million in the 1999/2000 financial year. This increased to just under R1 billion in 2007/08. By 2007/8, every province had allocated substantial funds to this programme.
- The PIRLS study (Howie et al, 2007) reports that 86 per cent of children attend some form of preschool, although details are not specified.
- It does not appear that adult basic education and training (ABET) programmes are having much impact on literacy rates. According to Baatjes (2008), provincial Department of Education ABET programmes reach no more than 150 000 adults a year, and only about 75 000 of these learners complete an academic year. It is estimated that only about 343 000 learners were reached through the South African National Literacy Initiative (SANLI) which ran from 1999 to 2003 (Baatjes, 2008).
- In 2008 *Kha Ri Gude*, a mass literacy campaign, was launched. By October 2009, 608 741 learners had been registered at the *Kha Ri Gude* learning sites. Targets were set for the next three financial years; the Department of Education reported that it was on course to meet these targets.
- Virtually all children under the age of 15 are in school, thus the target of universal primary school participation has been reached. However the quality of the education remains the biggest challenge (elaborated on in sections below).

Improving the supply of high quality skills (particularly scarce skills) which are responsive to social and economic needs

The National Skills Development Strategy (NSDS) was a significant component of the HRDS 2001. When HRDS 2001 was launched, the institutions required to implement the NSDS had just been established or were in the process of being formed. Thus the performance of the NSDS should be judged in that context.

- The NSDS is expressed in the form of a limited number of objectives, each associated with measurable success indicators (both output and impact indicators). Most of the targets of the NSDS were met. However, judged against the overall objective stated in HRDS 2001, the successes are limited. The NSDS contributed little to the achievement of high quality skills (particularly scarce skills) and participation in lifelong learning. This is because the NSDS is a closed system, with the reach of its implementation restricted by the scale of levy funds collected. Thus limited funds reached the public providers principally responsible for training in many of the critically scarce skill areas (such as engineers). Furthermore, training has been concentrated in the low-skill NQF band.
- Quantitatively-speaking, the reach of the NSDS has also been limited. The annual learnership output was 20 000 to 30 000 per year with some decline evident in the last three years.

Constraints of the 2001 Strategy

The following are some drawbacks of the 2001 Strategy:

- The mechanisms for integrated planning, coordination and reporting on the strategy did not seem to find traction after its inception.
- Many important institutions and policies that impact on the role of HRD and the implementation of the strategy emerged only after the strategy was finalised, with the result that they were not sufficiently accounted for in the strategy.
- The role of social partners was not sufficiently catered for in the strategy.
- Monitoring and evaluation was not optimally undertaken, largely owing to the fact that no clear framework and institutional measures were in place to do this effectively. The absence of sufficient indicators and targets also constrained the monitoring and evaluation effort.
- The collection, management and use of data necessary for planning and monitoring of the HRD Strategy were, in general, not commensurate with the demands that flowed from the strategy.
- There was significant focus on achieving numerical targets, while the qualitative components and system related challenges were overlooked. For example, whereas the indicators related to improving quality of teaching were clearly spelled out in the strategy, very little was achieved in implementing these.

Having consolidated both the gains and losses made in the first years of implementing the 2001 HRD Strategy for South Africa, it was concluded that a revised strategy was required. This revised strategy need to overcome the shortcomings listed above and respond to emerging challenges. Improving quality and addressing systemic challenges are critical if progress is to be made in the area of human resource development. It also became apparent that South Africa needed to focus on the impact of globalisation on the economy and the portability of skills. We needed a more sophisticated tracking mechanism to monitor the movement and scarcity of a skilled workforce, given that the 2001 HRD Strategy struggled to interpret and anticipate the demand side of labour.

JOINT INITIATIVE ON PRIORITY SKILLS ACQUISITION (JIPSA)

In a bid to resolve the drawbacks of our education, training and economy detailed above, and acknowledging the shortcomings of HRDS 2001, government established JIPSA in 2006 with the mandate to:

- lead the implementation of a joint initiative of government, business and organised labour to accelerate the provision of priority skills to meet the ASGISA objectives;
- give momentum and support to the implementation of ASGISA;
- prioritise key skills and develop appropriate human-resource development strategies to address these in the short to medium term;
- mobilise senior leadership in business, government, organised labour and institutions concerned with education and training and science and technology to address national priorities in a more coordinated and targeted way;
- promote greater relevance and responsiveness in the education and training system and strengthen the employability of graduates;
- lay the foundations for more coordinated and effective human-resource development strategies;
- identify blockages and obstacles within the system of education and training that stand in the way of the achievement of JIPSA's objectives;
- lead an effective programme to communicate JIPSA's objectives and consult with stakeholders.

JIPSA was a short-term intervention that focused on a few professional areas. It has evolved into HRDSA, to contribute a medium- to long-term focus in the broad HRD area. A number of significant achievements have been recorded under JIPSA. The adoption of a 'skills pipeline' approach to HRD was of great significance to 2001 HRD for South Africa. This approach identified the challenges faced in HRD, characterised largely by logjams and bottlenecks in the system from education and training through to the labour market. This approach expanded the understanding of HRD challenges, namely as constituting a numerical shortfall of skilled personnel, the absence of specialised skills, expertise or experience, and as a failure of the system to coordinate the availability of human resources with the requisite skills of the appropriate quality and quantity.

9. SITUATION ANALYSIS

EDUCATION, TRAINING AND THE ECONOMY

South Africa's education and economic landscape has changed dramatically in the last 16 years. Between 1994 and 2000, the country experienced economic stagnation and rapid expansion in the education and training areas. In this context, the demand for skills declined slightly in some areas and became static in others. While growth and expansion in education and training continued, this was varied and interrupted by systemic problems resulting from the rise and fall of training in certain professions (such as engineers and artisans) between 2001 and 2005. The economic situation turned around in 2001 when government adopted a more expansionary fiscal stance. Other positive changes include:

- Socio-economic conditions improved in many significant ways. These include macro-economic stability, significant expansion in state expenditure on social and economic infrastructure, improved access to social services, increased exports, increase in local demand etc. The economy improved, with growth approaching 5 per cent in 2006.
- In the area of education and training significant progress was also made. There were dramatic strides in equalising education expenditure. There was significant expansion and growth in further and higher education. Investment by government, business and higher education in R&D activity in the economy increased significantly, making the target of 1 per cent of GDP achievable in the near future.
- Employment growth occurred in all sectors of the economy, with the tertiary sector accounting for the highest share.
- A shift to a more expansive micro-economic policy outlook. Government emphasised comprehensive socio-economic policies to address poverty and unemployment, i.e. building stronger linkages between formal and informal economies, targeting sectoral strategies, increasing investment in infrastructure, promoting broad-based black economic empowerment, encouraging labour-intensive production methods, building stronger social safety nets for the poor, promoting expanded public works programmes, etc.

Notwithstanding these positive improvements, a different process was taking place in the education and training sector. Rapid growth and significant positive achievements occurred until around 2000. Between 2000 and 2005 the education and training system experienced

'expansion saturation' (Kraak, 2008) with key indicators of educational progress flattening off. These include:

- Education's decline as a share of the national budget at provincial level, despite adequate allocation from national;
- Low provisioning for programmes such as early childhood development and ABET;
- Possible capping of higher education enrolments due to increase in enrolments which were not matched by expansion in physical capacity in higher education institutions;
- Low enrolments in FET;
- Poor outputs of middle-level skills, especially artisans;
- Poor throughput rates at all levels, i.e. schools, colleges, universities;
- A declining matric pass rate;
- Slow growth in the SET graduations;
- Decline in the number of full-time equivalent researchers;
- Zero growth in patents registrations.

These developments in education and training had a dampening effect on the economy at a time when there was increased need for priority skills due to economic growth and renewal. At the same time, macroeconomic, infrastructure, sector investment and public administration issues were identified as challenges affecting economic growth. This led to the recognition for the need to rigorously implement interventions that mutually reinforce measures to achieve the country's socio-economic objectives.

The years 2005/6 saw positive changes starting to re-emerge in the education and training area. Education expenditure recovered and saw an increase by 2007/08. There was a dramatic increase in expenditure on ECD, ABET and FET. In the 2003/04 allocation, expenditure for higher education also increased significantly (after a long period of under-funding). The negative developments in education and training (reflected above) occurred during the lifecycle of HRD Strategy 2001 and necessitated urgent intervention, at least in the short term. Hence Jipsa was establishment.

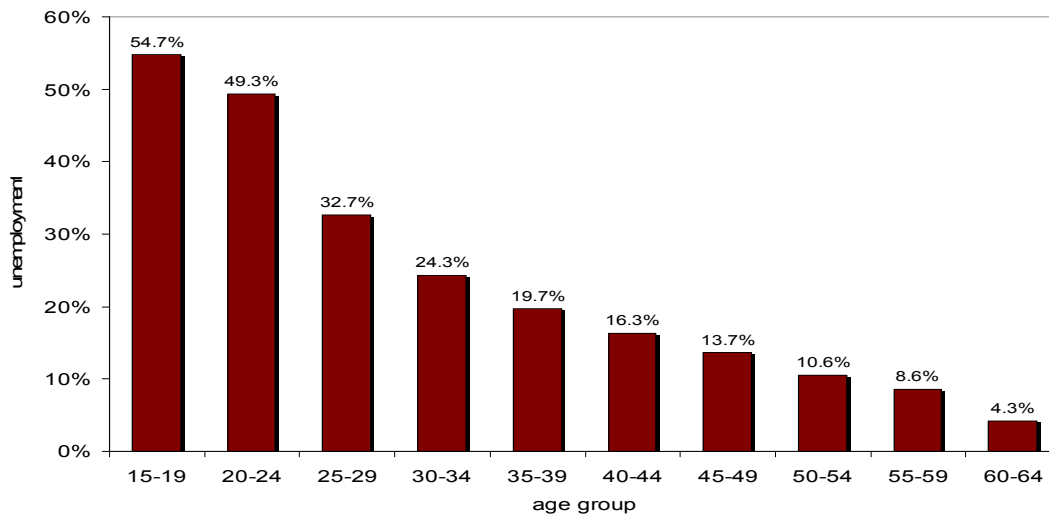
UNEMPLOYMENT AND YOUTH

The South African labour market exhibits two pervasive problems – a high youth unemployment rate and a large pool of discouraged work-seekers among this group.¹ From a policy perspective, the high youth unemployment rate poses serious and pressing socio-economic costs and concern. Unemployed South Africans represent not only lost economic output today (with the cost borne most heavily by the poor), but also contribute to slowing down future economic growth. Youth unemployment erodes human capital and deprives individuals of opportunities to acquire the skills and assets required to fuel the economy in the future. It also contributes to social exclusion and the social ills that accompany a loss of hope – including crime and a disengagement with the political process. The Labour Force Survey (September, 2006) shows that 35.6 per cent of the youth are unemployed. Young people in their twenties

¹ Discouraged work-seekers are "*unemployed persons who are available to work but who say they are not actively looking for work*" (Labour Force Survey, March 2007, p. ii).

account for a significant proportion of those unemployed. Figure 1 below depicts the proportions of those unemployed by age cohorts.

Figure 1: Unemployment Rates by Age Cohort



Source LFS, 2006

While there could be an expectation that the 15 to 24 year olds should be in school and therefore cannot be unemployed, there are a significant proportion of young people in this age group who are not in any form of education or employment. Most of these had not completed their senior secondary schooling. This will be elaborated in a later section below.

An analysis of characteristics and trends underlying unemployment in South Africa shows that unemployment is inequitably distributed and demonstrates fundamental biases in terms of gender, population group, age, education, and experience. Furthermore, labour market outcomes of black Africans are significantly worse than for other population groups. Irrespective of population group, unemployment rates amongst women – particular for black African women – are substantially higher than for their male counterparts. More than one-third of black African women are currently unemployed. *A large degree of the differences in the incidence of unemployment by race can be explained by underlying differences in observable characteristics such as education levels or location* (Kingdon and Knight, 2001).

Unemployment is more serious in rural areas than in urban areas. Although many rural young women and men earn a living from informal sector activities, it is becoming difficult for this sector to create sufficient job opportunities. While wealthy parents devote more money, time and resources to send their children to 'better schools', which enable them to acquire jobs later in life, poorly educated parents who reside in rural/ areas or townships often fail to send their children to schools which offer better education (van der Berg and Louw, 2006). Most schools in rural and township areas are characterised by poorly educated educators, particularly in mathematics, science and technical learning areas, and demonstrate a lack of resources, particularly in regard to textbooks, laboratories, libraries etc. Among the educators, tens of thousands do not appear as unemployed in the national statistics because they are in low-paid, part-time work, which fails to meet their personal aspirations or their economic needs and depresses their standard of living as well as their quality of life.

Labour market analysis research shows that once individuals access the formal labour market, they have a very good chance of remaining formally employed (Levinson, 2007). An analysis of transitions within the labour market suggests that 85 per cent of entrants to the formal sector come from other formal sector jobs. In addition, obtaining that first job is vital to the individual's future involvement with the labour market. This suggests that once individuals obtain experience within the formal job market they are less likely to leave. However, obtaining that initial job experience appears to be a significant challenge for many young people. As a result, unemployment becomes the persistent status for many, culminating in long-term unemployment. Approximately 60 per cent (2.6 million) of South Africa's unemployed have never worked, while 62 per cent of the unemployed have been out of work for one year or longer; 36 per cent have been unemployed for three years or longer.

LABOUR MARKET AND EMPLOYMENT ABSORPTION

The analysis above shows that the education and training system, the labour market and the economy at large are not efficiently channeling young people from school into post-school activities. Urgent institutional, behavioural and structural changes are required to overcome these problems. These include a need for dramatic improvements in the quality of basic and secondary education, further education and training as well as higher education. A new economic trajectory which creates labour-absorbing, low-skill employment on a large scale, alongside the expansion of higher value-adding exports is required. Alongside the poor employment absorption of young people into the labour market is the absence of alternatives for young people who do not find employment through, for example, pre-employment training programmes for the unemployed. The programmes that exist are limited in their reach and therefore do not meet the scale of the challenge to be addressed.

Two main programmes that do provide young people with post-school options are the apprenticeship and learnership programmes. These are meant to provide training alternatives for the young people who do not enter universities for further studies as well as to provide them with employment experience. There are other programmes, albeit not as pronounced as these two and are much smaller.

- **Learnerships**

The learnership programme is a key component of the National Skills Development Strategy. However, relative to the scale of youth unemployment, the programme is limited in scope and reach. The learnership programme has successfully met its national targets in terms of employed and unemployed learners, as well as gender and race targets. However, the training has been focused on the low-skill NQF band, which does not fulfill scarce-skills targets. The actual number of those entering the learnership programmes is small when compared to the challenge that needs to be addressed. Since 2000, the annual learnership output was 20 000 to 30 000 per year with these figures declining over the last three years. The potential of the programme was brought to the fore by a recent analysis by the HSRC, which investigated amongst others, employment transmission of learnership participants. It found that about half of all unemployed learners have been placed in employment in the first year of the NSDS 2, indicating the increased employment potential presented by learnerships as a mechanism for theoretical and experiential learning.

- **Apprenticeship**

The apprenticeship system has been in decline, but since 2007 new attempts have been made to revamp the system and are ongoing. The pool of artisans is still small and the apprenticeship programme continues to experience the following challenges:

- The number of individuals writing the trade test is low;
- There is a high failure rate (about 60 per cent) among those who take the trade test;
- A national placement programme is urgently required to ensure that relevant work experience is provided to enable the apprentices to meet the requirements of the trade test.

The analysis of challenges associated with the training of artisans demonstrates that systemic challenges constrain the production of skilled people in this category. There is significant potential to top-up the skills base in this category – 56 009 artisan aides and 211 000 FET college students who have enrolled for FET college engineering courses at N1-N3 levels (these are 2004 numbers, the most recent available).

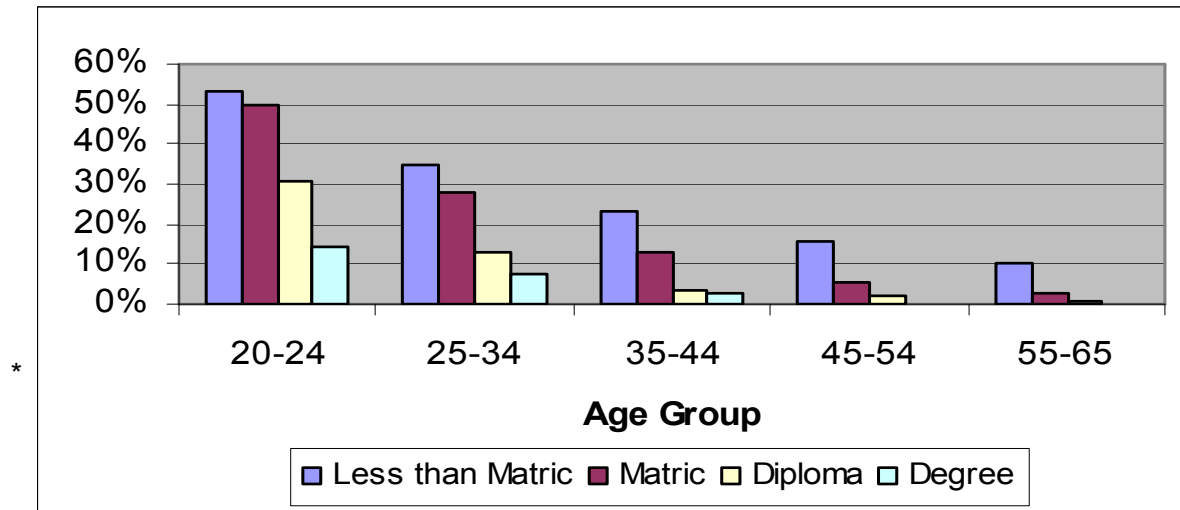
- **Other Programmes**

There is a range of other programmes that young people can access. However, these are small and their role and scope in HRD is limited. Amongst these is the Extended Public Works Programme. However, the training opportunities in this programme are limited and the nature of EPWP employment tends to be very short-term. The National Youth Service is another programme, but is interlinked with the EPWP and has similar drawbacks. Even where the National Youth Service channels young people into other fields, exit opportunities from the youth service are limited in terms of work placements.

EDUCATIONAL ATTAINMENT

Skills mismatch is another major concern in South Africa. After completing their higher education studies, young people generally do not have relevant skills demanded by the labour market. Skills mismatch results from poor quality curricula, subject choice or pedagogy and infrastructure at the various points of our academic system. The relationship between education and unemployment is undeniably a very strong one, but this is an area that has received little attention in South African studies. There is clearly an inverse relationship between education and employment, with unemployment highest for those without a matriculation qualification and lowest for those with a university degree. A completed degree seems to provide relief from unemployment in South Africa with less than 5 per cent of graduates being unemployed (DPRU, 2007). Of particular concern is the increasing number of the unemployed who hold matric. Not only is the unemployment rate high for this group (27.1 per cent), but these relatively qualified individuals account for 30 per cent of total unemployment. The figure below depicts unemployment by age and educational qualification.

Figure 2: Unemployment by age and educational attainment



Source: Labour Force Survey 2005

Technology is defining the nature of work and is increasingly demanding high levels of skill and knowledge. This results in limited labour market opportunities for those with low skills levels or no skills at all. This is why even acquiring matriculation qualification does not provide relief from unemployment. In addition, there are a significant number of young people who leave school functionally illiterate and innumerate. Moreover, many leave school before completing the secondary school phase. Groups of particular concern are thus those who did not complete their schooling (i.e. did not obtain their matric) and those with matric, but are not in higher or further education or employment.

QUALITY OF EDUCATION

The dramatic growth and expansion of the education system has enabled the country to achieve high enrolment rates at school level, but this expansion leveled off about five years ago. Thus despite the expansion and growth of schooling, participation rates at FET and HE levels are very low. This is particularly true of the participation rate of Africans and coloureds. The downside of the dramatic expansion of education and training has been the emergence of inefficiencies in the system. These are characterised by low quality of education as well as low throughput rates at all levels.

Throughput

The efficiency with which learners move through the system is disconcerting, particularly for male learners who appear to repeat grades more often than female learners. Male learners drop out of school without completing their schooling in greater numbers than their female counterparts.

According to the Ministerial Committee Report (DoE, 2007), the drop-out rate is minimal during the first eight years of school. The survival rate of those completing Grade 9 is currently over 85 per cent and has improved substantially over time: Of those children born between 1985 and 1989, 86.2 per cent completed Grade 9 compared to 81.1 per cent of the 1980 to 1984 birth cohort, 78.8 per cent of the 1975 to 1979 birth cohort, and 71.6 per cent of the 1970 to 1974 birth cohort (DoE, 2007).

However, after Grade 9, the survival rate drops substantially and there has been no change or improvement in the survival pattern of the various birth cohorts since the 1970 to 1974 birth cohort. Of those learners who completed Grade 9, just fewer than 90 per cent reach Grade 10; about three-quarters reach Grade 11 and between 55 and 60 per cent reach Grade 12 (DoE, 2007). As a result only slightly more than 46 per cent of the 1980 to 1984 birth cohort who started Grade 1 eventually reached Grade 12 (DoE, 2007).

There are limited educational opportunities for those who wish to return to school and complete a senior secondary education or equivalent. Hence, an increasing number of young people are not enrolled or engaged in formal education and/or employment, and have not completed their secondary education. These disparities are manifest in our higher education system as well. According to the Department of Education (DoE, 2005), of the 120 000 undergraduates who entered higher education for the first time in 2000, 30 per cent dropped out at the end of their first year of study, whilst half of the cohort dropped out before completing their degrees. Only 22 per cent of the total cohort graduated at the end of their third or fourth year of study. The remaining 28 per cent were still studying in 2003, but would not qualify in that year. The Department of Education indicated that it was possible that the first-time entering cohort of 2000 might not achieve an overall graduation rate of even 40 per cent (DoE, 2005).

South Africa's biggest challenge has to do with improving the throughput rate of masters and doctoral students in the university system. Currently, only 33 per cent of academics have PhDs (this varies across faculties), are actively involved in research activities and can technically and competently guide research students (Pandor, 2010). According to the Minister of Science and Technology, this problem necessitates a national staff development strategy that is "focused, well-formulated and properly resourced" for universities (Pandor, 2010). Hence, the DST has adopted the pipe-line approach in its human capital development initiatives, programmes, bursaries (from honours to doctoral levels), and fellowships at post-doctoral level.

Participation in Higher Education

In higher education, notwithstanding the large growth in absolute numbers, the participation rates of African and coloured students remain very low in terms of their respective populations. While the participation rate for whites has held steady at 60 per cent since 1986, and rates for Indians have increased from 32 to 50 per cent, African and coloured students are under-represented at 12 and 13 per cent, respectively. The low numbers of students overall with high level senior certificate results, particularly in mathematics, inhibits the rate at which the higher education institutions are able to grow and expand all fields of science and technology in particular. Furthermore, those students who do qualify to enter the faculties of engineering, science, technology, show an under-representation of the African and coloured populations.

INNOVATION, RESEARCH AND DEVELOPMENT CHALLENGES

Recent studies of economic growth show that innovation and technology determine any economy's long-term growth prospects (NACI/NSTF, 2001). Some international research also shows that productivity is determined by a competitive macroeconomic environment with factors including the human capital of workers and an investment in R&D (NACI/NSTF, 2001). This establishes an undeniable correlation between innovation, technology, R&D and economic growth. While government cannot fine-tune productivity, it can play a role in creating an environment conducive to higher productivity and growth. For example, quality education,

incentives for R&D, highly competitive markets, and low, stable inflation are some of the key levers to achieve strong productivity (Cotis, 2007).

New science and technology developments in South Africa contribute to our national goal of human resources development. In 2007/08, South Africa spent just over R18.6 billion on research and development (R&D). This expenditure reflects an increase of R2.1 billion of the Gross Expenditure on R&D (GERD) compared to R16.5 billion in 2006/07 (DST, 2009). Despite these positive developments there are a numerous problems that confront South Africa's R&D human resource base. Our human resources pool in science and technology remains very low and is neither adequately developed nor adequately renewed (DST, 2009). The biggest R&D challenge lies in South Africa's aging and shrinking scientific population that will soon retire, leaving a serious continuity gap in key research infrastructure. While many recognise apartheid's crippling structural, racial and economic ravages, we have yet to increase the number of black and women scientists, technologists and engineers in our academic ranks. Key research infrastructure is composed largely of researchers above 50 years of age (DST, 2009). Government policies related to higher education, training and university research can have a strong influence on the availability of domestically produced human resources.

10. THE GOALS OF A HUMAN RESOURCES DEVELOPMENT STRATEGY FOR SOUTH AFRICA

The HRDSA is explicitly intended to contribute to the attainment of the following national goals:

- To urgently and substantively reduce the scourges of poverty and unemployment in South Africa;
- To promote justice and social cohesion through improved equity in the provision and outcomes of education and skills development programmes; and
- To substantively improve national economic growth and development through the improved competitiveness of the South African economy.

In pursuance of the above goals, this HRD strategy was designed to complement a range of purposeful development interventions to achieve the following:

- An improvement in South Africa's Human Development Index (HDI) and the country's global HDI ranking;
- An improvement in the measure and ranking of South Africa's economic competitiveness;
- A reduction in the Gini coefficient (corresponding to a reduction in the inequality of wealth in the country); and
- An improvement in the measure of social cohesion as measured through specific social surveys.

11.ACTION PLAN: FIVE YEAR TARGETS

COMMITMENT ONE: We will urgently overcome the shortages in the supply of people with the priority skills needed for the successful implementation of current strategies to achieve accelerated economic growth.

Commitment One: Strategic priorities and strategic objectives

Strategic Priority 1.1: To accelerate training output in the priority areas of design, engineering and artisanship that are critical to the manufacturing, construction and cultural industries.	
Strategic objective	Indicator/outputs
Increase the annual output of engineering graduates in HET.	Number of engineering graduates per year.
Increase the annual output of artisan graduates through targeted artisan training.	Number of artisans certified per year.
Increase the annual output of design graduates in FET.	Number of design graduates from FET institutions per year.
Increase the annual output of design graduates in HET.	Number of design graduates from HEIs per year.
Strategic Priority 1.2: To increase the supply of skilled personnel through net immigration in the priority areas of design, engineering and artisanship that are critical to manufacturing, construction and cultural activities.	
Strategic objective	Indicator/outputs
Increase the number of engineers in areas experiencing shortages by way of targeted immigration of appropriately qualified people.	Net difference between immigration and emigration of qualified engineers per year.
Increase the number of qualified people in areas identified in the immigration quota list through targeted immigration of appropriately qualified people.	Net difference between immigration and emigration of qualified people in the listed areas per year.
Strategic Priority 1.3: To increase the number of new training graduates in priority economic sectors identified in ASGISA, the NIPF and IPAP.	
Strategic objective	Indicator/outputs
Increase the number of appropriately qualified people to meet the HR demands in the area of ICT.	Aggregate national output of graduates with qualifications linked to the demand in the areas of ICT in FET, HET and SETA-facilitated training.

Increase the number of appropriately qualified people to meet the HR demands in the transport equipment and metal fabrication industries.	Aggregate national output of graduates with qualifications linked to the demand in the transport equipment and metal fabrication industries in FET, HET and SETA-facilitated training.
Increase the number of appropriately qualified people to meet the HR demands in the automotives and components industry.	Aggregate national output of graduates with qualifications linked to the demand in the automotives and components industry in FET, HET and SETA-facilitated training.
Increase the number of appropriately qualified people to meet the HR demands in the chemicals and plastics fabrication and pharmaceutical industries.	Aggregate national output of graduates with qualifications linked to the demand in the chemicals and plastics fabrication and pharmaceutical industries in FET, HET and SETA facilitated training.
Increase the number of appropriately qualified people to meet the HR demands in the forestry, pulp and paper, and furniture industries.	Aggregate national output of graduates with qualifications linked to the demand in the forestry, pulp and paper, and furniture industries in FET, HET and SETA-facilitated training.
Increase the number of appropriately qualified people to meet the HR demands in the BPO&O industry.	Aggregate national output of graduates with qualifications linked to the demand in the BPO&O industry in FET, HET and SETA-facilitated training.
Increase the number of appropriately qualified people to meet the HR demands in the tourism industry.	Aggregate national output of graduates with qualifications linked to the demand in the tourism industry in FET, HET and SETA-facilitated training.
Increase the number of appropriately qualified people to meet the HR demands in the biofuels industry.	Aggregate national output of graduates with qualifications linked to the demand in the biofuels industry in FET, HET and SETA-facilitated training.
Increase the number of appropriately qualified people to meet the HR demands in the diamond beneficiation and jewellery industry.	Aggregate national output of graduates with qualifications linked to the demand in the diamond beneficiation and jewellery industry in FET, HET and SETA-facilitated training.
Increase the number of appropriately qualified people to meet the HR demands in the agro-processing industry.	Aggregate national output of graduates with qualifications linked to the demand in the agro-processing industry in FET, HET and SETA-facilitated training.

Increase the number of appropriately qualified people to meet HR demands in the film and television industry.	Aggregate national output of graduates with qualifications linked to the demand in the film and television industry in FET, HET and SETA-facilitated training.	
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Commitment One: Activities

- Establish credible technical capability within the HRDSA to monitor and facilitate special interventions for accelerating the adequate supply of priority skills. (The brief will include identifying and facilitating the resolution of impediments to efficient and integrated skills development in the country.) The purpose is to transact the critical interface between the demand side (economic strategies, poverty and employers) and the supply side (the Departments of Basic Education, Higher Education and Training, and private providers).
- Establish active collaboration between the HRDSA and the NSA to monitor and facilitate special interventions for accelerating the adequate supply of priority skills. (The brief will include identifying and facilitating resolution of impediments to efficient and integrated skills development in the country.) The purpose is to transact the critical interface between the demand side (economic strategies, poverty and employers) and the supply side (the Departments of Basic Education and Higher Education and Training, and private providers).
- Ensure alignment and integration of targets across all areas of priority skills supply.
- Increase the capacity and resourcing of relevant engineering faculties to increase the output and quality of engineers in specific priority areas.
- Ensure that SETAs and FET colleges have demonstrable capability and efficacy in facilitating the acceleration of artisan training in relevant sectors.
- Report regularly on updated scarce skills studies.
- Incorporate adequate responses to the demand for priority skills in credible FET planning and institutional capacity development through a FET recapitalisation programme.
- Incorporate adequate responses to the demand for priority skills in higher education planning and institutional capacity development.
- Ensure that the allocation decisions of the National Students Financial Aid Scheme for higher education and FET are aimed at responding to the demands for priority skills urgently required by the economy.
- Ensure the development and implementation of an ICT Skills Development Strategy.
- Establish the ICT Skills Development Council.
- Ensure that the ICT Skills Development Strategy is accounted for in SETA sector skills plans, higher education plans and FET plans.

COMMITMENT TWO: We will increase the number of appropriately skilled people to meet the demands of our current and emerging economic and social development priorities.

Commitment Two: Strategic priorities and strategic objectives

Strategic Priority 2.1: To ensure that skills development planning is credible, integrated, coordinated and responsive to social and economic demands.	
Strategic objective	Indicator/outputs
Ensure that there is a coordinated and credible master scarce skills list that accounts for the imperatives of all key stakeholders and economic sectors.	A master scarce skills list that is accepted as credible and utilised by all major stakeholders.
Ensure that enrolment planning for FET is guided by a coordinated master scarce skills list that sufficiently accounts for the imperatives of all key stakeholders and economic sectors.	FET institutional planning and funding decisions informed by the master scarce skills list.
Ensure that enrolment planning for HET is guided by a coordinated master scarce skills list that sufficiently accounts for the imperatives of all key stakeholders and economic sectors.	HET rolling plan, institutional planning and funding decisions informed by the master scarce skills list.
Ensure that planning for SETA skills development is based on a coordinated master scarce skills list that sufficiently accounts for the imperatives of all key stakeholders and economic sectors.	SETA funding and training facilitation informed by the master scarce skills list.
Strategic Priority 2.2: To ensure that skills development programmes are demand-led through substantive and systematic input from employers in the determination of the skills demands for the country.	
Strategic objective	Indicator/outputs
Ensure that employers establish capability for the effective articulation of their assessment of projected demand for skills through annual WSP/ATR submission processes.	Capability existing in all economic sectors for systematic and rigorous articulation of employer assessment of the demand for skills in the respective economic sectors.
Ensure that the SETA sector skills plans are based on credible and substantive inputs from employers.	Employer inputs for the development of sector skills plans are systematic, credible and rigorous.
Ensure that the master scarce skills list is based on credible and substantive input from employers.	Employer input for the development of the master scarce skills list are systematic, credible and rigorous.

Increase the coverage and scope of employers reporting on workplace training activities and spending (including levy and non-levy funded training).	Percentage of levy-paying companies that report on total workplace training activities and spending.	
Strategic Priority 2.3: To improve the employment outcomes of post-school education and training programmes		
Strategic objective	Indicator/outputs	
Establish credible industry-institutional partnerships in FET.	Each FET institution has at least one functional and sustainable industry-institution partnership aimed at enhancing the link between formal learning and the world of work and providing opportunities for placements.	
Establish credible industry-institutional partnerships in HET.	Each of the occupational training-focused faculties, schools or departments in the HE system have at least one functional and sustainable industry-institution partnership aimed at enhancing the link between formal learning and the world of work and providing opportunities for placements.	
Strategic Priority 2.4: To ensure that FET and HET is responsive to the skills demands arising from South Africa's social and economic development imperatives.		
Strategic Objective	Indicator/outputs	
Ensure that FET graduation rates are responsive to social and economic skills demands.	Ratio of the humanities, business and commerce, and science, engineering and technology graduates.	
Ensure that HE enrolment is responsive to social and economic skills demands.	Ratio of the humanities, business and commerce, and science, engineering and technology enrolments.	
Ensure that HE graduation rates are responsive to social and economic skills demands.	Ratio of the humanities, business and commerce, and science, engineering and technology graduates.	

Ensure that aggregate enrolment in FET is at optimal levels.	FET participation rate benchmarked against data for comparable and high-performing countries.
Ensure that aggregate enrolment in HET is at optimal levels.	HET participation rate benchmarked against data for comparable and high-performing countries.

Commitment Two: Activities

- Review and align the national scarce skills list to arrive at a common official national skills list that is aligned to the country's social and economic priority goals (including the Anti-poverty Strategy, ASGISA, NIPF and IPAP) and which would guide all HRD activities in the country, especially with regard to HET, FET, immigration targets and SETAs.
- Review the HET five-year output trajectory against the national scarce skills list and account for projected shortfalls in output through adjustments to HE rolling plans.
- Review the FET five-year output trajectory against the national scarce skills list and account for projected shortfalls in output through adjustments to FET enrolment planning.
- Review the SETAs' five-year training output trajectory against the national scarce skills list and account for projected shortfalls in output through adjustments to sector skills plans.
- Implement the FET recapitalisation programme in a manner that is purposefully directed at improving institutional efficacy to meet the strategic objectives of the HRDSA.
- Implement HE institutional development programmes in a manner that is purposefully directed at improving institutional efficacy to meet the strategic objectives of the HRDSA.
- Take active measures to promote the emergence of sufficient capacity, quality and cost-effective training providers in the area of skills development.
- Actively support the strengthening and growth of industry-linked training institutions.
- Take active measures to ensure the integration of education and training policy provisions, including as it pertains to skills development policy provisions and the functioning and policy frameworks for FET and HET institutions.
- Ensure that implementation of the FET Revised Curriculum is purposefully aimed at improving quality, responsiveness and relevance of education and training at FET institutions.
- Increase the participation rate in HE to meet the demand for high-level skills through a balanced production of graduates in different fields of study, taking into account labour market trends.
- Increase the number of graduates through improving the efficiency of the HE system; and link improvements in efficiency to improvements in quality.
- Broaden the social base of HE by increasing access to HE for workers and professionals in pursuit of multi-skilling and re-skilling, and of adult learners who were denied access in the past.

COMMITMENT THREE: We will ensure improved universal access to quality basic education and schooling (up to Grade 12) that is purposefully focused on: (a) achieving a dramatic improvement in the education outcomes for the poor; (b) equipping learners with optimal capacity for good citizenship; and (3) the pursuit of post-school vocational education and training or employment.

Commitment Three: Strategic priorities and strategic objectives

Strategic Priority 3.1: To ensure equity in education inputs and learning outcomes.	
Strategic objective	Indicator/outputs
Ensure that participation rates in quintiles one, two and three are commensurate with those for quintiles four and five.	Ratio of net enrolment rates of quintiles one, two and three on the one hand to quintiles four and five on the other.
Ensure that all learners in quintile one and two do not pay school fees and have access to adequate levels of non-teacher inputs for effective learning.	Percentage of quintile one and two schools complying with no-fee schools policy and the per capita non-personnel expenditure at no-fee schools as a percentage of an annual adequacy norm.
Ensure that inequality of learning outcomes is significantly less than income inequality in the population as whole.	Gini coefficient for the distribution of earning outcomes in the schooling cohort versus Gini coefficient for income distribution in the population.
Improve learner performance in quintiles one and two.	Learner performance in standardised tests for reading, writing and mathematics at Grades 3, 6 and 9 levels.
Strategic Priority 3.2: To ensure that education outcomes promote values which are consistent with good citizenship and the provisions of the South African Constitution.	
Strategic objective	Indicator/outputs
Achieve full coverage of learning sites that have active programmes aimed at promoting values in education.	Number of schools that offer credible programmes aimed at promoting values in education.
Ensure that all new entrants to teaching receive pre-service education and training programmes that are focused on the promotion of values in education through the curriculum.	Number of pre-service education and training programmes that make credible provision for the promotion of values in education through the curriculum.
Ensure that all serving educators receive regular in-service education and training programmes that are focused on the promotion of values in education through the curriculum.	Number of educators who participate every five years in at least one education and training programme that is focused on the promotion of values in education through the curriculum.

Ensure that provisions for the promotion of values in education through the curriculum are actively implemented.	The number of satisfactory lessons observed through regular sample surveys.	
Strategic Priority 3.3: To improve learner performance and the quality of education in the schooling system.		
Strategic objective	Indicator/outputs	
Dramatically improve learning attainment at all levels of the schooling system.	Learner performance in standardised tests for reading, writing and mathematics at Grades 3, 6 and 9 levels.	
Improve the internal efficiency of the schooling system.	Grade progression rate in schooling per year.	
Reduce and arrest the drop-out rate in the schooling system.	Percentage of enrolled learners in a given year who do not return to school in the subsequent year.	
Strategic Priority 3.4: To expand age-appropriate participation in early childhood education.		
Strategic Objective	Indicator/outputs	
Expand ECD provision to children up to age four.	Percentage of children from birth to four years who are benefiting from credible ECD provision.	
Strive for universal enrolment in Grade R.	Percentage of children aged five in the population in a given year who are enrolled in Grade R.	
Strategic Priority 3.5: To improve the percentage pass rate in Grade 12 and ensure that the profile of passes is commensurate with the country's social and economic imperatives.		
Strategic Objective	Indicator/outputs	
Improve the aggregate pass rate in Grade 12.	Higher aggregate percentage of learners who pass the Grade 12 final examination.	
Increase the number of passes in the Grade 12 final examination with a 60 per cent mark and above in mathematics	Aggregate percentage of learners who pass the Grade 12 final examination with a mark equal to or above 60 per cent in mathematics.	
Increase the number of passes in the Grade 12 final examination with a 60 per cent mark and above in physical science	Aggregate percentage learners who pass the Grade 12 final examination with a mark equal to or above 60 per cent in physical science.	

Improve racial parity in the Grade 12 final examination results.	Ratio of the percentage pass rate within each of four racial categories.
Improve gender parity in the Grade 12 final examination results.	Ratio of the percentage pass rate for males to that of females.
Continuously improve the Grade 12 final examination results of learners from schools in quintiles one and two	Aggregate percentage of learners in quintiles one and two who pass the Grade 12 final examination.
Continuously decrease inter-provincial inequality in respect of the Grade 12 final examination results.	Measure of inequality in the aggregate Grade 12 final examination results for the nine provinces
Strategic Priority 3.6: To ensure that all learners, especially the poor, have access to basic health-promoting interventions that are aimed at removing barriers to learning.	
Strategic objective	Indicator/outputs
Ensure that all learners receive the full quota of compulsory inoculations.	Percentage of age-appropriate children who have received the full quota of compulsory inoculations.
Ensure that all schools have at least one visit per term by a team of health professionals from the local health facility for the purposes of screening, basic care and referrals.	Percentage of schools that have at least one visit per term by a team of health professionals from the local health facility for the purposes of screening, basic care and referrals.
Ensure that all qualifying learners benefit from an effective school nutrition programme.	Percentage of qualifying learners who benefit from an effective school nutrition programme.
Ensure that all schools have established programmes to address the needs of learners affected by chronic illness and death.	Percentage of schools that have programmes to address the needs of learners affected by chronic illness and death.

Commitment Three: Activities

- Expand access to early childhood development, both as part of the programme to improve the general education system and as part of the Expanded Public Works Programme.
- Implement professional educator development that is purposefully aimed at improving learner performance throughout the schooling system.
- Target 500 Dinaledi schools to double the high-level mathematics and science output to 50 000 by 2010.
- Increase participation rates in mathematics and science.
- Update the schools register of needs and ensure safe classrooms and healthy environments such as access to clean water and sanitation.

- Allocate more resources to interventions in education and training, including additional support to poor areas (QIDS-UP).
- Eliminate compulsory school fees in the lowest quintile of primary and secondary schools.
- Complete a review of technical schools and implement interventions aimed at expanding access to (and achieving an appropriate mix of) technically-orientated learning programmes in the schooling system.
- Implement a school evaluation programme and institutionalise to scale.
- Implement a new remuneration and performance management system for educators and address matters pertaining to non-educator support staff.
- Accelerate the training of family social workers at professional and auxiliary levels to ensure that identified households are properly supported and monitored.
- Improve the efficacy and expand the roll-out of the School Nutrition Programme.
- Implement effective measures to ensure that all learners in Grades 8 to 12 have access to career guidance.
- Develop and implement an e-education policy and strategy purposefully aimed at improving the quality of learning and raising competence in the application of ICT.
- Improve ICT in schools: 1 500 users by 2010; 50 per cent of high schools connected in 2010 and all by 2011; connectivity and usage monitored by 2010/11.
- Ensure 60 per cent of schools have professional support, access to library services and curriculum advisors by 2010.
- Ensure that a standards framework for special schools is agreed on in 2010 and that special schools are developed as resources centres by 2010/11.
- Ensure 500 schools participating in MSTE; that teachers in 500 Dinaledi schools are trained in 2010; and that the MSTE strategy is evaluated in 2011.

COMMITMENT FOUR: We will urgently implement skills development programmes that are purposefully aimed at equipping recipients/citizens with requisite skills to overcome related scourges of poverty and unemployment.

Commitment Four: Strategic priorities and strategic objectives

Strategic Priority 4.1: To ensure that unemployed adults, especially women, have access to skills development programmes, which are explicitly designed to promote employment and income-promoting outcomes.		
Strategic Objective	Indicator/outputs	
Increase the number of unemployed adults who have access to employment and income-promoting skills development programmes.	The number of unemployed adults who participate in skills development programmes intended to promote employment and income.	
Increase the number of unemployed women who have access to employment and income-promoting skills development programmes.	The number of unemployed women who participate in skills development programmes intended to promote employment and income.	
Strategic Priority 4.2: To ensure that all unemployed adults have access to training opportunities in literacy and ABET.		
Strategic objective	Indicator/outputs	
To roll out an extensive adult literacy campaign that will dramatically reduce the rate of adult illiteracy in the population		
To ensure that all unemployed adults have access to ABET programmes		
Strategic Priority 4.3: To accelerate the participation and graduation rates in FET and HET of learners coming from poor families or households.		
Strategic objective	Indicator/outputs	
Improve participation rates in FET of poor learners coming from low-income geographic areas of the country.	Percentage change in FTE enrolments in FET institutions of poor learners coming from low-income geographic areas of the country.	
Improve participation rates in HET of poor learners coming from low-income geographic areas of the country.	Percentage change in FTE enrolments in HET institutions of poor learners coming from low-income geographic areas of the country.	

Progressively improve the retention and graduation rates of poor learners in FET coming from low-income geographic areas of the country.	Percentage change in FET retention and graduation rates of poor learners coming from low-income geographic areas of the country.	
Progressively improve the retention and graduation rates of poor learners in HET coming from low-income geographic areas of the country.	Percentage change in HET retention and graduation rates of poor learners coming from low-income geographic areas of the country.	

Commitment Four: Activities

- Launch or expand labour-intensive projects, which also provide opportunities for skills development for employment and self-employment. As one of the priorities, incorporate a system to provide micro-credit and relevant skills development programmes into the Expanded Public Works Programme.
- Implement occupational learning programmes to meet NSDS targets.
- Identify specific labour-intensive sectors for targeted employment subsidy aimed at greenfield investments, with a target of 100 000 jobs in various parts of the country over five years.
- Continuously improve the efficiency of the Employment Services System.
- Implement the Department of Higher Education and Training's ABET Strategy in full.
- Increase the numbers of poor children who have access to quality meals to 15 million by 2011.

COMMITMENT FIVE: We will ensure that young people have access to education and training that enhances opportunities and increases their chances of success in further vocational training and sustainable employment.

Commitment Five: Strategic priorities and strategic objectives

Strategic Priority 5.1: To accelerate the implementation of training programmes for the youth that are focused on employment creation.		
Strategic objective	Indicator/outputs	
Increase youth participation in ABET programmes that facilitate access into further learning and other development opportunities.	Number of people aged 15 to 24 years participating in ABET programmes that facilitate access to further learning and other development opportunities.	

Increase the number of young people who receive training that supports employment and enterprise creation.	Number of people aged 15 to 24 years participating in training that supports enterprise creation.	
Strategic Priority 5.2: To leverage public and private sector programmes to create employment opportunities and work experience for new entrants into the labour market.		
Strategic objective	Indicators/outputs	
Expand the Public Sector Internship Programme to provide opportunities to young unemployed graduates.	Number of internships implemented for unemployed graduates in the public sector per year.	
Implement large-scale internship programmes within the SANDF that enable entrants to gain qualifications in employment-promoting skills.	Number of interns who successfully complete the programmes.	
Implement a national programme of internship for young unemployed graduates within private sector enterprises.	Number of internships implemented for unemployed graduates in the participating private enterprises per year.	
Increase the enrolment of the youth in the National Youth Service programme.	Number of young people enrolled in the National Youth Service.	
Strengthen capacity and diversify products and services of all 120 youth advisory centres to include business support services, employment services, access to micro finance and career information.	Percentage of youth advisory centres offering a full bouquet of services at a satisfactory level of performance.	
Strategic Priority 5.3: To improve the coverage and efficacy of vocational guidance and labour market information in a manner that promotes the optimal uptake of training and employment opportunities available to the youth.		
Strategic objective	Indicator/outputs	
Improve the dissemination and availability of labour market information to the youth.	Percentage of youth advisory centres and FET colleges that offer systematic vocational guidance services to the youth.	
Mobilise employer interaction with the youth during pre-employment training to improve youth awareness about the world of work, career opportunities and expectations.	Number of FET colleges that have programmes that cater for employer interaction with the youth during pre-employment training to improve youth awareness about the world of work, career opportunities and expectations.	

Commitment Five: Activities

- Conduct a systematic assessment of the youth labour market for evidence-based decision-making (assessment to include determination of youth unemployment, including young people who have given up looking for employment; graduate employment outcomes; participation rates in education and training; gender and race dimensions of youth labour market outcomes; determinants of occupational choice).
- Intensify a campaign to link up unemployed graduates with economic opportunities.
- Integrate and synthesise information from the national scarce skills lists into the information programmes being implemented in Youth Advisory Centres and vocational guidance activities at education and training institutions. This will require that the information be packaged into an accessible form for this purpose.
- Intensify efforts to integrate youth development into the mainstream of government work, including a youth cooperatives programme, and make ongoing efforts to link unemployed graduates with employment opportunities.
- Take measures to improve youth development, including establishing 100 new youth advisory centres, enrolling at least 10 000 young people in youth service programmes, enrolling 5 000 volunteers to act as mentors to vulnerable children, expanding the reach of our business support system to young people, intensifying the youth cooperative programme, and closely monitoring the impact of our programmes on youth skills training and business empowerment as an integral part of our national effort.
- Expand the reach of business development support systems, access to micro finance and intensify the youth co-operatives programme
- Enrol 30 000 volunteers in various community development activities and increase youth participation in national programmes that enhance social cohesion.

COMMITMENT SIX: We will improve the technological and innovation capability and outcomes within the public and private sectors to enhance our competitiveness in the global economy and to meet our human development priorities.

Commitment Six: Strategic priorities and strategic objectives

Strategic Priority 6.1: To increase the supply of skilled personnel in areas of science, engineering and technology.

Strategic objective	Indicator/outputs
Increase the number of Grade 12 graduates with a result of 60 percent or more in science.	Number of Grade 12 graduates with a result of 60 per cent or more in science.
Increase the number of Grade 12 graduates with a result of 60 per cent or more in mathematics.	Number of Grade 12 graduates with a result of 60 per cent or more in mathematics.

Increase the percentage of science, engineering and technology graduates as a proportion of aggregate annual HET graduations	Percentage of science, engineering and technology graduates as a proportion of aggregate annual HET graduations.	
Decrease the number of unemployed science graduates.	Number of unemployed science graduates (baseline to be determined from the SET unemployment register).	
Increase the reach of science awareness campaigns.	Number of young people and members of the public participating in science awareness campaigns.	
Identify and nurture talent and potential in the fields of science, engineering, technology and mathematics.	Number of young people who have talent and potential in the fields of science, engineering, technology and mathematics who are identified and supported.	
Strategic Priority 6.2: To improve South Africa's performance in areas of teaching, research, innovation and the commercial application of high-level science, engineering and technology knowledge.		
Strategic objective	Indicator/outputs	
Accelerate the awarding of research chairs.	Number of chairs awarded (baseline: 56 in 2006).	
Accelerate awarding of research chairs in engineering (30 per cent of awarded chairs)	Number of chairs awarded in engineering.	
Increase the number of students graduating with honours-level qualifications in science, engineering and technology.	Number of students graduating with honours-level qualifications in science, engineering and technology (baseline: 3 200).	
Increase the number of students graduating with master's degrees in science, engineering and technology.	Number of students graduating with master's degrees in science, engineering and technology (baseline: 2 900).	
Increase the number of students graduating with doctorate degrees in science, engineering and technology.	Number of students graduating with doctorate degrees in science, engineering and technology (baseline: 591).	
Increase the number of researchers per 1 000 people.	Number of researchers per 1 000 people (baseline: 1,2).	
Increase the percentage global share of research publications.	Percentage global share of research publications (baseline: 0,5 per cent)	
Increase the number of patent applications lodged by South Africans.	Number of patent applications lodged by South Africans (baseline: 4 721 in 2002).	

Commitment Six: Activities

- Increase the resource allocation for research, development and innovation, and increase the pool of young researchers.
- Promote private sector investment in research and development in order to increase competitiveness and the use of technological innovation to address the socio-economic needs of our country.
- Establish the SET HC Advisory Committee as a permanent subcommittee of NACI, with a direct relationship to the Minister of Science and Technology. Its membership will be drawn from the current membership of the National Advisory Committee on Innovation, but will also include:
 - representatives of the Departments of Education and Trade and Industry;
 - representative of COHORT;
 - representative of HESA;
 - representative of the CHE;
 - business sector representative(s);
 - representative of JIPSA;
 - NRF;
 - the Presidency; and
 - the Human Resources Development Coordinating Committee (HRD CC).
- Sustain existing research capacity and strengths and create new centres of excellence and niche areas in institutions where there is demonstrable research capacity or potential.
- Ensure research concentration and funding linked to outputs.
- Facilitate collaboration and partnerships, especially at regional level, in research and postgraduate training.
- Promote articulation between the different elements of the research system with a view to developing a national research strategy.
- Implement a programme to increase enrolments and throughput of students who have enrolled for studies in science, engineering and technology. Such a programme should comprise of:
 - a government-funded four-year BSc (Hons) programme;
 - a government-funded four-year PhD programme;
 - mentoring; and
 - ongoing monitoring.
- Explore the feasibility and desirability of introducing a four-year graduate programme as a means of increasing the number of students who take and complete master's degrees.
- Promote partnerships between public and private sectors to increase R&D investment and the efficacy of outputs.
- Implement the Department of Science and Technology's Internship Programme, Professional Development Programme and the Innovation Post-Doctoral Fellowship Programme.
- Explore institutional mechanisms and funding arrangements to promote research collaboration across the science councils.
- Ensure strong alignment between the Department of Science and Technology's Human Capital Development Plan and the Ten-year Innovation Plan.
- Retain high-calibre research staff through:

- recognition and reward of young and unrated scientists through research grants (fast-tracking academic and research careers of young and recently qualified PhD graduates);
- recognition and reward of high-potential individuals through awarding a research chair under the SARCHI at tier two (this award is intended to retain high-potential individuals by improving their access to substantial research grants);
- recognition and reward of excellent work of world-class standard; and
- promotion of centres of excellence.
- Fast-track senior qualification attainment.
- Establish the Technology Innovation Agency for the purpose of:
 - conducting and regionalising research and innovation;
 - providing innovation knowledge management services;
 - facilitating national and international R&D collaboration;
 - conducting and regionalising research and innovation;
 - providing innovation knowledge management services; and
 - facilitating national and international R&D collaboration.
- Implement the Youth into Science Strategy.

COMMITMENT SEVEN: We will ensure that the public sector has the capability to meet the strategic priorities of the South African Developmental State.

Commitment Seven: Strategic priorities and strategic objectives

Strategic Priority 7.1: To improve the credibility and impact of training in the public sector by improving service delivery.	
Strategic objective	Indicator/outputs
Improve the performance within the public sector to determine service delivery training needs and to effectively procure training services.	Develop relevant workplace skills plans that are linked to relevant strategic plans.
Ensure that HR planning and development decisions are based on systematic and relevant evidence maintained in an appropriate management information system.	Management information system for the public sector HRD is developed and functional.
Ensure that credible supply and demand projection models are developed and maintained for large occupational categories within the public sector (such as for educators, medical doctors, nurses, judicial officers, engineers, technicians, police and the military).	Supply and demand projection models are developed and operational in each of the large occupational categories within the public sector.

Ensure that government departments and entities invest more than the statutory minimum of 1 per cent of payroll costs in training.	Level of compliance with the Skills Development Levies Act by government departments and entities.
Implement a compulsory induction programme for all new entrants to the public sector.	Coverage to scale of the compulsory induction programme.
Implement large-scale public service training for junior and middle managers in critical generic and functional management learning areas.	Coverage of junior and middle managers who have undergone training in critical generic and functional management learning areas.
Implement public service training for senior managers in critical generic and functional management learning areas.	Coverage of senior managers who have undergone training in critical generic and functional management learning areas.
Strategic Priority 7.2: To leverage the SETAs to contribute optimally to capacity development in the public sector.	
Strategic objective	Indicator/outputs
Ensure a dramatic improvement in the efficacy of the public sector SETA, sustainable leadership and operational effectiveness.	Reformed and operationally effective and sustainable public sector SETA.
Ensure the development of a credible and timely sector skills plan for the public sector.	Development of a public sector skills plan that is credible and responsive to the needs of the developmental state.
Ensure that government departments and entities make an active and substantive contribution to relevant SETAs.	Substantive and consistent participation by government departments in the governance structures of relevant SETAs.

Commitment Seven: Activities

- Perform skills audits and assessments, and ensure competency frameworks and concrete support and capacity development.
- Develop skills of local government through Project Consolidate, and skills development plans for provincial and national government and for development institutions.
- Ensure greater articulation and more uniformity and interface in the systems, processes and role of SETAs in relation to government departments.
- Ensure the successful transition of PALAMA into a Public Sector Academy.
- Improve capacity in the public sector for planning and procurement (delivery) of training (capacity and skills development) services.

- Strengthen systems and establish improved strategies for workplace learning and the delivery of HRD initiatives and an integrated ABET framework through:
 - leadership development management strategies ;
 - a more strategic role for professional bodies (norms, standards);
 - capacity development;
 - promoting learnerships, internships and traineeships;
 - a national/provincial Public Service Academy;
 - e-learning for the public service; and
 - fostering HEI and FETC partnerships.
- Improve HR planning (supply and demand management) capacity in the public service.
- Implement credible sectoral human resource plans (e.g. health, education, justice) and improve human resource planning capacity in the relevant departments.
- Improve government's role in the functions of SETAs.

COMMITMENT EIGHT: We will establish effective and efficient planning capabilities in the relevant departments and entities for the successful implementation of the HRDSA.

Commitment Eight: Strategic priorities and strategic objectives

Strategic Priority 8.1: To improve the credibility, validity, utility and integrity of the various data and management information systems, which are vital for the successful planning and implementation of the HRDSA.	
Strategic objective	Indicator/outputs
Establish capacity for conducting labour market supply and demand forecasting modelling and labour market studies.	Capability established, institutionalised and used by all key HRD stakeholders to inform planning and evidence-based decision-making.
Conduct regular surveys of employment outcomes of new graduates in priority skills areas using panel methodology.	Surveys designed and institutionalised with clear role allocation.
Ensure that an explicit design and policy framework is established for management information systems maintained by the Department of Labour, Department of Education, SAQA and Stats SA.	MIS design specifications and policy framework developed and formally adopted by Cabinet for all the main stakeholders within the HRD enterprise.
Ensure that effective integration of the above management information systems is achieved.	Seamless integration of data fields across all datasets.
Audit and establish a policy framework on the level of planning capacity required in the Skills Development Act institutions (Department of Labour, SETAs, NSA); GET; FET and HET for the optimal implementation of their mandates.	Audit and policy framework developed and adopted.

<p>Implement the provisions of the guidelines contained in the policy framework on the level of planning capacity required in the Skills Development Act institutions (Department of Labour, SETAs, NSA); GET; FET and HET for the optimal implementation of their mandates.</p>	<p>Substantive policy framework guidelines implemented.</p>
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12. IMPLEMENTATION OF THE HRD STRATEGY FOR SOUTH AFRICA

The HRDSA is, at one level, a coordination framework intended to combine the key levers of the constituent parts of the HRD system into a coherent strategy. All of the HRD subsystems (such as the occupational learning system, which includes SETAs, FET, HE, the HRD Strategy for the Public Sector, and the Technology and Innovation System) have detailed strategic priorities, inputs, outputs and performance indicators that are elaborated within their respective strategic plans. There can be little strategic benefit if the HRDSA were to simply replicate these details. To give effect to the strategic dimension, the HRD strategy must be greater than the sum of its parts. The symptom of the current lack of coherence that exists between these various components of human development in South Africa is manifest at all levels and through every sector of society. There is thus a need to:

- bring about articulation between subsystems to allow for optimal achievement of systemic outcomes;
- facilitate holistic analyses of education and training and the functioning of the labour market;
- link both of these to the economic development strategy which *inter alia*, includes diversifying and transforming the economy, attracting foreign investment, and ensuring a better strategic fit with citizen involvement and empowerment;
- deal with shortcomings in labour market information;
- ensure economies of scale with regard to complex analytical work (such as labour market supply and demand forecasting); and
- initiate activities that cannot be performed in any of the subsystems, but which are mission-critical for the HRD system in the country;

Relevant activities listed in the Five-year Strategic Framework will be elaborated on by the responsible entity in a detailed project plan (implementation plan).

The end of the first year of implementation will occasion a substantive review in order to remediate challenges that inevitably arise in the first phase of any substantial enterprise and, most importantly, to align the HRDSA with the Programme of Action of the new government's five-year term. It is essential that the mission-critical activities contained in this strategy be effectively implemented, as failure to do so will subvert the success of the entire strategy.

13. CONCLUSION

The commitments, the strategic priorities, the strategic objectives, activities, indicators and targets enumerated in this strategy are critical to South Africa's path toward reduced levels of poverty, unemployment and inequality. They are core to the improvement of social justice and to achieving sustainable reconstruction and development. The targets are not just numbers; they represent opportunities for changing the living conditions of people for the better. They will also play a fundamental part in improving community and social cohesion.

One important aim of the HRDSA is to provide a framework for the multitude of skills development activities in the country and, in so doing, to render them more purposeful and to improve their impact on the skills challenges in the country. It is hoped that this strategy will promote the skills development agenda that will take us into the next two decades of development for the country.

HRD represents a key lever for accelerating economic growth and development in South Africa. The responsibilities of government arising from this strategy are significant. However, the strategy is not solely related to the responsibilities of government. It is a call to all stakeholders and agents that have a role to play in HRD: workers, employers, the non-governmental sector, educators, learners, parents, individuals and the community. It is a call to create a better life for all South Africans.

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