



National Economic  
Development and  
Labour Council

## BRIEFING NOTE: NEDLAC 30 YEAR OF DEMOCRACY PROJECT

*Nedlac social partners reflecting on 30 years of democracy and planning for the future*

**Theme: Labour market, social protection and the just transition**

**Sub-theme:** Skills development

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Welcome to the discussion on skills development, which will cover:

- Workplace skills training and the role of Sector Education and Training Authorities;
- How to enable demand-driven skills training, including for the green economy and to ensure a just transition for workers in declining sectors; and
- Balancing skill demand and supply through visa and migration regulation.

This briefing note will assist you in your discussion by:

- Highlighting key issues
- Setting out questions for you to consider.

You are free to add additional issues and questions to your discussion.

### A. Key issues

#### 1. Variables and driving forces

*The Indlulamithi project identified the following variables and driving forces to consider when planning for future scenarios:*

- Increased funding for (and access to) tertiary education will see greater youth absorption into the economy) however, concerns over quality and equality will persist.
- University graduates are more likely to find jobs, but rates of unemployment among graduates are rising.

*Operation Vulindlela identified that:*

- Skilled immigration is an important driver of economic growth. Highly skilled workers create jobs by starting or growing businesses, enhancing productivity and innovation and improving the firms' competitiveness. They also contribute to tax revenues and spend in a variety of sectors. (OV: 24)

*The AfDG dialogues identified that:*

- Workers and communities in the coal belt face the risk of further vulnerability if specific attention is not given to skills development, alternative economic development plans and social support (AfDG:7)

*The NDP Review argues that:*

- The highly complex skills system and regulatory model is perceived to be muddled, contradictory and expensive and is not realising the intended goals. Instead, it is generating perverse outcomes as it has not considered implementation challenges and underestimated the resources that would be required (NDP:32)



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## 2. Achievements and changes

- The NDP enrolment target of 1.6 million students in **higher education** by 2030 is likely to be reached. Currently, there are 1.3 million students enrolled, 82% in public and 18% in private institutions. Increased access to higher education is driven by growing proportions of female enrolments (61% by 2021), particularly in distance education modes of learning, at undergraduate levels (Review: 80).
- **NSFAS** has turned into a bursary scheme, with increased funding over the years (R10 billion in 2017 and projected to grow to R52 billion in 2024 (NPC review:32) covering universities and TVET colleges (Summary: 25). NSFAS funding does not prioritise the skills currently in demand in the economy or signal which skills will be required in the future (NDP:32).
- In 1999, **TVET college** enrolment stood at 357,885, which more than doubled by 2015 but has since declined to 589,083 in 2021. (Review: 82). 43% of TVET graduates are not absorbed into the labour market (NPC review:33)
- There has been a decline in the **SETA Supported Learning Programmes** registrations. In 2021/22, 130 264 learners registered, with learnerships accounting for 55.2%, followed by skills programmes (37.4%) and few internships. Artisan development has grown and shrunk since 1994, with a low of 15,107 in 2020, of which only 31% were females. The decline is linked to challenges in the state-owned enterprises that historically offered 80% of training (Review: 82).
- More than 2.4 million **international migrants** resided in South Africa with most employed in private households (18.4%) and construction (17.2%) (StatsSA, 2022).
- Several reforms have been introduced to **enable skilled immigration**, including the updating of the Critical Skills List (2021), establishing a Trusted Employer Scheme (2023), revising Immigration Regulations (2024) and reducing the backlog in visa applications (OV 24,25)
- The Department of Employment and Labour has been developing a **National Migration Policy** to balance South African population expectations, labour market needs, and protection of migrant workers and their families, together with regional integration and cooperation imperatives.

### B. Questions to be addressed

- a) What are the **achievements and lessons** with respect to skills development?  
Consider
  - The effectiveness of public and private skills institutions, especially for young people not able to access university education; and
  - Balancing policies to attract skilled workers with those focusing on reducing economic migration and the skills of South Africans.
- b) What **policy, legislative and implementation** changes should be introduced so that post-school educational bodies better match skills supply with demand? Consider changes to SETAs, TVETs, and artisan training, as well as address the changing nature of the labour market, migration and immigration and declining and emerging industries in response to climate change. See the Annexure attached.
- c) What **role should Nedlac** and social partners play in achieving this?



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## Annexure: Suggestions from the 30-year review

The 30-year review (96 – 97) suggests as follows:

- The need for a comprehensive student funding model which covers the missing middle and is sustainable (Review: 217)
- In the TVET sector, improve efficiency, expand specialisation centres and explore e-learning to save costs;
- Improve on community college sector offerings (Review: 217)
- Reform the SETA system to more effectively partner with businesses and State-Owned Enterprises (SOEs) to expand skills development;
- Consider merging SETAs into fewer, more streamlined entities with strong finances that can better serve the needs of the labour market and the economy.
- Update the National Skills Development Strategy to address future needs, enhance social equity, and align with the Skills Masterplan.
- Expand production of artisans, including by SOEs, to address current and future needs and achieve the NDP target of 30,000 per year.
- Conduct PSET tracer studies on the labour absorption of qualifications offered by its institutions to ensure a response to market demands and the future of work (DHET). This should include implementing targeted interventions to enhance the absorption and retention of South Africans trained in critical skills areas, such as the health sector, engineering, and sciences.
- Review the roles of institutions to eliminate potential duplication in the regulatory processes of Quality Councils, including the Council on Higher Education (CHE), Quality Council for Trades and Occupations (QCTO), UMALUSI, and the South African Qualifications Authority (SAQA).