



NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL

SUMMARY COVER NOTE

NEDLAC REPORT ON SKILLS STRATEGY TO SUPPORT THE SOUTH AFRICAN ECONOMIC RECOVERY AND RECONSTRUCTION PLAN

1. PURPOSE

- 1.1. The purpose of this document is to provide a summary of the Nedlac Report on Skills Strategy for ease of reference.

2. BACKGROUND & DISCUSSION

- 2.1. The Department of Higher Education and Training (DHET) tabled the Skills Strategy: Support for the South African Economic Recovery and Reconstruction Plan on 22 April 2021 at the Task Team which was established by the Labour Market Chamber for engagement. The Strategy was subsequently engaged by the ERRP Skills Strategy Task Team to enable participation of the Community Constituency on this matter.
- 2.2. The Skills Strategy (**Annexure 1**) aims to support the successful implementation of the ERRP. The Strategy recognises that skills development, science, and innovation are key enablers towards the implementation of the ERRP.
- 2.3. The strategy is demand driven to establish linkages to other government interventions and encourages government departments and the private sector to support its implementation. It aims to create a balance between short and long-term crises by responding to short-term crisis while continuing to strengthen the system in the long term.
- 2.4. Arising from the engagements, the task teams produced the attached consolidated Nedlac Report on the Skills Strategy (**Annexure 2**). The report records the areas of agreement and disagreement.
- 2.5. The Report has been approved by the Labour Market Chamber (LMC) and constituency lead persons on the ERRP Skills Strategy Task Team.
- 2.6. The section below provides a summary of key areas of agreement and disagreement. The majority of issues were agreed by social partners. Social partners also agreed that some of the issues pertaining to the strategy required further engagement.

3. AREAS OF AGREEMENT

Nedlac social partners agreed in principle on the following areas:

3.1. Worker Education

Prioritisation of Worker Education, which focuses on educating workers on the skills required at their places of employment, was fully supported by the social partners. The understanding among the social partners was that funding for this initiative will be further deliberated upon during the Sector Education and Training Authority (SETA) Grant Regulations engagement process once the regulations have been tabled at Nedlac.

3.2. Entry point of ERRP Skills Strategy: Technological Skills to support the Primary Sectors of the Economy - Agriculture and Manufacturing

One of the proposed interventions is that the fourth Industrial Revolution (4IR) and technological skills should support the primary and secondary sectors covering agriculture, manufacturing, and construction.

3.3. Critical Skills Identification through Labour Market Intelligence

Social partners support the identification of critical skills. The revised Skills Strategy has linkages with the Critical Skills List to consider 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 cited in the ERRP).

3.4. SETA Landscape

Social partners agreed that shortcomings of the SETA system, such as the bureaucratic and administrative burdens of the system, should be analysed and corrected. Improvements on the system will be further deliberated on during the SETA Grant Regulations process.

3.5. Workplace Based Learning (WBL)

Social partners agreed that the WBL remains central outcome of the National Skills Development Plan (NSDP) and should be prioritised.

3.6. Demand and Supply

Social partners supported that the skills strategy should adopt a demand-led approach and be responsive to the world of work. In this regard, the strategy identifies occupational shortages and skills gaps associated with the ERRP, to ensure that these are not constraint to the implementation of the ERRP.

3.7. **Turnaround Strategy for TVET's**

The turnaround of Technical and Vocational Education and Training (TVET) sector is supported in order to deliver relevant skills to the labour market. Outdated programmes should be phased out and programmes such as engineering need to be reconstructed to make them more responsive to the changing industry environment.

3.8. **Quality and Expanded Access**

Social partners agreed on quality outputs and throughputs which are responsive to labour market needs. The skills strategy is to be implemented together with the National Plan for Post School Education and Training (NPPSET) which has been approved by the Minister on 29 July 2021 with clear priorities.

3.9. **Quality Assurance/Quality Council for Trades and Occupations**

Social partners supported proposals to increase Quality Council for Trades & Occupations (QCTO) funding through the levy allocation. The recognition of the challenges relating to the QCTO were noted and social partners emphasised a need for solutions which will be sustainable and meet long term needs of the country's economy.

3.10. **Digitalisation**

Social partners supported digitalisation and agreed that it needs to include systemic changes, technological and human resources, including educator capacitation.

3.11. **Short Term Interventions and Sustainability**

Social partners agreed to the short-term interventions and sustainability proposals. It was agreed that QCTO Command Council can assist in fast tracking these interventions. Micro credentialing is to be aligned and articulated to unit standards as a sub credit.

3.12. **Composition of accredited and non-accredited courses**

Social partners agreed to the composition of accredited and non-accredited courses which is supported by the revised skills strategy and which should respond to demand-led interventions or as required by the economy.

4. **AREAS OF DISAGREEMENT**

4.1. **Short-courses**

Social partners had differing views on the recognition, articulation, and implementation of accredited and non-accredited short courses. They acknowledged the urgency of processing short-term skills development programmes but could not find common ground on the modalities of

accountability and reporting of such programmes as they would be funded by public funds. Whilst Business expressed the need for an agile and flexible process, Labour cautioned that the non-articulation on the NQF provides opportunity for employers to exploit funds offered by the SETA's. Additionally, Labour shared a concern, that the non-articulation of programmes on the NQF, may result to them not being recognised. This would have an adverse impact on credits for workers on their development profiles and resumes.

5. AREAS FOR FURTHER ENGAGEMENTS

The task team agreed that the following issues need to be deliberated on by the social partners as specified below or at an appropriate forum going forward.

5.1. Mandatory and Discretionary Grants

It was agreed that the Department of Higher Education and Training (DHET) would table the draft SETA Grant Regulations, incorporating public comments, for engagements by social partners at Nedlac. The regulations would serve as a necessary policy instrument to implement the National Skills Development Plan and other national strategic priorities related to skills development. It was acknowledged that the issues raised by the Nedlac social partners on amendments to relevant regulations to support the strategy will be further discussed once the DHET has to formally table the Grant Regulations at Nedlac.

5.2. National Pathways Management Network

The social partners recommended that the office of the Presidency, through DHET should be invited to table the national pathways for engagement at NEDLAC.

5.3. National Planning for Post School Education and Training (NPPSET)

Social partners agreed that further engagement should be undertaken on NPPSET, and that the DHET will be invited to table the NPPSET policy for engagement by the social partners at NEDLAC.

5.4. Community Education and Training Colleges

It was acknowledged that Community Education and Training (CET) colleges were an important vehicle for skills development. It was agreed that this area needed to be explored further, particularly in respect of collaboration to enhance CET colleges and complement TVET colleges.

5.5. Skills development support for entrepreneurship and cooperative development

A proposal that the Cooperatives Academy concept should be piloted in at least three provinces and that there should be skills development support for entrepreneurs and cooperatives to assist in economic recovery was acknowledged and it was agreed that these issues required further deliberation.