

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

ECONOMIC RECONSTRUCTION AND RECOVERY SKILLS STRATEGY

HRD Council Summit

Thursday, 12 August 2021, 08:45-09:05

Mr Zukile Christopher Mvalo



1. Introduction;
2. Purpose of the Skills Strategy;
3. Approach and Principles to the Skills Strategy;
4. **DIMENSION 1** : Interventions focused on the provision of targeted education and training programmes;
5. **DIMENSION 2**: Interventions focused on enabling and supporting education to work transitions; and
6. Progress update.

INTRODUCTION

- The government has developed an economic reconstruction and recovery plan (ERRP) as part of its response to the devastating impact of COVID -19 global health pandemic on the economy and its effects on deepening current levels of unemployment, poverty and inequality.
- The extent of these challenges has been recognised by all social partners, resulting in a strong commitment to mobilise all our resources and efforts in economic activities that will put the economy in a sustainable recovery trajectory.
- The ERRP identifies seven priority interventions and over ten enabling focus areas to grow the economy and create jobs :



- The skills strategy has been designed to ensure the availability of skills required to support the implementation of the ERRP. It recognises that the priority interventions set out in the ERRP require skills and that if these skills are not available, then these interventions will fail.
- In developing the skills strategy, we have recognised the complexity of responses required to address the skills needs associated with each of the ERRP interventions, as well as those that cut across economic sectors.
- The skills strategy identifies the skills implications of the ERRP and outlines the ways in which the post school education and training system, together with other key role-players, will ensure that skills that are required to implement the plan are available.
- The skills strategy aims at ensuring that the post-school education and training (PSET) system, in conjunction with key government departments and other stakeholders, will respond to the new demands which are being created in the economy.
- It is intended to support the implementation of the ERRP in ways that both maximise opportunities for new entrants to the labour market, as well as support the preservation of existing jobs and the creation of new jobs.

DEMAND – LED APPROACH :

- The skills strategy is oriented to be demand-led and responsive to the ERRP. It therefore identifies occupational shortages and skills gaps associated with the ERRP, with a view to ensuring that these are not a constraint to the implementation of the ERRP.

SHORT – LONG TERM :

- The strategy is intended to respond *immediately* to skills-related imperatives of the ERRP, while simultaneously ensuring that the PSET system builds skills that are required in the medium to long term. This is important because we cannot allow short-term interventions to undermine programmes that build long-term capacity.

TARGET GROUPS :

- To ensure that new entrants to the labour market are ready to access youth services and/or job opportunities and that existing employees can be re-trained or upskilled to respond to changing demand in their sectors.

BUILD ON THE CURRENT PLANS AND PROGRAMMES :

- It builds on work that is currently being undertaken in the PSET system and is not intended to undermine the momentum of current plans and programmes. to identify skills needs linked to the ERRP.

BETTER COORDINATION :

- The strategy recognizes the need for a coordinated response across government and social partners to enable its effective implementation.

PUBLIC – PRIVATE :

- The strategy is directed towards both public and private education and training institutions and skills development providers (including workplaces). The idea is to strengthen partnerships between the public and private sectors with a view to improving efficiency and effectiveness.

BALANCE BETWEEN SHORT AND LONG TERM :

- The strategy aligns and integrates work that is already under way in the broader human resource development landscape and specifically within the PSET system. Consolidates and builds on those aspects of the system that are working well. Aligns with existing policies and plans and addresses blockages. Where changes are required to policies or plans, the strategy sets out steps to achieve these changes, paying close attention to the need for careful transitions.

DIMENSION 1 : INTERVENTIONS FOCUSED ON THE PROVISION OF TARGETED EDUCATION AND TRAINING PROGRAMMES

INTERVENTION 1 : **expand** the provisioning of short skills programmes (both accredited and non-accredited) to respond to skills gaps identified in this strategy.

INTERVENTION 2 : **enable** the provisioning of short skills programmes (both accredited and non-accredited) that respond to skills gaps identified in this strategy.

INTERVENTION 3 : **expand** the provisioning of workplace-based learning (WBL) programmes to respond to occupational shortages and skills gaps identified in this strategy.

INTERVENTION 4 : **increase** enrolments in qualification-based programmes that respond to occupational shortages identified in the strategy.

INTERVENTION 5 : **review** and **revise** education and training programmes to respond to occupational shortages and skills gaps identified in this strategy.

INTERVENTION 6 : **update** the draft Critical Skills List and associated regulatory mechanisms.

DIMENSION 2 : INTERVENTIONS FOCUSED ON ENABLING AND SUPPORTING EDUCATION TO WORK TRANSITIONS

INTERVENTION 7 : **strengthen** entrepreneurship development programmes.

INTERVENTION 8 : **embed** skills planning into economic planning processes and vice.

INTERVENTION 9 : **facilitate** the use of the National Pathway Management Network (PMN) in the PSET system.

INTERVENTION 10 : **strengthen** the post school education and training (PSET) system.

This intervention focuses on the provisioning of short skills programmes (both accredited and non-accredited) which respond directly to skills gaps identified in this strategy.

Such skills gaps usually exist because of mismatches between skills required by employers and those possessed by employees.

ACTIONS :

- **Provisioning:** public and private skills development providers, as well as universities and Technical and Vocational Education and Training (TVET) and Community and Training Colleges should be encouraged, supported and incentivised to fast track the provisioning of short skills programmes (accredited and non-accredited) which respond to the skills gaps identified in this strategy. The Department of Higher Education and Training (DHET) should ensure that its own Annual Performance Plans (APPs) and that of public education and training institutions and SETAs reflect targets for the provisioning of ERRP-linked short skills programmes.
- **Funding:** the National Skills Fund (NSF), Sector Education and Training Authorities (SETAs), government departments (including local government) and public entities must establish funding windows to support the provisioning of skills programmes (accredited and non-accredited) which respond to the skills gaps identified in this strategy (see also Intervention 2 below, which refers to enablers for the provisioning of short skills programmes).

This intervention focuses on the provisioning of short skills programmes (both accredited and non-accredited) which respond directly to skills gaps identified in this strategy. Such skills gaps usually exist because of mismatches between skills required by employers and those possessed by employees.

ACTIONS :

- **Digitisation:** the Department of Science and Innovation (DSI) needs to scale up its initiatives such as *mLab*, *Data Science for Impact and the Decision Enhancement (DSIDE)* programme, which gives students the opportunity to be mentored by experienced members of the data science community. DSI should work together with the CSIR and the South African Blockchain Alliance (SANBA) to ensure the delivery of digital skills. DHET will work with relevant SETAs, the Department of Telecommunications and Postal Services as well as the Presidency to ensure a coordinated response to implementing the digital skills strategy. This mechanism will also bring in the private sector as well as development partners.
- **Coordination:** the DHET should work closely with other government departments such as the Department of Employment and Labour (DEL), the Department of Health (DoH), National Treasury, the Project Office in the Presidency and the Department of Trade, Industry and Competition (DTIC) to ensure that its skills development interventions are part of overarching efforts to address skills gaps in the country.

This intervention is aimed at enabling the development and provision of agile and flexible demand-led skills training, especially short skills development programmes that can be implemented immediately by both public and private providers.

ACTIONS :

- **Registration of part-qualifications:** the South African Qualifications Authority (SAQA), together with Council on Higher Education (CHE) and QCTO, will urgently establish and implement efficient, user-friendly, streamlined processes to register part-qualifications linked to skills gaps identified in this strategy.
- **Accreditation of providers:** the QCTO, in consultation with SAQA (where necessary), will adopt measures such as fast-tracking accreditation processes and waive requirements where necessary.
- **Dedicated structure:** the SAQA, together with QCTO, Umalusi and the CHE should establish a dedicated structure comprising quality councils and other stakeholders, that would recommend how accreditation and qualification registration processes could be simplified, fast-tracked and be made user-friendly, as well as to unblock articulation blockages.

INTERVENTION 2 : ENABLING THE PROVISION TARGETED SKILLS PROGRAMMES

This intervention is aimed at enabling the development and provision of agile and flexible demand-led skills training, especially short skills development programmes that can be implemented immediately by both public and private providers.

ACTIONS :

- **Funding:** the DHET will work actively with SETAs to create a funding window to support short-term training programmes that respond to skills gaps identified in this strategy. The funding window will support both accredited and non-accredited skills programmes in ERRP priority areas.
- **Pay for Performance Model:** the SETAs and the NSF will adopt the pay for performance model to fund skills development programmes linked to skills gaps identified in this strategy, as well as skills that are designated as being important by industry associations and individual employers.
- **Vendor Certification:** the SETAs, the NSF, government departments and entities are encouraged to broaden access to and fund skills development programmes that are certified by vendors, particularly those which provide programmes linked to the skills gaps identified in this strategy.
- **Review of SETA systems and processes:** the DHET is required to analyse the challenges of SETA systems and processes in relation to accreditation and funding and to address these.

INTERVENTION 3 :EXPAND THE PROVISIONING OF THE WORKPLACE BASED LEARNING (WBL) PROGRAMMES

The purpose of this intervention is to expand the provisioning of workplace-based learning (WBL) programmes that respond to the occupational shortages and skills gaps identified in this strategy.

ACTIONS :

- **Expansion of WBL:** the SETAs and the NSF will increase opportunities for WBL significantly and will reset their APP targets in response to this strategy.
- **Funding:** the SETAs and the NSF will priorities their funding of WBL students and learners towards those occupations that are in shortage as identified in the skills strategy.
- **Data:** the DHET will collate data and information about students and learners who require all forms of WBL, namely, apprenticeships, learnerships, student internships, graduate internships and candidacy and share such with the *Presidential Youth Employment and YES Interventions* to enhance access to WBL opportunities.
- **Tax Incentive:** the National Treasury will extend the period of S12H of the Tax Act, which ends in April 2022 in order to continue incentivising the expansion of WBL through learnerships and other modalities.

INTERVENTION 3 :EXPAND THE PROVISIONING OF THE WORKPLACE BASED LEARNING (WBL) PROGRAMMES

The purpose of this intervention is to expand the provisioning of workplace-based learning (WBL) programmes that respond to the occupational shortages and skills gaps identified in this strategy.

ACTIONS :

- **Coordination of subsidies and incentives:** the DHET will participate in a study on the coherence of levers used by government (such as tax incentives, BBBEE, employment incentives) to subsidise and incentivise WBL programmes (learnerships, apprenticeships, internships etc). The study is led by Treasury and the Project Management Office in the Presidency and is supported by donor organisations such as the GIZ, USAID, UKPF and MSDF. DHET will also work with Treasury, the South Avenue Revenue Service, DPISA, DTIC DEL and the Business Sector to streamline existing incentives for WBL. This includes ensuring that different forms of WBL is aligned to those used in BBBEE Codes.
- **DHET/DSI:** The DHET and DSI will work together to review, amongst others, how best to support existing WBL programmes under initiatives such as the Technology Localisation Programme, the Technology Stations Programme and the employment stimulus package.
- **Utilisation of infrastructure programme:** DHET will work with DEL and DPWI to develop a plan on how to utilize the Infrastructure Programme for artisan training.
- **Centres of Specialisation (CoS):** longer term commitment to allow for institutional commitment to building its resources, processes and systems to deliver a circumscribed skill set.

INTERVENTION 4 :INCREASE ENROLMENTS IN QUALIFICATION-BASED PROGRAMMES THAT RESPOND TO OCCUPATIONAL SHORTAGES

It is intended to expand access to programmes where the numbers of students who are currently pursuing particular areas of study are insufficient to meet labour market demand.

ACTIONS :

- **Enrolment Planning:** universities and TVET Colleges will revisit their enrolment plans to incentivise student enrolment in qualifications and programmes that are key to the ERRP.
- **Funding for E & T institutions:** the SETAs and the NSF will priorities their funds to support TVET Colleges, universities and Community Education and Training Colleges (CETCs) that may seek to expand enrolment in targeted programmes or that may require funds for infrastructure (especially workshops), equipment and lecturer development.
- **Coordination:** the DHET will initiate processes to ensure that funding from the fiscus and skills levy complement each other. This is necessary to allow for identified programmes to be implemented at scale.

INTERVENTION 5 :REVIEW AND REVISE EDUCATION AND TRAINING PROGRAMMES TO RESPOND TO OCCUPATIONAL SHORTAGES AND SKILLS

This intervention focuses on the need for public and private education and training institutions and skills development providers to review and revise their qualifications, programmes and curricula to respond to occupational shortages and skills gaps identified in this strategy.

ACTIONS :

- **Programme Quality Mix (PQMs)** : universities and Colleges will review and or/expand their Programme Quality Mix (PQMs) in order to address occupational shortages identified in this strategy.
- **Qualifications development:** universities will initiate the development of new qualifications that are necessary to address occupational shortages identified in this strategy. The DHET and QCTO will undertake a similar exercise together with TVET Colleges in this regard.
- **Curriculum review:** universities and colleges will review the curricula of applicable programmes in order to address skills gaps identified in this strategy. The DHET and QCTO will undertake a similar exercise.
- **Funding:** the SETAs and the NSF will priorities to support the development of new qualifications, the introduction of new programmes through expanded PQMs and the review of curricula.
- **Quality Assurance:** the QCTO and CHE, in consultation with SAQA, will allow some flexibility in the structure of programmes to facilitate greater responsiveness.

INTERVENTION 6 :UPDATE THE DRAFT CRITICAL SKILLS LIST AND ASSOCIATED REGULATORY MECHANISMS

The purpose of this intervention is to update the draft Critical Skills List (CSL) to take into account the effects of Covid-19 and to respond to occupational shortages associated with the ERRP. It also draws attention to the need to reduce the time taken to obtain work permits and to improve regulatory frameworks and processes for issuing critical skills visas (as sited in the ERRP).

ACTIONS :

- **Update Critical Skills List** : the DHET will update the draft Critical Skills List to take into account the impact of Covid 19; the implications of the ERRP and stakeholder inputs to the draft CSL.
- **Verification of foreign qualifications**: the SAQA will fast track its processes to verify foreign qualifications that are linked to the Critical Skills List.
- **Skills Transference**: the DEL will encourage employers to adopt knowledge and skills transference strategies where there is a reliance on immigrant workers.
- **Regulations**: the DHA will review its processes and regulatory mechanisms regarding the issuing of the Critical Skills Visa, with a view to making them more efficient.
- **Coordination**: the DHET will work actively with other government departments, the private sector, other stakeholders and through the government's Operations Vulindlela process to ensure that the Critical Skills List responds to the needs of the economy .

INTERVENTION 7 :STRENGTHEN ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES

This intervention focuses on the need to support the skills required for entrepreneurship in ways that enable entry level entrepreneurial activities (private and social) through to higher end enterprises that rely on innovative research and development

ACTIONS :

- **Presidential Youth Service Programme:** the DHET to enable Community Education and Training Colleges to support Presidential Youth Service programme participants to transition into social entrepreneurship initiatives.
- **TVET College Entrepreneurship Hubs:** the DHET will develop a workable and sustainable model for the establishment of Entrepreneurship Hubs at TVET Colleges and scale these up to more colleges.
- **University EDHE Programme:** the DHET to continue to strengthen its EDHE programme.
- **Funding:** the SETAs, the NSF, relevant government departments and state entities will fund efforts to support entrepreneurship development programmes and projects. The Department of Small Business Development will fund the development of technology stations and living labs in TVET Colleges.
- **Coordination:** the DHET will work closely with the Department of Small Business Development, SEDA and DSI to enable entrepreneurship development in PSET institutions.

INTERVENTION 8 : EMBED SKILLS PLANNING INTO ECONOMIC PLANNING PROCESSES AND VICE VERSA

This intervention aims to ensure that skills planning is embedded in economic planning processes; and conversely, for economic planning to be embedded in skills planning processes. The idea is for economic planning to incorporate issues pertaining to skills supply and demand, and for skills planning to be demand-led and responsive to the needs of the economy. In this way, skills are part of a package of industrial interventions, together with incentives, trade agreements, and other interventions , instead of a separate or parallel 'add on'

ACTIONS :

- **Embed Skills in Economic Planning Processes:** the DHET and relevant SETAs will participate in economic planning initiatives such as the Master Plan development processes, industry-led planning processes, public sector human resource planning processes, the circular economy initiative and the Public-Private Growth Initiative to ensure that skills planning is embedded in these economic planning processes. The DHET and SETA representatives in these processes will ensure that skills remain on the agenda and that there is a collective and on-going and iterative process of determining which skills are required and the type of skills development interventions that will meet this demand.
- **Embed economic planning into skills planning:** the DHET and SETAs will analyse economic plans and strategies in their processes to identify current and future skills needs.

This intervention focuses on promoting the widespread adoption and strengthening of government's national pathway management network (PMN). The PMN was announced by the President in the State of the Nation Address (SONA) in 2020. The central objective of the PMN is to support individuals to transition from 'learning to earning'.

ACTIONS :

- **Utilising NPMN:** the DHET will work with DEL and the Presidency (PMO) on ways to ensure that PSET institutions is aware of the NPMN and will encourage their students to join the PMN when they enrol. The idea is for students to build their profile and visibility and access opportunities for WBL or to transition into the labour market.
- **Mapping of services:** the DSI will support the PMN to map all youth services offered by government and its social partners.
- **Zero-rating of data:** the DHET will work with the Department of Telecommunications and Postal Services to expand and sustain efforts to ensure that PSET institutions and not for profit applications that support work seekers, are zero-rated.

INTERVENTION 10 : STRENGTHEN THE POST-SCHOOL EDUCATION AND TRAINING SYSTEM

This intervention focuses on ensuring that the schooling and PSET systems are strengthened to meet medium and long-term demands of the economy. The DHET's draft National Plan for PSET (NPPSET) provides clear direction on the kinds of interventions required to address structural weaknesses in the PSET system.

ACTIONS :

- **Quality Assurance System:** review the current E & T quality assurance system with a view improving its effectiveness and efficiency and to adopt new approaches to credentialing (such as block chain credentialing) , especially for short courses.
- **MOOCs:** the DHET, in consultation with SAQA, the 3 Quality Councils and other stakeholders will investigate how MOOCs (both national and international) can be adopted in a manner that does not compromise the quality of education and training.
- **Accreditation:** relax requirements where possible for curriculum compliance on qualifications identified as immediate priorities. It is proposed that 20% of the programme must be flexible so that institutions can be responsive to short term requirements of employers and sectors.
- **Funding:** the DHET will adopt funding mechanisms to provide surge funding to E & T institutions in order for them to respond effectively to crises.
- **Basic Education:** the DHET will request the Human Resources Development Council to facilitate engagement on the role of the DBE in relation to this strategy, including ECD.

Since the Cabinet Lekgotla 29 January 2021 the department has been consulting various stakeholders and social partners, which includes, amongst others :

- Sector Education and Training Authorities (SETAs);
- National Skills Authority;
- Human Resource Development Council EXCO;
- National Economic Development and Labour Council (NEDLAC);
- Economic Sectors, Investment, Employment and Infrastructure Development (ESIEID) DG Cluster;
- Quality Council for Trades and Occupations (QCTO);
- Universities South Africa (USAf);
- South African Qualifications Authority (SAQA);
- Council for Higher Education (CHE);
- Technical workshop with the ESIEID Cluster members;
- Technical workshop with the priority government department's;
- Department of Trade, Industry and Competition;
- Economic Sectors, Investment, Employment; Infrastructure Development (ESIEID) Ministers Cluster; and
- Department of Basic Education (DBE) and Umalusi;

- In all the consultations held to date, the Skills Strategy is well received, and comments were provided to strengthen and enhance it.
- Consultations are still ongoing at the NEDLAC, which commenced in March 2021 and with the government lead departments.
- We are also in the process of developing an implementation plan for the Skills Strategy that will assist us in monitoring and reporting progress to the technical implementation forum.

It is recommended that :

- The HRDC Summit takes note of the progress with regard to the process of skills strategy, makes inputs where required and that the strategy remains active and alive.

END

THANK YOU

QUESTIONS / CLARITIES / INPUT