

Human Resource Development Strategy for South Africa (HRDS-SA) 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
COHORT	Committee of Head of Research and Technology
BPO&O	Business process outsourcing and offshoring
CHE	Council for Higher Education
DG	Director General
DPLA	Department of Provincial and Local Administration
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 Director Generals
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
HE	Higher education
HEI	Higher education institution
HESA	Higher Education South Africa
HET	Higher education and training
HIV	Human Immunodeficiency Virus
HRD	Human resource development
HRDC	Human Resource Development Council
HRDS-SA	Human Resources Development Strategy for South Africa
IPAP	Industrial Policy Action Plan
ICT	Information and communication 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
NSDS	National Skills Development Strategy
NSDF	National Skills Development Framework
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
SANDF	South African National Defence Force
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SARCHI	South African Research Chairs Initiative
SETA	Sector Education and Training Authority
SET HCD	Science, engineering and technology human capital development
SMME	Small, micro and medium 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 Education and Science Council
WSP	Workplace Skills Plan

1. MESSAGE FROM THE MINISTER OF EDUCATION

Dear President Motlanthe and Deputy President Mbete

Effective human resource development is vital to develop the economy, reduce poverty and increase employment. South Africa needs responsive, robust and integrated human resource planning to sustain short-term initiatives such as Asgisa and Jipsa, and longer-term initiatives.

The Human Resource Development Strategy for South Africa (2010–2030) originates from the mandates given to the Minister of Education by Cabinet in 2005, the Cabinet Lekgotla recommendation of July 2007 and July 2008, and the 2008 Economic Cluster Programme of Action.

After wide consultation with government departments and private bodies, the decision was made to locate the primary institution for human resource coordination as a sub-committee of Cabinet's Investment and Employment Cluster. The Director Generals in the Economic Cluster will report to the sub-committee. The support unit for the sub-committee will be located in the Department of Education, where it will have the requisite capacity to implement the day to day activities arising from the stewardship and coordination.

The strategy is an amalgam of carefully specified indicators and targets, and the task of the sub-committee will be to monitor the achievement of these targets. Quarterly reports will be prepared to guide implementation and suggest remedial action where required. An annual report will serve as a key accountability mechanism for the strategy. A major review, based on systematic evaluation studies and impact assessments, will be conducted every five years.

It is my pleasure to present the strategy to you and to look forward to its imminent implementation.

Ms Naledi Pandor
Member of Parliament

2. MESSAGE FROM THE DEPUTY PRESIDENT

South Africa is facing an enormous skills shortage challenge from both supply and demand perspectives. While we have made remarkable strides in many areas since the advent of the new democracy, including achieving sustainable economic growth; we are still to attain economic growth that is shared by all South Africans. One of the impediments to shared growth is skills shortages, notably among marginalised people.

In 2001 the country's first attempt at redeeming this situation was made when the National Human Resources Development Strategy of South Africa was introduced as a national strategic response to human resource development challenges. While this structure assisted tremendously in bringing the skills issue to national attention, it however fell short of realising its objectives, *inter alia*, owing to:

- Lack of engagement of other social partners to form part of the joint solution;
- Lack of coordination, integration and accountability within departments;
- Lack of monitoring and evaluation mechanism to assess the extent to which the priorities set were achieved; and
- Very little high political leadership was a prerequisite, which is vital for driving the process forward.

Given these shortfalls, the Department of Education was tasked to review the strategy and, most importantly, address the shortfalls which were evident in the previous strategy.

While the strategy was being reviewed, government established Jipsa as an interim response to the skills shortage, particularly in scarce skills. Jipsa made remarkable achievements, and while its work is being concluded, we expect that lessons learnt and initiatives started but not completed will be incorporated into the Human Resource Development Strategy for South Africa (2010–2030) (HRDS-SA).

In March 2009 Cabinet approved the new strategy with effect from 1 April 2009, following wide consultations with social partners. The HRDS-SA will commence with its work to accomplish a set of strategic priorities that we believe are aimed at addressing the most pressing imperatives for human resource development (HRD), and to leverage and stimulate other HRD-related activities in the country.

We call upon business, labour, academics and other social partners to join forces with government in working towards a joint solution to skills challenges; which will respond to our economic and social challenges and will assist significantly in redressing poverty and reducing unemployment.

Ms Baleta Mbete
Deputy President

3. MESSAGE FROM THE PRESIDENCY

On behalf of the Deputy President and the Presidential Coordinating and Advisory Committee, I would like to thank all those who contributed to the finalisation of the Human Resource Development Strategy for South Africa (2010–2030) (HRDS-SA). I would specifically like to thank the Minister of Education for her efforts in coordinating this complex task, and our partners in the Jipsa processes and structures for keeping the fires burning while we tried to find a sustainable mechanism – not only for dealing with the urgent and priority skills needs, but also for a medium to long-term strategy.

I am particularly pleased that Jipsa has served as a sterling example of South Africans rolling up their sleeves and cooperating to get the country moving. To the captains of business and labour I say: You have contributed greatly through Jipsa, and please rest assured that the lessons learnt from this process received prominence in the HRDS-SA. The HRDS-SA will be served by a structure similar to Jipsa and it will be inclusive, because this strategy belongs to the people of South Africa and not to government. Government is already setting up its own structures to be responsive to the needs of our society.

It is noteworthy that Jipsa will migrate to the newly established Joint Council for Human Resources Development in South Africa, which will be known as the Human Resources Development Council (HRDC). The Deputy President will soon be calling for relevant organisations and individuals to join this council.

Ms B Mbete
Deputy President

4. PROLOGUE: A CALL TO COLLECTIVE ACTION

The Preamble to the Constitution of South Africa, adopted in 1996 as the supreme law of the Republic, states, among others, that it aims to improve the quality of life of all citizens and free the potential of each person.

Furthermore, in section 29, which forms part of the Bill of Rights and deals with education, the Constitution states the following:

1. Everyone has the right –
 - a. to a basic education, including adult basic education; and
 - b. to further education, which the State, through reasonable measures, must make progressively available and accessible.

2. Everyone has the right to receive education in the official language or languages of their choice in public educational institutions where that education is reasonably practicable. In order to ensure the effective access to, and implementation of, this right, the State must consider all reasonable educational alternatives, including single medium institutions, taking into account –
 - a. equity;
 - b. practicability; and
 - c. the need to redress the results of past racially discriminatory laws and practices.

3. Everyone has the right to establish and maintain, at their own expense, independent educational institutions that –
 - a. do not discriminate on the basis of race;
 - b. are registered with the State; and
 - c. maintain standards that are not inferior to standards at comparable public educational institutions.

4. Subsection (3) does not preclude state subsidies for independent educational institutions.

Thus, human resources development (HRD) is critically important in South Africa’s development agenda. The importance of HRD demands a response that has a sense of urgency. It demands a comprehensive and determined response from government. However, the scope and importance of the HRD project extends beyond government:

- It demands collective will and purposeful action from *all* stakeholders in society.
- It demands the determination, commitment and accountability of individuals to invest time and effort in their own development.
- It demands the commitment of all enterprises and organisations to invest time and resources in HRD toward public good.

It is only through concerted efforts in HRD throughout the country as a whole that we can create suitable foundations for institutional and corporate missions. The urgency of the challenges and priorities and the importance of the outcomes we seek to achieve, oblige us as South Africans to forge a social compact which will promote demand-driven HRD in the country.

In the spirit of engendering this collective, the term “we” is used in this strategy. It is through collective ownership and mobilising collective effort that we will succeed in achieving the goals of the Human Resource Development Strategy for South Africa (2010–2030) (HRDS-SA).

5. CONSULTATION WITH SOCIAL PARTNERS

The input of social partners, especially communities, labour and business, is vital to the success of this strategy and is essential for the strategy to be credible. Consequently, the strategy was subjected to a process of consultation involving government’s social partners. The process of consultation was facilitated through the following mechanisms:

- Presentation and consultation on the strategy within Nedlac and Jipsa.

- Publication of the strategy in the *Government Gazette*, and an invitation for public comments and input.

All comments and inputs received were systematically collated and will be made available on the Department of Education's website. The strategy has been amended to include some of the substantive inputs and will be discussed within the joint stakeholder structure – namely, the Human Resource Development Council (HRDC) – which will be established for the stewardship of the HRDS-SA. The HRDS-SA is not an event but a process; therefore, there would be room to ensure that all the comments that have not yet been included are discussed in the structures of the HRDS-SA and taken on board where necessary.

Another substantial concern raised in the consultations was that there was no implementation plan with timeframes, targets and responsibilities. The HRDS-SA makes it clear that the operationalisation of the one-year implementation plan can only be concluded if various entities involved are able to provide baselines and funded plans. Only then can the discussion and decision on the funded targets be incorporated into the one-year implementation plan.

6. INTRODUCTION AND BACKGROUND

The most important strategic priority for South Africa leading up to the government term of 2009 to 2030 relates, on the one hand, to the challenge of reconciling the immense opportunities that flow from our successes and, on the other hand, to the immense challenges arising from our country's development agenda. The peaceful transition to democracy, delivered through the commitment and forbearance of all South Africans, was followed by 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; and
- A justifiable Bill of Rights.

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. Some of the most intractable and urgent challenges that remain include:

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

It is critical to mobilise our collective will to make credible interventions that will accelerate progress towards achieving South Africa's development goals. The HRDS-SA represents an essential intervention for 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 outset of our democracy in 1994. The importance of HRD is recognised by government and shared by business, labour, non-governmental organisations (NGOs) and the academic sectors of South African society. It also resonates with the significance attached to HRD in the international development discourse.

The first comprehensive countrywide HRD strategy adopted by the Cabinet was launched in 2001. The declared mission of that early strategy, called the *Human Resources Development Strategy for South Africa: A nation at work for a better life*, 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 arrangements, to achieve this.

We have benefited from the experience gained from the implementation of the 2001 HRD Strategy for South Africa, and have carefully analysed the new priorities that have emerged since the formulation of that strategy. The new HRD strategy presented in this document has thus been formulated to meet the following objectives:

- To replace the existing HRD strategy with an updated version;
- To address the shortcomings in the existing strategy; and
- To optimise the efficacy and outcomes of HRD in respect of South Africa's Development Agenda.

7. THE CASE FOR A HUMAN RESOURCE DEVELOPMENT STRATEGY FOR SOUTH AFRICA

WHAT IS HUMAN RESOURCE DEVELOPMENT?

In any country, HRD refers to formal and explicit activities that will enhance the ability of all individuals to reach their full potential. By enhancing the skills, knowledge and abilities of individuals, HRD serves to improve the productivity of people in their areas of work – whether these are in formal or informal settings. Increased productivity and improvements to the skills base in a country supports economic development, as well as social development.

Our central national concern is to accelerate development so that there is a match between supply and demand for human resources. HRD is about taking purposeful action to increase the aggregate levels of skills in the workforce so that we can maximise opportunities for individuals, thereby benefitting society as a whole.

This strategy is a call to action. Its primary purpose is to mobilise multi-stakeholder participation, and to encourage individuals and organisations to take on the challenge of improving the human resource stock of our nation.

WHY AN HRD STRATEGY FOR SOUTH AFRICA?

HRD has featured very 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, p. 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 was formally inserted 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, p. 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 coexists 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 domain. Instead it seeks to implement a key set of strategic priorities that aim to address the most pressing imperatives for HRD. In this way it will stimulate other HRD-related activities in the country.

In view of our current and projected economic and social development activities and objectives, it is necessary to adopt a short-term as well as medium-term perspective. There are certain areas of priority economic growth which require us to overcome skills shortages that 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 HRDS-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
- That 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 intersectoral 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 of which 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, p. 5)

THE NEED FOR AN EXPANDED DEFINITION OF HRD

Conventional definitions of HRD generally tend to focus solely on strategies that are aimed at using skills development and supply to promote economic growth. While the promotion of economic growth is a pre-eminent objective for HRD in South Africa, it certainly does not constitute the sole objective of our development agenda. The history of South Africa and the persistence of residual prejudices and inequalities compel us to always be vigilant of issues related to values, good citizenship and an explicit commitment to wider development objectives. Consequently, a conception of HRD that is focused on narrowly defined economic objectives would sit at odds with South Africa's development discourse.

This strategy is purposefully located within an expansive conception of HRD; a conception that accounts for the imperatives that derive from our economic, social and wider development agendas. The strategy acknowledges that the contribution of each individual to South Africa's development agenda is a function of both ability and agency. The productivity of each individual is determined by, among others, his or her technical skills, the extent to which his or her basic needs are met, values and orientation, social inclusion, and a commitment to advancing the public good.

The primary goal of the HRDS-SA is to contribute to human development. The strategic priorities and interventions that make up the strategy are explicitly designed to respond to economic, social and wider development imperatives.

ALIGNMENT OF HRD WITH SOUTH AFRICA'S DEVELOPMENT AGENDA

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 priorities of the country as a key strategic priority. The Reconstruction and Development Programme (RDP) identified 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. In view of this, the interventions and activities outlined in this strategy have been formulated in response to a careful analysis of the HRD implications of the following development strategies in South Africa:

- Government Programme of Action (covering all cluster priorities);
- The Medium-term Strategic Framework (MTSF);
- Asgisa;
- National Industrial Policy Framework (NIPF);
- Industrial Policy Action Plan (IPAP);
- Emerging Anti-Poverty Strategy; and
- Technology and Innovation Strategy.

In addition, the HRDS-SA is based explicitly on relevant current and emerging education and training-related strategic frameworks, not least of which are the following:

- The National Skills Development Strategy (NSDS) 2005-2010 (Including the Scarce Skills List 2007);
- The Basic Education Strategic Plans (ECD, schooling, ABET);
- The Further Education and Training (FET) Strategic Framework;
- The Higher Education (HE) Strategic Framework;
- The Immigration Policy; and
- The HRD Strategy for the Public Sector.

8. BRIEF REVIEW OF THE 2001 HRD STRATEGY FOR SOUTH AFRICA

The 2001 HRD Strategy for South Africa detailed a number of strategic objectives, indicators and indicative actions, which assigned clear responsibilities to specific departments and entities. In addition, targets were assigned for priorities in 2001/2002, which was the first year of implementation.

A review was undertaken of progress in respect of the indicators and targets contained in the 2001 HRD Strategy for South Africa. The following are some findings of the review:

- Significant progress was made in the attainment of most of the targets specified in the strategy.

- Monitoring and evaluation was not optimally done, due largely to the fact that no clear framework and institutional measures were in place to do this effectively, and due to the absence of sufficient indicators and targets that would make this possible.
- The collection, management and utilisation of data necessary for planning and monitoring of the HRD strategy were, in general, not commensurate with the demands that flowed from the strategy.
- The role of social partners was not sufficiently catered for in the strategy.
- Many important institutions and policies that impact on the role of HRD and the implementation of the strategy emerged only after the finalisation of the strategy – which means that they were not sufficiently accounted for in the strategy.
- The mechanisms for integrated planning, coordination and reporting on the strategy did not seem to find traction since the inception of the strategy.
- There was no effective mechanism in place to identify and address the demands for priority skills supply over the short-term.

While it is evident that progress has been made, we cannot be satisfied that the 2001 HRD Strategy has been successful. There are clear lessons from this experience that indicate what needs to be done better to move forward more effectively. A focus on the impact of globalisation and the portability of skills is needed, as well as sophisticated tracking mechanisms 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”. Therefore, there was a clear need for a revised strategy that would overcome the shortcomings listed above and respond to the new challenges that have arisen.

9. KEY CHALLENGES THAT HAVE SHAPED THE NEW STRATEGY

HRD on a national scale is an enterprise of considerable scope. It embraces the work of a number of line departments within all spheres of government, public entities, NGOs and a multitude of private enterprises. Almost the entire population is the target of HRD, and the outcomes of the strategy will shape the conditions we create for future generations.

The purpose of a “strategy” is to systematically identify and implement a set of focused actions that will create sufficient leverage for the full scope of HRD inputs and activities to promote outcomes that favour the country’s development priorities. The strategy should, therefore, be limited in scope and focused on maximising mission-enhancing leverage within the HRD system. The challenges and priorities listed below served as the basis for the formulation of this HRD Strategy for South Africa:

- There is a need for credible and effective institutional mechanisms in the stewardship, implementation, coordination, and monitoring and evaluation of the HRDS-SA.
- There is a need for credible capability to identify the demand for priority skills and to formulate effective short-term strategies to ensure supply in a manner that mitigates the negative impact of any shortages in growth. Supply should include the development of talent within timeframes.
- There is a need for credible capability to identify the demand for priority skills and to formulate effective short-term strategies to ensure supply (including the development of talent within timeframes) in a manner that mitigates the negative impact of any shortages in growth.
- There is a need to ensure optimal responsiveness of education and training activities to the country’s development agenda, and the demand for skilled human resources in the labour market.
- There are pressing challenges related to the quality of learning attainment and competency acquisition within the skills development pipeline, starting from basic education.
- The effectiveness of public education and training institutions, in general, has yet to reach optimal levels. The current challenges with regard to effectiveness have made it difficult for

the country to reap the rewards when compared with international levels of public and private investment in education and training.

- While planning capacity has grown significantly since 1994, it has not yet reached levels across the HRD system that are commensurate with the levels required for effective implementation of HRD interventions in the country. In addition, the SETA sector skills plans, the HE and FET enrolment planning and the immigration quota list are not informed by a common, credible and consistent modelling of skills supply and demand projections. These problems militate against integration, and confound responsiveness of education and training provision to the demands of the labour market.
- Most provinces and some local government entities have developed HRD strategies. While most of these efforts have sought to locate their respective strategies within the broader HRDS-SA, there have not been sufficient guidelines for their actions.
- The formulation of clear and credible indicators and targets is vital to the success of any strategy. The scope and formulation of indicators and targets were clearly not satisfactory in the 2001 HRD Strategy. Implementation and the measurement of progress are extremely difficult under such circumstances. In addition, all activities identified within the strategy need to be supported by a credible implementation or project plan. While there has been progress in the development and integrity of the various data systems related to HRD, certain important challenges persist. The need to improve these data systems to more optimal levels is a key priority within the HRDS-SA, as many of the functions and activities are contingent on the existence of credible and utility-focused data systems.
- The emergence of new development strategies such as Asgisa, the NIPF and the Anti-poverty Strategy in particular has generated very significant implications for HRDS-SA. These strategies collectively address the most pressing strategic priorities within South Africa's development agenda. The implications of these strategies need to be carefully analysed if the HRDS-SA is to be optimally responsive to the country's development agenda.
- There is a need to look at how various institutions, including Jipsa, can be integrated into the institutional arrangements of the HRDS-SA in a manner that gives rise to institutional coherence and maximises the benefits that these institutions bring to the HRD mandate.
- The 2001 HRD Strategy (like most national HRD strategies throughout the world) struggled to interpret and anticipate the demand-side of the labour market and how it shapes policies and activities that impact on supply. This situation needs to be addressed through stronger involvement of ministries that impact on economic policy and development, and private sector employers in the HRDS-SA.
- The primary driver of supply is undoubtedly the output generated by various education and training activities in the country. However, numerous other factors – such as those that determine the way the labour market operates – also play a significant role in shaping supply. It is important that interventions focused on these factors to be brought into the scope of HRD policies and strategies. Some notable examples in this regard relate to the following:
 - Immigration (quota lists informed by credible and consistent modelling of skills, demand projections and emigration);
 - Labour market and career planning information;
 - The match between skills and qualifications on the one hand, and the demands of the workplace on the other;
 - Perceptions about the demand side that may lead to a failure or even refusal to recognise and utilise existing supply of skills that could meet demand;
 - Morbidity in the working population resulting from illness and disease; and
 - Questions regarding productivity.
- There is a need to use the lessons learnt from experience to simplify institutional arrangements and policies, which will improve the efficacy of skills development enterprise in the country. The review of SETA's and new policy directions in FET must be geared toward this outcome.
- The sudden and rapid growth in funding for education and training in recent years (occasioned largely by the successful implementation of the Skills Development Act) has

resulted in an increase in the demand for training. However, the capacity on the provider side of the market has not always met these elevated levels of demand. This situation has, in some instances, spawned an entrepreneurial and certification culture that is often questionable. Across the system, the private provider market has yet to reach maturity. The cost of training in South Africa is relatively high, while the quality and outcomes of training do not always justify the level of costs. We urgently need quality assurance and other measures that will promote the efficiency of training.

- Despite many important initiatives undertaken by government, capacity to deal effectively with priorities that transcend current and traditional departmental boundaries remains a serious challenge. In particular, the effectiveness in dealing with the conditions and barriers that confront the youth, women, children who should be receiving early childhood development funds and people with disabilities remains unsatisfactory.

10. OVERVIEW OF THE CONTEXT OF HUMAN RESOURCE DEVELOPMENT IN SOUTH AFRICA

The current context raises specific challenges for HRD in South Africa. An analysis, conducted for the development of this strategy, of specific issues that impact on HRD within the South African context is presented in Annexure B. The salient findings arising from this analysis is presented below.

Education quality and the distribution of education outcomes

A number of countries with lower incomes per capita do better than South Africa, for instance Indonesia and Egypt (in TIMSS) and Kenya (in SACMEQ). South Africa is not alone in its challenge regarding the quality of education. Botswana and Morocco, for example, also performed at lower levels compared with other countries, given their income per capita. Education quality impacts on the entire skills pipeline. The quality and outcomes of school education has an important impact on the efficacy of education and training within FET, the Occupational Learning System and HE. The issue of education quality is undoubtedly a central challenge for HR and development in South Africa.

The link between education and income in South Africa

In South Africa the chances of entering into a higher income bracket rise noticeably only after people have had 12 years of education. However, 12 years of education is by no means a guarantee of a substantially higher income. A significant number of individuals with 12 years of education remain at a low income level. The data represented in Tables 3 and 4 Annexure B suggests a definite link between education qualifications on the one hand, and employment as well as income status on the other hand.

The data represented in Annexure B further confirms that the problem of unemployment is particularly notably for the 20 to 24-year age group. It also suggests that the level of qualifications is a consistent predictor of employment status within each of the age groups indicated. The figures also suggest that over 50% of young people who have less than matric are unemployed. Notably, it appears that possessing a matriculation certificate does not result in dramatically improved labour market outcomes: just under 50% of 20 to 24-year-olds with matric are unemployed. While the unemployment figures for 20 to 24-year-olds who have a diploma and degree are still high, they are considerably better than the rates for those whose highest qualification is matric or less.

Given these trends, it is reassuring that the measure of inequality for years of education in the population is considerably less than the measure of income inequality in the country. The analysis presented in Annexure B shows that the Gini coefficient of inequality of wealth for the years of education computed using the statistics in Table 3 **Error! Reference source not found.** is 0.16, which is much lower than the value of 0.73 for income inequality across households. Even the Gini

coefficient value for years of education of individuals (of 0.23) is considerably lower than the Gini coefficient for income. This is very positive from an HRD perspective as it suggests that improved equalities in the distribution of educational attainment (as compared to income) in the population could lead to a reduction in income inequality if the link between education and income is strong. This is indicative of a key challenge in the HRD process, namely to improve educational equity by raising the quality of education for the historically disadvantaged and poor so that income returns to years of education for this target group improve.

Labour market participation

Table 1: Labour market participation (Source: Stats SA, 2007)

KEY NATIONAL STATISTICS	
	<i>National average</i>
Unemployment rate ¹	25%
Percentage of employed persons in informal sector	21%
Percentage of employed persons in elementary occupations	22%

South Africa's unemployment rate (in terms of both the official and the expanded rate) is very high and constitutes a key challenge for the country's development agenda. Of those who are employed, around 80% are in the formal sector, and around 80% are in occupations above the elementary level (meaning that to perform their jobs, these people depend on job-specific skills training).

Due to the apartheid legacy of unequal educational opportunities and unequal employment opportunities, the racial profile of employment in South Africa remains skewed (see Figure 13 in Annexure B). There is a much greater representation of Africans in the informal sector of the economy and a very low percentage of whites and Indians in elementary non-skilled occupations. Further, a significantly higher burden of unemployment is borne by women and the youth in the labour market.

There continues to be an over-representation of whites and to some degree Indians in highly skilled and high-salaried jobs. For example, the proportion of whites in the category "Legislators, senior officials and managers" is about 3,5 times as high as the proportion of whites among all employed persons (see Figure 16 in Annexure B).

With regard to race, when the above results are analysed further to gauge the trends implied by differences between age groups in the workforce, a somewhat reassuring picture emerges for the medium-term. Current trends indicate that whites are not as prevalent among young professionals as compared to the group of professionals as a whole; suggesting that the country is on the right trajectory in respect of this important policy objective for HRD.

Training trends

An analysis of Labour Force Survey data for 2001 to 2007 with regard to the areas listed below reveals an upward trend in the number of people who say they hold diplomas, certificates or degrees in the following areas:

- Manufacturing, engineering and technology;

¹ The unemployment rate given here is the official one, which considers only those who actively sought work in the preceding four weeks as being unemployed. The expanded employment rate, which regards anyone who would like to work whether they have actively sought work in the preceding four weeks or not as unemployed, is 38%. In the breakdowns of the unemployment rate presented in this section, only the official rate is reported on.

- Physical, mathematics, computers and life sciences; and
- Physical planning and construction.

The trends are very similar when the growth in numbers is expressed as a percentage of the adult population. The upward trend in the raw numbers is thus more or less in keeping with the growth in the size of the adult population.

The above analysis indicates that there has been an increase of around 20 000 per annum in the numbers of people holding a qualification in the manufacturing, engineering and technology area in recent years. About 10 000 graduates in this area have been emerging each year from the HE sector, and around 20 000 from the FET college sector (engineering has for many years accounted for just under half of FET college graduates).

Spending on human resource development in South Africa

South Africa's current levels of public education spending relative to GDP per capita (in purchase power parity (PPP) terms) are well above the global average. Investment in training has grown significantly since the implementation of the Skills Development Act, 1998 (Act 97 of 1998) and the Skills Development Levies Act, 1999 (Act 9 of 1999). There is also evidence of a steady growth in the investment in worker training by private enterprises, over and above the investment linked to skills development levies.

With regard to spending on research and development (R&D) relative to GDP per capita (in PPP terms), South Africa's investment is currently consistent with the global average. This suggests that there is scope for an increase in investment to improve economic competitiveness.

The current quality and outcomes of education and training in South Africa are clearly not commensurate with the relatively high level of investment outlined above. This phenomenon represents a challenge that is clearly one of the most important priorities for HRD in South Africa. This integrated strategy should therefore address raising the return on investment in training, rather than raising the investment.

Trends in South Africa's Human Development Index

The UNDP's Human Development Index (HDI), developed in 1990, is widely used to compare the level of human development between countries. This index provides a useful measure of progress toward achieving greater levels of development within a country. It is therefore an important measure to consider within the context of an HRD strategy, given the explicit aim to ensure that HRD contributes to broader development.

The following graph provides the values for the HDI itself and the HDI's three sub-indices for South Africa. South Africa's HDI value declined between 1992 and 2005, largely as a result of the fall in the Life Expectancy Index, which in turn is highly sensitive to the impact of HIV and AIDS. This is a key area that must be addressed. If it is not addressed, investments in education and training could be wasted.

It is notable for the HRDS-SA that the Education Index improved only marginally between 1992 and 2005. The reduction in the Life Expectancy Index is somewhat offset by the improvement in the GDP index in this period.

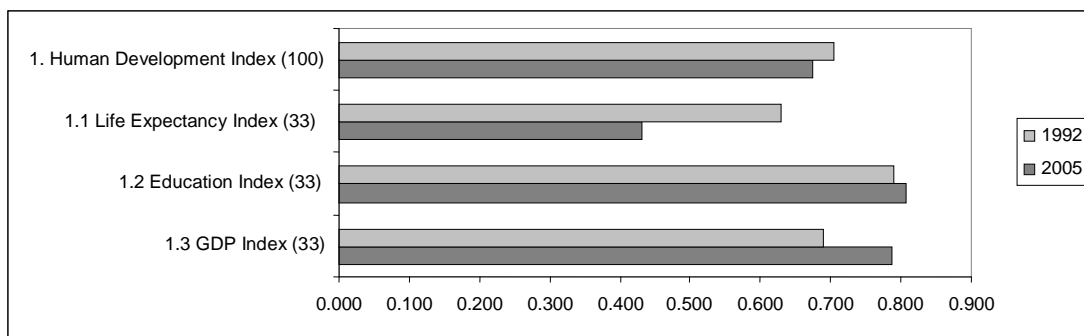


Figure 1: South Africa's HDI values in 1992 and 2005 (Source: UNDP, 1995; UNDP, 2007)

Figure 2 below illustrates all the constituent parts of the HDI for South Africa, and for developing countries as a whole. South Africa has a significantly higher secondary school gross enrolment ratio (GER) compared with the average for other developing countries.

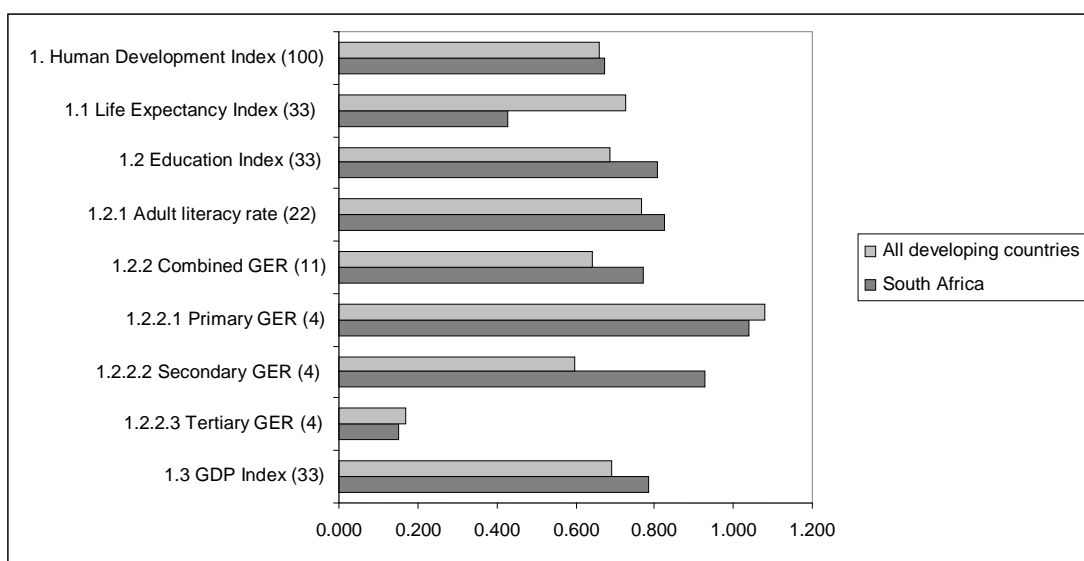


Figure 2: Detailed decomposition of South Africa's HDI in 2005 (Source: UNDP, 2007; UNESCO, 2007)

With regard to education indices, South Africa is generally better off than the average of all developing countries, with the exception of primary GER and the tertiary GER. These latter areas clearly warrant attention within the country's HRD Strategy. Even though South Africa's aggregate Education Index is notably better than the average for developing countries, our Life Expectancy Index is significantly lower. This validates the prioritisation of health-related matters within the Government's Programme of Action. It also underscores the importance of accounting for health-related matters within the HRDS-SA.

11. GOALS OF THE HUMAN RESOURCES DEVELOPMENT STRATEGY FOR SOUTH AFRICA

The HRDS-SA 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 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 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.

12. THE STRATEGY

20-YEAR STRATEGIC FRAMEWORK

Strategic Priority One:

To ensure universal access to quality early childhood development, commencing from birth up to age four.

Strategic Priority Two:

To eradicate adult illiteracy in the population.

Strategic Priority Three:

To ensure that all people remain in education and training until the age of 18 years.

Strategic Priority Four:

To ensure that all new entrants into the labour market have access to employment-focused education and training opportunities.

Strategic Priority Five:

To ensure that levels of investment is above the global average for all sectors of the education and training system.

Strategic Priority Six:

To ensure that inequality in education and training outcomes is significantly less than the prevailing income inequality at that time.

Strategic Priority Seven:

To ensure that education and training outcomes are equitable in terms of race, gender, disability and geographic location.

Strategic Priority Eight:

To ensure that the balance of immigration and emigration reflects a net positive inflow of people with priority skills required for economic growth and development.

Strategic Priority Nine:

To ensure that all adults in the labour market (unemployed and employed) have access to education and training opportunities that will enable them to acquire a minimum qualification at Level 4 of the NQF.

Strategic Priority Ten:

To ensure progressive improvement in the external efficiency and effectiveness of HE, FET and the occupational learning system.

Strategic Priority Eleven:

To ensure that South Africa is ranked in the top 10% of comparable countries in terms of its economic competitiveness.

Strategic Priority Twelve:

To ensure that South Africa is ranked in the top 10% of comparable countries in terms of its Human Development Index.

Strategic Priority Thirteen:

To ensure that South Africa is ranked in the top 10% of comparable countries in terms of its knowledge and education dimension of the Human Development Index, as measured by the adult literacy rate (with two-thirds weighting) and the combined primary, secondary and tertiary gross enrolment ratio (with one-third weighting).

Strategic Priority Fourteen:

To ensure that South Africa is ranked in the top 10% of comparable countries in terms of its Technology and Innovation Index.

Strategic Priority Fifteen:

To ensure that South Africa is ranked in the top 10% of comparable countries in terms of levels of human capital stock in respect of the indicators contained in Table 2 below.

FIVE-YEAR MEDIUM-TERM STRATEGIC FRAMEWORK: STRATEGIC PRIORITIES ONE TO EIGHT, WITH INDICATORS AND BROAD FIVE-YEAR TARGETS

Table 2: Indicators for Five-year Strategic Framework

CATEGORY	INDICATOR
Education and training	<ul style="list-style-type: none"> • Literacy rate of 15 to 24-year olds (youth literacy rate) • Adult literacy rate of population 15 years and older • Percentage of population 15 years and older with no education • Percentage of population 15 years and older with primary education • Percentage of population 15 years and older with Grade 12 completed • Percentage of population 15 years and older with HE completed • Education level of the bottom 10% of 20-year-olds in terms of education attainment
Occupational categories	<ul style="list-style-type: none"> • Number of engineers per 100 000 of population • Number of artisans per 100 000 of population • Number of medical doctors per 100 000 of population • Number of doctoral graduates per 100 000 of population • R&D personnel (number in FTE) per million of population
Technology diffusion and access	<ul style="list-style-type: none"> • Innovation Linkages Index • Readiness of Information Technology Index • Innovation Policy Index • Innovation Capacity Index • Networked Readiness Index
Health	<ul style="list-style-type: none"> • Percentage of population five years and older who have been immunised • Life expectancy

The Five-year Strategic Framework seeks to provide a medium-term strategic framework (MTSF) for HRD in South Africa. The commitments, strategic priorities and activities contained in the Five-year Strategic Framework are explicitly designed to respond to the challenges enumerated earlier. The commitments below are given as a collective commitment by all stakeholders in response to a call to action. The word “we” is therefore used to signify this collective commitment and common purpose.

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:

- **Strategic Priority 1.1:** To accelerate training output in the priority areas of design, engineering and artisanship that is critical to the manufacturing, construction and cultural industries.
- **Strategic Priority 1.2:** To increase the number of skilled personnel in the priority areas of design, engineering, artisans that are critical to manufacturing, construction and cultural activities through net immigration.
- **Strategic Priority 1.3:** To accelerate the number of new training graduates in priority economic sectors identified in Asgisa, the NIPF and IPAP.

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:

- **Strategic Priority 2.1:** To ensure that skills development planning is credible, integrated, coordinated and responsive to social and economic demands.
- **Strategic Priority 2.2:** To ensure that skills development programmes are demand-led through substantive and systematic input from employers in the determination of skills demands for the country.
- **Strategic Priority 2.3:** To improve the employment outcomes of post-school education and training programmes.
- **Strategic Priority 2.4:** To ensure that FET and HET are responsive to the skills demands arising from South Africa's social and economic development imperatives.

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

- **Strategic Priority 3.1:** To ensure equity in education inputs and learning outcomes.
- **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 Priority 3.3:** To improve learner performance and quality of education in the schooling system.
- **Strategic Priority 3.4:** To expand age-appropriate participation in early childhood education.
- **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 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.

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

- **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 Priority 4.2:** To ensure that all unemployed adults have access to training opportunities in literacy and ABET.
- **Strategic Priority 4.3:** To accelerate the participation and graduation rates in FET and HET of learners coming from poor families or households.

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:

- **Strategic Priority 5.1:** To accelerate the implementation of training programmes for the youth which are focused on employment 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 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.

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:

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

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

- **Strategic Priority 7.1:** To improve the credibility and impact of training in the public sector by improving service delivery.
- **Strategic Priority 7.2:** To leverage the SETAs to contribute optimally to capacity development in the public sector.

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

- **Strategic Priority 8.1:** To improve the credibility, validity, utility and integrity of the various data and management information systems which are vital for successful planning and implementation of the HRDS-SA.

13. THE ROLE OF THE THREE SPHERES OF GOVERNMENT AND SECTOR DEPARTMENTS IN THE STRATEGY

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 provinces' 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 private sector and civil society. Consequently, there is no expectation that departmental, provincial and local government and occupational HRD strategies need to be a simple subset of the HRDS-SA. They need to reflect the priorities of the HRDS-SA 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 HRDS-SA. The indicators and activities related to each line department or subsystem (such as education and the occupational learning system) expressed in the HRDS-SA would be transacted through the respective coordinating and/or national intergovernmental forums (such as Minmeccs) to ensure inter-spherical integration of planning and delivery of the targets identified. This is true in particular for indicators related to education and health for which provinces have a statutory mandate.

In addition, the HRDS-SA's MTSF referred to above is intended to provide a framework for the elaboration of department, provincial and local government-specific HRD strategies and plans. These strategies and plans need to be designed to respond to local priorities and imperatives. The indicators and activities contained in the HRDS-SA thus serve as minimum guidelines to be operationalised in provincial and local government HRD strategies. In addition, provinces and local governments may also adopt special programmes that are specific to the province.

In order to make reporting credible and manageable, all spheres of government and departments will report only in respect of those indicators contained in the HRDS-SA and not those related to their specific strategies or special programmes.

14. THE ROLE OF COMMUNITY, LABOUR AND BUSINESS IN RELATION TO THE STRATEGY

The scope and importance of the HRDS-SA for South Africa's development agenda dictates that for its success it depends on the full contribution of all social partners. While government, in terms of its mandate and the public resources it holds in trust, has a significant role to play, it cannot perform this role optimally without substantive input from community, labour and business.

It is vital that the HRDS-SA is recognised as one that transcends the boundaries of government endeavour. Community, labour and business 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 credible institutional mechanisms will be established to facilitate conditions that will allow for the optimal and substantive participation of labour and business in the planning, stewardship and monitoring and evaluation of this strategy. In order to ensure coordination, the relevant Nedlac chambers would also be included in the HRDS-SA process. These mechanisms are outlined in Figure 3 below.

15. MECHANISMS FOR THE EFFECTIVE STEWARDSHIP, COORDINATION AND MANAGEMENT OF THE STRATEGY

The mechanisms and tools for the stewardship, coordination and management of the HRDS-SA are predicated on: (a) integration with the existing institutional mechanisms established to achieve integrated planning and intergovernmental coordination; and (b) a tripartite model for coordination and consultation.

The primary institution for HRD coordination is the HRD Sub-Committee of the Cabinet Investment and Employment Committee (the Cabinet being the highest decision-making body). The HRD Sub-Committee will be chaired by a minister who will be responsible for the overall stewardship of the HRDS-SA. Each province will be encouraged to establish an HRD subcommittee of the Provincial Executive Council Economic Cluster for the stewardship, coordination and management of the provincial government activities pertaining to HRD. In addition, the President's Coordinating Council will be the primary vehicle for facilitating intergovernmental coordination and integration of the HRDS-SA.

Ministerial bilateral meetings for the purpose of achieving coordination and integration of activities within specific ministries will be institutionalised. Examples in this regard include the transaction of matters pertaining to common concerns between the Ministry of Labour and the Ministry of Education, or between the Ministry of Trade and Industry and the Ministry of Science and Technology, or between those ministries that have a direct interest in specific occupational categories on the one hand, and the Ministries of Labour and Education on the other hand.

The above structures will be supported on a technical level by directors-general at national level, and heads of department at provincial level. A technical working group of directors-general representing the Departments of Education, Labour, Science and Technology, Trade and Industry, Public Service and Administration, and Provincial and Local Government, National Treasury and the Presidency is to be established and will take responsibility for technical support to the HRD Subcommittee of the

Cabinet Investment and Employment Committee on matters related to the HRDS-SA. The Provincial Heads of Department: Economic Cluster will take responsibility for technical support of the HRD Subcommittee in the Provincial Executive Council Economic Cluster.

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 HRDS-SA. The secretariat will be a replica of the Jipsa Secretariat that is chaired by senior officials of the Presidency, Department of Labour and Department of Education and two members elected by the HRD Council.

The active involvement of community, business and labour is vital to the success of the HRDS-SA. To give effect to the model, we will establish the South African Joint Council on Strategic Human Resources Development, to be known as the Human Resources Development Council (HRDC). This council will be comprised of all major stakeholders from government, community, labour, business and higher and further education. This council will be constituted under the chairpersonship of the Presidency and fashioned largely on the successful elements of the Jipsa model. It will be chaired by the Presidency. The Ministers of Education, Labour, Trade and Industry, Science and Technology, Public Enterprises, Public Service and Administration, Communications, and Home Affairs will be members of the Council. Nedlac will be kept informed and be involved in discussions.

Provincial skills development forums will be strengthened where they already exist and be established in provinces where they do not exist. These forums will play an active role in facilitating HRD activities in the province in a manner that supports the local growth and development priorities. They will play a key role in the development and support the implementation of the provincial HRD strategies.

One serious gap in the current HRD coordinating architecture is the lack of explicit and uniform mechanisms throughout the country to incorporate HEIs into the HRD planning processes at provincial (and, by implication, local government) level. This is a serious shortcoming, as it robs the provinces (where HEIs exist) of an extremely valuable resource for HRD. The incorporation of HEIs into the provincial skills development forums will therefore be actively promoted.

The above is graphically represented below. Figure 3 **Error! Reference source not found.** represents the mechanisms for executive (political) coordination and management, Figure 4 **Error! Reference source not found.** represents the mechanisms for coordination and management at a technical level, while Figure 5 represent multi-stakeholders coordination.

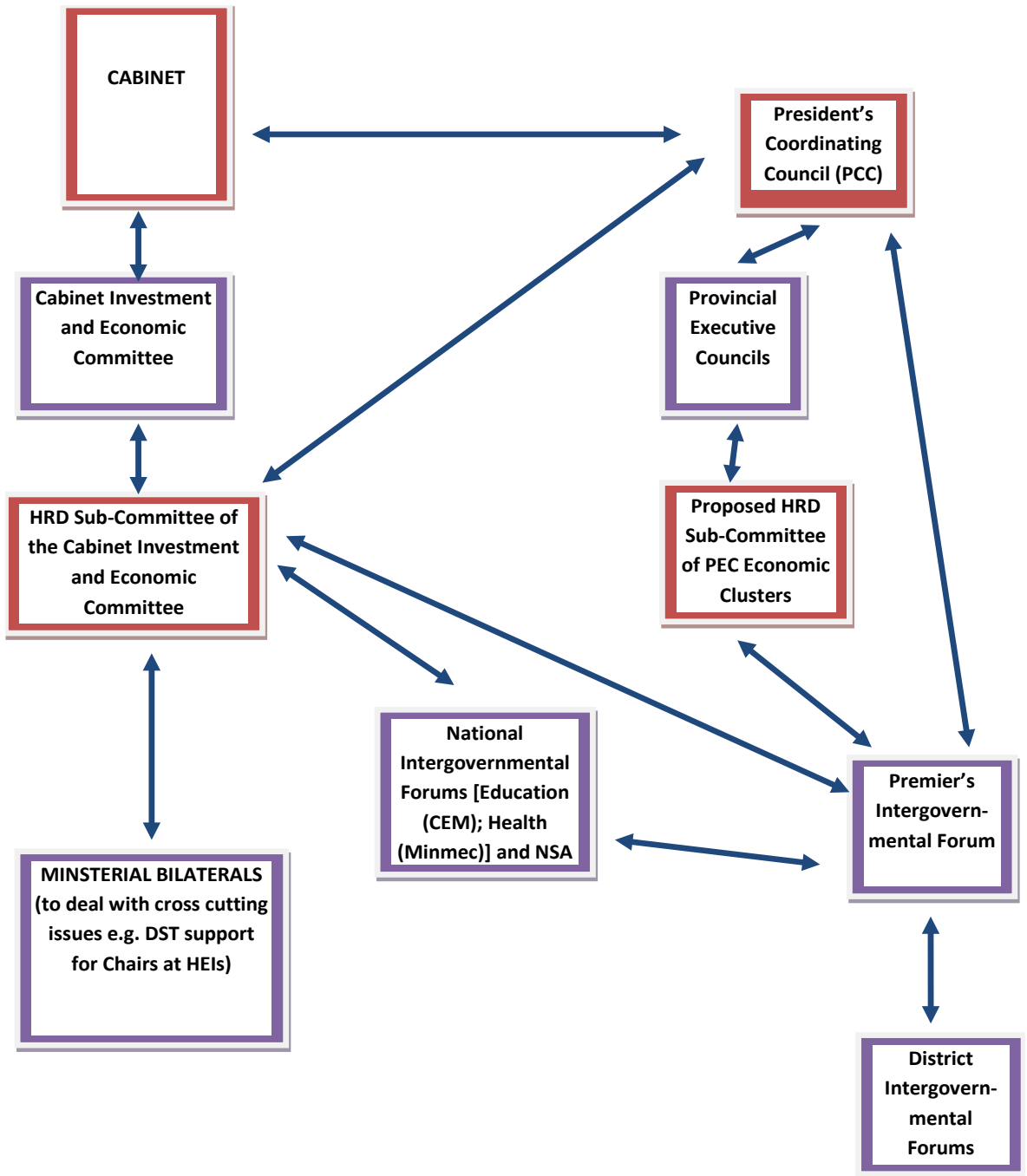


Figure 3: Intergovernmental coordination of the HRDS-SA (political)

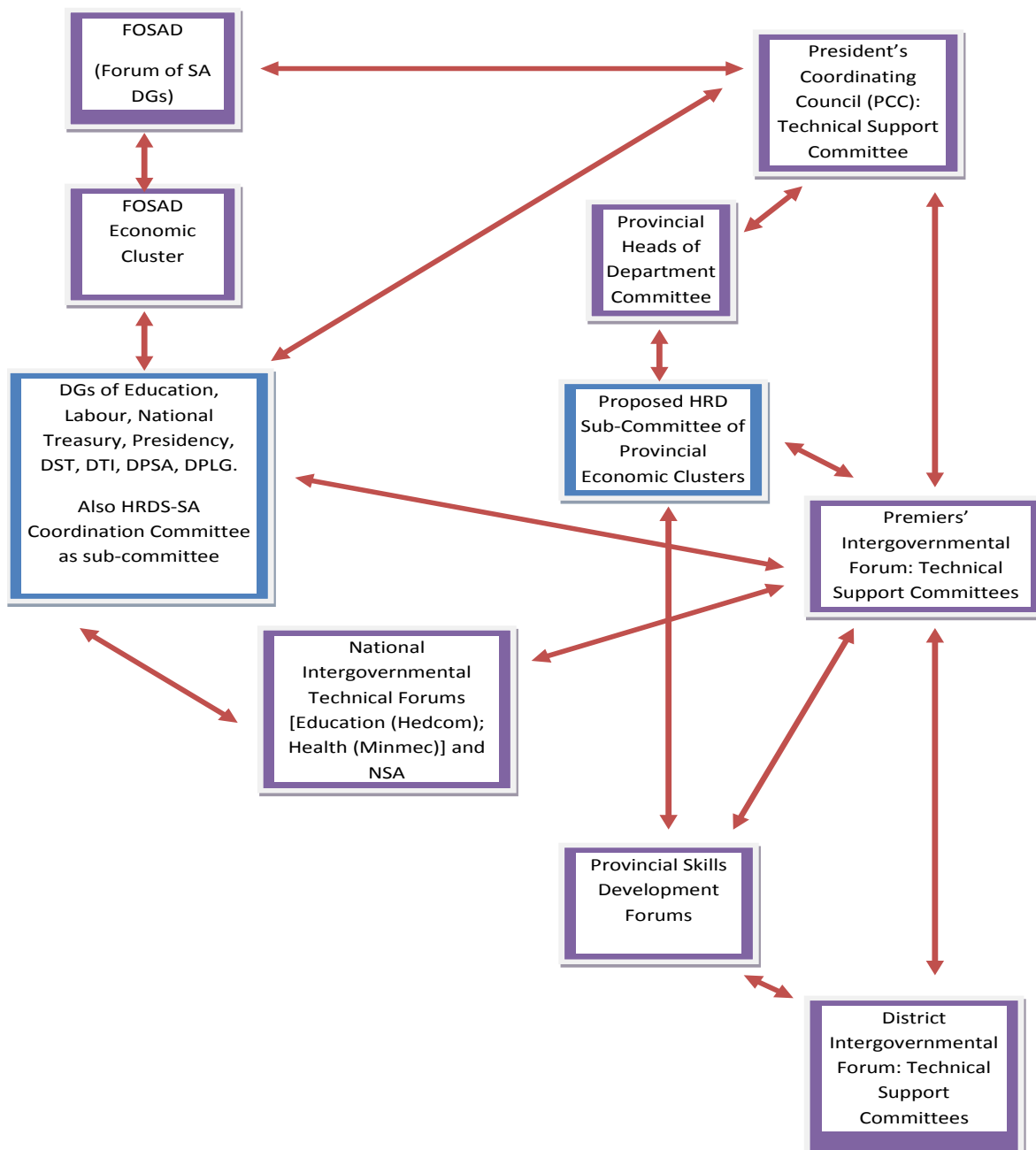


Figure 4: Intergovernmental coordination of the HRDS-SA (Technical)

HRD-SA STRUCTURE

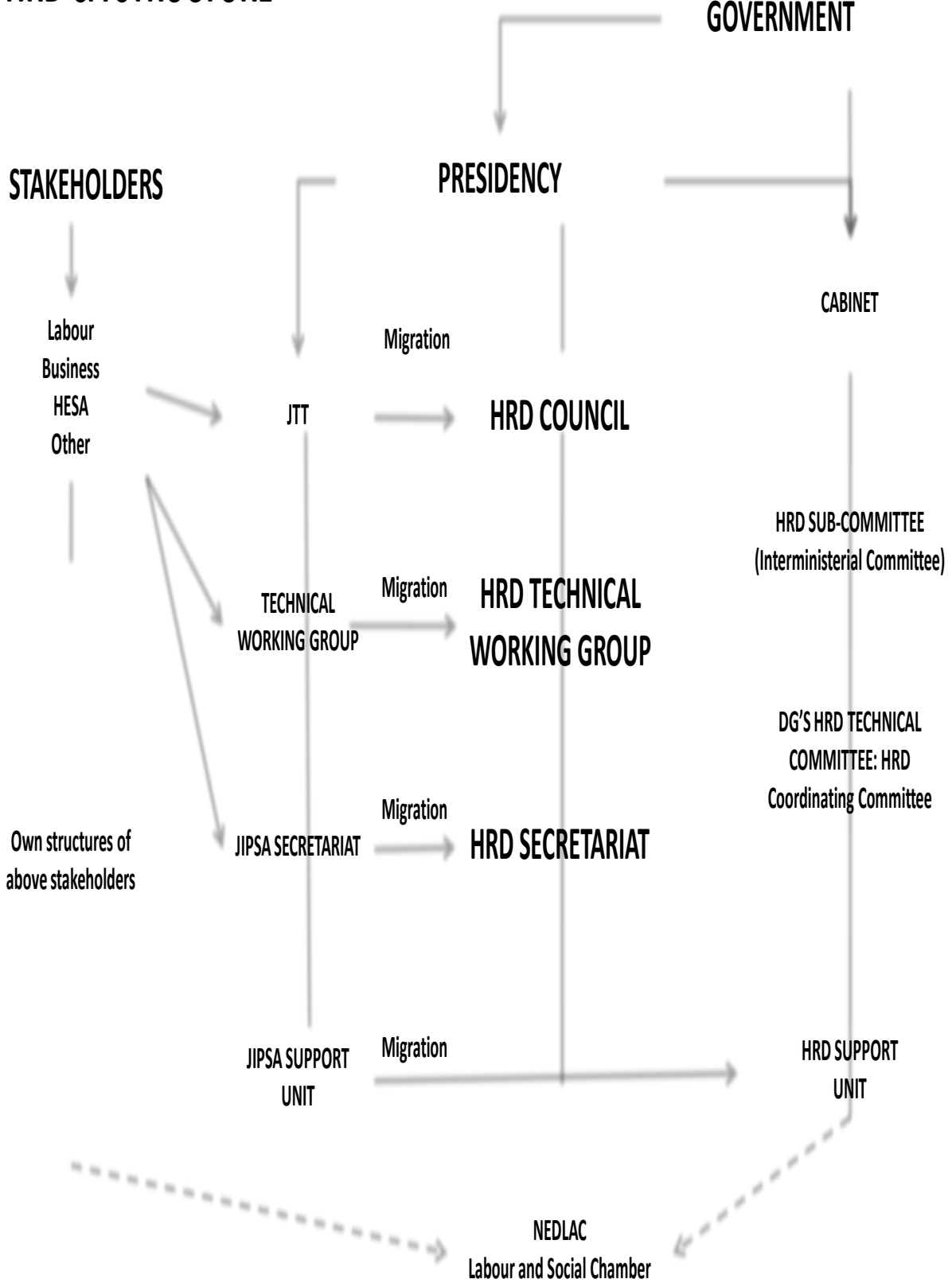


Figure 5: Multi-stakeholder coordination of the HRDS-SA

16. COORDINATION, INTEGRATION AND INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTATION OF THE HRD STRATEGY

The overarching recommendation for achieving integrated planning within government is to craft the HRD planning mechanisms on the existing architecture for government-wide planning. This will ensure that the HRDS-SA 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 wider integration will be achieved through: (a) the institutional mechanisms for coordination established in terms of this strategy, and (b) the creation of a single and comprehensive process for conducting labour market analysis and the modelling of skills supply and demand for all sectors.

There will be a single process and set of products related to labour market analysis and the modelling of skills supply and demand for all sectors. These analyses must be credible and comprehensive enough to serve the needs of all major users, especially the NSA, SETA's, HE and FET. To achieve this, there will have to be credible capacity that is commensurate with the scope and complexity of the mandate. This could be achieved through expanding the scope of the Employment System of South Africa, which is the system being developed by the Department of Labour. However, this would require careful attention to institutional location and reporting lines, given that this facility needs to service the full scope of HRD activities. In this regard, the location of this capacity within the HRD Secretariat will have to be carefully considered.

A substantial HRD conference of all major stakeholders will be convened by the chairperson of the HRD Cabinet Sub-Committee, in her/his capacity as the primary steward of the HRDS-SA, every five years. This conference will consider a substantive *Five-year HRDS-SA Review Report*, various synthesis reports and the HRDS-SA Medium-term Strategic Framework. This conference is intended to be the pre-eminent forum for the coordination and strategic framing of HRD across all sectors.

Annual review reports on the implementation of the HRDS-SA will be considered by the HRD Council (described below), with the aim of soliciting perspectives and mobilising efforts toward remedial action required and continued implementation of the strategy.

17. ACCOUNTABILITY, MONITORING, EVALUATION AND REPORTING

The HRD Subcommittee of the Cabinet Investment and Employment Cluster has primary responsibility for the monitoring and evaluation of the HRDS-SA. Monitoring and evaluation will be based on indicators and targets contained in this document and according to an agreed schedule of reporting and monitoring and evaluation activities.

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 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 HRDS-SA. These reports will primarily serve as early warning signals and will guide implementation and remedial action where required. Targets will be monitored on an annual basis, and the results published in a consolidated annual report upon implementation of the HRDS-SA. This 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 HRDS-SA. 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.

Within eight months of the launch of this strategy, each line department and entity responsible for major datasets will table the policy framework governing their data specifications, collection, management and utilisation for Cabinet approval. This policy framework will be focused on the scope of the HRDS-SA and will contain a clear schedule detailing the frequency and nature of reports to be made against the relevant indicators contained in the strategy.

18. IMPLEMENTATION OF THE STRATEGY

The HRDS-SA 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 HRDS-SA were to simply replicate these details. To give effect to the strategic dimension, the HRD strategy must be greater than the sum of parts, and therefore needs to:

- Bring about articulation between subsystems to allow for optimal achievement of systemic outcomes;
- Initiate activities which cannot be performed in any of the subsystems but which is mission-critical for the HRD system in the country;
- Facilitate holistic analyses of HRD and the functioning of the labour market;
- Deal with shortcomings in labour market information; and
- Ensure economies of scale with regard to complex analytical work (such as labour market supply and demand forecasting).

Each of the activities listed in the Five-year Strategic Framework will be elaborated on in a detailed project plan (implementation plan) that will be monitored through quarterly progress reports. This annual project plan will include actual budgeted amounts and must therefore be clearly aligned to the budget process. The first step in implementation and the first performance measure against which accountability measures will be applied is the development of clear project plans.

The commencement date for the implementation of this strategy is 1 April 2009 (the beginning of government's 2009/10 financial year), and the deadline for the finalisation of project plans for the first year of implementation (2010/11 financial year) is 31 January 2010. For all subsequent years, the deadline for the finalisation of project plans to be implemented in a particular year is 31 January, before the start of the government financial year.

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 HRDS-SA 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 should be effectively implemented, as failure to do so will subvert the success of the entire strategy. In view of this, a project management unit (PMU) will be established within the HRDS-SA Secretariat to give effect to the necessary planning and policy analysis expertise to assist each of the key departments in ensuring that project plans are developed and implemented successfully. A report listing the mission-critical activities, as well as a clear plan for their effective implementation, will be tabled at the Ministerial HRD Subcommittee immediately following the adoption of this strategy. The role of the PMU with regard to these mission-critical activities will be clearly spelt out in this report. It is expected that the PMU will work in collaboration with specific departments or entities where a specific mission-critical activity coincides with their mandate.

19. CONCLUSION

The indicators and targets enumerated in this strategy are critical to South Africa's path toward reduced levels of poverty, unemployment and inequality. They are critical in improving 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 HRDS-SA 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.

ANNEXURE A: IMPLEMENTATION PLAN (FIVE-YEAR TARGETS AND LEAD RESPONSIBILITY TO BE COMPLETED BY 31 JANUARY 2010)

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 is critical to the manufacturing, construction and cultural industries	
Strategic objective	Indicator/outputs
To increase the annual output of engineering graduates in HET	Number of engineering graduates per annum
To increase the annual output of artisan graduates through targeted artisan training	Number of artisans certified per annum
To increase the annual output of design graduates in FET	Number of design graduates from FET institutions
To increase the annual output of design graduates in HET	Number of design graduates from HELs
Strategic Priority 1.2: To increase the supply of skilled personnel in the priority areas of design, engineering, artisanship that are critical to manufacturing, construction and cultural activities through net immigration	
Strategic objective	Indicator/outputs
To 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
To 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
To 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
To increase the number of appropriately qualified people to meet the HR demands in the capital/transport equipment and metal fabrication industries	Aggregate national output of graduates with qualifications linked to the demand in the capital/transport equipment and metal fabrication industries in FET, HET and SETA facilitated training
To 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
To increase the number of appropriately qualified people to meet the HR demands in the chemicals, plastic fabrication and pharmaceutical industries	Aggregate national output of graduates with qualifications linked to the demand in the chemicals, plastic fabrication and pharmaceutical industries in FET, HET and SETA facilitated training

To 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
To 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
To 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
To 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
To 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
To 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
To 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

Commitment One: Activities

- Establish credible technical capability within the HRDS-SA 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.) [Transact critical interface between demand side (economic strategies, poverty and employers) and supply side (Department of Labour, Department of Education and private providers).]
- Establish active collaboration between the HRDS-SA 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.) [Transact critical interface between demand side (economic strategies, poverty and employers) and supply side (Department of Labour, Department of Education 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 credible HE planning and institutional capacity development.

- Ensure that the allocation decisions of the National Students Financial Aid Scheme for HE and FET are aimed at responding to the demands for priority skills urgently required by the economy.
- Ensure the development and implementation of the ICT Skills Development Strategy.
- Establish the ICT Skills Development Council.
- Ensure that the ICT Skills Development Strategy is accounted for in SETA SSPs, HE 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
To ensure that there is a coordinated and credible master scarce skills list that accounts for the imperatives of all key stakeholders and economic sectors	Master skills list that is credibly accepted and utilised by all major stakeholders
To 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 decision informed by the master skills list
To 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 decision informed by the master skills list
To 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 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 skills demands for the country	
Strategic objective	Indicator/outputs
To 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
To ensure that the SETA sector skills plans are based on credible and substantive input from employers	Employer input for the development of sector skills plans are systematic, credible and rigorous
To ensure that the master scarce skills list is based on credible and substantive input from employers	Employer input for the development of master scarce skills list are systematic, credible and rigorous
To increase coverage and scope of employer 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
To 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
To 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
To 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
To 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
To 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
To ensure that aggregate enrolment in FET is at optimal levels	FET participation rate benchmarked against data for comparable and high-performing countries
To 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 HRDS-SA.
- Implement HE institutional development programmes in a manner that is purposefully directed at improving institutional efficacy to meet the strategic objectives of the HRDS-SA.

- 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
To 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 hand
To 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
To 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
To improve learner performance in quintiles one and two	Learner performance in standardised tests for reading, writing and Mathematics at Grades 3, 6 and 9.
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
To 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
To 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

To 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 in at least one education and training programme that is focused on the promotion of values in education through the curriculum every five years
To ensure that provisions for the promotion of values in education through the curriculum is actively implemented	The number of satisfactory lessons observed through regular sample surveys
Strategic Priority 3.3: To improve learner performance and quality of education in the schooling system	
Strategic objective	Indicator/outputs
To 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
To improve internal efficiency of the schooling system	Grade progression rate in schooling per year
To arrest and reduce 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
To expand ECD provision to children up to age four	Percentage of children from birth to four years who are benefiting from credible ECD provision
To strive for universal enrolment in Grade R	Percentage of children aged five years 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
To improve the aggregate pass rate in Grade 12	Higher aggregate percentage of learners who pass the Grade 12 final examination
To increase the number of passes in the Grade 12 final examination with a 60% mark and above in Mathematics	Aggregate percentage of learners who pass the Grade 12 final examination with a mark equal to or above 60% in Mathematics
To increase the number of passes in the Grade 12 final examination with a 60% mark and above in Physical Science	Aggregate percentage learners who pass the Grade 12 final examination with a mark equal to or above 60% in Physical Science
To improve racial parity in the Grade 12 final examination results	Ratio of the percentage pass rate within each of four racial categories
To improve gender parity in the Grade 12 final examination results	Ratio of the percentage pass rate for males to that of females
To continuously improve the Grade 12 final examination results of learners from schools in quintiles one and two in	Aggregate percentage of learners in quintiles one and two who pass the Grade 12 final examination
To 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
To 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
To ensure that all schools have at least one visit per term by a team of health professionals from the local health facility for the purpose 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 purpose of screening, basic care and referrals
To ensure that all qualifying learners benefit from an effective school nutrition programme	Percentage of qualifying learners who benefit from an effective school nutrition programme
To 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 2008.
- 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 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 2007; 50% of high schools connected in 2007 and all by 2008; connectivity and usage monitored by 2010/11.
- Ensure 60% of schools has professional support, access to library services and curriculum advisors by 2010.
- Ensure a standards framework for special schools agreed on in 2007; and that special schools are developed as resources centres by 2008/09.
- Ensure 500 schools participating in MSTE; that teachers in 500 Dinaledi schools are trained in 2008; and that the MSTE strategy evaluated in 2009.

COMMITMENT FOUR: We will urgently implement skills development programmes that are purposefully aimed at equipping recipients with requisite skills to overcome 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
To 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
To 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
To 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
To 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
To progressively improve the retention and graduation rates of poor learners in FET coming from low-income geographic areas of the country	Percentage change in retention and graduation rates in FET of poor learners coming from low-income geographic areas of the country
To progressively improve the retention and graduation rates of poor learners in HET coming from low-income geographic areas of the country	Percentage change in retention and graduation rates in HET 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 and as one of the key programmes 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 Education’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 enhance 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
To 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 into further learning and other development opportunities
To 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
To 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 annum
To implement large-scale internships programme within the SANDF that allows entrants to gain qualifications in employment-promoting skills	Number of interns who successfully complete the programme
To 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 annum
To increase the enrolment of the youth in the National Youth Service Programme	Number of young people enrolled in the National Youth Service
To 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
To 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
To 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 dimension 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 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	
To increase the number of Grade 12 graduates with a result of 60% or more in Science	Number of Grade 12 graduates with a result of 60% or more in Science	
To increase the number of Grade 12 graduates with a result of 60% or more in Mathematics	Number of Grade 12 graduates with a result of 60% or more in Mathematics	
To 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	
To decrease the number of unemployed science graduates	Number of unemployed science graduates (baseline to be determined from the SET unemployment register)	
To increase reach of science awareness campaigns	Number of young people and members of public participating in science awareness campaigns	

To 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 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
To accelerate awarding of research chairs	Number of chairs awarded (Baseline: 56 in 2006)
To accelerate awarding of research chairs in engineering (30% of awarded chairs)	Number of chairs in engineering awarded
To increase the number of students graduating with honours level qualification in science, engineering and technology	Number of students graduating with honours level qualification in science, engineering and technology (Baseline: 3 200)
To 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)
To 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)
To increase the number of researchers per 1 000 people	Number of researchers per 1 000 people (Baseline: 1,2)
To increase the percentage global share of research publications	Percentage global share of research publications (Baseline: 0,5%)
To 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 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 straight-line 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, Labour 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 National Human Resources Development Task Team.
- 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 studentship 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 B Sc (Hons) programme;
 - a government-funded four-year Ph D 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 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 through research grants for young and unrated scientists (fast-tracking academic and research careers of young and recently qualified Ph D 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 of world-class standard; and
 - promotion of centres of excellence.
- Fast-tracking of 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
To improve the performance within the public sector to determine service delivery training needs and to effectively procure training services	Development of relevant workplace skills plans that are linked to relevant strategic plans
To 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

To 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 military)	Supply and demand projection model developed and operational in each of the large occupational categories within the public sector
To ensure that government departments and entities invest more than the statutory minimum of 1% of payroll costs in training	Level of compliance with the Skills Development Levies Act by government departments and entities
To implement a compulsory induction programme for all new entrants to the public sector	Coverage to scale of the compulsory induction programme
To 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
To 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
To 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
To 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
To ensure that 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 delivery of HRD initiatives and 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 HRDS-SA.

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 successful planning and implementation of the HRDS-SA	
Strategic objective	Indicator/outputs
To establish a single, participatory and coordinated capacity for conducting labour market supply and demand forecasting modelling and relevant labour market studies	Capability established, institutionalised and used by all key HRD stakeholders to inform planning and evidence-based decision-making
To conduct regular surveys of employment outcomes of new graduates in priority skills areas using panel methodology	Surveys designed and institutionalised with clear role allocation
To 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
To ensure that effective integration of the above management information systems is achieved	Seamless integration of data fields across all datasets
To 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
To 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	Substantive policy framework guidelines implemented

ANNEXURE B: ANALYSIS OF CONTEXTUAL ISSUES THAT IMPACT ON HRD IN SOUTH AFRICA

The link between education and income in South Africa

Figure **Error! Reference source not found.**6 below provides an illustration of the distribution of monthly income and the years of education of income earners in the country. (The size of each bubble is based on the number of people with a particular level of education, and with an income rounded off to the nearest R500.)

This confirms that only once people have twelve years of education that their chances of entering into a higher income bracket raise noticeably. However, as the figure also indicates, having twelve years of education is by no means a guarantee of a substantially higher income. A significant number of individuals with twelve years of education remain at a low income level. The significance of twelve years of education is probably related to fact that the Senior Certificate (matric) is the only certificate currently issued to learners by the schooling system. This makes its value in the labour market particularly high.

While Figure 6 focuses on individuals, Figures 7 and **Error! Reference source not found.** 8 **Error! Reference source not found.** focus on households. This approach results in a stronger concentration at the bottom of the graph for low-income levels. This is due to a tendency that highly educated individuals with a relatively high income belong to the same household. For the purposes of monitoring spread and outcomes of HRD, it is crucial to focus on what happens at the household level. From a policy point of view, the household is particularly important in the formulation and outcomes of policies that are intended to reduce income inequality.

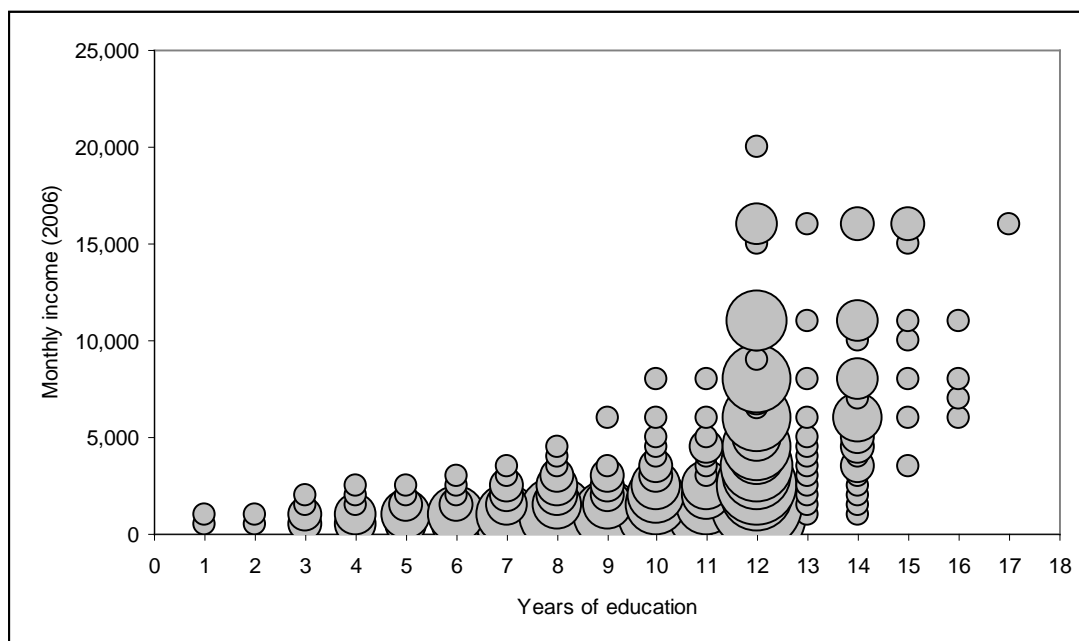


Figure 6: Distribution of income and years of education (individual approach) (Source: Stats SA, 2006)

(Note: For the figure below, where GHS income values were missing, values were imputed using the household expenditure data.)

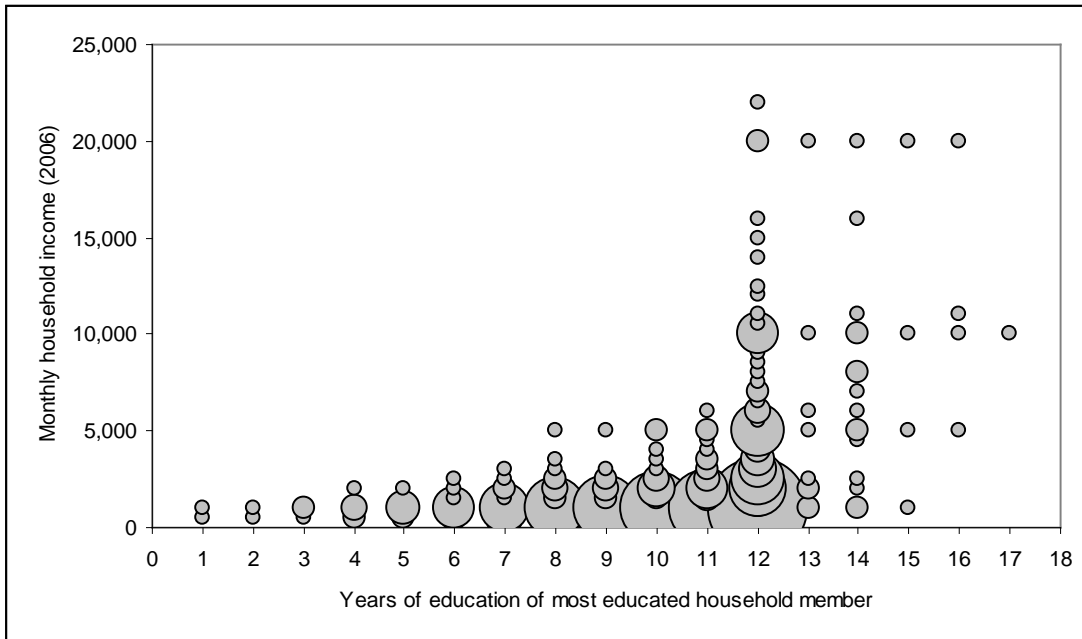


Figure 7: Distribution of income and years of education (household approach) (Source: Stats SA, 2006)

Figure 8 illustrates the income-education link, focusing on the household level. The grey bars indicate years of education and should be read against the left-hand vertical axis. The black squares indicate median household income, and the whiskers indicate the position of the 25th and 75th income percentile. This should be read against the right-hand vertical axis.

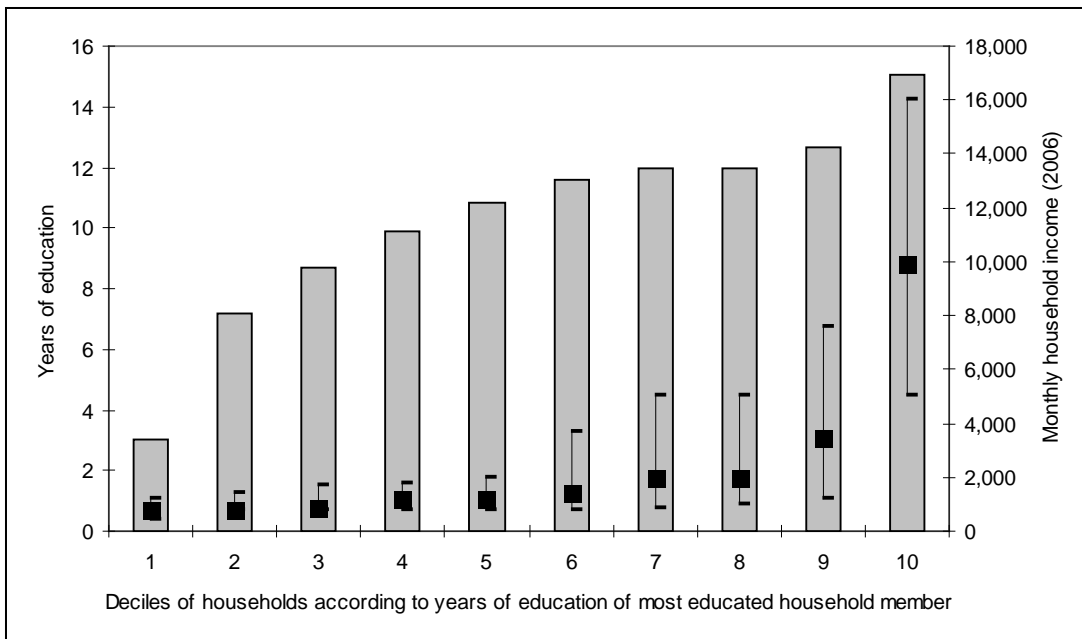


Figure 8: Education groups and their income (household approach) (Source: Stats SA, 2006)

This **Error! Reference source not found.** confirms the importance of twelve years of education with regard to income outcomes. Twelve years of education begin in about the sixth decile. This indicates that in about 50% of households (deciles one to five), the person with the highest level of education has not reached twelve years of education. For the purposes of the HRDS-SA, it appears that part of the solution to the inequality problem lie in a restructuring of the school qualifications system, in particular the introduction of a Grade 9 certificate. This restructuring is currently underway through initiatives taken by the Department of Education.

The Gini coefficient of inequality for the years of education computed using the statistics in Table 3 below **Error! Reference source not found.** is 0.16, which is much lower than the value for the income inequality of 0.73 across households. Even the Gini coefficient value for years of education of individuals, of 0.23, is considerably lower than the Gini coefficient for income. This is very positive from an HRD perspective as it suggests that improved equalities in the distribution of educational attainment (as compared to income) in the population could lead to a reduction in income inequality if the link between education and income is strong. This is indicative of a key challenge in the HRD process, namely to improve educational equity by raising the quality of education for the historically disadvantaged and poor, so that income returns to years of education for this target group improve.

Table 3: Years of education and income

KEY NATIONAL STATISTICS		
	<i>National average</i>	<i>Gini coefficient of inequality</i>
Years of education of adults aged 15 to 64 (2007) (Source: Stats SA 2007. ²)	9,04 years	0.23
Years of education of the most educated person per household (2007) (Source: Stats SA 2007.)	10,41 years	0.16
Annual income per household (2006) (Source: Stats SA, 2008, pp. 9, 35.)	R74 589	0.73

The data represented in Table 4 and Table 5 below suggests a definite link between education qualifications and employment as well as income status in the South Africa labour market.

Table 4: Strict unemployment by educational attainment (Source: Altman, 2007)

Educational attainment	1995	1999	2000	2005
Incomplete secondary	74,0%	69,1%	70,5%	66,1%
Matric	22,4%	25,9%	24,3%	30,5%
Diploma	2,4%	3,2%	3,8%	2,2%
Degree	0,6%	1,1%	1,0%	0,7%
Unspecified	0,5%	0,8%	0,4%	0,4%
Total	100%	100%	100%	100%

Table 5: Educational attainment of the working poor (Source: Altman, 2007)

	≤ R1 000 (%)	≤ R2 500 (%)
No education	13,3	9,7
Pre matriculation	71,5	68,0
Matriculation	13,0	18,7
Tertiary	2,2	3,5
Total	100	100

² In using the typical Stats SA breakdown of the population by highest level of education, certain assumptions need to be made around the equivalence of the Stats SA educational categories and years of education. For these calculations, knowledge of the education system but also statistics on the probability of being employed, were used to attach years of education values to educational categories where the link was not obvious. The appendix provides details on this.

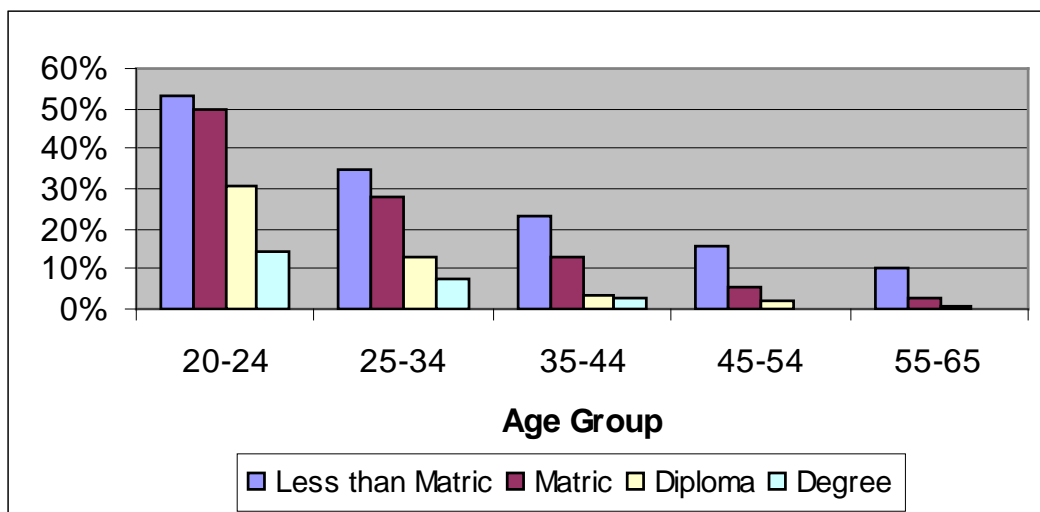


Figure 9

below further confirms that the problem of unemployment is particularly prevalent in the 20 to 24-year age group. It also suggests that the level of qualification is a consistent predictor of employment status within each of the age groups indicated. The figure also suggests that over 50% of young people who have less than matric are unemployed. Notably, it appears that the possession of a matric certificate does not result in dramatically improved labour market outcomes, with just under 50% of 20 to 24-year-olds with matric being unemployed. While the unemployment figures for 20 to 24-year-olds who have a diploma and degree is still alarmingly high, they are considerably better than the rates for those whose higher qualification is matric or less.

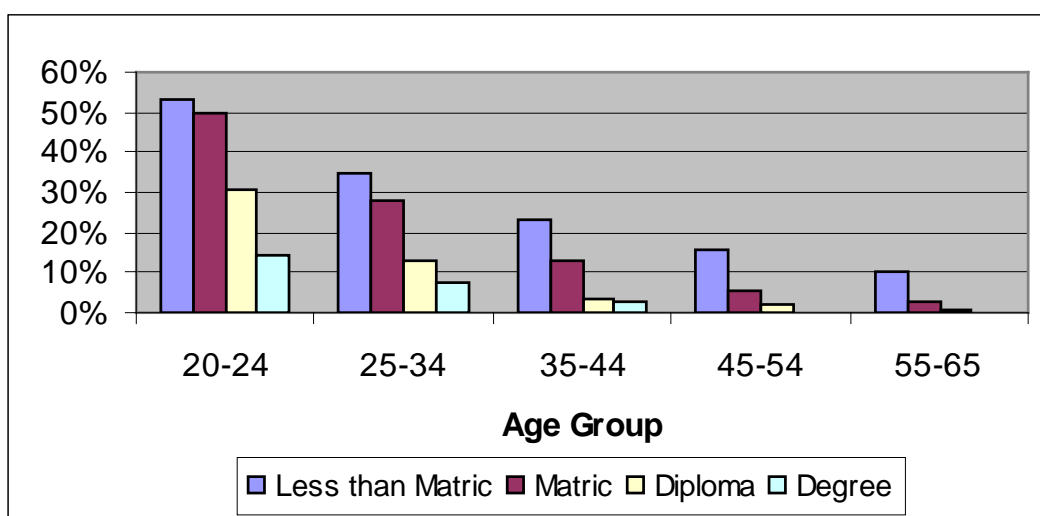


Figure 9: Unemployment by age group and education qualifications (Source: Altman, 2007)

The problem of unemployment remains the number one strategic priority for South Africa. The following salient issues, emerging from the above brief analysis of unemployment in South Africa, have particular import for this report:

- The rate of unemployment has remained high over a number of years. It is therefore an intractable challenge.
- The youth labour market is particularly affected by the problem of unemployment.
- Education does seem to have a positive impact on employment outcomes, but there appears to be significant scope for improving the extent of this impact.
- Demographic factors such as race and age are significant variables to be accounted for in the effort to address the problem of unemployment.

Education quality and the distribution of education outcomes

Even though the scale for the national average scores in Table 6 have been more or less adjusted to make the average for all participating countries equal to around 500, it is important to note that these scores are not comparable to each other, as they follow slightly different scales. It should further be emphasised that the three programmes referred to here, which had very different mixes of participating countries. SACMEQ only involved developing countries (all African), PIRLS involved a clear majority of developed countries, and TIMSS involved more or less an equal mix of developed and developing countries.

Table 6: The quality of education and average per capita income

KEY NATIONAL STATISTICS		
	<i>National average</i>	<i>Gini coefficient of inequality</i>
SACMEQ 2000 score (Grade 6 Mathematics) <i>(Source: Ratsatsi, 2005, p. 5; Gini coefficient calculated from UNESCO, SACMEQ II dataset)</i>	486	0.12
PIRLS 2006 score (Grade 5 reading) <i>(Source: Mullis, Martin, Kennedy and Foy, 2007, p. 37; Gini coefficient calculated from PIRLS dataset (available at http://timss.bc.edu))</i>	302	0.25
TIMSS 2003 score (Grade 8 Mathematics) <i>(Source: Mullis, Martin, Gonzalez and Chrostowski, 2004, p. 34; Gini coefficient calculated from TIMSS dataset (available at http://timss.bc.edu))</i>	264	0.34

In PIRLS and TIMSS, South Africa scored lowest out of 37 and 43 countries respectively. In SACMEQ, South Africa scored 9th out of 12 countries. (The ranking referred to here is with respect to the subjects indicated above. Where a second subject was also tested, the second subject resulted in an almost identical ranking.)

The following three graphs illustrate South Africa's location with respect to the other countries, using the national average scores as well as purchasing power parity (PPP) income per capita. There is an important and dynamic relationship between educational quality and income per capita. The quality of education (much more than years of education) is a strong predictor of the level of economic growth (see, for instance, Hanushek and Woessman, 2007). At the same time, improved income per capita allows for more resources to be devoted to education which, given the right circumstances, can lead to better educational quality. The last two graphs display fairly clear correlations between educational quality and income, and trend lines reflecting this have been inserted.

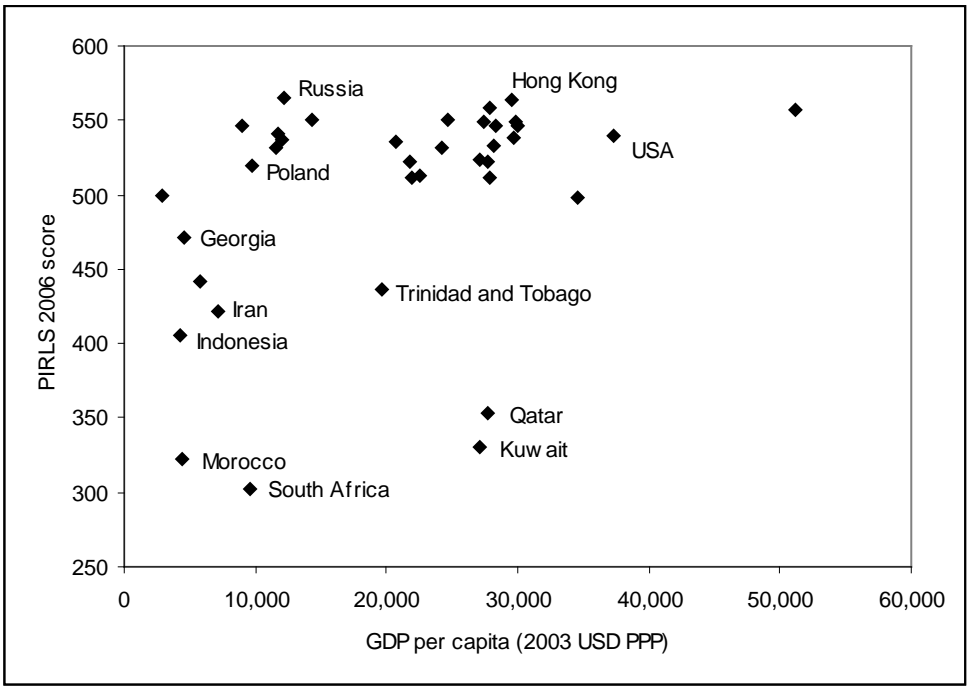


Figure 10: PIRLS Grade 5 reading results relative to GDP per capita (Source: Mullis et al, 2007, p. 37; Heston, Summers & Aten, 2006)

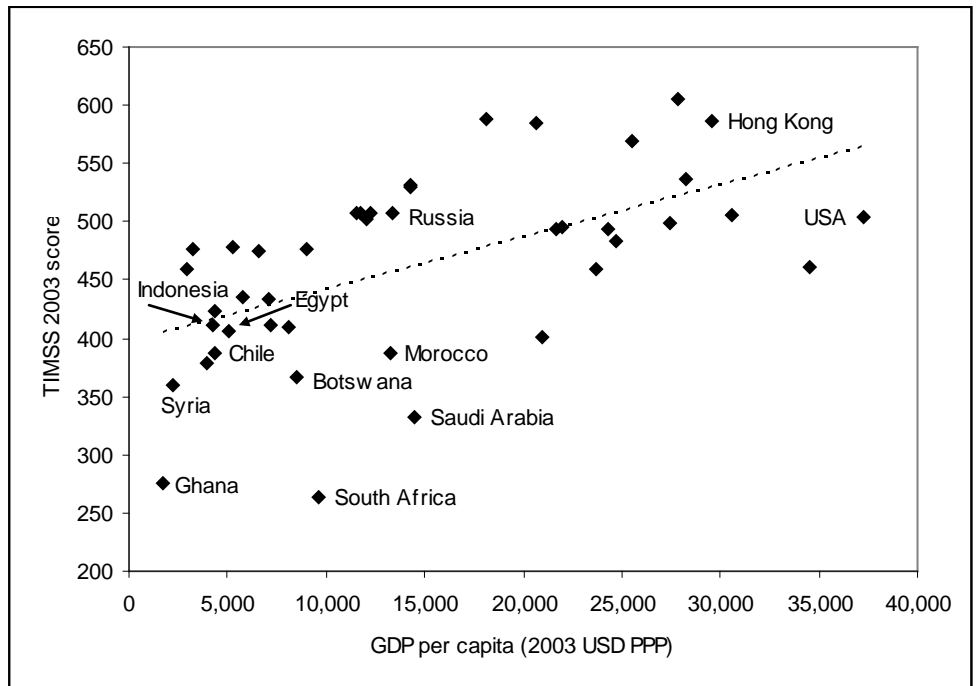


Figure 11: TIMSS Grade 8 Mathematics results relative to GDP per capita (Source: Mullis et al, 2004, p. 34; Heston, Summers & Aten, 2006)

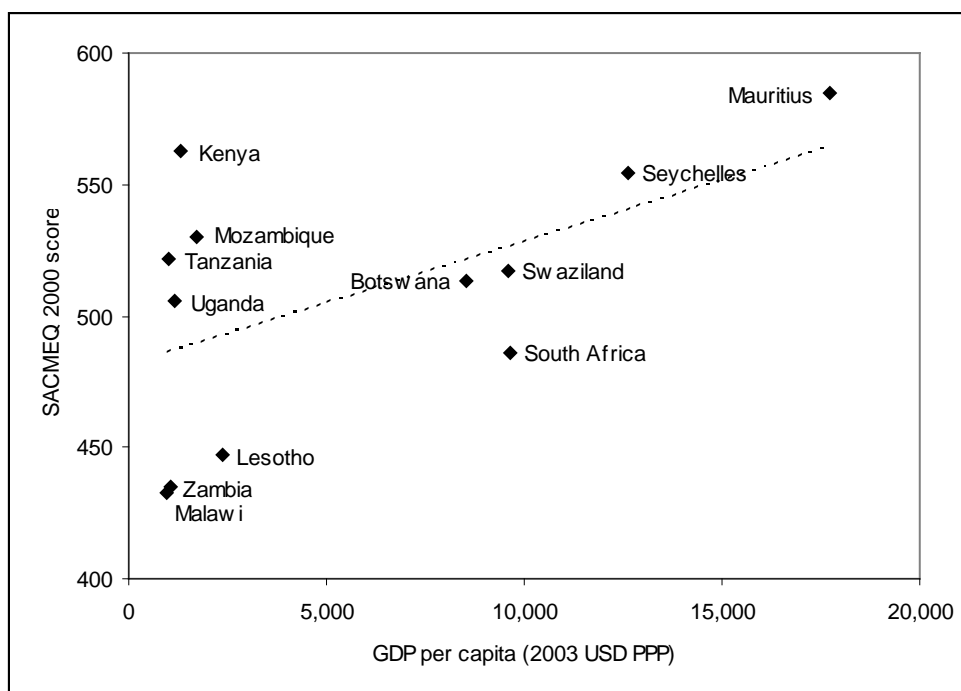


Figure 12: SACMEQ Grade 6 Mathematics results relative to GDP per capita (Source: Ratsatsi, 2005, p. 5; Heston, Summers & Aten, 2006)

The above figures provide a useful comparative indication of the extent of South Africa’s education quality challenge. It is noteworthy that a number of countries with lower incomes per capita do better than South Africa, for instance Indonesia and Egypt (in TIMSS) and Kenya (in SACMEQ). South Africa is not alone in experiencing a challenge in its quality of education. Botswana and Morocco, though they perform better than South Africa, perform at levels that are below what might be expected given their income per capita.

Labour market participation

South Africa’s unemployment rate, whether one considers the official rate or the expanded rate, is high. Of those who are employed, around 80% are in the formal sector, and around 80% are in occupations above the elementary level, meaning that to perform their jobs, these people depend on job-specific skills training of some variety that would have been acquired at some point in their lives.

Table 7: Labour market participation

KEY NATIONAL STATISTICS	
	<i>National average</i>
Unemployment rate ³ (This and the next two statistics are calculated from the Labour Force Survey March 2007 dataset.)	25%
Percentage of employed persons in informal sector	21%
Percentage of employed persons in elementary occupations	22%

³ The unemployment rate given here is the official one, which considers only those who actively sought work in the preceding four weeks as being unemployed. The expanded employment rate, which regards anyone who would like to work whether they have actively sought work in the preceding four weeks or not as unemployed, is 38%. In the breakdowns of the unemployment rate presented in this section, only the official rate is reported on.

Figure 13 below reflects to a large degree the apartheid legacy of unequal educational opportunities and unequal employment opportunities. This is reflected not only in the unemployment figures, but also in the larger dependence of Africans on informal labour, and the very low percentage of whites and Indians in elementary non-skilled occupations. (Note that “% informal workers” and “% elementary occupations” is relative to all employed persons.)

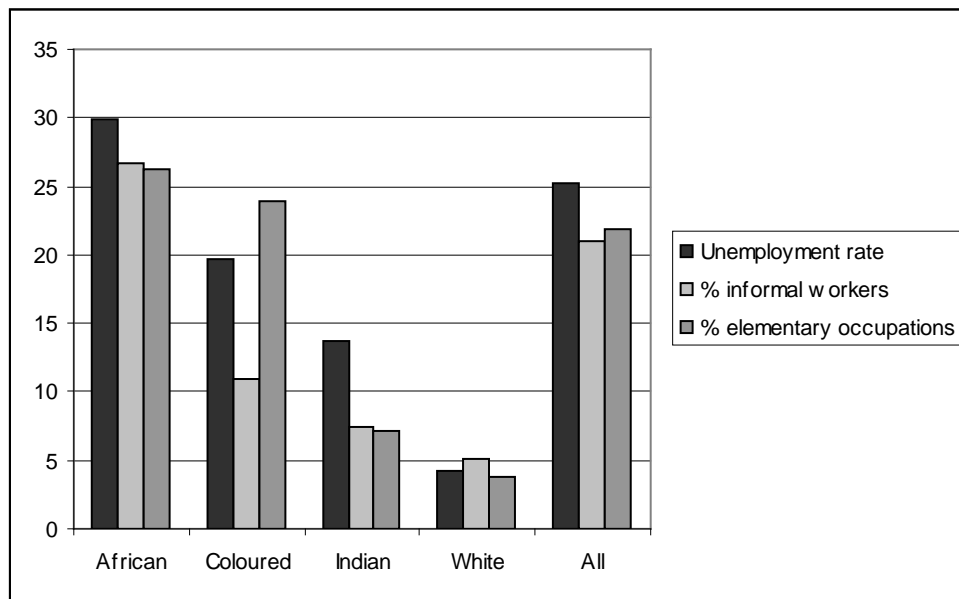


Figure 13: Employment statistics by race (Source: Stats SA, 2007)

Figure 14 indicates that a significantly higher burden of unemployment is borne by women in the labour market, while Figure 15 **Error! Reference source not found.** reflects the very serious extent of youth unemployment.



Figure 14: Employment statistics by gender (Source: Stats SA, 2007)

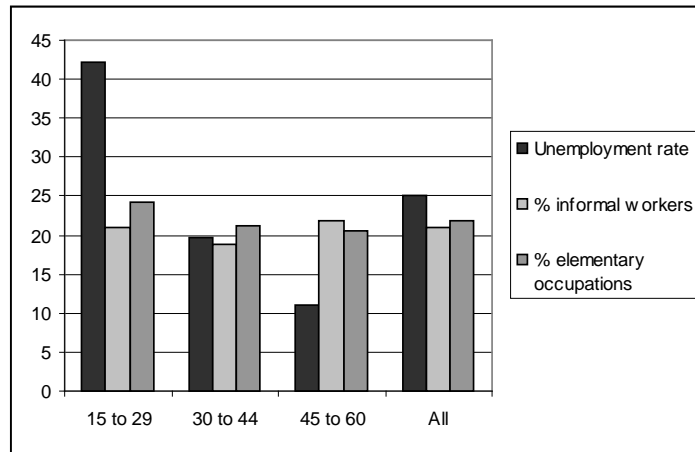


Figure 15: Employment statistics by age group (Source: Stats SA, 2007)

Demographic profile of occupational categories

Race and gender representivity in the nine occupational categories used in the Labour Force Survey is examined in some depth in the figures that follow. If the polygon follows the first ring closely, as is the case with the category “Service workers and shop and market sales workers”, it means that the occupation is highly representative (i.e. the proportion of women in the occupation is close to the proportion of women among all employed persons; the proportion of Africans is close to the proportion of Africans among all employed persons, and so on).

The over-representation of whites and to some degree Indians in highly skilled and high-salaried jobs is evident. For example, the first radar graph indicates that the proportion of whites in the category “Legislators, senior officials and managers” is about 3,5 times as high as the proportion of whites among all employed persons.

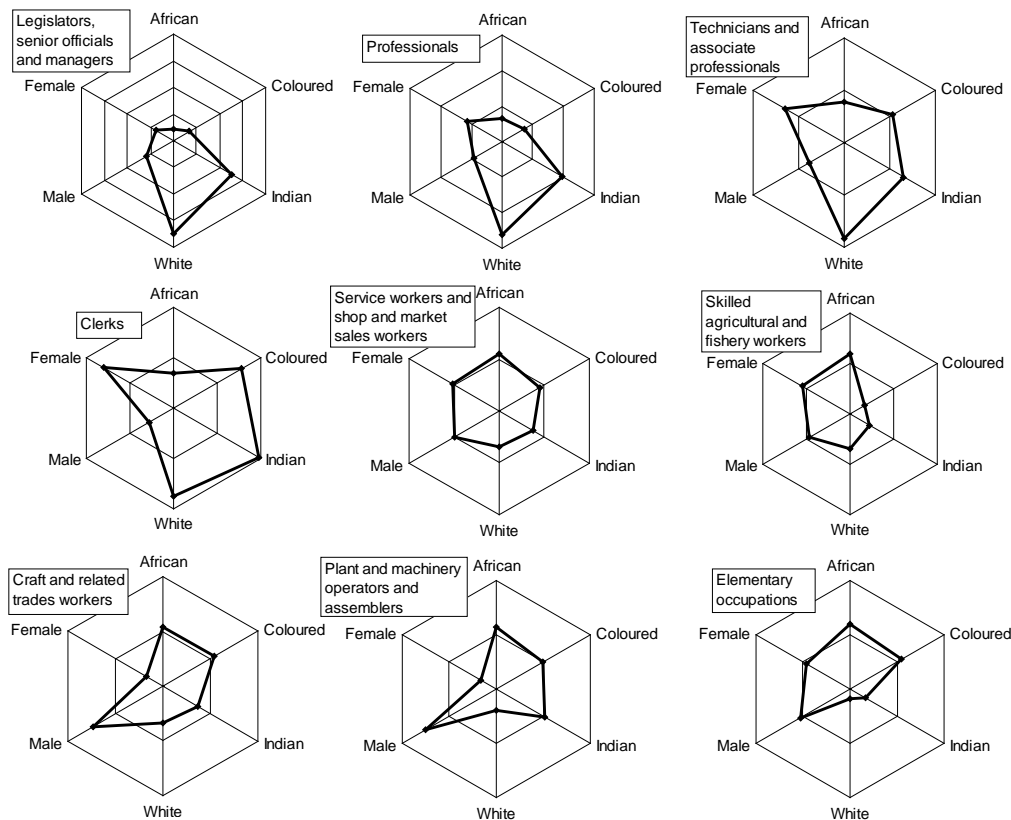


Figure 16: Race and gender representivity across occupations (Source: Stats SA, 2007)

When the above results with regard to race are analysed further to gauge the trends implied by differences between age groups in the workforce, a somewhat reassuring picture emerges over the medium-term. The following graph, which breaks up the above diagram for professionals by age category, shows that whites are not as prevalent among young professionals as compared to the group of professionals as a whole. This implies that one can expect that over time there will be a move towards an overall profile that is more representative of the country's population. The country is therefore on the right track in respect of this important policy objective for HRD.

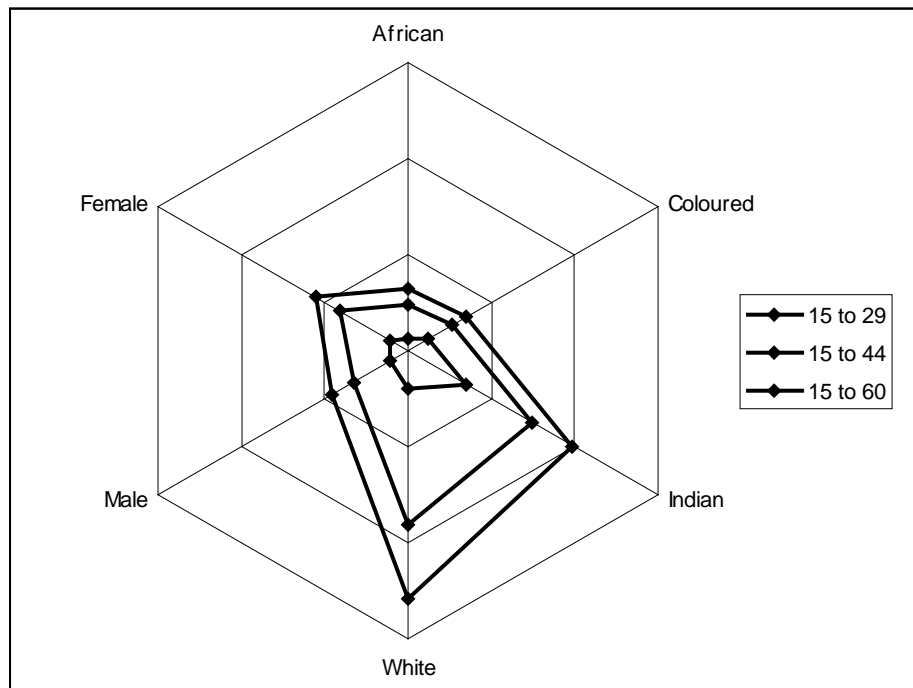


Figure 17: Race and gender representivity among professionals (Source: Stats SA, 2007)

Training trends

The following graph illustrates the trend with respect to the number of people in the labour force who say they hold diplomas, certificates or degrees in the three areas of study specified in the graph. The trend is an upward one for all three areas, and very similar upward trends emerge if we express the numbers in the graph as a percentage of the adult population. The upward trend in the raw numbers is thus more or less in keeping with the growth in the size of the adult population.

A word of caution is however warranted when interpreting and using these numbers, since they are derived from weighted individuals where the actual number of individuals in the survey were rather low. For example, the figure of around 350 000 people qualified in manufacturing, engineering and technology is based on only around 600 respondents. Similarly, the 25 000 with a physical planning and construction qualification is based on just 50 or so respondents in the survey.

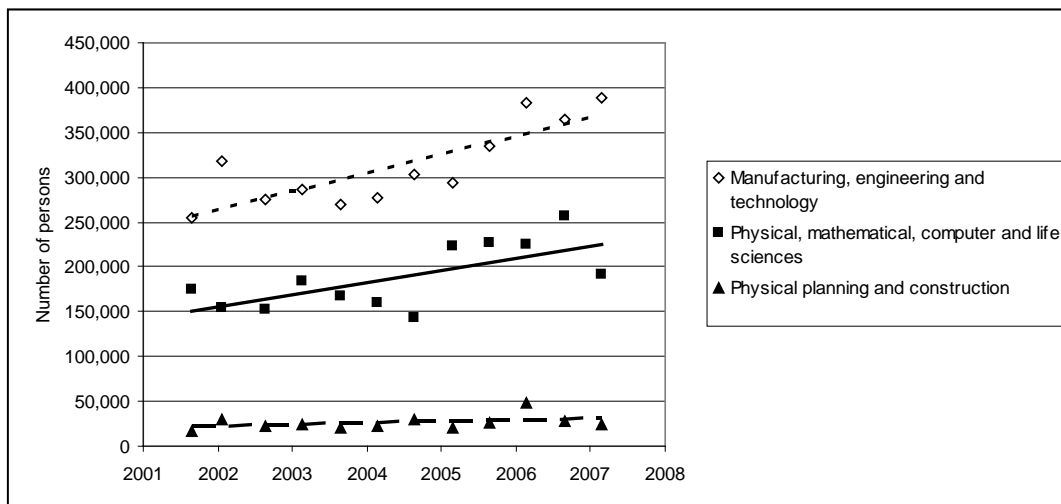


Figure 18: Trend in holding of certain technical qualifications (Source: Stats SA, 2007)

Figure 18 indicates that there has been an increase of around 20 000 per annum in recent years in the number of people holding a qualification in the manufacturing, engineering and technology area. In recent years, approximately 10 000 graduates in this area have been emerging each year from the HE sector, and around 20 000 from the FET college sector (engineering has for many years accounted for just under half of FET college graduates). It seems likely that the increases we see in Figure 19 are the result of the substantial increases in the number of graduates emerging from FET colleges experienced since the late 1990s.

Figure 19 is based on the Labour Force Survey question that asks respondents (in a general way) whether they have received training in specific areas. In addition, respondents are asked what the duration of the most recent training undertaken was. The responses to this duration question appear to suggest that responses cover both the formal training reflected in Figure 18 and other informal training.

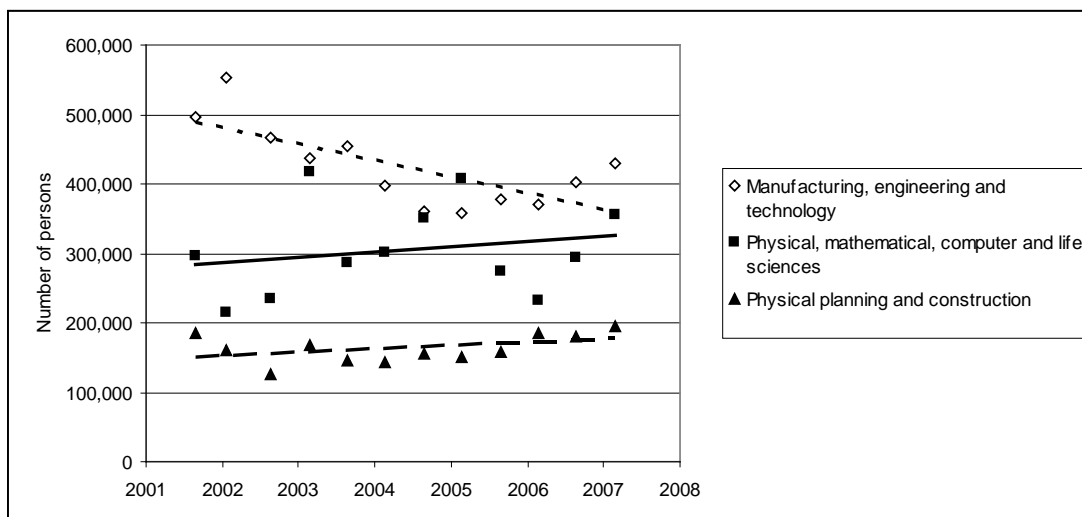


Figure 19: Trend in any training in certain technical areas (Source: Stats SA, Labour Force Survey, September 2001 to March 2007)

The numbers are higher than those for Figure 18, which seems to confirm the inclusion of formal training here. The somewhat erratic trends are difficult to interpret, partly because they are not statistically significant and partly due to possible ambiguities in the interpretation of the survey questions. Therefore, on their own these figures do not offer a basis for drawing any policy conclusions.

Spending on human resource development in South Africa

As can be seen from Figure 20, South Africa falls well above the world norm with respect to public education spending relative the GDP per capita (in PPP terms).

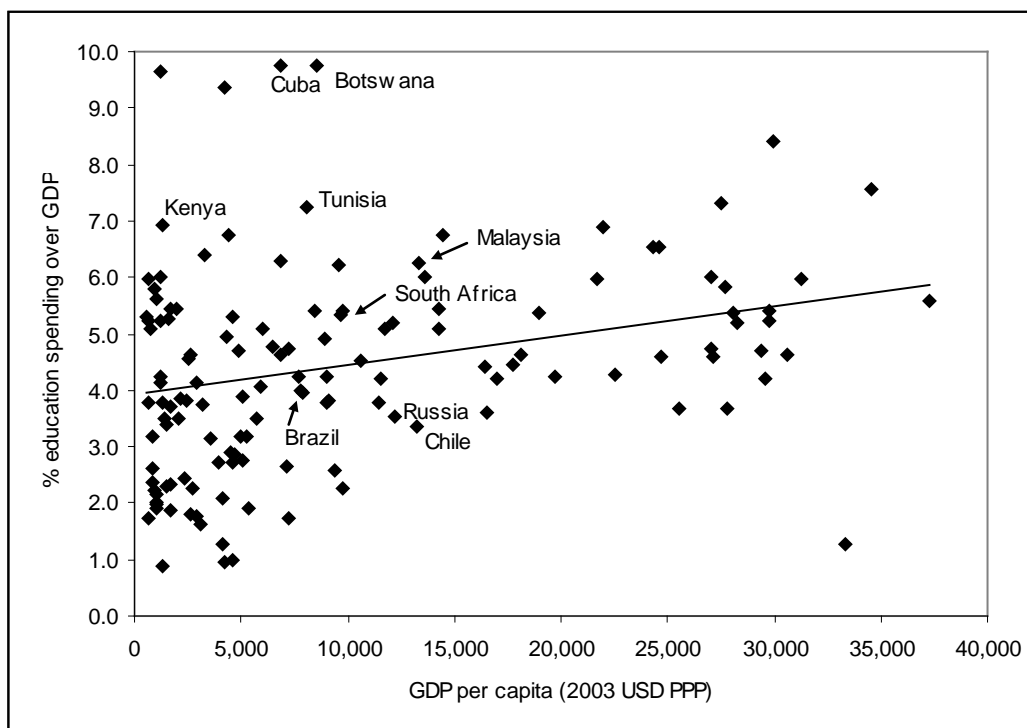


Figure 20: Spending on education relative to GDP per capita (Source: UNESCO, 2006)

(Note: For both statistics the most recent value was used. All countries with a population over one million that also had the required data are included.)

Figure 21 illustrates spending on research and development (R&D) relative to GDP per capita (in PPP terms). The general trend is for the two statistics to increase jointly as countries develop. South Africa is situated on the world trend line. This suggests that, while our level of R&D spending is approximately equal to the world average, there is scope for an increase investment to improve economic competitiveness. This graph and the previous one, which reflect relatively favourable levels of investment, contrast sharply with the graphs on educational quality. This contrast suggests that quality or the outcomes of education is lagging behind the level of investment in the country. This represents a challenge that is clearly one of the most important priorities for HRD in South Africa.

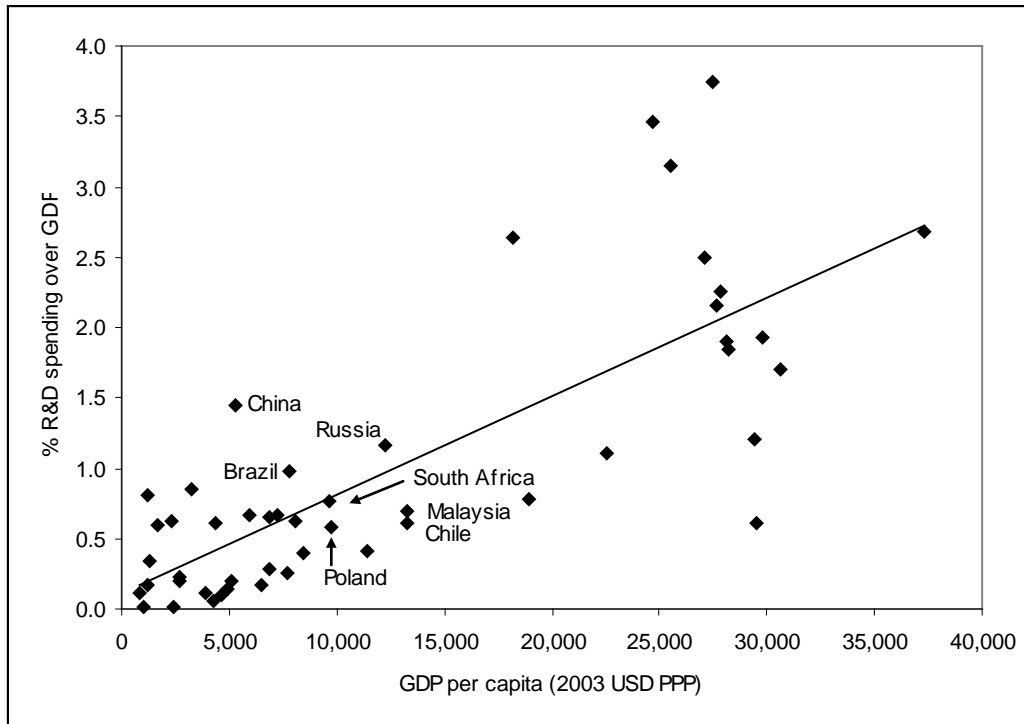


Figure 21: Spending on R&D relative to GDP per capita (Source: UNDP, 2007, p. 273; Heston, Summers & Aten, 2006)

(Notes: For both statistics the most recent value was used. Also, countries included are those with the available statistics and with which South Africa is often compared.)

Trends in South Africa’s Human Development Index (HDI)

In an international comparison of human resources, it is difficult not to take into consideration the UNDP’s human development index (HDI). This index, developed in 1990, is used extensively in debates on the level of human development of a country. Below we examine briefly South Africa’s HDI, and why it has dropped so sharply in the last decade.

Figure 22 illustrates the long-range trend in the HDI values for a six middle-income countries, including South Africa. All six countries experienced a substantial improvement between 1970 and 1990, but from 1990 South Africa and Botswana experienced precipitous falls in their HDI values.

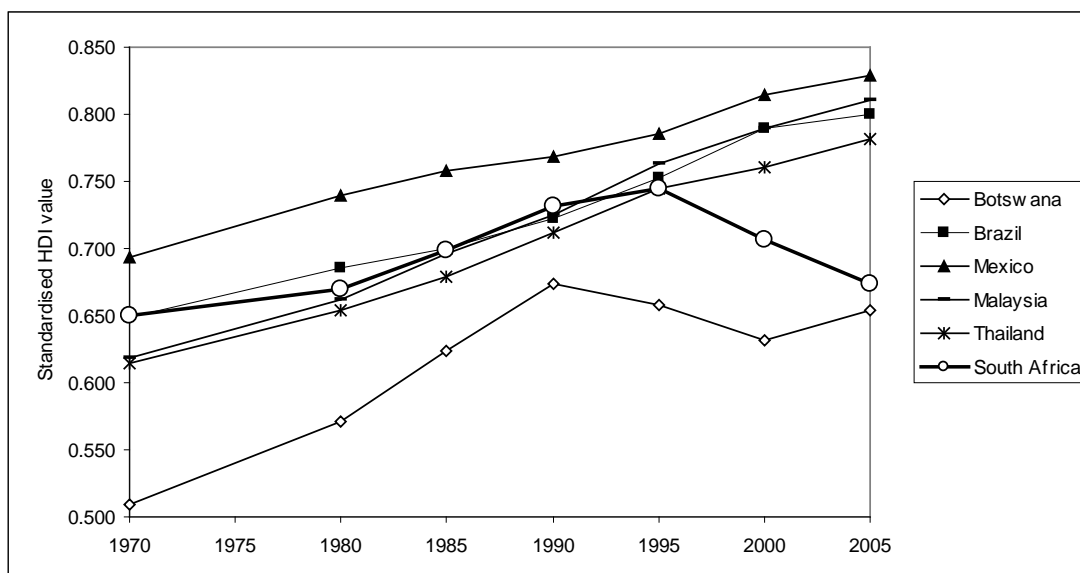


Figure 22: Trend in the HDI for selected middle-income countries, 1970 to 2005 (Source: UNDP, 2007, p. 234)

The following two graphs provide the values for the HDI itself and the HDI's three sub-indices (with values in brackets indicating the weight assigned to each sub-index out of 100) for South Africa and Brazil. It is clear that the drop in South Africa's HDI value is mostly attributable to the drop in the life expectancy index, which in turn is highly sensitive to the impact of HIV and AIDS. South Africa's life expectancy value changed more than any other value from either of the two countries.

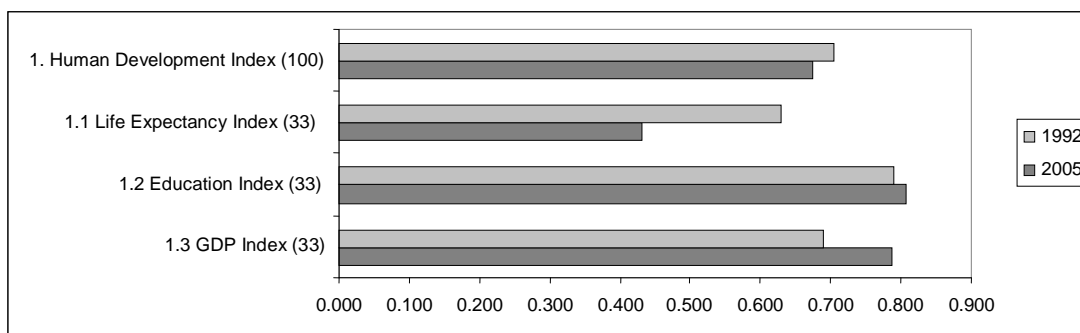


Figure 23: South Africa's HDI values in 1992 and 2005 (Source: UNDP, 1995; UNDP, 2007)

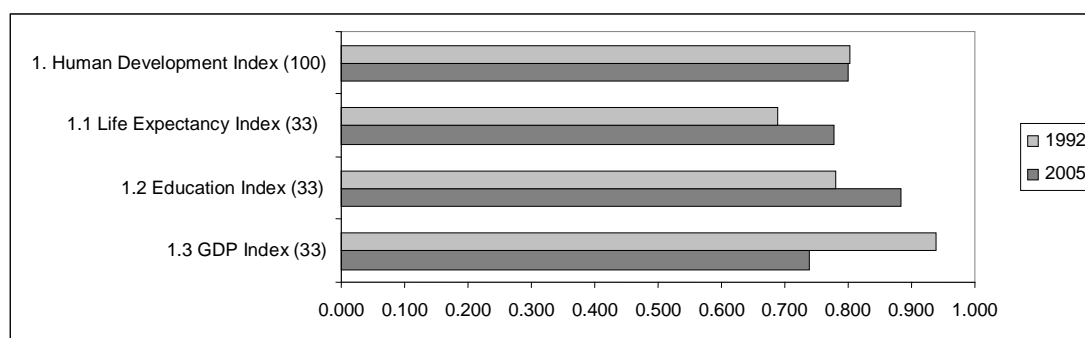


Figure 24: Brazil's HDI values in 1992 and 2005 (Source: UNDP, 1995; UNDP, 2007)

(Note: The 1992 HDI values are not comparable to the HDI values illustrated in Figure 24. The values in Figure 25 are all from the 2007 Human Development Report, and are calculated according to a consistent method. In order to obtain the disaggregation of the above two graphs, it was necessary to consult two separate reports. The UNDP advises against comparing figures from different reports,

which could use different methodologies. However, for the purposes of this illustration, the comparison across reports seemed permissible.)

Figure 25 illustrates all the constituent parts of the HDI for South Africa, and for developing countries as a whole. South Africa has a significantly higher secondary school gross enrolment ratio (GER) compared with the average for other developing countries.

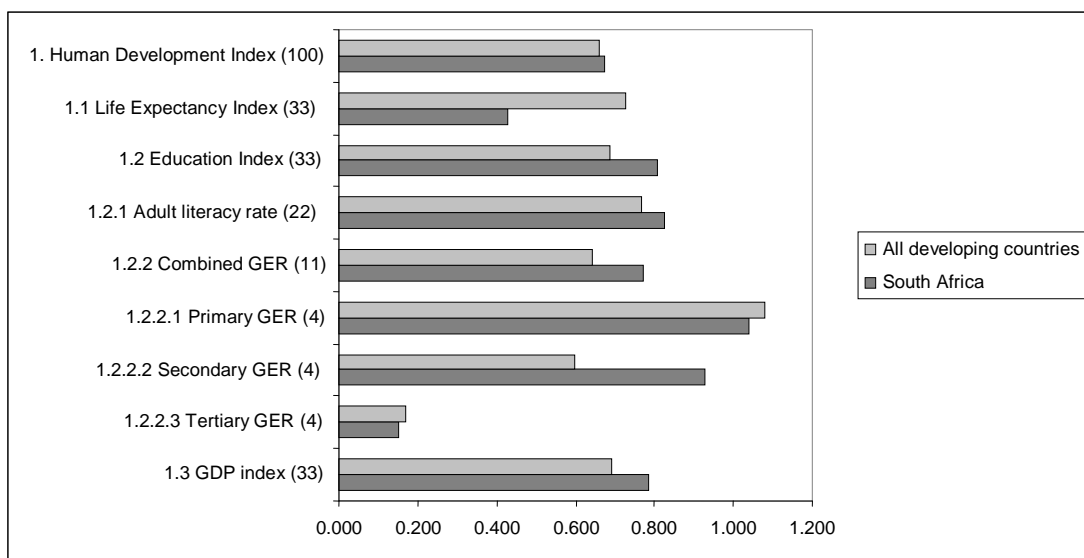


Figure 25: Detailed decomposition of South Africa’s 2005 HDI (Source: UNDP, 2007; UNESCO, 2007)

(Note: The level-specific GER values were obtained from the UNESCO report.)

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