
GENERAL NOTICE

NOTICE 1488 OF 2008

DEPARTMENT OF EDUCATION

CALL FOR COMMENT ON THE DRAFT REVISED HUMAN RESOURCE DEVELOPMENT STRATEGY-SOUTH AFRICA 2008

The Human Resource Development Strategy for South Africa (HRDS-SA) 2008 is hereby published for comments, attached as per schedule A.

Please note that the targets per annum, timelines, lead and supporting responsibilities attached to the Commitments, Strategic Objectives and activities will be finalized after consultation with the responsible government departments.

All interested persons and organizations are invited to comment on the strategy in writing and to direct their comments to:

The Director-General, Private Bag X895, Pretoria, 0001

For attention: **Mr E Sello**, fax no. (012) 312 5989, tel. no. (012) 312 6042, e-mail: **sello.e@doe.gov.za**

Kindly provide the name, address, telephone and fax numbers and email address of the person or organization submitting the comments.

The comments must reach the Department by **31 December 2008**.

The draft revised Human Resource Development Strategy for South Africa may also be obtained at: www.education.gov.za



.....
GRACE NALEDI MANDISA PANDOR, MP
MINISTER OF EDUCATION.

DATE: 24-11-2008

DRAFT REVISED HUMAN RESOURCE DEVELOPMENT STRATEGY (HRD-SA)

BACKGROUND

Government adopted the Human Resource Development Strategy for South Africa (HRDS-SA) in 2001.

Despite achievements in the implementation of the Strategy there were challenges which necessitated the review of the Strategy. The President affirmed the Human Resource Development Strategy as a central pillar for economic and social growth in South Africa in his 2005 State of the Nation Address. The President further outlined it as one of the government's Apex of priorities in his State of the Nation Address this year.

Cabinet mandated the Minister of Education on 31 August 2005 to provide leadership in revising the HRDS-SA, in collaboration with all the relevant Departments. The process of revising the HRDS-SA started in 2005 when a gap analysis of the current Strategy was conducted. A concept document towards an understanding of the role of HRDS-SA was developed and shared with relevant stakeholders.

A NHRD Task Team of the Skills Focus Group and the Economic Cluster was established in September 2007 to provide a platform for collaboration and participation in taking forward the process of revising the HRDS-SA. After an intensive research exercise this draft revised HRDS-SA, was produced.

There have been extensive consultations with officials from the relevant government departments, including the Departments of Labour, Trade and Industry, Science and Technology, Public Service and Administration, Communication, Home Affairs, Health, Social Development and Premiers Offices (PGDS's), as well as other relevant departments through the NHRD Task Team of the Skills Focus Group and the Skills Focus Group of the

Economic Cluster. Consultations were also held with the Economic and Social Clusters of Directors-General, National Treasury and Forum of South Africa's Directors-General.

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

Please note that the targets per annum, timelines, lead and supporting responsibilities attached to the Commitments, Strategic Objectives and activities will be finalized after consultation with the responsible government departments.

DRAFT

2008

Human Resource Development
Strategy for South Africa
2009 -2030



Copyright © 2008 Polity

2008

CONTENTS

1.	Message from the Minister of Education (will not be included in the service provider's draft)	4
2.	Message from the PRESIDENCY (will not be included in the service provider's draft)	4
3.	Prologue: a call to collective action	5
4.	Consultation with social partners	5
5.	Introduction and Background.....	6
6.	The case for an HRD Strategy for South Africa	7
	What is HRD?.....	7
	Why an HRD Strategy for South Africa?.....	7
	The need for an expanded conception of HRD	10
	Alignment of HRD with South Africa's Development Agenda.....	11
7.	Brief review of the 2001 HRD Strategy for South Africa.....	12
8.	Key challenges that have shaped the revision of the HRD Strategy	13
9.	Overview of the context of HRD in South Africa.....	15
10.	Goals of the HRD Strategy	20
11.	The Strategy	20
	20-Year Strategic Framework	20
	5-Year Medium Term Strategic Framework: Strategic Priorities One to Twenty four , with indicators and broad 5-Year targets	23
12.	The role of the three spheres of government and sector departments in the HRD Strategy for South Africa	25
13.	The role of labour and business in relation to the HRD Strategy	26
14.	Mechanisms for the effective stewardship, coordination and management of the HRD Strategy for South Africa	26
15.	Coordination, integration and institutional arrangements for implementation of the HRD Strategy	30
16.	Accountability, Monitoring, Evaluation and Reporting	31
17.	Implementation of the HRDS-SA	32
18.	Conclusion	33
	ANNEXURE A: Implementation Plan.....	34
	ANNEXURE B: Analysis of contextual issues that impact on HRD in South Africa	54
	Bibliography.....	72

ABBREVIATIONS:

1. ASGISA	Accelerated and Shared Growth Initiative for South Africa
2. AIDS	Acquired Immunodeficiency Syndrome
3. ABET	Adult Basic Education and Training
4. BPO&O	Business process outsourcing and off-shoring
5. CHE	Council for Higher Education
6. DoE	Department of Education
7. DoL	Department of Labour
8. DHA	Department of Home Affairs
9. DTI	Department of Trade & Industry
10. DoC	Department of Communication
11. DPE	Department of Public Enterprise
12. DST	Department of Science & Technology
13. DoJ	Department of Justice
14. DoD	Department of Defense
15. DPSA	Department of Public Service & Administration
16. DSD	Department of Social Development
17. DPLG	Department of Provincial and Local Government
18. DPW	Department of Public Works
19. ECD	Early Childhood Development
20. ESSA	Employment Services System
21. FET	Further Education and Training
22. FTE	Full-time equivalent
23. GHS	General Household Survey
24. GDP	Gross Domestic Product
25. GER	Gross Enrolment Ratio
26. HIV	Human Immuno Virus
27. HDI	Human Development Index
28. HEI	Higher Education Institution
29. HRD	Human Resources Development
30. HRDS-SA	Human Resources Development Strategy for South Africa
31. HESA	Higher Education South Africa
32. HET	Higher Education & Training
33. IPAP	Industrial Policy Action Plan
34. ICT	Information Communication Technology
35. JIPSA	Joint Initiative on Priority Skills Acquisition
36. MIS	Management Information System
37. MINIMEC	Minister and Provincial Members of Executive Council Committee (convened by a national minister for the purpose of inter- governmental co-ordination within a particular sector, such as health, social development, etc.)
38. MSTE	Math's Science Technology and Engineering
39. MTSF	Medium Term Strategic Framework
40. NEDLAC	National Economic Development and Labour Council
41. NSA	National Skills Authority
42. NIPF	National Industry Policy Framework
43. NSDS	National Skills Development Strategy
44. NSDF	National Skills Development Framework
45. NRF	National Research Foundation
46. NSFAS	National Student Financial Aid Scheme
47. NQF	National Qualifications Framework
48. NT	National Treasury
49. NACI	National Advisory Council on Innovation

50. PALAMA	Public Administration Leadership and Management Academy
51. PSETA	Public Service Sector Education and Training Authority
52. PIRLS	Programme for International Student Assessment
53. PPP	Purchasing Power Parity
54. SETA	Sector Education and Training Authority
55. Stats SA	Statistics South Africa
56. SACMEQ	Southern and Eastern African Consortium for Measuring Educational Quality
57. SET HCD	Science, Engineering and Technology Human Capital Development
58. SSP	Sector Skills Plan
59. SMME	Small, Micro, and Medium Enterprise
60. SANDF	South African National Defence Force
61. SARCHI	South African Research Chairs Initiative
62. SAQA	South African Qualifications Authority
63. SAPS	South African Police Services
64. TIA	Technology Innovative Agency
65. TIMSS	Trends in International Mathematics and Science Studies
66. UNDP	United Nations Development Programme
67. UNESCO	United Nations Education and Science Council
68. WSP	Workplace Skills Plan

1. MESSAGE FROM THE MINISTER OF EDUCATION

[TO BE INSERTED AFTER STRATEGY IS FINALLY APPROVED]]

2. MESSAGE FROM THE PRESIDENCY

[TO BE INSERTED AFTER STRATEGY IS FINALLY APPROVED]]

3. PROLOGUE: A CALL TO COLLECTIVE ACTION

Human Resource Development 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 organizations to invest time and resources in HRD toward the public good.

It is only through concerted efforts in HRD in 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, obliges 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, we use the term "we" in this Strategy. It is through collective ownership and mobilizing collective effort that we will succeed in achieving the goals of this HRD Strategy for South Africa.

4. CONSULTATION WITH SOCIAL PARTNERS

The input of social partners, especially labour and business, is vital to the success of this Strategy. This is essential for the Strategy to be credible. Consequently, the Strategy will be subjected to a process of consultation involving Government's social partners. The process of consultation will be facilitated through the following mechanisms:

- Presentation and consultation on the Strategy within NEDLAC, JIPSA and AsgiSA.
- Publication of the Strategy, and an invitation for public comments and input.

All comments and inputs received will be systematically collated and made available on the Department of Education's website. The Strategy will be amended and discussed within the joint stakeholder structure which will be established for the stewardship of the HRD Strategy for South Africa (HRDS-SA). The final version of the Strategy will then be tabled at Cabinet for consideration and approval.

5. 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 one 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 justiciable Bill of Rights.

However, many significant challenges remain. Our development agenda remains the central preoccupation 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:

- the need to ameliorate poverty,
- income inequality,
- threats to social cohesion, and
- ongoing demographic (race, gender, age, class and geographic) inequities.

It is critical to mobilize our collective will to make credible interventions that will accelerate progress towards achieving South Africa's development goals. The HRD Strategy for South Africa (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 human resources development is recognized by Government, and is shared by business, labour, non-governmental organizations, and academic sectors of South African society. It also resonates with the significance attached to HRD in the international development discourse.

The first comprehensive country-wide HRD strategy adopted by the Cabinet was launched in 2001. Called the "Human Resource Development Strategy for South Africa: A nation at work for a better life", the declared mission of that early strategy was:

To maximize 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 for South Africa 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 optimize the efficacy and outcomes of HRD in respect of SA's Development Agenda.

6. THE CASE FOR AN HRD STRATEGY FOR SOUTH AFRICA

WHAT IS HRD?

In any country, human resources development refers to formal and explicit activities which 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 actions to increase the aggregate levels of skills in the workforce so that we can maximize opportunities for individuals, and thereby benefit society as a whole.

This HRD Strategy is a call to action. The primary purpose of this Strategy is to mobilize multi-stakeholder participation, and to encourage individuals and organizations to take on the challenge of improving the human resources stock of our nation.

WHY AN HRD STRATEGY FOR SOUTH AFRICA?

Human resources development has featured very prominently in the international discourse on development. Most countries are implementing a systematic strategy for human resources development in support of economic growth and development.

The growing complexity of work – accelerated through the dynamic impact of globalization on national economies, production, trade and the world of work – 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 effectiveness has now become the area where many countries seek competitive advantage. According to Ziderman:

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. (Ziderman, 1997, p.352)

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

... human 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. (Cited in United Nations Programme in Public Administration and Finance, 1995, p. 5).

Box 1 below summarizes the evolution of thinking on HRD within the United Nations General Assembly. The United Nations 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. (Cited in United Nations Programme in Public Administration and Finance, 1995, p.3)

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 emphasized 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 when formulating this HRD Strategy for South Africa).

Thus, if HRD is to create the desired development outcomes, it needs to be integrated with the whole range of development strategies currently being implemented. Without doubt, the lack of adequate human resources severely constrains social and economic growth and development. Almost all countries have therefore identified HRD as a key policy and development priority.

There is both anecdotal and empirical evidence of skills shortages in a number of occupations and economic sectors within South Africa. Importantly, this fact co-exists with a relatively high level of unemployment. It also contributes to individuals' low levels of success in finding employment after successful completion of education and training.

It is clear that there is a tangible problem arising from the mismatch between the supply and demand for skills in the South African labour market. The best way to address this mismatch, and to

ameliorate the implications that flow from it, is to implement a successful, comprehensive, and credible HRD strategy.

A wide range of activities is being implemented by the public and private sectors that are focused on HRD. This HRD Strategy cannot, and indeed does not, seek to include all of these activities in the public and private domain. It seeks instead 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 which are constraining growth and investment in the short-term. But effective and credible HRD cannot depend entirely on short-term measures. The focus of this Strategy is equally on medium- and long-term perspectives. This HRD Strategy is therefore explicitly designed to respond to the twin imperatives of urgency and sustainability.

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

Further elaboration [on HRD] was developed in all subsequent General Assembly sessions. In its current formulation, human resources development within the United Nations is built on two basic principles. These are –

- (a) the human being is at the centre of all development activities; and
- (b) 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) recognized 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 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;
- (e) Ensuring a modicum of the sense of the individual, local, and national security: peaceful political and favourable national and international economic conditions.

21. These building blocks form the basis for deriving essential activities to accomplish the mission as stated in these different components of the building blocks:

- (a) 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;
- (b) 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, including distance education programmes, utilizing appropriate and sustainable technologies to broaden the range of available resources;

(c) The vital importance of national capacity-building in developing countries, particularly the critical importance of qualified national personnel;

(d) The integration of human resources development 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, communications 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, 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);

(e) Full mobilization and integration of women in the formulation and implementation of appropriate national policies to promote human resources development;

(f) The importance of women and youth in human resources development and support for conferences on these two themes;

(g) 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;

(i) The vital importance of appropriate national policies and their implementation to promote human resources development through the optimal use of resources, taking due account of the importance of primary education and primary health care programmes;

(n) The important role of non-governmental organizations in human resources development.

(Cited in United Nations Programme in Public Administration and Finance, 1995, p.5)

THE NEED FOR AN EXPANDED CONCEPTION OF HRD

Conventional conceptions of HRD generally tend to focus solely 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 to 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 HRD Strategy for South Africa (HRDS-SA) 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, her/his technical skills; the extent to which her/his 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 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.
(White Paper on Reconstruction and Development, 1994)

This priority was reinforced in the Growth 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 to 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 HRDS-SA is therefore consistent with the historical and current thrust of Government's development agenda. HRD has been identified as a vital instrument in all of Government's 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 (covers all cluster priorities);
- The Medium-term Strategic Framework (MTSF);
- Accelerated and Shared Growth Initiative for South Africa (ASGISA);
- National Industrial Policy Framework (NIPF);
- Industrial Policy Action Plan (IPAP);
- Emerging Anti-Poverty Strategy; and
- Technology and Innovation Strategy.

In addition, this HRDS-SA is explicitly based on the following education and training related strategic frameworks:

- The National Skills Development Strategy (NSDS) 2005-2010 (Including 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/Strategy; and
- The HRD Strategy for the Public Sector.

7. 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 for 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:

- For most of the targets specified in the strategy, significant progress was made in their attainment.
- Monitoring and evaluation was not optimally done – due, in large measure, 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 utilization 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 implementation of the strategy emerged only after the finalization 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 in 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. There is a clear need for a revised strategy that will overcome the shortcomings listed above, and to respond to the new challenges that have arisen.

8. KEY CHALLENGES THAT HAVE SHAPED THE REVISION OF THE HRD 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; non-governmental organisations and the multitude of private enterprises in the country. 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 “strategy” is to systematically identify and implement a set of focused actions that would create sufficient leverage for the full scope of HRD inputs and activities to promote the outcomes that favour the country’s development priorities. The strategy should, therefore, be limited in scope and focused on maximizing mission-enhancing leverage within the HRD system. The challenges and priorities, listed below, served as the basis for the formulation of this revised HRD Strategy for South Africa:

- The need for credible and effective institutional mechanisms for the stewardship, implementation, coordination and monitoring and evaluation of the HRDS-SA.
- The 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 on growth.
- The 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.
- The 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 returns that are comparable 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 Higher Education and FET enrolment planning; and the immigration quota list are not informed by a common, credible and consistent modeling 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 are vital to the success of any strategy. The scope and formulation of indicators and targets were clearly not satisfactory in the 2001 HRD Strategy for South Africa. 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, NIPF, and the Anti-poverty strategy, in particular, have 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 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 maximizes the benefits that these institutions bring to the HRD mandate.
 - The 2001 HRD Strategy (like most national HRD strategies throughout the world) has 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 for interventions focused on these factors to be brought within the scope of HRD policies and strategies. Some notable examples in this regard relate to:
 - ~ immigration 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 on the demand side that may lead to a failure or even refusal to recognize and utilise existing supply of skills that could meet demand;
 - ~ morbidity in the working population resulting from illness and disease; and
 - ~ questions of productivity.
 - There is a need to use the lessons that accrue from experience to simplify institutional arrangements and policies which will improve efficacy of skills development enterprise in the country. The review of SETAs 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. The private provider market, across the system, has yet to reach maturity. The cost of training is relatively high in South Africa, 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 growth in efficiency of the training market.
 - 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 youth, women, and children who should be receiving early childhood development, and people with disabilities, remains unsatisfactory.

9. OVERVIEW OF THE CONTEXT OF HRD IN SOUTH AFRICA

The current context raises specific challenges for the 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 experiencing a challenge in its quality of education; Botswana and Morocco, for example, also perform at lower levels compared to 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 Further Education and Training, the Occupational Learning System and higher education. The issue of education quality is undoubtedly a central challenge for HRD and development in South Africa.

The link between education and income in South Africa

The chances of entering into a higher income bracket in South Africa rises noticeably only after people have twelve years of education. However, 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 data represented in

Table 4 and Table 5 in Annexure B suggests a definite link between education qualifications, on the one hand, and employment as well as income status, on the other hand, in the South Africa labour market.

The data represented in Figure 8, in Annexure B, confirms further that the problem of unemployment is particularly manifest for the 20-24 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 a matriculation are unemployed. Notably, it appears that possessing a matriculation certificate does not result in dramatically improved labour market outcomes; just under 50% of 20-24 year olds with a matriculation are unemployed. While the unemployment figures for 20-24 year-olds who have a diploma and degree is still high, they are considerably better than the rates for those whose highest qualification is matriculation or less.

Given these trends, it is reassuring that the measure of inequality of years of education attainment 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 Figure 7 **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.

Labour Market Participation

Table 1: Labour market participation

KEY NATIONAL STATISTICS	
	<i>National average</i>
Unemployment rate ¹ (This and the next two statistics are calculated from Labour Force Survey March 2007 dataset.)	25 per cent
Percentage of employed persons in informal sector	21 per cent
Percentage of employed persons in elementary occupations	22 per cent

South Africa's unemployment rate (in terms of both the official or expanded rate) is very high and constitutes a key challenge for the country's development agenda. Of those who are employed, around 80 per cent are in the formal sector, and around 80 per cent 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. 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 youth in the labour market.

There continues to be an over-representation of whites and to some degree Indians in high skills 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 amongst all employed persons.

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.

¹ The unemployment rate given here is the official one, which considers only those who actively sought work in the previous 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 previous four weeks or not, as unemployed, is 38 per cent. In the breakdowns of the unemployment rate presented in this section, only the official rate is reported on.

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 these areas:

- Manufacturing, engineering and technology;
- Physical, mathematical, computer and life sciences; and
- Physical planning and construction.

The trends are very similar to each other 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 recent years in the numbers 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 Higher Education sector, and around 20,000 from the Further Education and Training (FET) college sector (engineering has for many years accounted for just under half of FET college graduates).

Spending on Human Resources Development in South Africa

South Africa's current levels of public education spending relative to GDP per capita (in Purchase Power Parity terms) are well above the global average. Investment in training has grown significantly since the implementation of the Skills Development Act, 1998 (Act No. 97 of 1998) and the Skills Development Levies, 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 is 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.

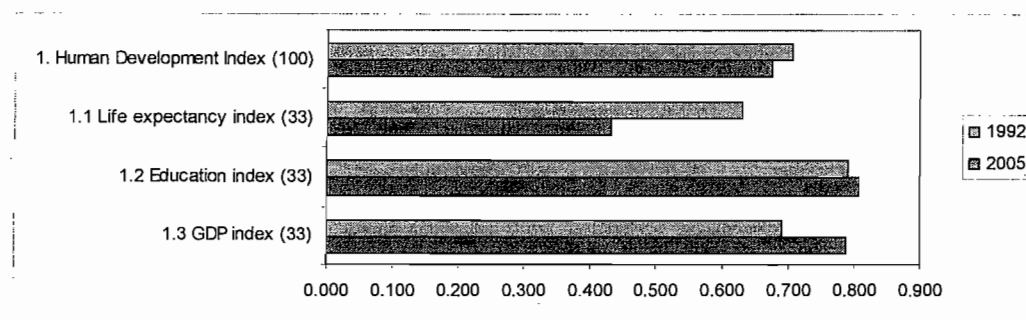
Trends in South Africa's Human Development Index (HDI)

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 to 2005 largely as a result of the fall in the

life expectancy index, which in turn is highly sensitive to the impact of HIV/AIDs. It is notable, for the HRD Strategy 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.

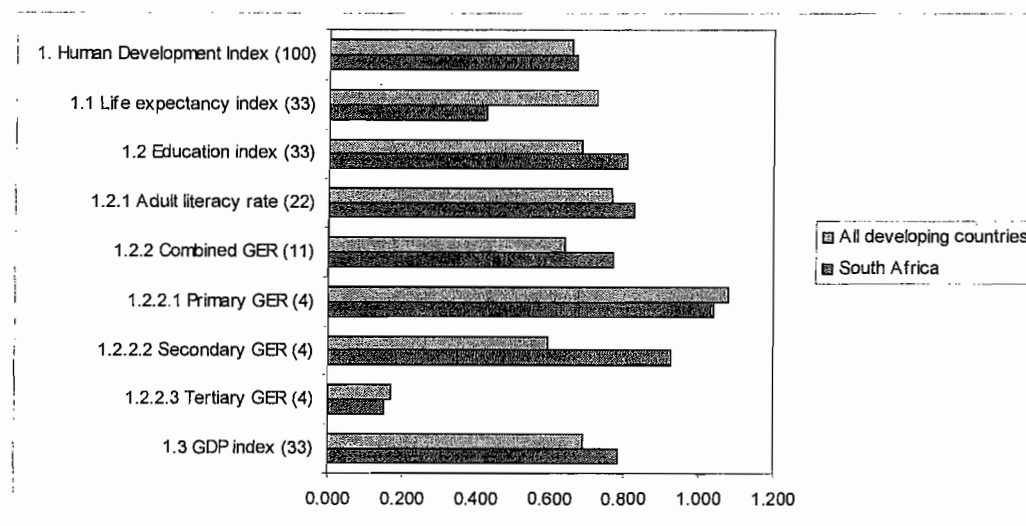
Figure 1: *South Africa's HDI values in 1992 and 2005*



Source: UNDP (1995); UNDP (2007)

Figure 2Error! Reference source not found. 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 to the average for other developing countries.

Figure 2: *Detailed decomposition of South Africa's 2005 HDI*



Source: UNDP (2007); UNESCO (2007).

With regard to education indices, South Africa is generally better off than the average for all developing countries, with the exception of primary Gross Enrolment Ratio and the Tertiary (Higher Education) Gross Enrolment Ratio. 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 prioritization of health-related matters within the Government's programme of action. It also underscores importance of accounting for health-related matters within the HRD Strategy.

10. GOALS OF THE HRD STRATEGY

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

- To urgently and substantively reduce the related 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 is designed to complement the range of purposefully developed development interventions to achieve the following:

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

11. 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 age 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 of education outcomes in education and training outcomes is significantly less than income inequality prevailing 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 of higher education, Further Education and Training 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 ranks 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.

Table 2: Indicators for 20-year Strategic Framework

Category	Indicator
EDUCATION AND TRAINING	Literacy rate of 15-24 years olds (Youth Literacy Rate)
	Adult Literacy Rate of the Population 15 +
	Percentage of population over 15 with no education
	Percentage of population over 15 with primary education completed
	Percentage of population over 15 with Grade 12/Std. 10 completed
	Percentage of population over 15 with higher education completed
	Education level of the bottom 10 % of twenty-year olds in terms of education attainment
OCCUPATIONAL CATEGORIES	Number of Engineers per 100 000 of the population
	Number of medical doctors per 100 000 of population
	Number of doctoral graduates per 100 000 of the population
	R&D personnel (number in FTE) per million of the population
TECHNOLOGY DIFFUSION AND ACCESS	Researchers in R&D (per million people)
	Innovation Linkages Index
	Readiness of Information Technology Index
	Innovation Policy Index
	Innovation Capacity Index
	Networked Readiness Index
HEALTH	% of population over 5 years who have been immunized
	Life Expectancy

5-YEAR MEDIUM TERM STRATEGIC FRAMEWORK: STRATEGIC PRIORITIES ONE TO NINE, WITH INDICATORS AND BROAD 5-YEAR TARGETS

The 5-year Strategic Framework seeks to provide a Medium-Term Strategic Framework (MTSF) for HRD in South Africa. The commitments, strategic priorities and activities contained within the 5-year Strategic Framework are explicitly designed to respond to the challenges enumerated earlier. The Commitments below are written as a collective commitment by all stakeholders in response to a call to action. The word “we” is therefore used to signify a 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 artisans that is critical to the manufacturing, construction and cultural industries.
- Strategic Priority 1.2: Increase the supply 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 and the NIPF and IPAP.

COMMITMENT TWO: We will increase the supply 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 universal access to, and urgently improve the quality of, basic education and schooling (up to Grade 12) in a manner that is purposefully focused on achieving a dramatic improvement in the education outcomes for the poor, on equipping learners with optimal capacity for good citizenship, and to pursue 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 that are consistent with good citizenship and 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.

COMMITMENT FOUR: We will urgently implement skills development programmes that are purposefully aimed at overcoming the related scourges of poverty and unemployment:

- Strategic Priority 4.1: To ensure that unemployed adults, especially women, have access to skills development programmes that 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 Adult Basic Education and Training (ABET).
- Strategic Priority 4.3: To accelerate the participation and graduation rates of learners coming from poor families or households in FET and HET.

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 youth that is 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 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 supply 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 on improving service delivery.

- Strategic Priority 7.2: To leverage the Sector Education and Training Authorities 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 that are vital for successful planning and implementation of the HRDS-SA.

12. THE ROLE OF THE THREE SPHERES OF GOVERNMENT AND SECTOR DEPARTMENTS IN THE HRD STRATEGY FOR SOUTH AFRICA

Many provinces have already instituted, to varying degrees, HRD strategies in response to strategic priorities within their jurisdictions. These strategies are derived from the respective 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 sub-set of the HRDS-SA. They need to reflect the priorities of the HRDS-SA through the lens of local conditions and/or 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 sub-system (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 MINMECs) to ensure inter-sphere integration of planning and delivery of the targets identified. This relates in particular to indicators related to Education and Health for which Provinces have a statutory mandate.

In addition, the HRDS-SA 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 Government 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 against those indicators contained in the HRDS-SA, and not those that relate to their specific indicators or Special Programmes.

13. THE ROLE OF LABOUR AND BUSINESS IN RELATION TO THE HRD STRATEGY FOR SA

The scope and importance of the HRDS-SA for South Africa's development agenda dictates that it depends for its success 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 labour and business.

It is vital that this HRDS-SA is recognized as one that transcends the boundaries of Government endeavour. 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. These mechanisms are outlined below.

14. MECHANISMS FOR THE EFFECTIVE STEWARDSHIP, COORDINATION AND MANAGEMENT OF THE HRD STRATEGY FOR SOUTH AFRICA

The mechanisms and tools for the stewardship, coordination and management of the HRDS-SA is 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 shall be responsible for the overall stewardship of the HRDS-SA. Each Province will be encouraged to establish an HRD sub-committee 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 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 at a technical level by Directors-General at a national level, and Heads of Department at a provincial level. The Directors-General Economic cluster will take responsibility for technical support to the HRD Sub-Committee 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 sub-committee of the Provincial Executive Council Economic Cluster.

An HRD Secretariat will be established within the Department of Education or the Presidency with requisite capacity to implement the day-to-day activities arising from the stewardship, coordination, management and implementation of the HRDS-SA.

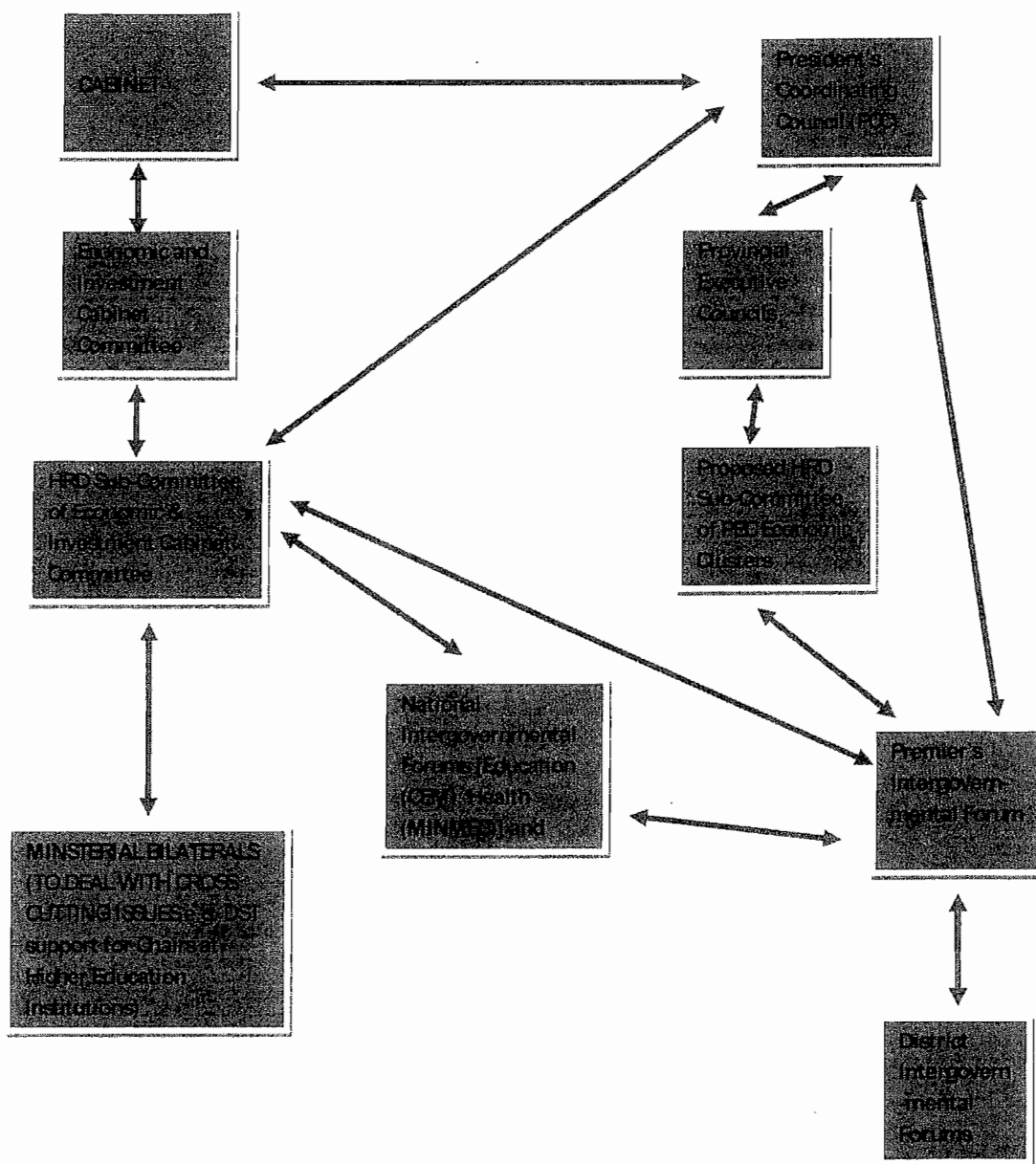
The active involvement of Business and Labour is vital to the success of the HRDS-SA. To give effect to the tripartite model, we will establish the South African Joint Commission on Strategic Human Resources Development, to be comprised of all major stakeholders from Government, labour and business. This structure could either be constituted as a subcommittee within NEDLAC or as a separate structure, under the chairpersonship of the Presidency. The merits of these options will be considered in consultation within Government and with social partners. This joint commission will be fashioned largely on the successful elements of the successful JIPSA model and be comprised of principals and senior representatives from Government, as well as senior representatives from Labour and Business. It will be chaired by the Presidency and the following Ministers shall be members of the Commission: Ministers of Education; Labour; Trade and Industry; Science and Technology; Public Enterprises; Public Service and Administration; Communications; and Home Affairs.

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 Higher Education Institutions into the HRD planning processes at Provincial (and, by implication, Local Government) level. This is a serious shortcoming, as it robs the provinces (where Higher Education Institutions exist) of an extremely valuable resource for HRD. The incorporation of Higher Education Institutions into the Provincial Skills Development Forums will therefore be actively promoted.

The above mechanisms are graphically represented below. Figure 3 represents the mechanisms for Executive (Political) coordination and management, while Figure 4 represents the mechanisms for coordination and management at a technical level.

Figure 3: Intergovernmental coordination of the HRDS-SA: Political



[illegible]

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

The overarching recommendation for achieving integrated planning within Government is to graft 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 of the public sector. This wider integration will be achieved through (i) the institutional mechanisms for coordination established in terms of this strategy, and (ii) the creation of a single and comprehensive process for conducting labour market analysis and the modeling 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 modeling 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, Higher Education, and Further Education and Training. 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 the expansion of scope of the ESSA (Employment Services System) which is the system being developed by the Department of Labour. However, this would require that careful attention is paid 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 be carefully considered.

A substantial HRD conference will be convened by the chairperson of the HRD Cabinet Sub-Committee, in her/his capacity as the primary steward of the HRDS-SA, of all major stakeholders every five years. This conference will consider a substantive five-year HRDS-SA review report, various synthesis reports and the draft 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 of the country.

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

16. ACCOUNTABILITY, MONITORING, EVALUATION AND REPORTING

The HRD Sub-committee 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 to an agreed schedule of reporting and M&E activities.

Reporting on non-governmental activities in areas of HRD in the country that impacts on this strategy will be enhanced. This includes 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 South African Joint Commission on Strategic Human Resources Development. A proposal in this regard will be tabled for consideration at the South African Joint Commission on Strategic Human Resources Development 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 serve primarily 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 on the 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 sub-systems 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 sub-systems within education and training, but will substantively rely on independent assessments, which include assessments using alternative data sources (such as those from STATS SA) to those used by line departments.

Each line department and entity responsible for major datasets will table within eight months of the launch of this strategy, for Cabinet approval, the policy framework governing their data specifications, collection, management and utilization. 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.

17. IMPLEMENTATION OF THE HRDS-SA

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 sub-systems (such as the occupational learning system, which includes SETA's; 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:

- (1) bring about articulation between sub-systems to allow for optimal achievement of systemic outcomes;
- (2) initiate activities which cannot be done in any of the sub-systems but which is mission-critical for the HRD system in the country;
- (3) facilitate holistic analyses of HRD and the functioning of the labour market;
- (4) deal with shortcomings in labour market information; and
- (5) 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 5-year strategic framework will be elaborated into 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 the 2009/10 Government Financial Year), and the deadline for the finalization of project plans for the first year of implementation is 31 January 2009. For all subsequent years, the deadline for the finalization of project plans to be implemented in a particular year, is 31 January of the preceding 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 for the new Government five-year term.

It is essential that the mission-critical activities contained in this Strategy are effectively implemented, as a 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 bring in the necessary planning and policy analysis expertise to assist each of the key departments to ensure that project plans are developed and successfully implemented. A report listing the mission-critical activities, as well as a clear plan for their effective implementation, will be tabled at the Ministerial HRD Sub-committee 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.

18. 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 lived 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 of 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, this 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

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 artisans that is critical to the manufacturing, construction and cultural industries.		
Strategic Objective	Indicator/outputs	
Increase the annual output of engineering graduates in higher education and training	Number of engineering graduates per annum	
Increase the annual output of artisan graduates through targeted artisan training	Number of artisans certificated per annum	
Increase the annual output of design graduates in FET	Number of design graduates from FET Institutions	
Increase the annual output of design graduates in higher education and training	Number of design graduates from Higher Education Institutions	
Strategic Priority 1.2: Increase the supply of skilled personnel in the priority areas of design, engineering, artisans that are critical to manufacturing, construction and cultural activities through net immigration		
Strategic Objective	Indicator/outputs	
To increase the supply of engineers in shortage areas through targeted immigration of appropriately qualified people	Net difference between immigration and emigration of qualified engineers per year	
To increase the supply of persons 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 accelerate the number of new training graduates in priority economic sectors identified in ASGISA and the NIPF and IPAP	
Strategic Objective	Indicator/outputs
To increase the supply of appropriately qualified people to meet the human resource demands in the areas of ICT	Aggregate national output of graduates with qualifications linked to demands in the areas of ICT in FET, HET and SETA facilitated training
To increase the supply of appropriately qualified people to meet the human resource demands in the Capital/Transport equipment & Metal fabrication industries	Aggregate national output of graduates with qualifications linked to demands in the Capital/transport equipment & metal fabrication industries in FET, HET and SETA facilitated training
To increase the supply of appropriately qualified people to meet the human resource demands in the Automotives & Components industry	Aggregate national output of graduates with qualifications linked to demands in the Automotives & Components industry in FET, HET and SETA facilitated training
To increase the supply of appropriately qualified people to meet the human resource demands in the Chemicals, Plastics Fabrication & Pharmaceuticals industries	Aggregate national output of graduates with qualifications linked to the demands in the Chemicals, Plastics Fabrication & Pharmaceuticals industries in FET, HET and SETA facilitated training
To increase the supply of appropriately qualified people to meet the human resource demands in the Forestry, Pulp & Paper, & Furniture industries	Aggregate national output of graduates with qualifications linked to the demands in the Forestry, Pulp & Paper, & Furniture industries in FET, HET and SETA facilitated training
To increase the supply of appropriately qualified people to meet the human resource demands in the BPO&O industry	Aggregate national output of graduates with qualifications linked to the human resource demands in the BPO&O industry in FET, HET and SETA facilitated training
To increase the supply of appropriately qualified people to meet the human resource demands in the Tourism industry	Aggregate national output of graduates with qualifications linked to the human resource demands in the Tourism industry in FET, HET and SETA facilitated training
To increase the supply of appropriately qualified people to meet the human resource demands in the Biofuels industry	Aggregate national output of graduates with qualifications linked to the human resource demands in the Biofuels industry in FET, HET and SETA facilitated training
To increase the supply of appropriately qualified people to meet the human resource demands in the Diamond beneficiation & jewelry industry	Aggregate national output of graduates with qualifications linked to the human resource demands in the Diamond beneficiation & jewelry industry in FET, HET and SETA facilitated training
To increase the supply of appropriately qualified people to meet the human resource demands in the Agro-processing industry	Aggregate national output of graduates with qualifications linked to the human resource demands in the Agro-processing industry in FET, HET and SETA facilitated training
To increase the supply of appropriately qualified people to meet human resource demands in the Film & Television industry	Aggregate national output of graduates with qualifications linked to the human resource demands in the Film & Television industry in FET, HET and SETA facilitated training

COMMITMENT ONE: ACTIVITIES

Activity
Establish credible technical capability within the HRDS-SA to monitor and facilitate special interventions for accelerating the adequate supply of priority skills (brief will include identification 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 (DoL, DoE, private providers)]
Establish active collaboration between the HRDS-SA and the National Skills Authority to monitor and facilitate special interventions for accelerating the adequate supply of priority skills (brief will include identification 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 (DoL, DoE, 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 SETA's and FET colleges have demonstrable capability and efficacy in facilitating the acceleration of artisan training in relevant sectors
Reporting regularly on updated scarce skills studies
Incorporate adequate response to the demand for priority skills in credible FET planning and Institutional capacity development through FET recapitalization programme
Incorporate adequate response 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 Higher Education and Further Education and Training is aimed at responding to the demands for priority skills urgently required by the economy
ICT skills development strategy developed and commence with implementation
Establish ICT Skills Development Council
ICT Skills Development Strategy accounted for in SETA SSPs, HE Plans and FET plans.

COMMITMENT TWO: We will increase the supply 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	Process Indicators
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 credibility accepted and is utilized 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 are 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 are 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 is 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	Process Indicators
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 to 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 to 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)	% of levy paying companies who 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	Process Indicators
Establish credible industry-institutional partnerships in FET	Each FET institution has at least one functional and sustainable industry-institution partnership aimed at enhancing the link between formal learning and the world of work and providing opportunities for placements
Establish credible industry-institutional partnerships in HET	Each of the occupational training focused faculties, schools or departments in the higher education 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 graduations
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 enrolment
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 graduation
To ensure that aggregate enrolment in further education and training is at optimal levels	Further Education and Training participation rate benchmarked against data for comparable and high-performing countries
To ensure that aggregate enrolment in higher education and training is at optimal levels	Higher Education and Training participation rate benchmarked against data for comparable and high-performing countries

COMMITMENT TWO: ACTIVITIES

Activity
Review and align 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 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 SETA's
Review HET 5-year output trajectory against the national scarce skills list and account for projected shortfalls in output through adjustments to higher education rolling plans
Review FET 5-year output trajectory against the national scarce skills list and account for projected shortfalls in output through adjustments to FET enrolment planning
Review SETA's 5-year training output trajectory against the national scarce skills list and account for projected shortfalls in output through adjustments to Sector Skills Plans
Implement FET recapitalisation programme in a manner that is purposefully directed at improving institutional efficacy to meet the strategic objectives of the HRDS-SA
Implement Higher Education 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-effectiveness training providers in the area of skills development
Actively support the strengthening and growth of industry linked training institutions
Take active measures to ensure 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
To increase the participation rate in higher education 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.
To increase the number of graduates through improving the efficiency of the higher education system. To link improvements in efficiency to improvements in quality
To broaden the social base of higher education by increasing access to higher education of 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 universal access to, and urgently improve, the quality of basic education and schooling (up to Grade 12) in a manner that is purposefully focused on achieving a dramatic improvement in the education outcomes for the poor, and on equipping learners with optimal capacity for good citizenship to pursue 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 learning 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 standardized tests for reading, writing and mathematics at Grades 3, 6 and 9	
Strategic Priority 3.2: To ensure that education outcomes promote values that 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 educator 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 standardized 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 4	% of children from birth to 4 years who are benefiting from credible ECD provision
To strive for universal enrolment in Grade R	% of children aged 5 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	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 learners who pass the Grade 12 final examination with a pass mark equal to or above a 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 pass mark equal to or above a 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 percentage pass rate for males to that of females
To continuously improve the performance of learners from schools in Quintiles One and Two in the Grade 12 final examination results	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 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 and effected by chronic illness and death	Percentage of schools that have programmes to address the needs of learners affected and effected by chronic illness and death

COMMITMENT THREE: ACTIVITIES

Activity
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 educator professional development that are purposefully aimed at improving learner performance throughout the schooling system
Target 500 Dinaledi schools to double the Maths and Science high level 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 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 School evaluation programme and institutionalize 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
Ensure improvement in efficacy and expand roll out of the School Nutrition Programme
Implement effective measures to ensure that all learners from Grades 8 to 12 have access to career guidance
E-education policy and strategy developed and implemented – purposefully aimed at improving quality of learning and raising competence in application of ICT
ICT IN SCHOOLS: 1500 users by 2007; 50% of High schools connected 2007, all by 2008 - Connectivity and usage monitored 2010/2011
60% of schools supported with professional support, access to library services and curriculum advisors by 2010
Standards framework for special schools agreed 2007; Special schools developed as resources centres 2008/2009
500 schools participating in MSTs; Teachers in 500 Danaledi schools trained 2008 - MSTE strategy evaluated in 2009

COMMITMENT FOUR: We will urgently implement skills development programmes that are purposefully aimed at overcoming the related scourges of poverty and unemployment.

COMMITMENT FOUR: STRATEGIC PRIORITIES AND STRATEGIC OBJECTIVES

Strategic Priority 4.1: To ensure that unemployed adults, especially women, have access to skills development programmes that 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 have participated in skills development programmes that are intended to be employment and income-promoting
To increase the number of unemployed women who have access to employment and income-promoting skills development programmes	The number of unemployed women who have participated in skills development programmes that are intended to be employment and income-promoting
Strategic Priority 4.2: To ensure that all unemployed adults have access to training opportunities in Literacy and Adult Basic Education and Training (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 of learners coming from poor families or households in FET and HET	
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 of poor learners coming from low-income geographic areas of the country in FET institutions
To improve participation rates in HET of poor learners coming from low-income geographic areas of the country	Percentage change in FTE enrolments of poor learners coming from low-income geographic areas of the country in HET institutions
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 of poor learners in FET 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 of poor learners in HET coming from low-income geographic areas of the country

COMMITMENT FOUR: ACTIVITIES

Activity
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
Occupational learning programmes implemented through to meet NSDS targets implemented.
Identify specific labour-intensive sectors for targeted employment subsidy aimed at Greenfield investments, with a target of say 100 000 jobs in various parts of the country over 5 years.
Continuously improve efficiencies of Employment Services System
Full implementation of DoE's ABET Strategy
Quality meals accessed by increasing numbers of poor children - 15 million by 2011

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

COMMITMENT FIVE: STRATEGIC PRIORITIES AND STRATEGIC OBJECTIVES

Strategic Priority 5.1: To accelerate the implementation of training programmes for youth that is focused on employment creation		
Strategic Objective	Indicator/outputs	
To increase youth participation in ABET programmes that facilitate access into further learning & other development opportunities	Number of people aged 15 to 24 years participating in ABET programmes that facilitate access into further learning & other development opportunities	
To increase the number of youth who receive training that support employment and enterprise creation	Number of people aged 15 to 24 years participating in training that support 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 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 youth in the National Youth Service Programme	Number of youth enrolled in the National Youth Service
To strengthen capacity & diversify products & services of all 120 Youth Advisory Centres to include business support services, employment services, access to micro finance & 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 youth	
Strategic Objective	Indicator/outputs
To improve the dissemination and availability of labour market information to youth	Percentage of Youth Advisory Centres and FET Colleges that offer systematic vocational guidance services to youth
To mobilize employer interaction with 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 youth during pre-employment training to improve youth awareness about the world of work, career opportunities and expectations

COMMITMENT FIVE: ACTIVITIES

Activity
Conduct a systematic assessment of the youth labour market for evidence-based decision-making (assessment to include determination of youth unemployment – including youth 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 co-operatives programme, and the ongoing efforts to link unemployed graduates with employment opportunities
Measures to improve youth development include 100 new youth advisory centres, enroll at least 10 000 young people in youth service programmes, enroll 5 000 volunteers to act as mentors to vulnerable children, expand the reach of our business support system to young people, intensify the youth co-operative programme, and closely monitor the impact of our programmes on youth skills training and business empowerment as an integral part of our national effort.
To 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 & 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 in Science greater than 60%	Number of Grade 12 Graduates with a result in Science greater than 60%
To increase the number of Grade 12 Graduates with a result in mathematics greater than 60%	Number of Grade 12 Graduates with a result in mathematics greater than 60%
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 youth and members of public participating in science awareness campaigns
To identify and nurture talent and potential in science, engineering, technology and mathematics	Number of youth with talent and potential in 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: 3200)	
To increase the number of students graduating with Masters degrees in Science, Engineering and Technology	Number of students graduating with Masters degrees in Science, Engineering and Technology (Baseline: 2900)	
To increase the number of students graduating with PhD degrees in Science, Engineering and Technology	Number of students graduating with PhD degrees in Science, Engineering and Technology (Baseline: 591)	
To increase the number of researchers per 1000 people	Number of researchers per 1000 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: 4721 in 2002)	

COMMITMENT SIX: ACTIVITIES

Activity
Increase the resource allocation for Research and Development and Innovation, and increase the pool of young researchers
Promotion of 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
Establishment of the SET HC Advisory Committee as a permanent sub-committee of NACI, with a straight line relationship with the Minister of Science and Technology. Its membership will be drawn from the current membership of National Advisory Committee on Innovation but will also include: <ul style="list-style-type: none"> • representatives from the Department of Education, Labour and Trade & Industry • representative of COHORT • representative from HESA • representative from the CHE • business sector representative(s) • representative from JIPSA • NRF • Presidency

<ul style="list-style-type: none"> • National Human Resource Development Task Team
To sustain existing research capacity and strengths and to create new centres of excellence and niche areas in institutions where there is demonstrable research capacity or potential
Research concentration and funding linked to outputs
To facilitate collaboration and partnerships, especially at the regional level, in research and postgraduate training
To promote articulation between the different elements of the research system with a view to developing a national research strategy
<p>Implement a studentship programme to increase enrolments and throughput of students who have enrolled for studies in science, engineering and technology. Such a programme to comprise of:</p> <ul style="list-style-type: none"> • A Government-funded four-year BSc (Hons) programme • A Government-funded four-year PhD programme • Mentoring • On-going monitoring
Explore the feasibility and desirability of introducing a 4-year Graduate programme as a means of increasing the number of students who take and complete Masters degrees
Promotion of partnerships between public and private sectors to increase the R&D investment and efficacy of output
Implement DST 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 DST's Human Capital Development Plan and Ten-year Innovation Plan.
<p>Retention of high-calibre research staff:</p> <ul style="list-style-type: none"> - Recognition and reward through research grants for young and un-rated scientists. Fast-tracking academic and research careers of young and recently-qualified PhD graduates - Recognition and reward of high potential individuals through awarding research chair under the SARChI at tier 2. 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 - Promotion of centres of excellence - Fast-tracking of senior qualification attainment
<p>Establishment of the Technology Innovation Agency (TIA) for the purpose of:</p> <ul style="list-style-type: none"> - conducting and regionalizing research and innovation - providing innovation knowledge management services - facilitating national and international R&D collaboration - conducting and regionalizing research and innovation - providing innovation knowledge management services - facilitating national and international R&D collaboration
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 on improving service delivery	
Strategic Objective	Process Indicator
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 human resource 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 statutory minimum stipulation 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

Strategic Priority 7.2: To leverage the Sector Education and Training Authorities to contribute optimally to capacity development in the public sector	
Strategic Objective	Process Indicator
Ensure a dramatic improvement in the efficacy of the Public Sector SETA, sustainable leadership and operational effectiveness	Reformed and operationally effective and sustainable Public Sector SETA
Ensure the development of a credible and timely Sector Skills Plan for the Public Sector	Development of a public sector skills plan that is credible and responsive to the needs of the Developmental State
Ensure that 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

Activity
Skills audits and assessments, competency frameworks, and concrete support, capacity development
Skills development of local government through Project Consolidate as well as skills development plans for Provincial and National Government as well as development institutions
Greater articulation and more uniformity/ interface in the systems, processes and role of SETAs in relation to Government departments
Successful transition of PALAMA into a Public Sector Academy
Improved capacity in public sector for planning and procurement(delivery) of training (capacity and skills development) services
<ul style="list-style-type: none"> (i) Strengthening systems and establishing improved strategies for workplace learning and delivery of HRD initiatives & Integrated ABET framework (ii) Leadership development management strategies (iii) A more strategic role for professional bodies – Norms, Standards (iv) Capacity development (v) Promoting learnerships, internships & traineeships (vi) A National/Provincial Public Service Academy (vii) E-learning for the Public Service (viii) Fostering HEI and FETC Partnerships
Improving Human resource Planning (Supply & Demand Management) capacity in the public service
Implementation of credible sectoral HR plans (e.g. health, education, justice) and improvement of HR planning

capacity in the relevant departments
Improve Government's role in the functions of SETAs
Conduct an assessment of the feasibility and desirability of developing policy and legislative amendment that will allow Government Departments and Entities to make contributions to relevant SETAs in accordance with the Skills Development Levies Act. This assessment should specifically be focused on whether this change in policy would improve Government's role in the stewardship of SETAs and improve the credibility of Sector Skills Plans as they pertain to specific occupational categories and qualifications relevant to 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 HRD Strategy for South Africa.

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 that are vital for successful planning and implementation of the HRDS-SA	
Strategic Objective	Process Indicator
To establish a single, participatory and coordinated capacity for conducting labour market supply and demand forecasting modeling and relevant labour market studies	Capability established, institutionalized 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 institutionalized with clear role allocation
To ensure that an explicit design and policy framework is established for the Management Information Systems maintained by the DoL, DoE, 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 (DoL, 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 (DoL, 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

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) (Calculated from Labour Force Survey March 2007 dataset ² .)	9.04 years	0.23
Years of education of the most educated person per household (2007) (Calculated from Labour Force Survey March 2007 dataset.)	10.41 years	0.16
Annual income per household (2006) (From Stats SA, <i>Income and Expenditure of Households 2005/2006</i> , pp. 9, 35.)	R74 589	0.73

Figure 5 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 illustration confirms the well-known trend that it is only once people have twelve years of education that their chances of entering into a higher income bracket rise 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') has been the only certificate issued to learners currently by the schooling system; this makes its value in the labour market particularly high.

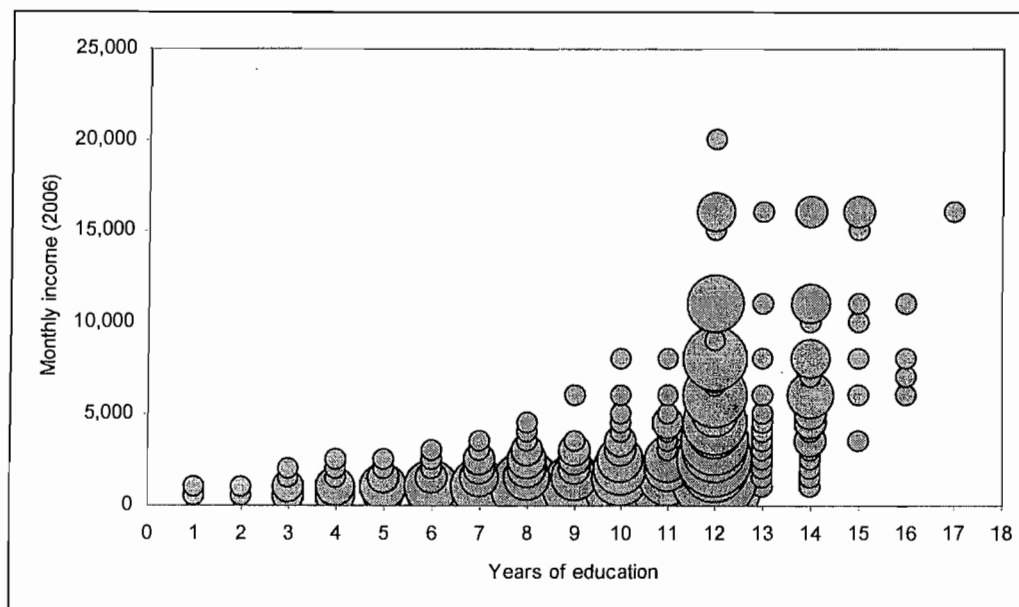
While Figure 5 focuses on individuals,

Figure 6 focuses on households. This approach results in a stronger concentration at the bottom of the graph, at the low income levels. This is because of a tendency in the data where 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.

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 this calculation, 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.

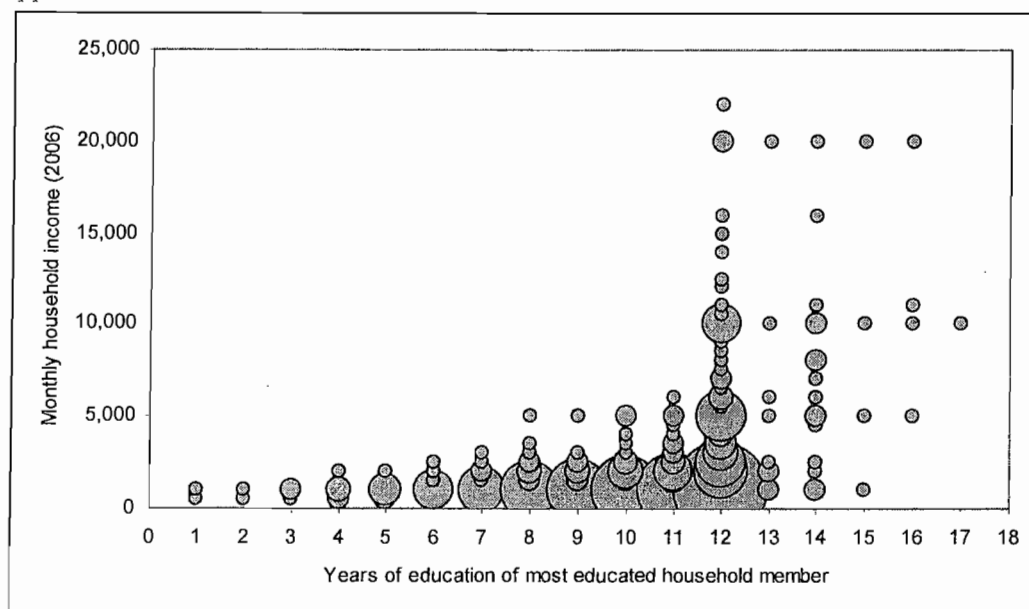
(Note: For the second figure, where GHS income values were missing, values were imputed using the household expenditure data.)

Figure 5: *Distribution of income and years of education (individuals approach)*



Source: Stats SA, General Household Survey, 2006.

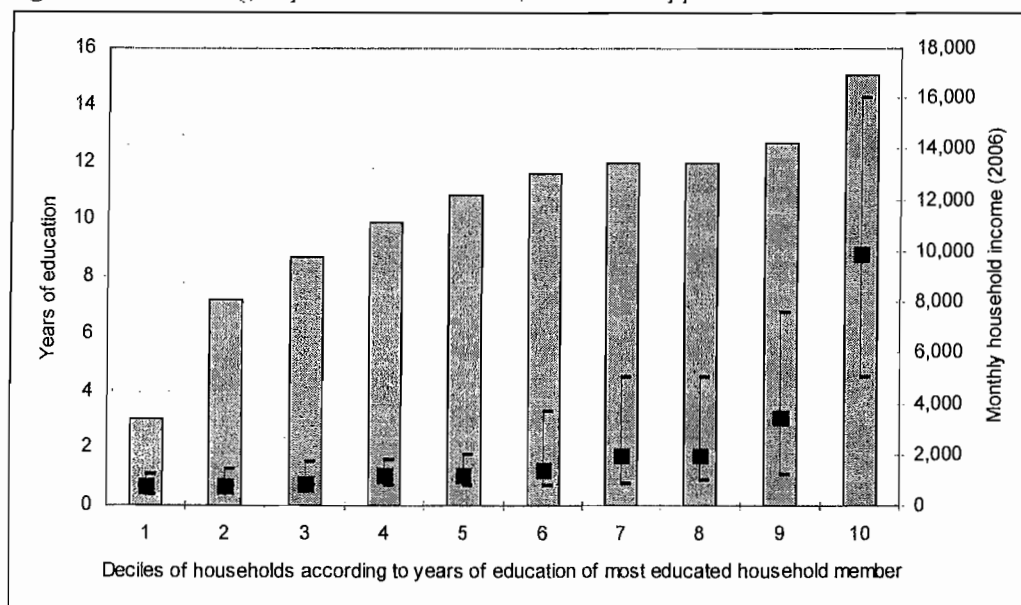
Figure 6: *Distribution of income and years of education (households approach)*



Source: Stats SA, General Household Survey, 2006.

The next figure 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 7: Education groups and their income (households approach)



Source: Stats SA, General Household Survey, 2006.

Figure 7 again confirms the importance of having twelve years of education with regard to income outcomes. Twelve years begin in about the 6th decile; this indicates that in around 50 per cent of households (deciles 1 to 5), 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 lies 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 Figure 7 **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.

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

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	100.0%	100.0%	100.0%	100.0%

Source: Cited in Altman, 2007

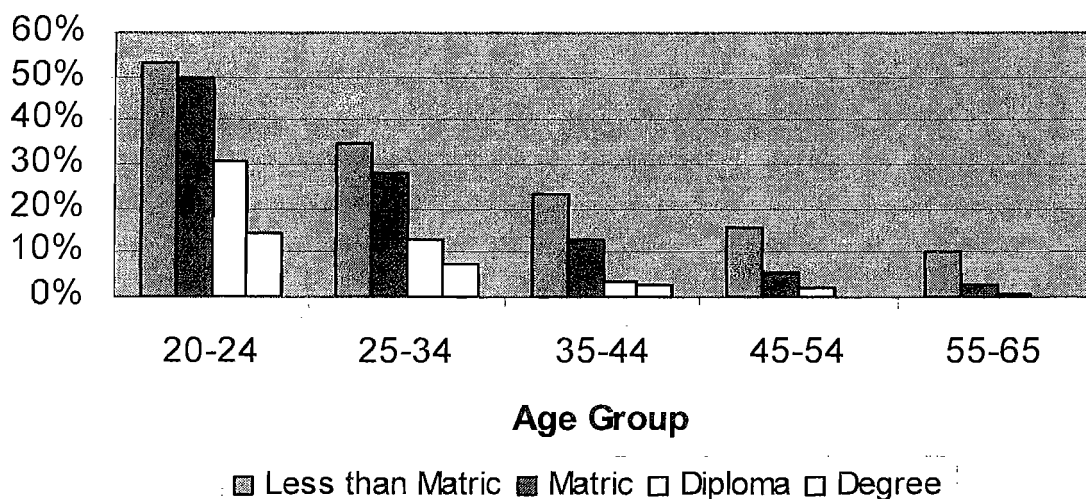
Table 5: Educational attainment of the working poor

	≤ 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	100.0	100.0

Source: Cited in Altman, 2007

Figure 8 below confirms further that the problem of unemployment is particularly manifest for the 20-24 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 figure also suggests that over 50% of young people who have less than a Matric are unemployed. Notably, it appears that the possession of a matriculation certificate does not result in dramatically improved labour market outcomes, with just under 50% of 20-24 year olds with a matriculation being unemployed. While the unemployment figures for 20-24 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 a matriculation or less.

Figure 8: 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 maintained a high trend 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 to improve the extent of this impact; and
- 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

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: 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: 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: 34); Gini coefficient calculated from TIMSS dataset (available at http://timss.bc.edu).</i>	264	0.34

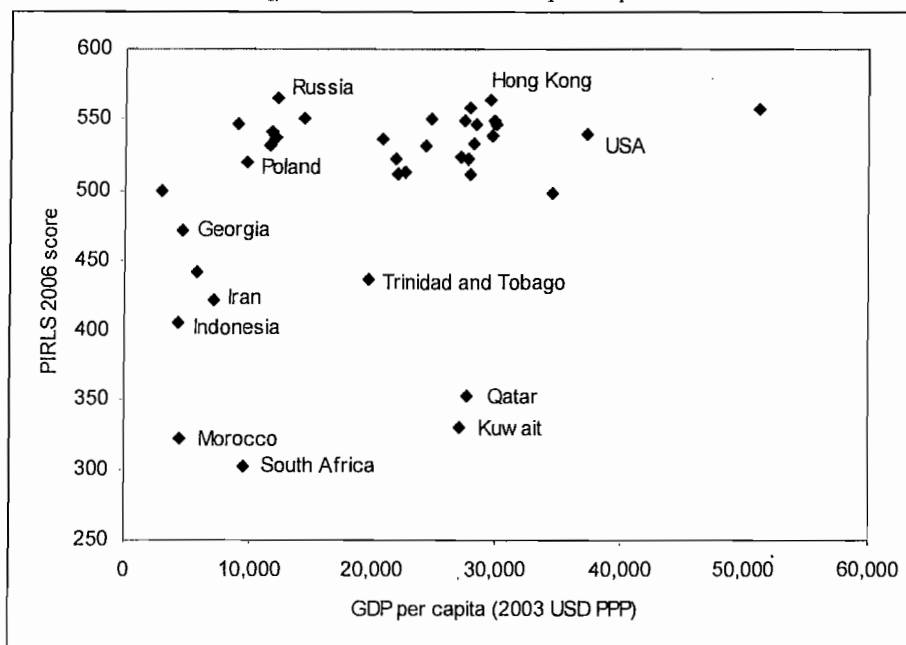
Even though the scale for the national average scores in the above table have been more or less adjusted to make the average for all participating countries equal to around 500, it is important to caution that these scores are not comparable to each other, as they follow slightly different scales. It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

In PIRLS and TIMSS, South Africa scored lowest out of 37 and 43 countries respectively. In SACMEQ, South Africa scored 9th out of twelve 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 three following 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

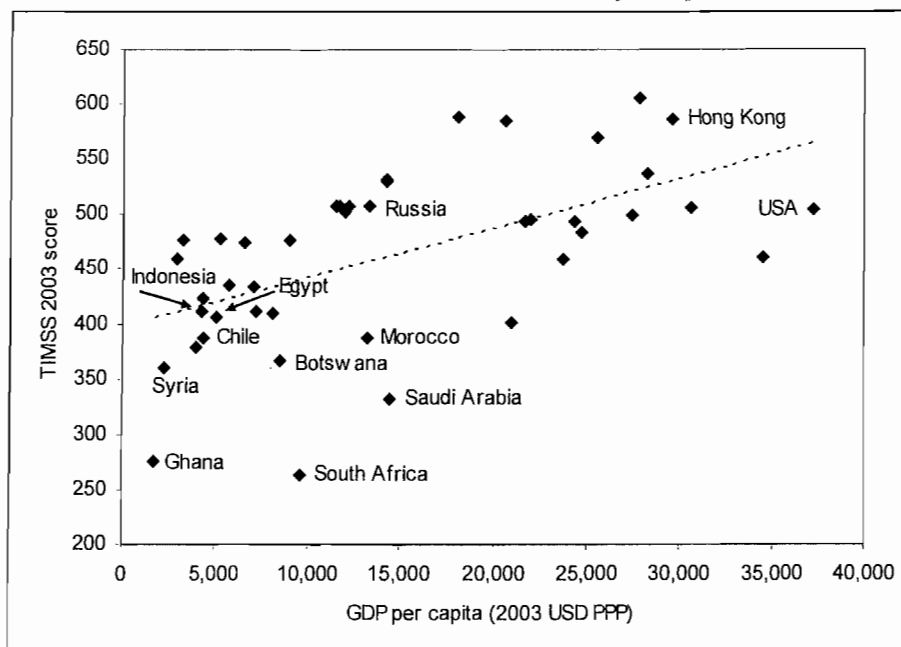
important and dynamic relationship between educational quality and income per capita. The quality of education (much more than years of education) is a strong predictor of the level of economic growth (see, for instance, Hanushek and Woessman, 2007). At the same time, improved income per capita allows 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 9: PIRLS Grade 5 reading results relative to GDP per capita



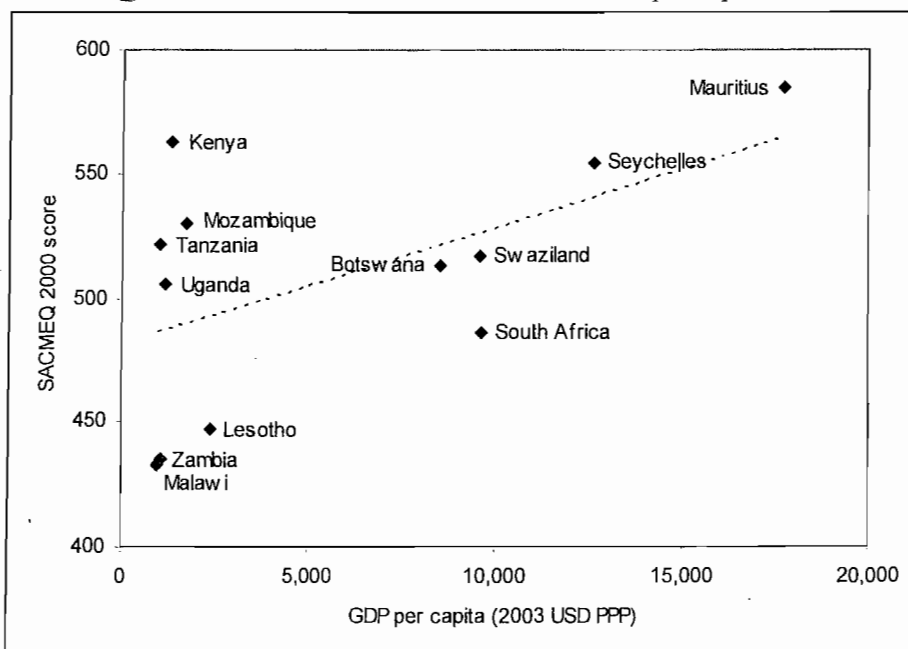
Source: Mullis, Martin, Kennedy and Foy, P. (2007: 37); Heston, Summers and Aten (2006)

Figure 10: TIMSS Grade 8 mathematics results relative to GDP per capita



Source: Mullis, Martin, Gonzalez and Chrostowski (2004: 34); Heston, Summers and Aten (2006)

Figure 11: SACMEQ Grade 6 mathematics results relative to GDP per capita



Source: Ratsatsi (2005: 5); Heston, Summers and 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 which are below what might be expected, given their income per capita.

Labour Market Participation

Table 7: Labour market participation

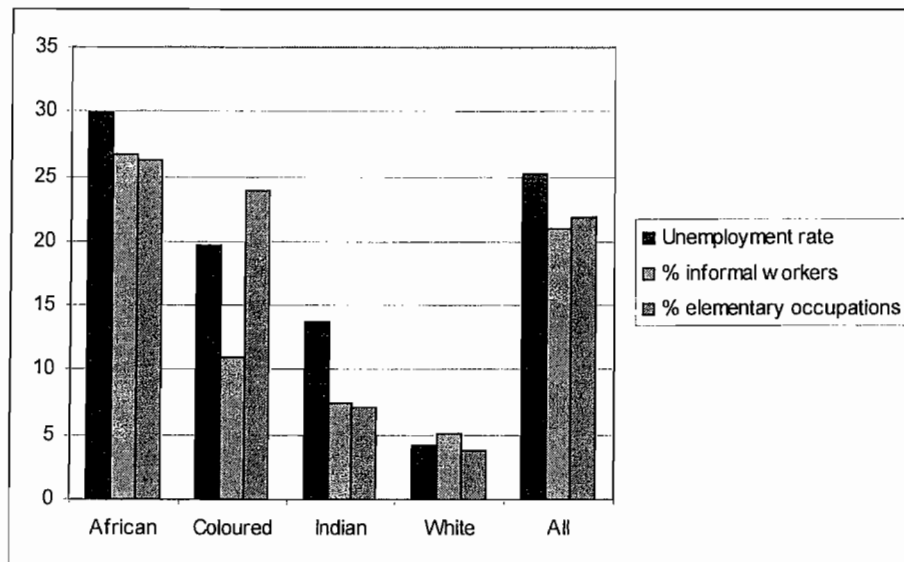
KEY NATIONAL STATISTICS	
	<i>National average</i>
Unemployment rate ³ (This and the next two statistics are calculated from Labour Force Survey March 2007 dataset.)	25 per cent
Percentage of employed persons in informal sector	21 per cent
Percentage of employed persons in elementary occupations	22 per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

South Africa's unemployment rate, whether one considers the official rate or the expanded rate, is high. Of those who are employed, around 80 per cent are in the formal sector, and around 80 per cent 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.

Error! Reference source not found. Figure 12 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.)

³ The unemployment rate given here is the official one, which considers only those who actively sought work in the previous 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 previous four weeks or not, as unemployed, is 38 per cent. In the breakdowns of the unemployment rate presented in this section, only the official rate is reported on.

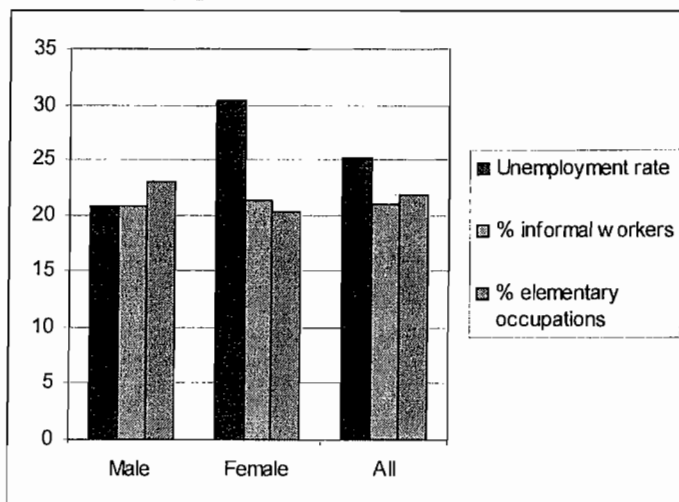
Figure 12: *Employment statistics by race*



Source: Source: Stats SA, Labour Force Survey, March 2007

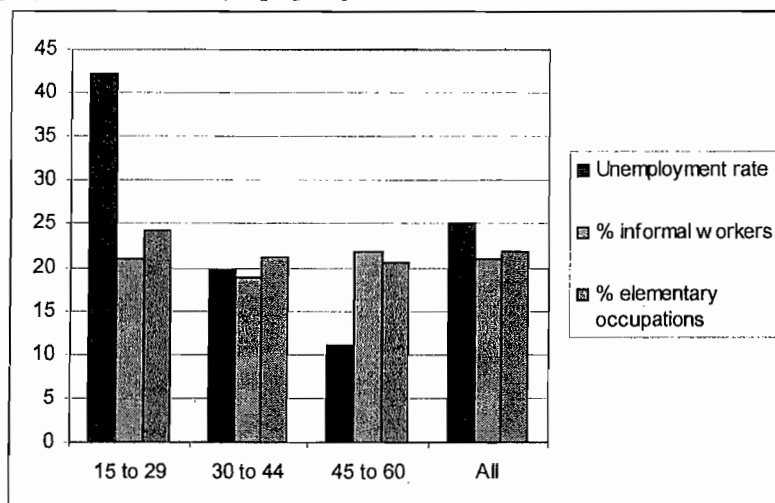
Figure 13 indicates that a significantly higher burden of unemployment is borne by women in the labour market, while Figure 14 reflects the very serious extent of youth unemployment.

Figure 13: *Employment statistics by gender*



Source: Stats SA, Labour Force Survey, March 2007

Figure 14: *Employment statistics by age group*



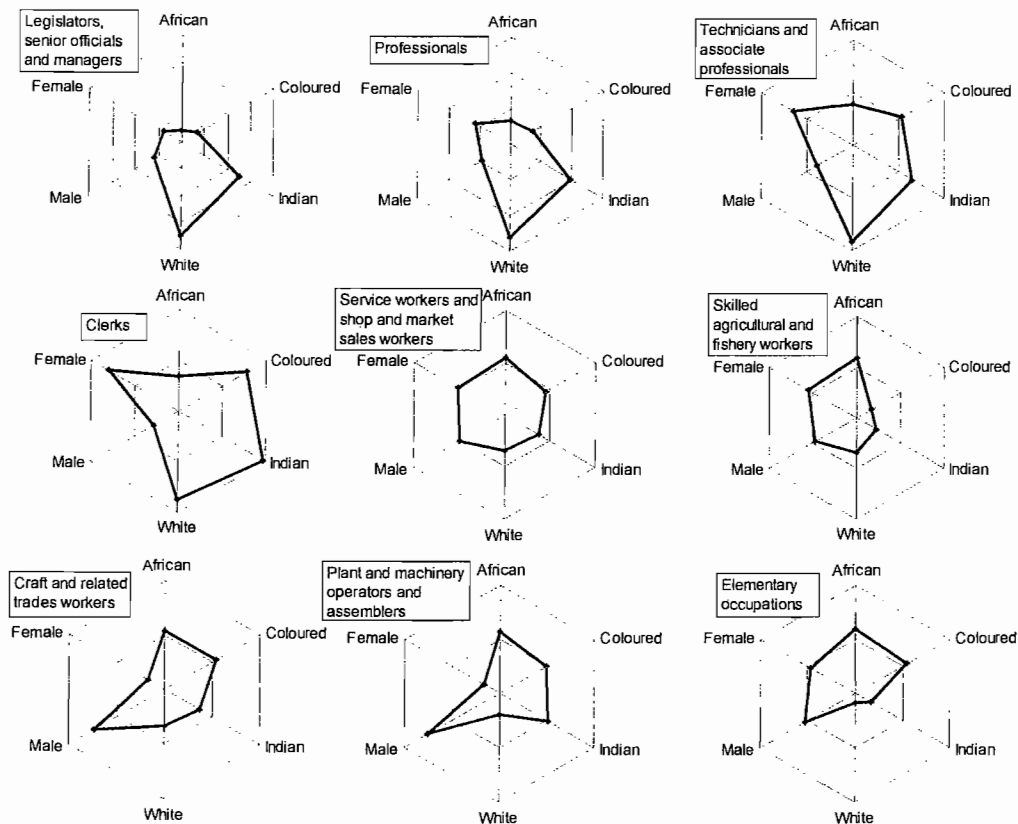
Source: Stats SA, Labour Force Survey, March 2007

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 closely the first ring, as is the case with the category 'Service workers and shop and market sales workers', this means the occupation is highly representative, meaning that the proportion of women in the occupation is close to the proportion of women amongst all employed persons, the proportion of Africans is close to the proportion of Africans amongst all employed persons, and so on.

The over-representation of whites and to some degree Indians in high skills 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 amongst all employed persons.

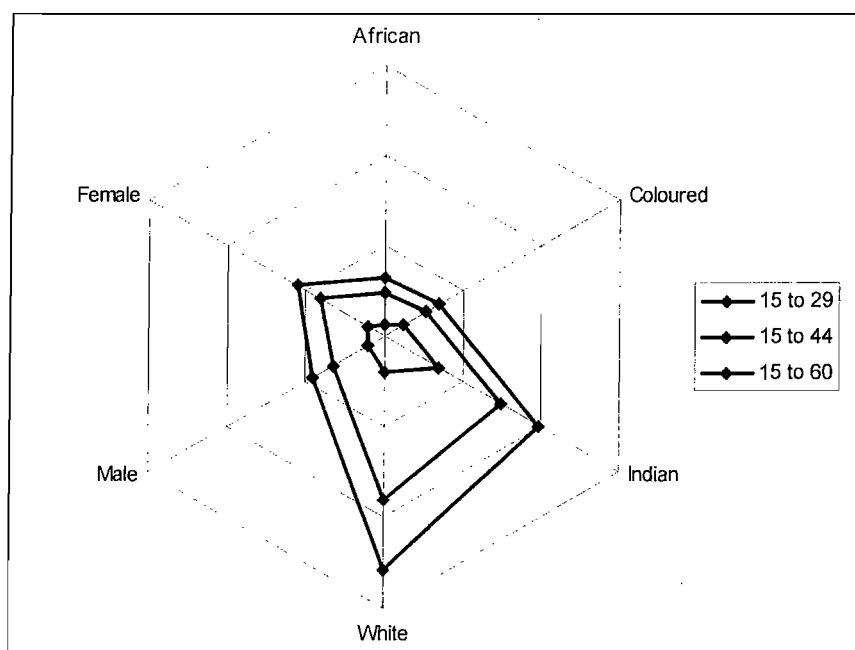
Figure 15: Race and gender representivity across occupations



Source: Stats SA, Labour Force Survey, March 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 for the medium-term. The following graph, which breaks the above diagram for professionals up 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 thus on the right trajectory in respect of this important policy objective for HRD.

Figure 16: *Race and gender representivity amongst professionals*



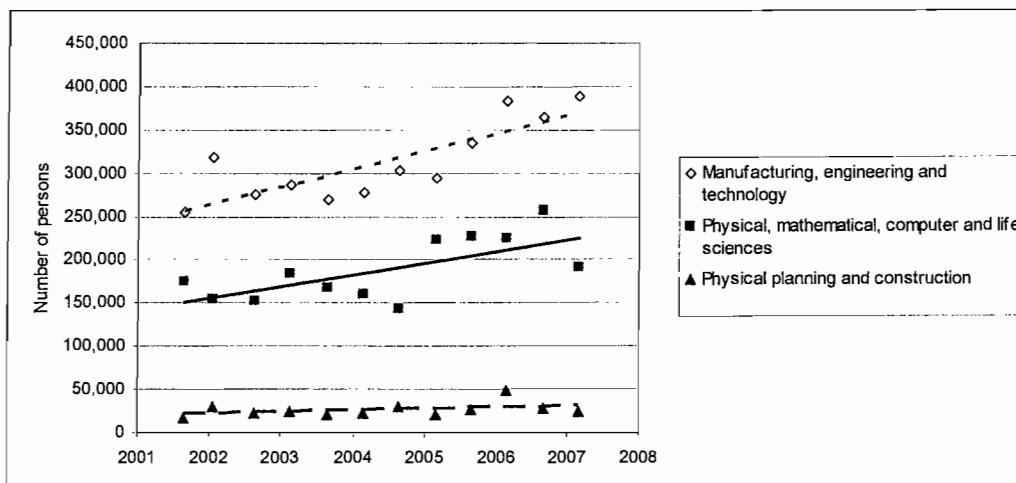
Source: Stats SA, Labour Force Survey, March 2007

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 as they are derived from weighted individuals where the actual number of individuals in the survey is 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 17: Trend in holding of certain technical qualifications

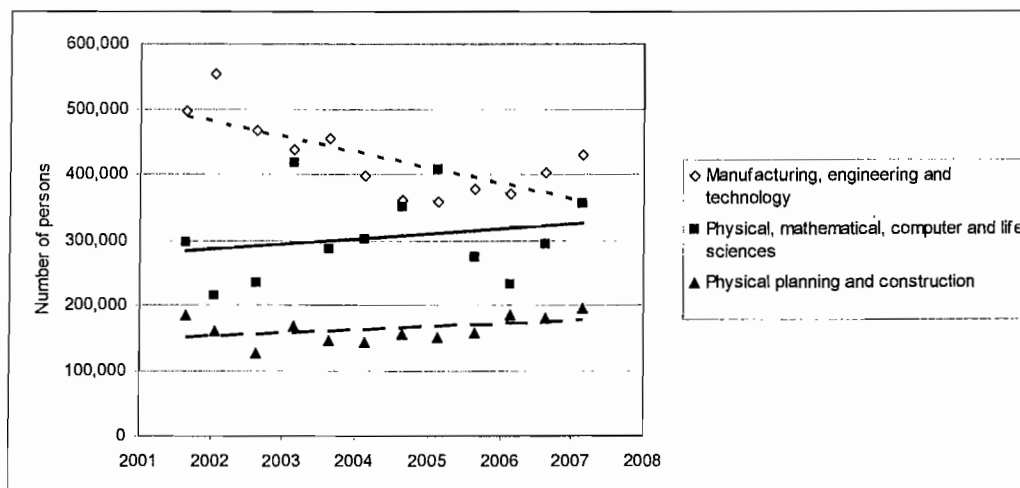


Source: Stats SA, Labour Force Survey, to September 2001 to March 2007

Error! Reference source not found. Figure 17 indicates that there has been an increase of around 20,000 per annum in recent years in the stock 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 Higher Education sector, and around 20,000 from the Further Education and Training (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 17 are the result of the substantial increases in the number of graduates emerging from FET colleges experienced since the late 1990s.

Figure 18 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 17 **Error! Reference source not found.** and other informal training.

Figure 18: Trend in any training in certain technical areas



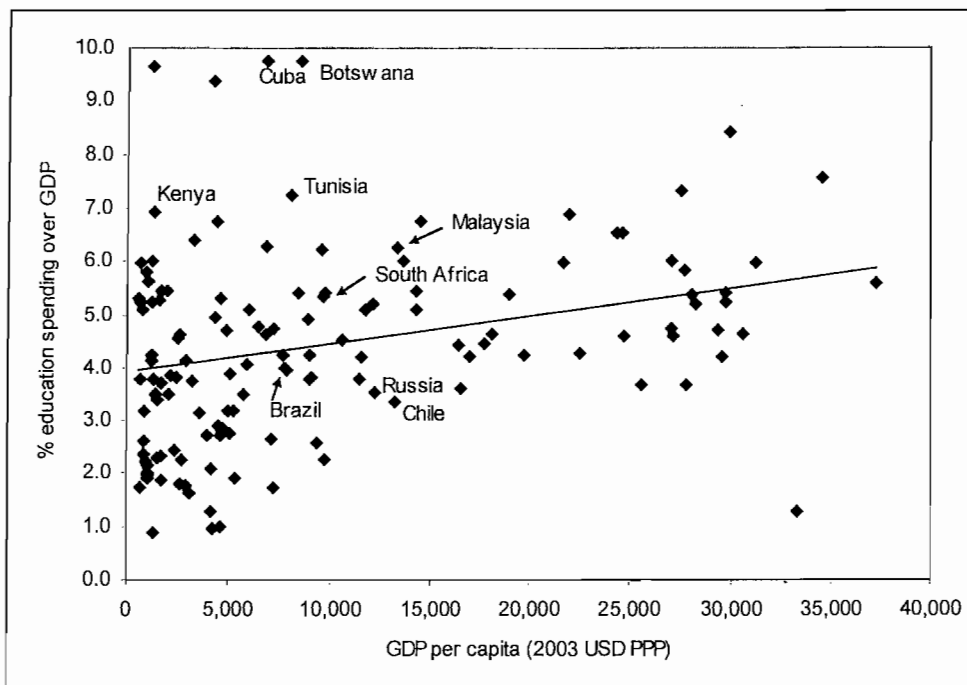
Source: Stats SA, Labour Force Survey, September 2001 to March 2007.

The numbers are higher than those for Figure 17, which seems to confirm the inclusion of formal training here. The somewhat erratic trends are difficult to interpret, partly because they are not statistical significant and partly due to possible ambiguities in the interpretation of the survey questions. These figures on their own do not therefore offer a basis for drawing any policy conclusions.

Spending on Human Resources Development in South Africa

As can be seen from Figure 19, South Africa falls well above the world norm with respect to public education spending relative the GDP per capita (in PPP terms).

Figure 19: *Spending on education relative to GDP per capita*

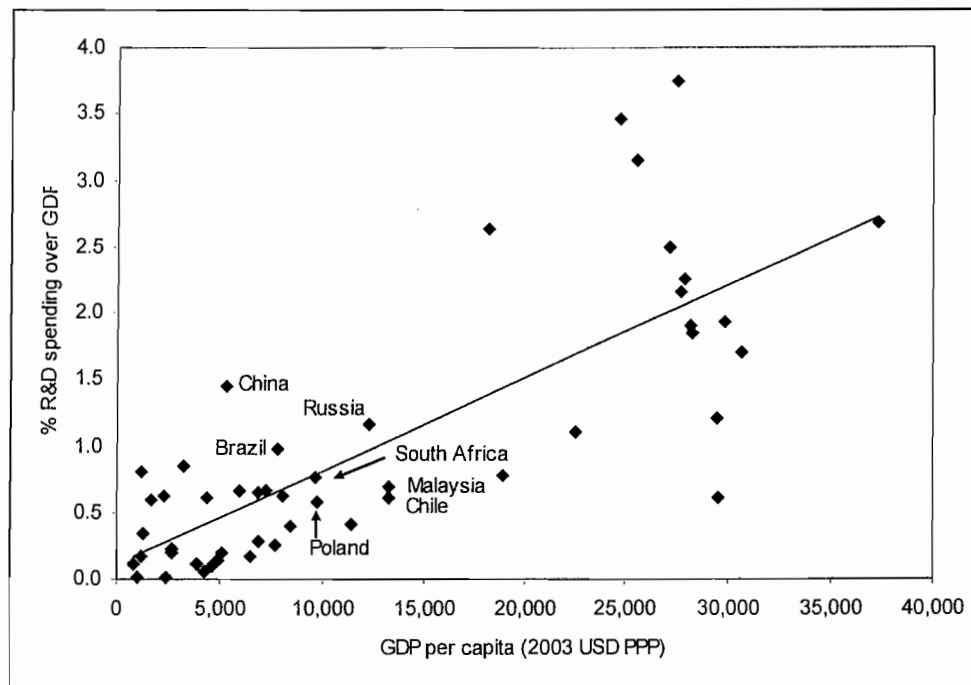


Source: UNESCO Institute of Statistics dataset available at http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0; Heston, Summers and Aten (2006).

(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.)

Error! Reference source not found. Figure 20 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 in Section **Error! Reference source not found.** above. This contrast suggests that quality or the outcomes of education is lagging behind the level of investment in the country. This phenomenon represents a challenge that is clearly one of the most important priorities for HRD in South Africa.

Figure 20: Spending on R&D relative to GDP per capita



Source: UNDP (2007: 273); Heston, Summers and Aten (2006).

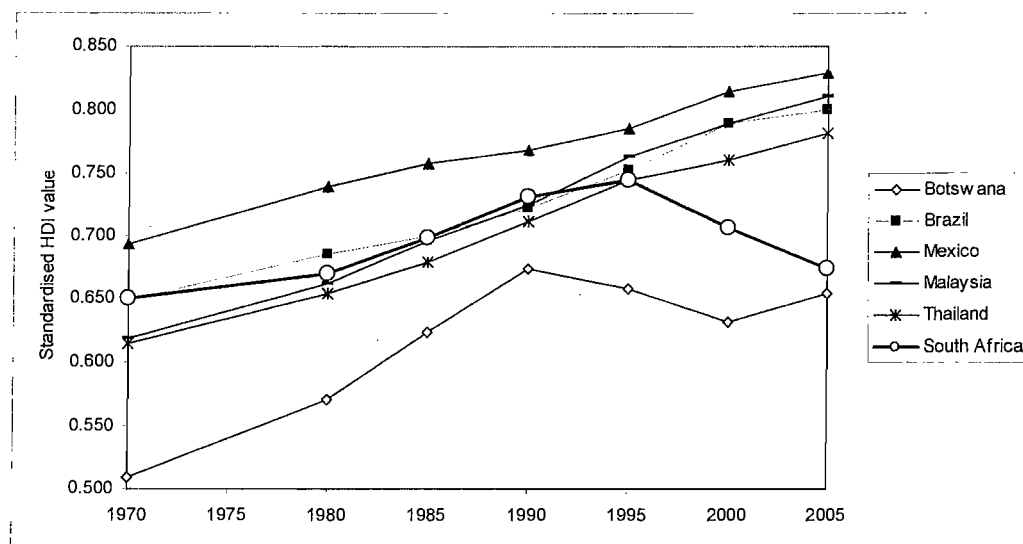
(Notes: For both statistics the most recent value was used. Also, countries included are those with the available statistics and with which South Africa is often compared.)

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. Here we shall examine briefly South Africa's HDI, and why it has dropped so sharply in the last decade.

Figure 21 **Error! Reference source not found.** 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.

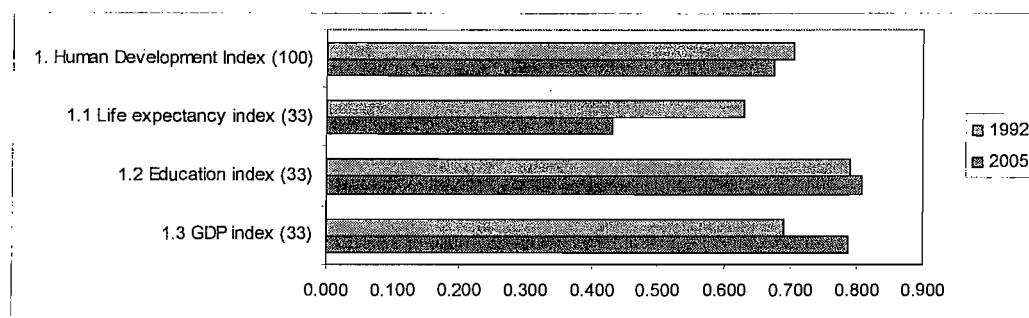
Figure 21: 1970 to 2005 trend in the HDI for selected middle income countries



Source: UNDP (2007, p. 234)

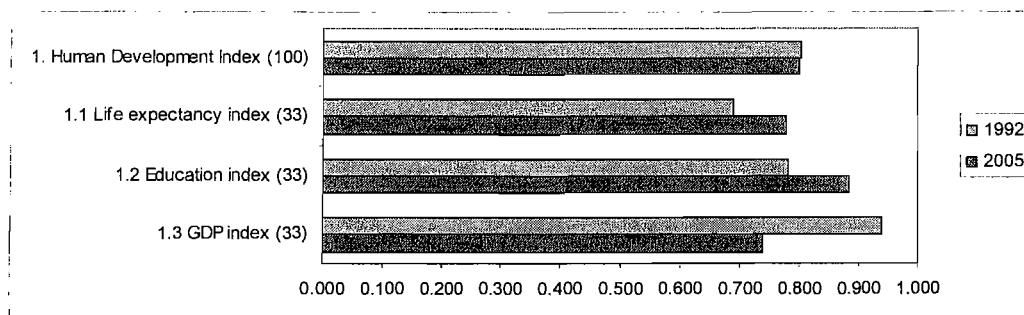
The following two graphs provide the values for the HDI itself and the HDI's three sub-indices (with values in brackets indicating the weight assigned to each sub-index out of 100) for South Africa and Brazil. What is clear is that the fall in South Africa's HDI value is mostly attributable to the fall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

Figure 22: South Africa's HDI values in 1992 and 2005



Source: UNDP (1995); UNDP (2007)

Figure 23: Brazil's HDI values in 1992 and 2005

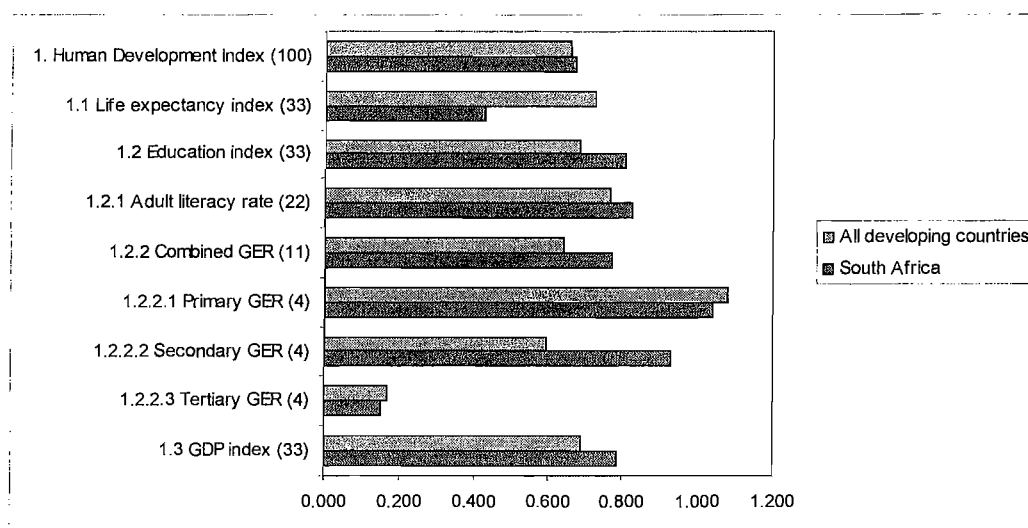


Source: UNDP (1995); UNDP (2007).

(Note: The 1992 HDI values indicated here are not comparable to the HDI values illustrated in Figure 23. The Figure 24 values 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 us 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 24Error! Reference source not found. 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 to the average for other developing countries.

Figure 24: 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.)

BIBLIOGRAPHY

- Altman, M. (2007). *Low Wage Work in South Africa*. Unpublished.
- Department of Labour. (2005). *National Skills Development Strategy*. Retrieved June 2008, from <http://www.labour.gov.za/download/9974/Useful%20document%20%20National%20Skills%20Development%20Strategy%202005%20-%202010.pdf>
- Department of Public Service and Administration. (2008, January 16). *Human Resources Development Strategy for the Public Sector*. Retrieved June 2008, from http://www.dpsa.gov.za/hrd_documents.asp
- Department of Trade and Industry. (Undated). *A National Industrial Policy Framework*. Retrieved June 2008, from <http://www.thedti.gov.za/nipf/niPF-3aug.pdf>
- Department of Trade and Industry. (2007, August). *Industrial Policy Action Plan*. Retrieved June 2008, from http://www.thedti.gov.za/nipf/IPAP_r1.pdf
- Hanushek, E., & Woessman, L. (2007). *The role of school improvement in economic development*. Retrieved June 2007, from Research, Washington: National Bureau of Economic Research: http://papers.nber.org/papers/w12832.pdf?new_window=1
- Heston, A., Summers, R., & Aten, B. (2006). *Penn World Table version 6.2. Philadelphia: Center for International Comparisons of Production, Income and Prices at the University of Pennsylvania*. Retrieved June 2007, from http://pwt.econ.upenn.edu/php_site/pwt_index.php
- Human Resource Development Strategy for South Africa: a nation at work for a better life.*
- Mullis, I., Martin, M., Gonzalez, E., & Chrostowski, S. (2004). *TIMSS 2003 International Report. Chestnut Hill: Boston College*. Retrieved August 2005, from <http://timss.bc.edu>
- Mullis, I., Martin, M., Kennedy, A., & Foy, P. (2007). *PIRLS 2006 international report. Chestnut Hill: Boston College*. Retrieved April 2007, from <http://timss.bc.edu>
- Rasatsi, D. (2005). *Towards an "alternative" view of the quality of mathematics education in the SACMEQ countries*. Retrieved October 2007, from <http://www.sacmeq.org/papers/ratsatsi.zip>
- South African Government. (1994). *White Paper on Reconstruction and Development*. Government Gazette, 23 November 1994.
- South African Government. (2007, May 18). *Accelerated and Shared Growth Initiative for South Africa (AsgiSA)*. Retrieved June 2008, from <http://www.info.gov.za/asgisa/asgisa.htm>
- South African Presidency. (2006). *Accelerated and Shared Growth Initiative for South Africa (AsgiSA)*.
- Statistics South Africa. (2008). *Income and expenditure of households 2005/2006*. Retrieved March 2008, from <http://www.STATS SA.gov.za>
- UNDP. (1995). *Human Development Report 1995*. Retrieved June 2008, from <http://www.undp.org>
- UNDP. (2007). *Human Development Report 2007/2008: Fighting climate change: Human solidarity in a divided world*. Retrieved March 2008, from <http://www.undp.org>
- UNESCO. (2007). *Education for All global monitoring report 2008: Will we make it?* Retrieved February 2008, from <http://www.unesco.org>

United Nations Programme in Public Administration and Finance. (1995). *Human Resources Development*. New York: United Nations Secretariat.

Ziderman, A. (1997). National Programmes in Technical and Vocational Education: economic and education relationships. *Journal of Vocational Education and Training*, Vol. 49. No. 3 , 351-366.
