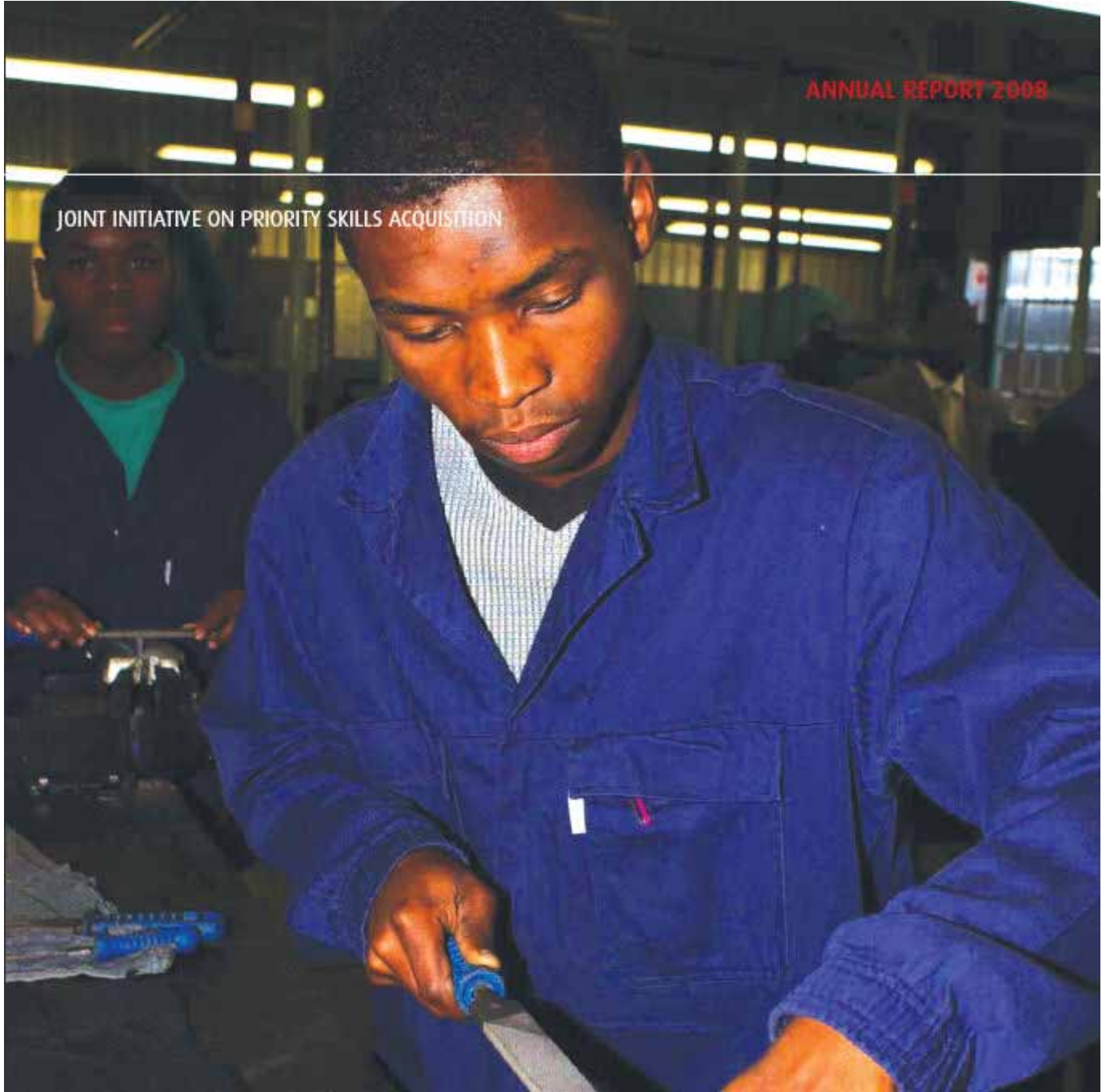


JOINT INITIATIVE ON PRIORITY SKILLS ACQUISITION



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## Foreword by the Deputy President

Much has happened in the global economic sphere since our last report. The world has been confronted by economic challenges, from which South Africa is not immune. With these enormous challenges facing us, there is the temptation to relegate skills development strategies and interventions to the back burner and focus only on what is currently confronting us.

As tough as it is economically, we need to realise that the economic distress will eventually pass. If we have no foresight, we could face the danger of undoing the sterling work already achieved by the Joint Initiative on Priority Skills Acquisition (Jipsa) and find ourselves back where we initially started. If anything, we can use this period as an opportunity to catch up on the huge skills shortage backlog so that when the economy normalises, we are in a position to reap the benefits of our continued skills development efforts.

As dire as the situation is globally, South Africa is in a very fortunate position in that the Government has committed R787 billion over the next three years to infrastructure development. This strengthens the need to intensify our efforts to accelerate skills development because the huge demand for skills will continue in sectors within infrastructure development.

Jipsa is approaching the final phase of its lifespan and has less than a year in which to conclude its work. It is encouraging that within a short space of time, Jipsa has made a great deal of progress, notably in respect of the following:

- Jipsa has created a platform to elevate the skills debate into the national agenda.
- We have witnessed a culture of commitment among all social partners i.e. government, business and labour, who have worked together to find joint solutions towards skills shortages.
- Jipsa has given rise to a model of identifying and unblocking impediments towards the acquisition of scarce skills. Some of these interventions have resulted in amendments to legislation, which previously impacted negatively on skills acquisition. There has also been an increase in funding some of the priority areas.

We need to build on these achievements as Jipsa migrates into the Human-Resource Development Strategy of South Africa (HRDS-SA).

As we are all aware, Jipsa has always been regarded as a temporary response to the skills shortage. Now, a new era is dawning for South Africa with the adoption of a sustainable long-term approach towards addressing human-resource development challenges – the establishment of the HRDS-SA. The HRDS-SA commences in April 2009 and will fully incorporate Jipsa’s work by the time Jipsa phases out in 2010.

During its remaining period of activity, Jipsa will focus its efforts primarily on the following areas:

- paying more attention to the agricultural and tourism sectors
- integrating its work into the HRDS-SA
- establishing the placement agency
- documenting the process of the Jipsa “corporate memory” so that it can be incorporated into the new HRDS-SA.

Going forward, we as a government need to ensure that, under the ambit of the HRDS-SA, Jipsa’s interventions and programmes target those that need them most – the poor.

**Ms Baleka Mbete**

Deputy President of South Africa





... South Africa's ability to sustain the gains made with regard to the country's skills base assumes critical proportions

## Introduction

Against the background of an increasingly volatile global economic environment and the deep-rooted and systemic nature of the national skills challenge, South Africa's ability to sustain the gains made with regard to the country's skills base assumes critical proportions. Indeed, the extent to which the Joint Initiative on Priority Skills Acquisition (Jipsa) is able to ensure that the rapid acquisition of priority skills is pursued consistently over the longer term, will impact on South Africa's ability to weather a recession and its positioning once a recession has subsided.

Jipsa has been in existence for three years, established by Cabinet in March 2006 to support the Accelerated and Shared Growth Initiative for South Africa (AsgiSA). Initially, Cabinet approved an 18-month plan for Jipsa. At the end of this period, following a Joint Task Team Bosberaad in November 2007, the lifespan of Jipsa was extended for another 18 months.

Jipsa continues to enjoy the support and co-operation of government, business, organised labour, professional bodies and specialist organisations. In its three-year lifespan, it has learnt important lessons at systemic and project levels, and these have informed the input into the proposed national Human Resource Development South Africa (HRD-SA) Strategy.

This annual review of activities reiterates Jipsa's approach and an analysis of the skills and employment patterns likely to occur in an economic recession. Thirdly, we examine the various priority areas on which Jipsa has focused during its three years of operation, detailing achievements and lessons learnt. This is followed by the key findings of a review of Jipsa that was undertaken in 2007.

## Mandate and approach

Jipsa was established with the following mandate:

- lead the implementation of a joint initiative of government, business and organised labour to accelerate the provision of priority skills to meet the AsgiSA objectives
- give momentum and support to the implementation of AsgiSA
- prioritise key skills and develop appropriate human-resource development strategies to address these in the short to medium term



- mobilise senior leadership in business, government, organised labour and institutions concerned with education and training and science and technology to address national priorities in a more co-ordinated and targeted way
- promote greater relevance and responsiveness in the education and training system and strengthen the employability of graduates
- lay the foundations for more co-ordinated and effective human-resource development strategies
- report to the AsgiSA Task Team and Cabinet on progress made towards agreed objectives
- identify blockages and obstacles within the system of education and training that stand in the way of the achievement of Jipsa's objectives
- lead an effective programme to communicate Jipsa's objectives and consult with stakeholders.

Jipsa's role and value lie in bringing the skills challenge to national attention, and in creating a unique forum for dialogue between the key social actors and role-players and facilitating their practical engagement with the skills priorities. Its success is reliant on the importance of leadership and ownership of the skills challenge by the different role-players.

**The essence of the Jipsa approach can be summarised as follows:**

- It is constructed as a joint initiative of the social partners.
- Its focus is on a limited number of priority skills.
- It is based upon the voluntary self-binding of autonomous project owners. Jipsa recognises the distinctive roles of project owners and provides an effective interface and co-ordination of efforts to achieve the set targets.
- Its approach is practical and problem-solving. Typically, its work entails identifying and quantifying skills needs, identifying the constraints on skills acquisition, identifying the relevant project owners and role-players, securing their buy-in and support, and co-ordinating and supporting their collective efforts to address priority skills requirements.

**The priority skills strategy**

The Jipsa strategy involves broadening the training pipeline, retaining people in skilled employment, and training them more effectively and to higher standards. It is equally important to address the



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systems blockages and inefficiencies and problems of quality that impede the acquisition of relevant, high-quality skills to sustain growth over the medium to longer terms.

**Five high-profile priority skills areas were identified for immediate attention:**

- high-level, world-class engineering and planning skills for the “network industries” – transport, communications, water, energy
- city, urban and regional planning and engineering skills
- artisanal and technical skills, with priority attention to infrastructure development, housing and energy, and in other areas identified as being in strong demand in the labour market
- management and planning skills in education and health
- Mathematics, Science and Language Competence in public schooling.

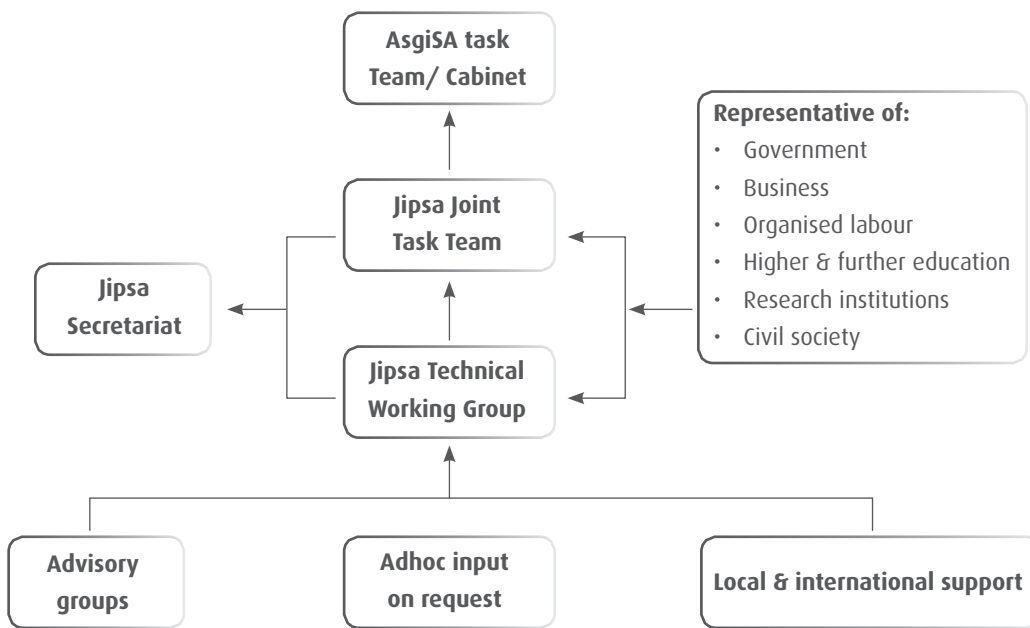
In addition, key “project owners” and role-players were engaged regarding the skills required to underpin AsgiSA projects and increase labour absorption. This led to concrete proposals for priority skills initiatives in the fields of tourism, ICT, BPO and biofuels. However, stakeholders have subsequently agreed that Jipsa should focus its attention on the agricultural sector in general and not limit itself to the biofuels sector.

**In reflecting on Jipsa’s role, in November 2007, the Joint Task Team Bosberaad resolved that:**

Within the South African policy landscape, Jipsa represents a unique effort to find solutions to the binding constraints that education and skills development systems impose upon economic growth and development. Over a period of 18 months, it has demonstrated that an interaction can take place between the users and suppliers of education, and has laid the foundations for bringing about a paradigm shift in the way that human-capital development is regarded in the country. Central to this has been the model of a joint initiative between the social partners, with a focus on a limited number of priority skills.

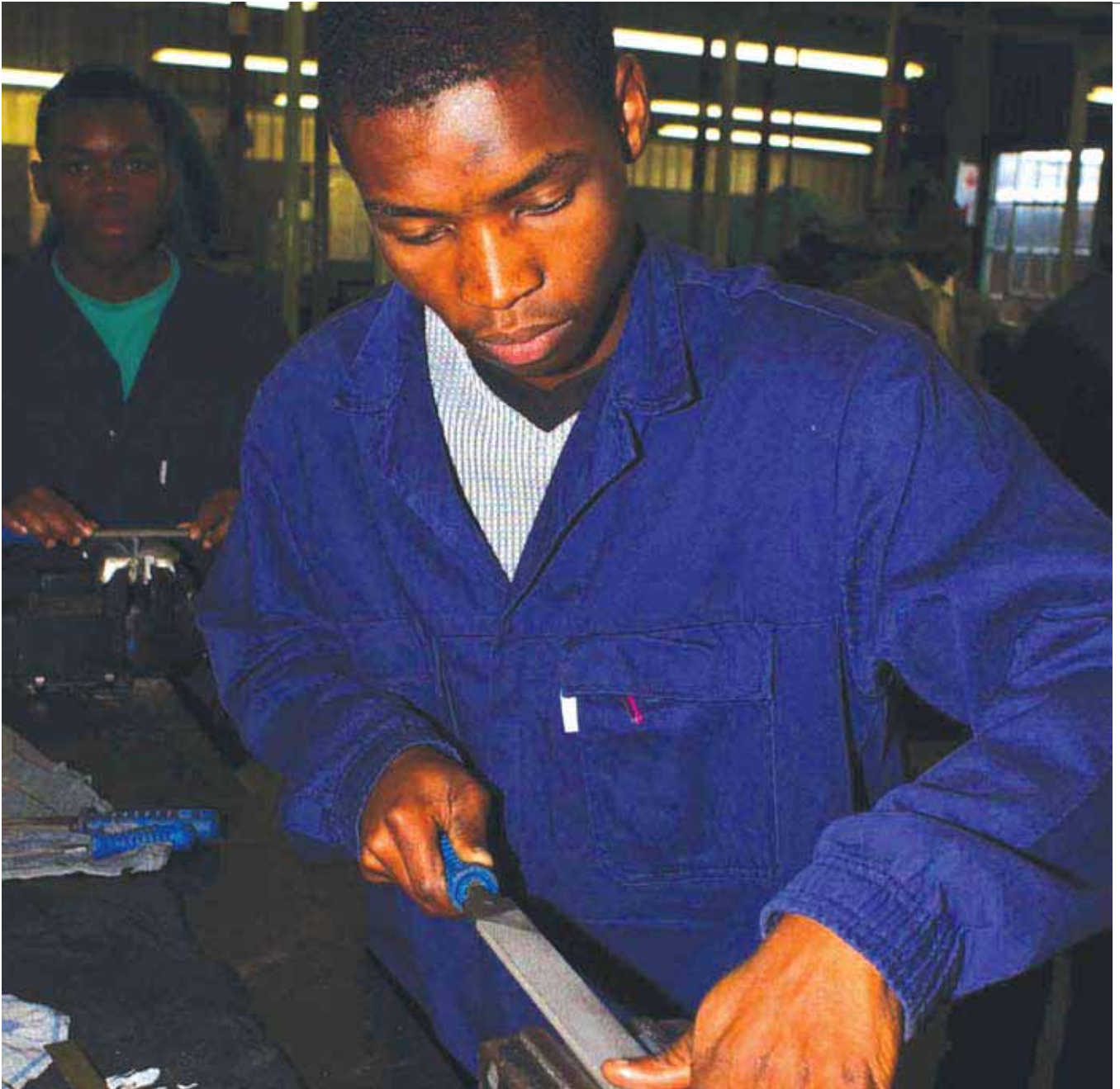
**The Jipsa structure**

The Jipsa structure is presented below. The Annexure outlines the membership of the Joint Task Team.



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## Skills and employment patterns in an economic downturn

Economic growth is a necessary condition for employment creation in any economy. South Africa's 2,5% annual growth in employment between 2000 and 2005 was supported by a growth rate of 4% per annum. Any slowdown in the growth rate will negatively impact on employment opportunities and is likely to impact on training and skills development.

**South Africa's 2,5% annual growth in employment between 2000 and 2005 was supported by a growth rate of 4% per annum**

The year 2008 saw a number of indicators that are likely to have a critical impact on the future of skills development and employment in South Africa:

- 6 048 companies were liquidated in 2008, which is a 75% increase over the same period in 2007.
- Small and medium enterprises are at the forefront of the economic downturn: more than half of all liquidations in 2008 were close corporation firms; 85% of construction liquidations and 43% of liquidations in the finance sector were close corporations.
- Retrenchments have been rising since January 2006 and since May 2008 have shown a rapid increase.
- The overwhelming majority of retrenchments occurred in firms with fewer than 50 employees, with the financial and business services sector accounting for the largest share of retrenchments, despite its low share in aggregate employment. However, mining and manufacturing shares show that the recession is impacting on the "large firm" sectors as well.

These are early indications of much larger real economy effects. What are the implications for skills development?

### Implications for enterprise-level training

In 2007, the National Business Initiative (NBI) and Singizi undertook a study to establish the extent of enterprise-level training. Eighty firms were surveyed, representing just over 800 000 employees across a diversity of sectors.

The study found that significant enterprise-level training is occurring among formal sector firms and that, overall, 24,2% of staff receive training. Broken down by sector, the data shows that 70% of





community service and personal social service staff receive training, while 34% of wholesale and retail, 29% of manufacturing, 16% of mining, 11% of financial and 11% of construction staff are being trained.

Eighty-six per cent of firms that participated in the study have training facilities, 85% provide practical training and 76% provide theoretical training. This shows that there is an active intra-firm training culture in South Africa and that, by and large, the training pipeline is functioning. However, without specific interventions, recessionary pressures may jeopardise future training provision. For example, the NBI/Singizi study shows that far many firms have been investing in training over and above skills levy payments. To ensure the continuation of this "above-levy" training, state support may be necessary.

**Through its engagement with a small number of companies in relation to training, the NBI has established that in the context of the economic downturn, firms are taking a number of steps that will significantly affect investment in training:**

- Companies are instructed by financial management divisions to stop recruitment for training and planned human resource expenditure, with immediate effect.
- Urgent budget and cash flow reviews are being undertaken and serious downward adjustments are being made. Core business expenditure will be the priority.
- Decisions on expenditure will be guided by financial directives rather than the national skills needs.
- The positions of trainers, mentors, coaches and supervisors will be reconsidered.

### **Conclusion**

While economic downturns reduce skills shortage pressures, the pressure and shortages will re-occur when economic growth recovers. This poses a real danger that companies will again under-invest in training and skills development.

In the face of negative growth in the fourth quarter of 2008, current macro projections must be revisited urgently. The declining output has already resulted in direct job losses, but indirectly it means that there will be lower levels of employment creation over the next 18 to 24 months at minimum. "Non-traditional" sectors are affected by job losses, notably financial and business services, while firms that are active trainers are cutting back on training expenditure.

The skills bias of employment effects is unclear, but it is certainly true that small, medium and micro-enterprises (SMMEs) are heavily affected. A strong policy response, explicitly defined and funded, is critical to avoid skills shortages remaining with us after the recession has subsided.





## Work in progress

### Engineering

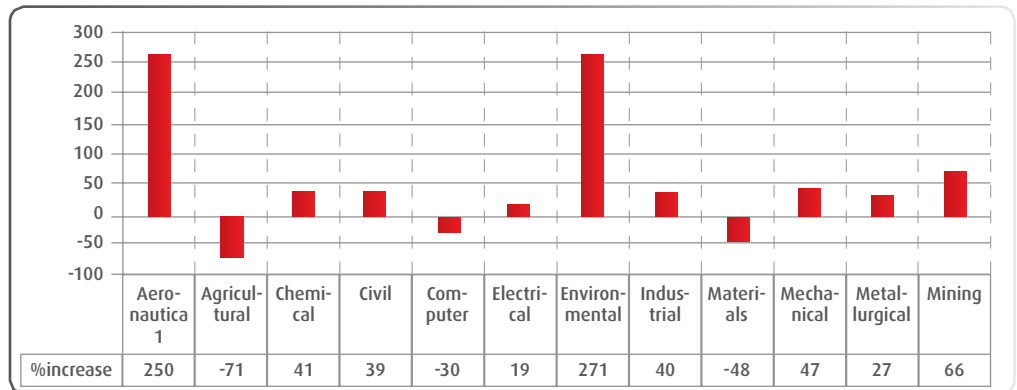
South Africa has been producing 1 500 engineering graduates a year, but only half of these register with the Engineering Council of South Africa. Through Jipsa, it was determined that to meet projected demand, the annual output of engineers must increase to 2 500 graduates per year, starting in 2007.

The Department of Education forecasts that by 2010, the number of engineers graduating from universities will have risen to 2 000 per year. This represents a positive step forward, but means that additional interventions are required to address the shortfall (such as importing engineers and bringing retirees back into the workplace).

#### Increasing the number of engineering graduates

The Department of Education has taken significant steps to increase the number of graduates from universities. In 2007, the department committed R439 million over the period 2007 to 2009, largely for improved teaching and learning infrastructure for engineering. This is in addition to an amount of R48 million provided in 2006 to improve university engineering pass and graduation rates.

Figure 1: Percentage graduation increase per engineering discipline



Source: Lawless A and Kirsten L (2008) Draft Report to Jipsa on Engineering Education and Registration Figures.

The data indicates that most engineering disciplines' graduations increased substantially, except for agricultural, computer and materials engineering where graduations decreased.

The Minister of Education recently announced that she intended allocating a further R3 162 million to the Higher Education (HE) sector for the financial years 2010/11 and 2011/12. It is anticipated that HE institutions will add private funds of at least R1 138 million to projects that the minister will approve. This represents a total investment over two years of R4 300 million, of which 10% is to be allocated to engineering undergraduate programmes. The aim is to increase capacity and improve throughput and success rates. In addition, a further 17% of the R4 300 million will be allocated to national diplomas and BTech engineering programmes.

Of the 6 431 engineers who have registered as professionals since 2006, 3 595 (56%) are previously disadvantaged individuals. This represents a major step forward in the transformation of the profession. It is also interesting to note that among professional engineering technicians, the majority of those registered (55,8%) are practitioners from previously disadvantaged backgrounds. This is also the case with candidate engineering technicians, where the majority (80,6%) of those registered are practitioners from previously disadvantaged backgrounds. Finally, it is encouraging to note that in 2006, only 1 387 women were registered with the Engineering Council while in 2009, 2 085 women registered. This represents a 33,5% increase in the number of women registering with the council.

Factors that have emerged as constraints on improving engineering graduate output include poor graduate throughput rates, staff shortages in HE institutions, as well as the educational expertise of the staff. It is suggested that improving these capabilities could lead to a significant increase in graduate output without a simple pro-rata growth in resources.

**Bringing retirees back into the workplace**

Since 2006, the Siyenza Manje programme, run by the Development Bank of Southern Africa, has deployed 190 civil engineers to 154 municipalities. The Siyenza Manje initiative has reported that the deployment of these engineering professionals to underperforming municipalities is accomplishing its objective of building capacity at municipal level. The initiative aims to improve the disbursement of municipal infrastructure grants to ensure that allocation translates into delivery. This mobilisation of experts to provide professional support for project and programme implementation is assisting in



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unlocking service-delivery bottlenecks. For example, it has contributed significantly to eradicating the bucket toilet system in some provinces and has provided access to water and sanitation to thousands of households.

The Siyenza Manje programme is thus contributing significantly to Jipsa's overall strategy of bringing required skills back into the system. Going forward, Jipsa will seek to develop closer ties with Siyenza Manje and explore additional areas of collaboration in respect of artisans and town planners.

## Artisans

Jipsa has set a target of training 50 000 artisans by 2010 in 16 identified trades. Together with project owners, significant progress has been made in respect of the artisan training pipeline, tax allowances, training trainers and the Technical Skills Business Partnership.

### Artisan training pipeline

According to the Department of Labour, by March 2008 a total of 18 879 people were registered for artisan training through the 2007 to 2008 service level agreements (SLAs) with sector education and training authorities (Setas). Taking apprenticeships into account and working on an average of three years for training to artisan status, we can expect around 12 000 of these artisan trainees to undertake the trade test by 2010, with the remainder undertaking the trade test in 2011.

The current 2008 to 2009 SLAs with Setas project that an additional 20 000 artisans will be registered for training. Using similar ratios, we can expect around 13 000 to undertake the trade test in 2011 and the remainder to undertake the trade test in 2012. These figures are based on the current pass rates and could improve if the level of training gets better.

The National Skills Fund (NSF) has already allocated an amount of R300 million to Setas to train a further 7 350 unemployed learners as artisans. The promulgation of the amendments to the Skills Development Act, 2008 (Act 97 of 1998), will also make it possible for the thousands of learners who have completed trade-related learnerships at National Qualifications Framework (NQF) levels 3 and 4 to be eligible for a trade test. This will require more assessors in the system. Importantly, employers need to be confident that people who attained their artisan status through this route, including

those who successfully pass the Manpower Training Act Section 28 trade test, are qualified artisans and should be accorded equal status in the labour market with those who have completed a Section 13 apprenticeship.

**Tax allowance**

In 2002, government introduced the learnership tax allowance to encourage on-the-job training. In 2006, National Treasury extended the allowance to October 2011 as a support for the extension of the National Skills Development Strategy.

The Department of Labour approached National Treasury to review the Income Tax Act, 1962 with a view to establishing parity in the training of artisans through apprenticeships and learnerships. It also requested alignment of the tax allowance incentive scheme with the provisions of the Skills Development Amendment legislation and the four routes to artisan status.

The Department of Labour has received confirmation from National Treasury that amendments to the Tax Amendment Act, 2008 (Act 3 of 2008), has established parity in tax allowances between learnerships and apprenticeships.

**Systemic responses to meeting the targets for artisan development**

In the light of the massive enrolments reported above, Jipsa has initiated various processes and studies to determine how priority skills can be produced. Two issues were identified for attention: the role of the private sector in supporting the development of priority skills and amplifying the trainer and assessor capacity required to meet the additional demand for training.

**The Technical Skills Business Partnership**

The Technical Skills Business Partnership is a voluntary and collaborative response by six companies to the Presidential call to business to take extraordinary steps to address priority scarce skills. It reflects direct action by business to implement the CEO Commitment signed under the auspices of Business Leadership South Africa in November 2007.





The partnership involves six of the largest companies in South Africa – Arcelor Mittal, Sasol, Goldfields, Anglo Platinum, Transnet and Eskom. These companies have committed themselves to training 5 400 artisans, operators and miners for the national labour pool, over and above their company growth and replacement requirements. Detailed information on the numbers and occupations in which the companies are prepared to train for the national pool, as well as training costs, time frames and training capacity, were provided by the members of the partnership.

The partnership then sought the resources, principally funding from Setas, to support the achievement of these targets. In July 2008, the Joint Task Team gave the Jipsa Secretariat the mandate to engage the Department of Labour, National Skills Authority, National Treasury, Setas and the private sector to find urgent solutions to the funding challenge. The Secretariat has met with the Technical Skills Business Partnership, the relevant Setas, organised labour and the Department of Labour, and a dedicated resource person has been appointed to draft a common framework and assist in the identification of workable solutions.

### **Increasing assessor and trainer capacity**

The Joint Task Team meeting in July 2008 also tasked the Secretariat with finding ways to increase the number and improve the quality of trainers and assessors across all priority areas, including artisans. Jipsa is gathering data to understand the scale of need in terms of the numbers and quality of trainers and assessors required and the existing strategic plans that support the development of trainers and assessors. It is also exploring the possibility of how it could work with relevant departments to develop an overarching strategy for the training of assessors and trainers.

It is proposed that this strategy focuses on vocational and occupational training that primarily falls within the Further Education and Training (FET) band. This work takes into account the enabling initiatives that are already in place to refine the curriculum and qualification for practitioners responsible for training and development. It also includes a specific focus on ways to recognise prior learning. Within this broad approach it is suggested that Jipsa takes into account the offers made by countries, such as Ireland, Australia and the Netherlands, to support the training of trainers and assessors of artisans under the Placement Programme.

## Technicians and technologists

While there has been considerable progress in understanding the strategy required to increase the number of engineers, the map is less clear for technicians and technologists. One of the reasons for this is the uncertainty pertaining to the definition and role of technicians and technologists.

A technician is generally someone in a technological field who has a relatively practical understanding of the general theoretical principles of that field. A technologist is someone who has graduated from an accredited curriculum in technology and has a significant amount of work experience in his/her field.

The year 2008 saw the conclusion of a study commissioned by Jipsa to better understand the supply and demand for technicians and technologists with respect to:

- the scale of demand and use of these skills by employers
- the career pathways available to these professionals should they wish to become engineers
- issues relating to student recruitment, enrolments, throughput and graduation.

Among other findings, the study recommends that attention is paid to learner selection, academic and other forms of support and development, lecturer-student ratio and access to practical and workplace experience. It further suggests that measures are put in place to support and take to scale those workplace experience schemes that actively allow individuals to apply their skills and develop the required competencies. It cautions that while there is a clear statement on the role of technicians and technologists as outlined in the Identification of Works, there continues to be uncertainty about how best to use these skills in the workplace.

The study notes that the issue of progression remains a critical concern both in light of a large number of black technician and technologist graduates, making this a pathway that could contribute to greater equity, and because improved progression would mean that these individuals would form an important pool of students that could progress from technicians to technologists and from technologists to engineers.

Jipsa has been seeking ways to support recommendations arising from the study, such as work-integrated learning, in order to achieve common objectives which fall within its mandate. Jipsa has





held consultative discussions with Higher Education South Africa (HESA) and the Southern African Society for Co-operative Education (SASCE) to support and strengthen existing initiatives. It is also exploring ways to strengthen linkages between HE institutions and business.

Arising from these meetings, the Jipsa Secretariat has committed its support to provide technical and/or financial assistance to SASCE in some of the identified areas such as establishing a national initiative to explore best practice benchmarks towards a funding framework and formula for work-integrated learning programmes at education institutions and workplaces.

This work will be undertaken in 2009.

**Table 1: Increases in registered engineers, technicians and technologists (2006 to 2008)**

Registration category	2006	2007	2008
Professional engineers	14 848	14 811	14 849
Professional engineering technologists	2 884	2 981	3 226
Professional certificated engineers	904	979	1 028
Professional engineering technicians, registered technicians, master technicians	3 046	3 171	3 329
Candidate engineers	3 722	3 871	4 429
Candidate engineering technologists	877	1 071	1 348
Candidate certificated engineers	133	163	192
Candidate engineering technicians	1 216	1 478	1 825

### Graduate and advanced skills placement programme

The importance of work-integrated learning is emerging as a critical factor in the skills development system.

Early in 2008, a Cabinet committee discussion identified the establishment of a national placement agency as one mechanism to facilitate graduate placement. The Office of the Deputy President requested that the Jipsa Secretariat develops a proposal for the establishment of a national placement agency.

There are currently numerous placement initiatives of various kinds already in existence, quite apart from the current Jipsa initiative. It is thus important to avoid duplication, but equally important to give critical consid-

eration to where a national placement agency might be able to add value, and how it might best contribute, at the level of a strategic national initiative, to the development and utilisation of scarce human resources.

A well co-ordinated and dedicated placement agency has the potential to play a key role both in brokering new partnerships between further and HE institutions and employers, to ensure that all qualifying students can fulfil the experiential learning requirements of their qualifications, and help establish a more appropriate framework for work-integrated learning over the longer term.

A strategic framework setting out national objectives and identifying partners and resources for work placements in critical fields could build on current programmes and help ensure that, at a systems and country level, South Africa is able to build and expand its high-level skills base, all along the skills pipeline. A key consideration is how this initiative would relate to a national human-resource development strategy (NHRDS).

With this in mind, Jipsa developed a concept paper, which raised strategic questions to be considered when establishing such an agency. The concept paper was discussed at a workshop hosted by The Presidency and attended by key role-players. The Secretariat was tasked with setting up a reference group that would provide strategic advice on establishing a placement agency.

## City, urban and regional planning

There are a number of legislative and institutional constraints impacting on the work of planners and their professional status. These include the separate mandates of the departments of land affairs and of provincial and local government; out-of-date legislation and planning regulations; an under-resourced South African Council for Planning (SACPLAN), which impacts negatively on the accreditation of service-providers, programmes and qualifications; and the professional registration of planners.

Jipsa has established a working group to find solutions to the constraints. It has prioritised a review of the competencies for town planners. In support of this development, the Local Government Seta (LGSeta) has ring-fenced R5 million for fast-tracking the development of town planning competencies, providing bursaries for town planning students and developing programmes for the ongoing professional development of municipal officials.

To take this process forward, Jipsa held consultative discussions with SACPLAN and the Department of Land Affairs. It has been agreed that SACPLAN should play a leading role in driving this process forward and that Jipsa and the Department of Land Affairs should lend support to SACPLAN as and when required.





Nominations have been submitted to Jipsa for the possible members of the South African Qualifications Authority (SAQA) Standards Generating Body (SGB) Task Team, made up of town planning experts. The SGB process is expected to commence in March 2009. SAQA has agreed to assist Jipsa and SACPLAN in fast-tracking the development of the planning competencies for registration on the NQF.

## Education management and planning

Jipsa is providing support to the Department of Education in two areas: the revision of the national HRD-SA Strategy and a study on education planning, which focuses on policy analysts, monitoring and evaluation personnel and statisticians/quantitative analysts.

### Support for the revision of the National Human-Resource Development Strategy

At the request of the Department of Education, Jipsa is providing technical support on the revision of the HRD-SA. It is working to ensure that the lessons learnt from the Jipsa experience are effectively incorporated into the HRD-SA. The reviews of the revised strategy document have culminated into a draft broad framework, *Practitioner Guide to HRD: A Common Approach to Key Terminology*, to be completed in collaboration with all stakeholders in the next financial year.

Cabinet has approved the revised strategy and has mandated the Department of Education to seek public comment on it. Cabinet has also approved the establishment of key and support structures for the implementation of the HRD-SA.

In consultation with the Department of Education, Jipsa also commissioned a study on comparative international human-resource development practices to enhance South Africa's understanding of international best practice and inform the approach to human-resource development.

The Presidency, Jipsa and the departments of education and of labour have established the HRD Alignment Committee to oversee the transitional arrangements from Jipsa into the HRD-SA, ensuring that the Jipsa experience is incorporated into the HRDS for South Africa.

**Education planning study on policy analysts, monitoring and evaluation of personnel and statisticians/quantitative analysts**

The Department of Education agreed to strengthen the planning capacity of the department to increase the effectiveness of its implementation plans. It is seeking to develop a robust national education planning system as well as ensuring an adequate supply of planning professionals.

Jipsa, in consultation with the Department of Education, has commissioned a study to determine the appropriateness and effectiveness of the capacity of quantitative analysts, statisticians, policy analysts and the monitoring and evaluation within education planning provincial departments, the robustness of the planning function across education system levels, and how to improve the supply and capacity of education planners. The fieldwork for the study is underway and a report is expected at the end of March 2009. Jipsa and the Department of Education will monitor the data collection, analysis and interpretation and oversee the compilation of the final report.

**Mathematics, Science and Language Competence in public schooling**

There are insufficient numbers of learners matriculating with Mathematics, Science and Language Competency from public schools. This has been identified as one of the constraints to achieving the economic growth required by South Africa and thus calls for urgent attention.

The Department of Education and Jipsa are discussing ways in which to increase the pool and improve the quality of Mathematics, Science and Language Competency in public schools. The department has identified the Dinaledi Schools initiative as a key intervention to improve the situation. The extent to which this initiative is achieving the desired outputs is a matter that the Jipsa Technical Working Group has asked to be examined.

Jipsa hosted round-table discussions with key role-players under the chairpersonship of Professor Mamokgethi Setati to explore ways to improve the quality of Mathematics, Science and Language Competency in public schools. Representatives from the Department of Education, HE, organised labour, business, research organisations and experts in the field participated.





The meeting identified three areas of focus and established a working group to explore further how these could be addressed:

- teacher training and development focusing on pre- and in-service teacher education
- support for the Dinaledi Schools
- improved co-ordination and measuring the impact of Mathematics, Science and Language Competency interventions.

The Department of Education has committed to take into consideration the strategies that will be formulated by the working group around the above three issues when formulating policy.

The meeting acknowledged the existence of a reference group for Mathematics and Science, under the leadership of the former Deputy Minister of Education, Mr Enver Surty, and undertook to find ways of collaborating with this group.

The business community is responding positively to a campaign launched by the Department of Education to adopt schools. The campaign seeks to promote and mobilise resources for Dinaledi Schools to support effective teaching and learning.

### Business process outsourcing

The Department of Trade and Industry is driving the Monyetla Project forward in partnership with the Department of Labour. The target is to train 30 000 unemployed learners in BPO. The Department of Labour approved a roll-out of a first pilot of 1 000 learners at a cost of R15 000 per learner. To this end, the Department of Labour made funding available for this project, through the NSF. Going forward, the Department of Labour has requested that the Department of Trade and Industry submits a new proposal to them on the further roll-out of the Monyetla Project.

The Monyetla Project has seen many successes as evident in the figures below:

- 963 learners started in the first roll-out
- 85 are still completing the process
- 878 have completed the training
- 753 of the 878 have been successful and have completed the training (85,8%)
- 679 of the 753 successful learners have been employed (90,2%)

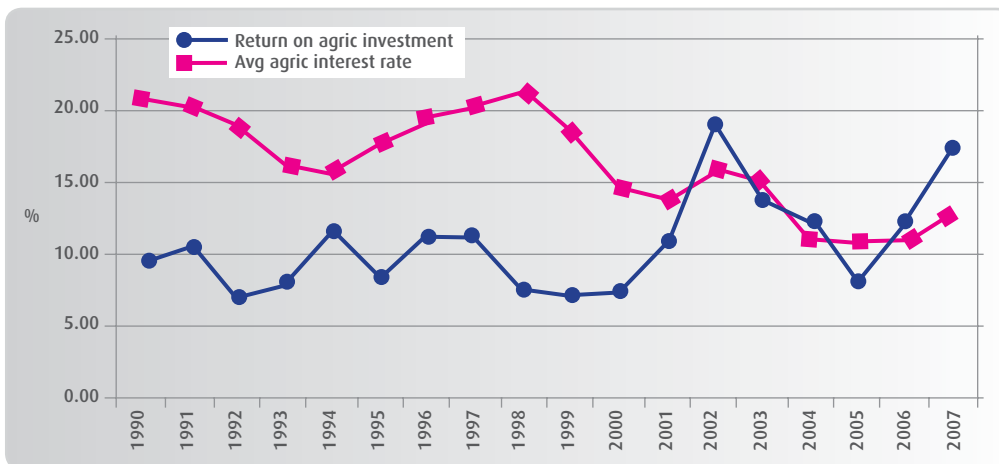
- 679 of the 878 learners who began the training have been successful and are employed (77,3%)
- 202 supervisors have been trained (against a required 146 – this target has been exceeded by 38%).

Jipsa will continue to provide a watching brief and report on progress through regular updates from the Department of Trade and Industry.

## Agriculture

The performance of the South African agricultural sector has lagged behind other sectors of the economy over the past 15 years. From 1993 to 2007, the average annual growth in agricultural gross domestic product was around 1% per year while the rest of the economy grew at an average annual rate of 3,7%. The agricultural sector can and should contribute more to achieving the AsgiSA goals of placing the economy on a higher growth trajectory, reducing poverty and halving unemployment by 2014.

Figure 2: Average return on agricultural investment (1990 to 2007)



Source: Adapted from the national Department of Agriculture's (2007) *Economic Review of the South Africa Agriculture*, Pretoria: national Department of Agriculture; and national Department of Agriculture (2008) *Abstract of Agricultural Statistics, 2008*, Pretoria: national Department of Agriculture.



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Jipsa has given agriculture the highest level of priority. A concept document commissioned by Jipsa and tested with key stakeholders highlighted the lack of growth and the potential of the sector to contribute more towards improving the lives of rural communities. It is thus important to review existing policies and ensure that new policies are put in place that will put the sector on a higher growth trajectory. The concept paper revealed that there were three key areas in which Jipsa has a possible role to play: the commercial sector, issues relating to land reform and issues relating to small-scale subsistence farmers.

**While agriculture is Jipsa's newest area of work, significant progress was made in 2008 in analysing the skills constraints in the agricultural sector. The concept paper highlighted eight areas for intervention:**

- improving the effectiveness and efficiency of government agricultural extension services
- improving the access of emerging farmers to professional mentoring services
- rolling out Adult Basic Education and Training and HIV and AIDS awareness programmes to farm workers
- transforming agricultural colleges into centres of excellence
- increasing the supply of high-level technical skills to the sector
- developing linkages between FET colleges and the broader agricultural sector
- improving the AgriSeta funding model
- promoting the agricultural sector as a career opportunity to the youth.

The various intervention opportunities were interrogated and refined through a stakeholder consultation process convened by the Jipsa Secretariat. This process revealed that some of the issues were in the process of being addressed by the national Department of Agriculture and other role-players. Jipsa will obtain formal clarity on the status and scope of these various initiatives, especially with respect to the Department of Agriculture's Extension Recovery Plan and the implementation of the Agricultural Education and Training Strategy for Agriculture and Rural Development in South Africa.

Following from this, Jipsa will investigate how it can strengthen and support these ongoing initiatives, rather than embarking on a parallel support process. Many of the intervention opportunities discussed above can be addressed within existing structures and programmes, and the most appropriate short-term role for Jipsa is likely to be around assisting sector stakeholders to identify priorities, accelerate project implementation and promote accountability.

## Information and communications technology

The e-Skills Council was inaugurated in March 2008 and is responsible for providing strategic input to e-skills development in South Africa. The Minister of Communications is the chairperson of the e-Skills Council. In this reporting period, Jipsa was playing a watching brief over the ICT skills acquisition under the leadership of Dr Harold Wesso, the Acting CEO of the e-Skills Institute, to ensure that the shortages identified in the study conducted by Information Systems, Electronics and Telecommunications Technologies (ISETT) in 2005 were being addressed. In its reports to Jipsa, the Department of Communications has elaborated on three key ICT initiatives that have been implemented to address the identified skills shortages in ICT:

### The National e-Skills Dialogue Initiative (Ne-SDI)

The launch of Ne-SDI by the Minister of Communications is planned for 23 March 2009. To stay abreast of global developments in e-skills education and training, the Meraka e-skills Institute needs to be informed by high-quality research and innovative solutions development. The launch of the Ne-SDI is the first step in realising the objectives of a fully operational Meraka e-Skills Institute by 2010. Key focus areas will include: (i) market information, (ii) creation and delivery of training, (iii) skills certification, (iv) matching workers with jobs, (v) support for career development and life-long learning, and (vi) skills frameworks and definitions.

### Information and communications technology skills development in Further Education and Training colleges

The ICT Skills Development Programme in FET colleges is a Department of Communications' "skills for employability" programme that is aimed at addressing the critical shortage of ICT professionals in South Africa and at ensuring that they are globally competitive. The programme is being implemented in close collaboration with the departments of education and of labour through its Information Systems, Electronics and Telecommunications Technology Sector Education and Training Authority (ISETT Seta). The programme is also going to establish and provide resources to FET colleges so that they become centres of excellence that will produce skills that match South African industry needs. To ensure the long-term success of this programme, it is capacitating and re-skilling educators and trainers to ensure that the training they offer is relevant and up-to-date.





### Telkom/Information Systems, Electronics and Telecommunications Technologies Seta/Department of Communications' Jipsa initiative

Telkom, in partnership with the Department of Communications and the ISETT Seta, supports government's Jipsa initiative through various training programmes conducted and managed by Telkom's Centre for Learning.

Capacity-building initiatives are broadly defined and implemented within the ICT focus areas of Internet Protocol, next generation networks and commodity services, inclusive of broadband and wireless skills. Programmes include learnerships, skills programmes and internships. To date, 1 060 students have completed a 12-month training programme – of these 824 (73,8%) have obtained full-time employment.

### Tourism

The tourism sector is still characterised by fragmentation and a lack of co-ordination. In addition, much of the training offered is not sufficiently aligned to industry and market needs. Consequently, young people are unable to obtain jobs because they lack the necessary work experience. These are some of the key blockages and constraints to skills development in the sector.

The Department of Environmental Affairs and Tourism has developed a Tourism HRDS with a supporting implementation plan. The strategy provides a framework for the co-ordination of skills-development initiatives in the sector and will ensure that future training is linked to the strategic imperatives of the sector. The strategy and implementation plan were launched in Durban, KwaZulu-Natal, in October 2008.

Jipsa and the department had an initial exploratory meeting to discuss a possible role for Jipsa in strengthening the relationship between employers and training-providers. It was agreed that Jipsa should develop a proposal that works towards developing a framework for upgrading the skills and knowledge of tourism and hospitality educators/lecturers in the public sector by exposing them to the world of work. The idea is that educators and lecturers would be given the opportunity to observe, and network and interact with industry personnel as well as participate in the world of work.

**Towards the creation of a national education and skills database**

In the first 18 months of Jipsa’s work, it became clear that the need for an effective, high-quality information base on education and training issues in South Africa is not only critical, but also urgent. South Africa must have consolidated, accessible and reliable data to be able to make reliable projections on its labour-market requirements and meet its training needs.

Prior to 27 April 1994, South Africa recorded its education and skills data in various forms through various government departments and agencies. After 27 April 1994, a number of government departments and agencies established new databases. The question is whether any of these could be fully populated and co-ordinated with the others to create a national education and skills database.

To this end, Jipsa commissioned a review of the National Learner Records Database (NLRD), housed at the SAQA, to determine the possibility and suitability of it becoming a national skills and education database.

The study found that the current system of the NLRD is robust and has credible mechanisms to ensure the integrity of the data within the system. A number of areas were highlighted that may need to be addressed and in some cases strengthened.

Based on the detailed findings emerging from the study, two scenarios emerge with regard to the future role of the NLRD:

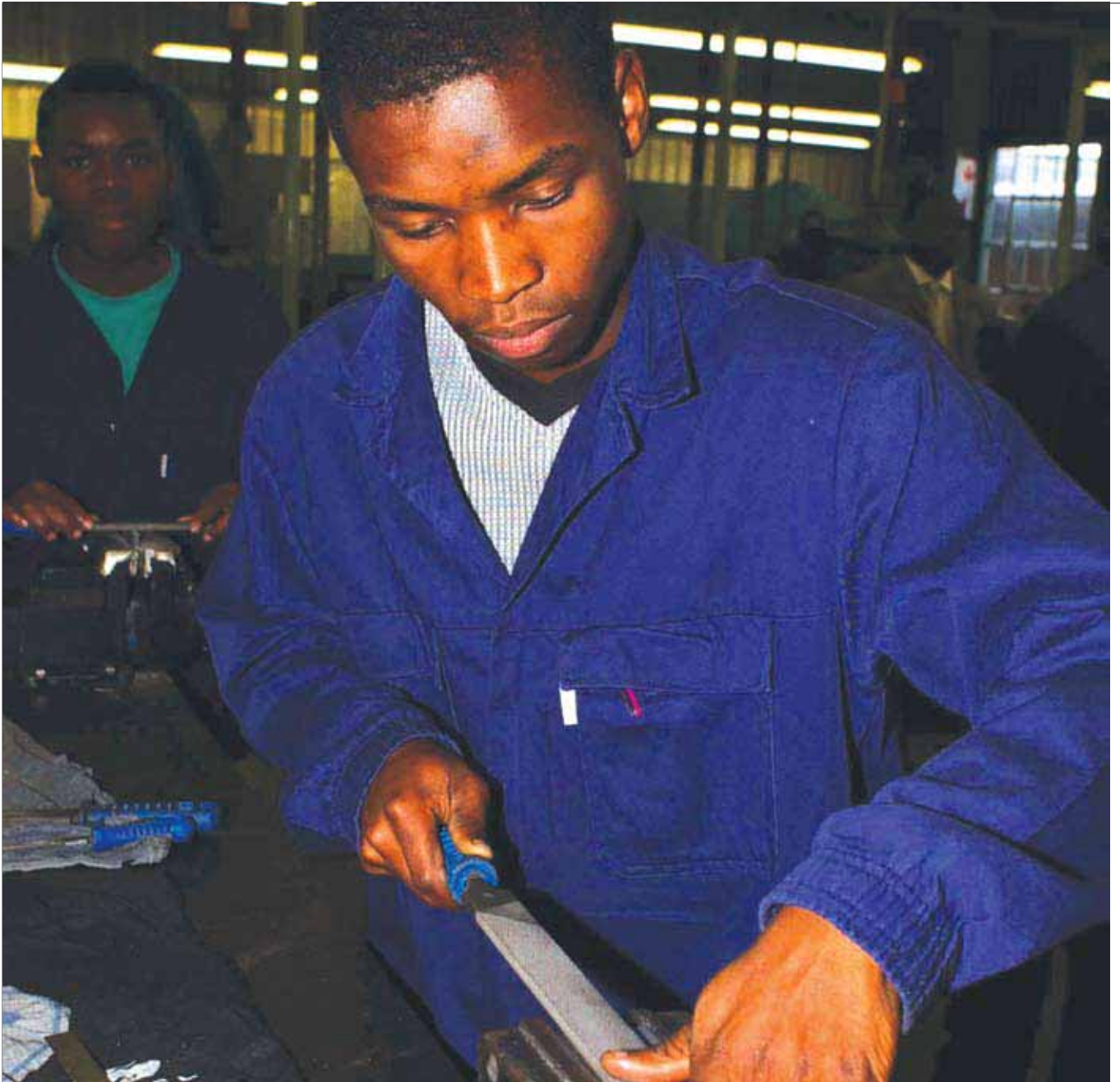
- that the NLRD is expanded to include additional fields and integrate the different databases from the Department of Home Affairs and Statistics South Africa (Stats SA)
- that the NLRD focuses primarily on data relating to its original mandate.

Jipsa is forming a task team consisting of all key stakeholders (the South African Revenue Service, Department of Home Affairs, Department of Education, Statistics South Africa, SAQA, Council on Higher Education, Department of Labour, Human Resource Development South Africa, Human Sciences Research Council and others) to look at the two scenarios and make a decision on which one would best provide the data required in the most effective and efficient way. The scenarios would have to be considered within the context of the country’s HRD needs. SAQA has made a commitment to strengthen the NLRD as recommended by the report, and measures will be put in place to ensure the integrity of the data on the database.



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## Insights from the Jipsa Review

A mid-term review of Jipsa was commissioned by the Secretariat in July 2007 and produced in May 2008. Through an examination of documents and interviews with a representative number of stakeholders in government, business and civil society, the review found that Jipsa's methodology, based upon an underlying theory of change, was the appropriate approach to achieve its goals. It concluded that it was unlikely that these goals could have been achieved by other, more interventionist approaches.

### The Jipsa Secretariat and structures

The majority of respondents found that the Secretariat had carried out its brief appropriately and that it was effective and highly efficient. Most of the respondents felt that the current structure and division of labour between the Joint Task Team and Technical Working Group was functionally effective, although some felt that the respective roles and responsibilities could be better understood.

### Assessment of the Jipsa theory of change

As one would expect from a diverse group of stakeholders, different understandings of Jipsa's approach emerged from the interviews. The review found that there was a "consensus view", which agreed that Jipsa's strength lay in its positioning as an extra-departmental initiative, its robust evidence-based approach to problem analysis, the "nimble" and non-political character of its interventions, its focus on a limited number of priority skills, the effectiveness of its leadership and the participation of the social partners underpinned by peer or collective accountability.

Some concerns emerged that overall progress had been slower than hoped for, that the research undertaken had not necessarily "been converted into action", and that the "peer accountability" on which Jipsa is based suffered from a "lack of teeth". One minority view was that Jipsa's "weak interventionist" approach was fundamentally flawed, and incapable of delivering the urgent results required by South Africa's endemic skills crisis. Nevertheless, the mid-term review found that a more directive approach, less facilitative in nature, would have proven inherently more risky and prone to failure.





### Jipsa achievements

The review distinguishes between tangible and intangible achievements or results. Among tangible achievements, it found that the training of artisans and accelerated graduation of engineers had the highest saliency among interviewees.

The majority of respondents agreed that the programme of action that had been devised to increase the training of a desired target of 50 000 artisans was a clear achievement. Although it would be wrong to attribute the achievement to Jipsa alone, there was agreement that Jipsa had served as a catalytic agent to set in motion or accelerate existing initiatives.

Respondents were equally unanimous about Jipsa's success in brokering an agreement about the need for increased numbers of engineering graduates and professionals in the system, and for facilitating the plan on how to achieve these targets.

In addition, a number of milestones were achieved in other priority areas – research commissioned to examine the nature and extent of the challenge in a particular area, or agreements that have been reached between the key role-players and that are still to yield concrete outcomes.

#### The following intangible achievements were identified by the respondents:

- As a "trans-departmental" or "extra-departmental" initiative, Jipsa has managed to release new energies and accelerated and intensified the national effort to address the skills challenges of the country.
- Through its emphasis on focused research and analysis, the methodology has clarified the root problems and identified viable courses of action.
- As a "nimble" solution and in the way that it has addressed issues, Jipsa has managed to work around systemic blockages.
- Jipsa has been particularly successful in bringing all the role-players together and creating a sustained high-level dialogue.
- Jipsa has managed to establish a new form of cross-departmental peer accountability and a sense of common ownership among diverse departments and agencies.

**Concluding assessment**

The review concludes that Jipsa was set up to address the critical challenge of insufficient skills in key areas of the economy and society, and had to consider solutions that would overcome the legacies of apartheid and the impact of globalisation on labour markets worldwide. Working within an institutional landscape dominated by government departments with their respective responsibilities, it adopted a methodology of constructive engagement and dialogue within a multistakeholder partnership framework. It prioritised research and evidence-based analysis as diagnostic tools essential to charting new programmes of action and strengthened peer accountability through the authority of The Presidency.

In the process, Jipsa succeeded in establishing a new type of partnership between government (public) and business (private) through the involvement of academics, research consultants, civil society and labour. Dialogue and brokered agreements created ownership of the process – this is as important as the tangible results achieved with regard to artisan training or engineering graduates.





## The way forward

In August 2008, the Employment and Investment Cabinet Committee meeting approved the extension of Jipsa to 31 December 2010. The committee decided that Jipsa would evolve into the HRD-SA Strategy and that the Jipsa Secretariat would act as a resource to the strategy to ensure alignment between Jipsa and the HRD-SA. The committee also highlighted the need to ensure that the lessons learnt from the Jipsa experience are incorporated into the National Human Resource Strategy.

While the Jipsa Secretariat will serve as a resource to the HRD-SA, it will also continue to deliver on its mandate as approved by the Joint Task Team.

To oversee the transition, The Presidency has set up an Alignment Committee comprising representatives from the Department of Education and the Jipsa Secretariat. The current institutional arrangement for Jipsa remains in place with the Secretariat located at the NBI and reporting to The Presidency.

The funding received from the Business Trust and the Employment Promotion Programme will enable the Secretariat to continue to drive forward the work that has been initiated in each of the identified priority areas. It will also support the Department of Education in taking forward the HRD-SA with the full support and commitment of all role-players. This will be done through engagement and consultation with all relevant stakeholders.

In conclusion, it is clear from the report that South Africa is beginning to see a positive systemic response to the development and acquisition of skills and the number of learners registering for artisan development and engineering programmes. It is evident, however, that South Africa cannot afford to be complacent and must continue to drive forward the skills agenda, invest in our human capital and ensure that all social partners remain committed to playing a leading role in the development and acquisition of skills

As mentioned at the beginning of this report, the recent downturn in the world economy has resulted in massive job losses with most companies being forced to cut costs. Unfortunately, in many cases, training budgets may be the first to be slashed in times of economic recession, as companies seek to guard against job losses. While South Africa has not been affected as adversely as other global

economies, a cautionary mood prevails in the country and we can expect to see a decline in training and development in the immediate future. It is, however, important to make the argument that if we do not continue to invest in our human capital, when the economy recovers, companies will once again be unable to recruit suitably skilled people. Jipsa therefore has an important role to play in the development and acquisition of skills in the immediate term and in ensuring that all social partners remain committed to driving forward the skills agenda and investing in our human capital.



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## Annexure: The Jipsa partners

### Members of the Joint Task Team

Name	Institution
Deputy President Baleka Mbete	The Presidency
Minister Naledi Pandor	Department of Education
Minister Membathisi Mdladlana	Department of Labour
Minister Makhenkesi Stofile	Sport and Recreation South Africa
Minister Brigitte Mabandla	Department of Public Enterprise
Minister Mosibudi Mangena	Department of Science and Technology
Minister Mandisi Mpahlwa	Department of Trade and Industry
Minister Charles Nqakula	Department of Defence
Minister Nosiviwe Mapisa-Nqakula	Department of Home Affairs
Minister Richard Baloyi	Department of Public Service and Administration
Mr Bobby Godsell	Business Leadership South Africa
Ms Gail Klintworth	Unilever
Dr Vincent Maphai	BHP Billiton
Mr Jacko Maree	Standard Bank
Mr Pat Davies	Sasol
Mr Mike Wylie	WHBO Construction
Ms Maria Ramos	Transnet
Mr Jacob Maroga	Eskom
Dr Theuns Eloff	Higher Education South Africa
Mr Jamangile Mbana	South African College Principals' Organisation
Dr Sibusiso Sibisi	Council of Scientific and Industrial Research
Mr Dennis George	Federation of Unions of South Africa
Mr Malose Kekana	Umsobomvu Youth Fund
Mr Zwelinzima Vavi	Congress of South African Trade Unions
Mr Floyd Shivambu	Student Representative
Prof Vuyiswa Mazwi-Tanga	Cape Peninsula University of Technology
Mr Bheki Ntshalintshali	Chairperson: Technical Working Group





### The Secretariat

The National Business Initiative (NBI) provides Jipsa with a small, full-time secretariat. The NBI is a non-profit, business-based organisation whose role it is to enhance the business contribution to a thriving society. The work of the Secretariat is funded by the private sector through the Business Trust.

The Jipsa Secretariat assists the Joint Task Team and the Technical Working Group with the development of the priority skills plan, budget and implementation strategy. The Secretariat also provides the following to Jipsa:

- ongoing administrative and project management support
- policy analysis, research and research management capacity
- reports and documents as required
- monitoring and reporting.

### Contact details

To comment or obtain further information, contact the Jipsa Secretariat, NBI, tel 011 544 6000, fax 011 484 2765 or e-mail [morojele.makano@nbi.org.za](mailto:morojele.makano@nbi.org.za). You can also visit [www.info.gov.za/asgisa/](http://www.info.gov.za/asgisa/).

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This report has been compiled on the basis of documentation provided by the Jipsa Secretariat and input from the Deputy President's office. It was edited by Helene Perold and Associates, Johannesburg.

