

CHAPTER 2

OVERVIEW OF LEARNERSHIPS AND APPLICABLE LEGISLATION IN SOUTH AFRICA

2.1 INTRODUCTION

Chapter 1 provided the background of the study, together with an outline of the problem statement and the scope of the study. The objective of the study was given and key terms used in the study were defined. In addition, the research methodology followed in the study was briefly described. Chapter 1 also outlined the proposed programme for the study.

Chapter 2 comprises of a literature study, which explores the shortage of skills within South Africa, as well as the relevant skills development legislation and the NSDS. Issues pertaining to learnerships, in terms of role players, support structures, legislation, benefits, components and so forth, are also investigated. Although each element is discussed as a separate entity, the elements are all interrelated. This is indicated in Figure 4.

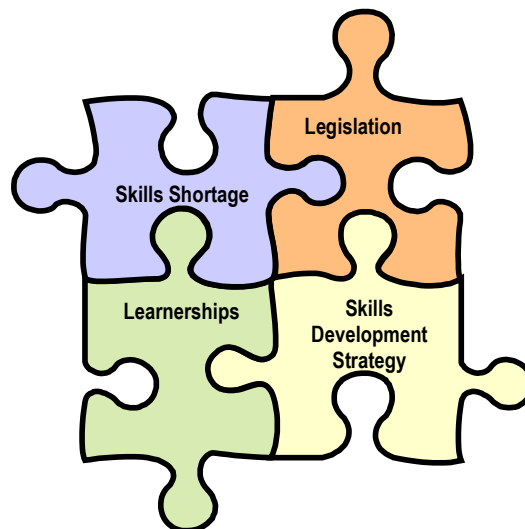


Figure 4: Elements of the literature study

The research is delineated to deal with organisations' perspectives of learnerships and the implementation thereof. Specifically, the study focuses on manufacturing, engineering and metal organisations within the Sedibeng district municipal area.

2.2 AN OVERVIEW OF SKILLS SHORTAGES IN THE SOUTH AFRICAN CONTEXT

This section discusses skills shortages from a South African perspective.

2.2.1 Defining the concepts

According to Ivanovic and Collin (2003:241), a skill is the ability to do something you have been trained to do. Heery and Noon (2001:333) define a skill as a task that a person can perform at a satisfactory level. This could indicate the person's current level of performance, which is also known as competence.

Competence is the skills and talents needed to perform a particular task to a certain standard (Heery & Noon, 2001:49). Ivanovic and Collin (2003:54) concur and define competence as the set of duties or tasks performed as part of a job and which are performed in accordance with the standards that should be achieved in executing those duties or tasks.

Based on the above definitions, to be skilled can be defined as follows:

To be skilled is having the ability to perform a task at a satisfactory level because one has been trained to do so.

On the other hand, a skills shortage is defined as a lack of employees with certain skills (Ivanovic & Collin, 2003:241). Heery and Noon (2001:333) state

that a skills shortage occurs when the demand for a particular skill outstrips supply.

Therefore, it can be stated that a skills shortage implies a lack of workers with specific skills required to do specific jobs. It is from this perspective that this study is undertaken.

2.2.2 Historical perspective

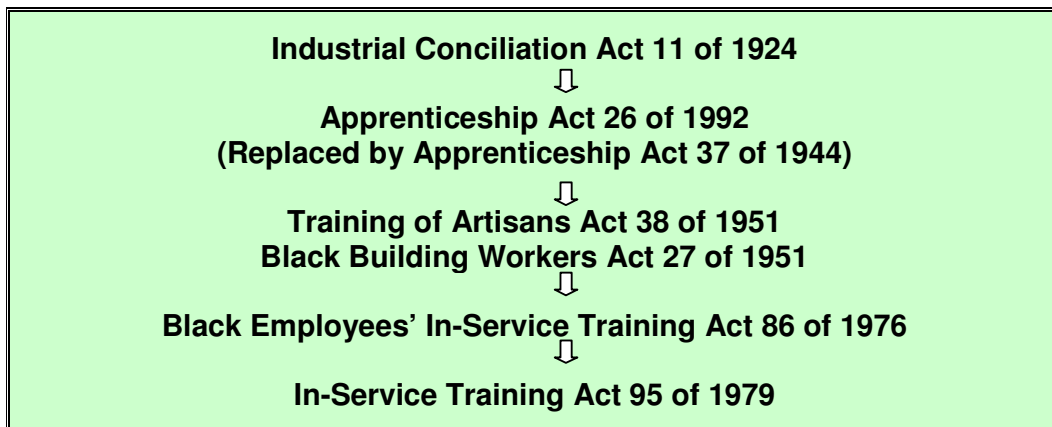
The past decade has seen a major upheaval in the economic, political and social landscape of South Africa. Through prudent policies and sound economic management, the government has made impressive steps towards managing the transition (Lopez-Claros, Altinger, Blanke, Drzeniek & Mia, 2006:42). South Africa's human resources are the solution to many of its economic and social problems (Nel, Van Dyk, Haasbroek, Schultz, Sono & Werner, 2004:397). However, much remains to be done before the country can fulfil its vast potential.

In particular, boosting basic and advanced education and training should remain high on the policy agenda as a means of tackling the unemployment problem and increasing the supply of skilled labour (Lopez-Claros *et al.*, 2006:42). According to Nel *et al.* (2004:397), the challenge is to provide the people of South Africa with a solid educational foundation and to equip the workforce with relevant and marketable skills. The challenge will support the broader goals of the government. These goals include halving unemployment and poverty, and reducing inequality by 2014, as well as ensuring that skills development institutions, which in the main are the SETAs and the NSF, use their resources to advance South Africa's skills revolution (RSA, 2005:iv).

In the South African context, the lack of appropriate numbers of suitably skilled human resources is consistently highlighted as a major obstacle in achieving economic growth targets and global labour competitiveness (Robbins *et al.*,

2003:27). Rautenbach (1999:3) indicates that decades of neglect, mismanagement and sidelining by previous South African governments deprived Black people of opportunities and left them uneducated and discriminated against. Finnemore and Van Rensburg (2003:36) point out that the workplace has been severely affected by apartheid, which has resulted in poorly educated workers and a racial division between skilled and unskilled workers.

Du Plessis *et al.* (2002:179) indicate that statutory provisions, designed to ensure that in certain trades specified categories of employees received only enough theoretical and practical training to equip them to perform at a prescribed level of skill, have been in existence since 1922 in South Africa. Finnemore and Van Rensburg (2003:25) argue that a dual system of labour relations existed since the passing of the Industrial Conciliation Act in March 1924. This supports the fact that legislative discrimination, in terms of training and development of the Black workforce, existed in South Africa. This is illustrated in Figure 5.



(Source: Adopted from Du Plessis *et al.*, 2002:179; Finnemore & Van Rensburg, 2003:25)

Figure 5: Examples of historically discriminatory legislation

Only after major recommendations from the Wiehann Commission's report early in 1979 were important non-discriminatory reforms initiated, for example,

the inclusion of Black employees into legislation for the first time. According to Du Plessis *et al.* (2002:179), Finnemore and Van Rensburg (2003:25-37) and Basson, Christianson, Garbers, Le Roux, Mischke and Strydom (2005:6-8) legislation which was influenced during this era included the Manpower Training Act (No. 56 of 1981), Labour Relations Act (No. 66 of 1995) - previously known as the Industrial Conciliation Act (No.11 of 1924), the new Constitution of 1996, the Employment Equity Act (No. 55 of 1998) and the Skills Development Act (No. 97 of 1998).

The government's Human Resource Development Strategy (HRDS) of 2001 plays two roles in this environment:

- To ensure that the various components of the state work together in a coordinated way to deliver opportunities for human development.
- To ensure that those people who have suffered from discrimination in the past are put at the front of the queue in terms of identified national priorities (RSA, 2001:5).

Indicator 6 of the HRDS revealed that higher education students enrolled to a far lesser extent in the science, engineering and technology fields between 1993 and 1999. These figures are problematic, given the importance of producing sufficiently skilled and highly skilled technical personnel for the South African labour market (RSA, 2001:26).

According to the 2004/2005 report on the State of Skills in South Africa (RSA, 2005b:31), two factors need to be taken into account when evaluating the current state of skills in South Africa in relation to the education and training deficit inherited in 1994 from the apartheid era.

The first factor that requires consideration is the dramatic decline in both apprenticeship and enterprise-based training during the late 1980s and 1990s, as indicated in Table 1.

Table 1: Decline of apprenticeship training: 1980s and 1990s

	1986	1988	1990	1992	1994	1996	1998
Apprentices indentured	29 826	23 416	24 448	25 785	22 015	18 546	16 577
Total formal sector training	288 633	318 025	320 070	283 664	58 004	110 278	61 145

(Source: Kraak, A., Paterson, A., Visser, M. and Tustin, D., 2000)

The second factor that requires consideration is the generally low level of education acquired by the South African workforce, as indicated in Table 2.

Table 2: Changes in the qualifications of the workforce by population group (000s)

Years	None		Less than Matriculation		Matriculation		Post Matriculation		Total	
	Africans	Whites, Coloureds and Indians	Africans	Whites, Coloureds and Indians	Africans	Whites, Coloureds and Indians	Africans	Whites, Coloureds and Indians	Africans	Whites, Coloureds and Indians
1997	642	66	3 310	1 195	880	1 121	563	828	5 395	3 210
%	12	2	62	37	16	35	10	26	100	100
2003	662	56	4 850	1 285	1 568	1 490	819	981	7 899	3 812
%	9	1	61	34	20	39	10	26	100	100

(Source: Statistics SA, 1997 & 2003)

The decline in apprenticeship and enterprise-based training, reflected by the first factor in Table 1, indicates the provision of a very low base from which to build a culture of widespread training, as recommended by the government's NSDS (RSA, 2005a:31).

The second factor, reflected in Table 2, suggests that there have been significant improvements in levels of education amongst the African workforce in the period 1999-2003. However, notwithstanding the improvements, the educational background of the current workforce still remains very low, with the vast majority of African workers possessing less than a matriculation certificate (RSA, 2005a:31).

2.2.3 Global competitiveness

The Global Competitiveness Report 2006-2007, released by the World Economic Forum, ranked South Africa 45th during a comparison of 125 economies worldwide (Lopez-Claros *et al.*, 2006:xxi).

Table 3: Top 50 list of Global Competitive Index 2006-2007

Rank	Country / Economy	1	7	Score
1	Switzerland			5.81
2	Finland			5.76
3	Sweden			5.74
4	Denmark			5.70
5	Singapore			5.63
6	United States			5.61
7	Japan			5.60
8	Germany			5.58
9	Netherlands			5.56
10	United Kingdom			5.54
11	Hong Kong SAR			5.46
12	Norway			5.42
13	Taiwan, China			5.41
14	Iceland			5.40
15	Israel			5.38
16	Canada			5.37
17	Austria			5.32
18	France			5.31
19	Australia			5.29
20	Belgium			5.27
21	Ireland			5.21
22	Luxembourg			5.16
23	New Zealand			5.15
24	Korea, Rep.			5.13
25	Estonia			5.12
26	Malaysia			5.11
27	Chile			4.85
28	Spain			4.77
29	Czech Republic			4.74
30	Tunisia			4.71
31	Barbados			4.70
32	United Arab Emirates			4.66
33	Slovenia			4.64
34	Portugal			4.60
35	Thailand			4.58
36	Latvia			4.57
37	Slovak Republic			4.55
38	Qatar			4.55
39	Malta			4.54
40	Lithuania			4.53
41	Hungary			4.52
42	Italy			4.46
43	India			4.44
44	Kuwait			4.41
45	South Africa			4.36
46	Cyprus			4.36
47	Greece			4.33
48	Poland			4.30
49	Bahrain			4.28
50	Indonesia			4.26

(Source: Adopted from Lopez-Claros *et al.*, 2006:xxi)

Table 3 indicates South Africa's ranking in terms of overall competitiveness for the period 2006-2007.

This report also indicates that although sub-Saharan Africa has experienced high growth over the past few years, the results of the Global Competitiveness Index suggest that this trend may not be sustainable. This is substantiated by South Africa's drop from 40th position in 2005 to 45th position in 2006.

As indicated in Table 3, South Africa still remains the top performer in the sub-Saharan region. Despite significant achievements since the end of apartheid, the country is in many ways still struggling with its legacy, including gross inequalities, high unemployment, major skills shortages, and a striking dichotomy between first- and third-world characteristics (Lopez-Claros *et al.*, 2006:xxiv).

Although South Africa is classified as an upper-middle income country, third-world characteristics are evident considering that approximately 19 million people are classified as living below the poverty line due to past apartheid policies (Robbins *et al.*, 2003:29).

According to Nel *et al.* (2004:226), another example of inequality is the fact that an estimated 3 million South Africans cannot read or write at all, and many more are only semi-literate.

The Global Competitiveness Index (Lopez-Claros *et al.*, 2006:xiv) provides a holistic overview of the factors that are critical to driving productivity and competitiveness and groups them into nine pillars, as indicated in Table 4, along with South Africa's ranking for the 2006/2007 Global Competitiveness report.

Table 4: Nine pillars of the Global Competitive Index 2006-2007

Nine pillars of the Global Competitiveness Index	South Africa's ranking 2006/2007
Institutions	36
Infrastructure	49
Macro economy	46
Health and primary education	103
Higher education and training	56
Market efficiency	33
Technological readiness	45
Business sophistication	32
Innovation	29

(Source: Lopez-Claros *et al.*, 2006:xix-xxiii)

It is important to note that none of these factors alone can ensure competitiveness. The value of increased spending on education will be undermined if rigidities in the labour market and other institutional weaknesses make it difficult for new graduates to gain access to suitable employment opportunities. Therefore, the most competitive economies in the world will typically be those where concerted efforts have been made to frame policies in a comprehensive way; that is, those which recognise the importance of a broad array of factors, their interconnection and the need to address the underlying weaknesses they reveal in a proactive way (Lopez-Claros *et al.*, 2006:xiv)

2.2.4 The nature of the skills shortage

Various sources of literature support the fact that a dire shortage of appropriate skills and knowledge required by commerce and industry exists within South Africa (Mercorio & Mercorio, 2001:14-15; Robbins *et al.*, 2003:356; Meyer *et al.*, 2004:8; Babb & Meyer, 2005:198).

According to Robbins *et al.* (2003:356), 8 percent of the 15 million South Africans in the youth bracket of 14-35 years have had no formal education and proportionately only 5 percent of African youth acquired post-matriculation qualifications, compared to 28 percent of the White youth. Whilst African males constitute 38,75 percent of the total workforce, they comprise only 10,47 percent of management positions.

Robbins *et al.* (2003:356) conclude that losses of highly skilled persons due to emigration on the one hand and the huge surplus of largely illiterate unskilled and semi-skilled labour on the other hand are intensifying the problem regarding the desperate shortage of skilled labour. Enrolments at universities and technikons, now known as universities of technology, are skewed in favour of the humanities. Only 25 percent of enrolments occur in the business and management sciences and 25 percent in the natural sciences (science, engineering and technology). This translates into the current skills shortages experienced in financial, engineering and public service management fields.

Table 5: Scarce skills (2004-2009)

Skills	Examples
Senior officials and management	Experienced and qualified managers
Financial and E-commerce specialists	Engineers, financial specialists and researchers
Technicians and associated professionals	Insurance brokers, bookkeepers, sales staff, buyers, qualified education, training and development practitioners and entrepreneurs
Clerks	Debt collectors, conveyance secretaries and administrative clerks
Service/shop/market sales workers	Qualified recruitment consultants, sales staff, fire fighters, traffic and police officers
Skilled agricultural/fishery workers	Skilled horticulture and maintenance personnel
Craft and related trade workers	Electricians and plumbers
Plant/machine operators	Taxi drivers (Code 10), machine and plant operators

(Source: Adopted from RSA, 2005b:55-57)

The State of Skills in South Africa report projected scarce skills for the period 2004-2009, as indicated in Table 5.

According to Nel *et al.* (2004:418), it is apparent from international comparisons that South Africa is sadly lacking in engineers and scientists and would face a dilemma if the economy were to improve substantially.

Babb and Meyer (2005:3) query whether learnerships and apprenticeships are providing sufficient technical and critical skills, in view of the following facts:

- Sasol will need to import over 2000 skilled artisans to deal with its expansion.
- Eskom and Transnet are planning to spend over R160 billion during the next decade to upgrade the electricity and transport infrastructures.
- The high-level technical and project management skills needed are simply not readily available in the country to assist with the massive construction associated with the Gautrain project.

In the 2005/2006 annual report of the MERSETA (RSA, 2006:16), critical shortages of key skills in various areas, including welding, fabrication and general fitting, and machining, are confirmed. In support of the above, the Institute of Sectoral or Occupational Excellence (ISOE) model has been chosen to place 300 new, fully qualified welding artisans into the industry per annum, as from the end of 2008 (RSA, 2006:16).

2.2.5 Legislative overview

Government is well aware of the dilemma regarding skills shortages and has placed certain governing structures in place to assist.

As indicated in Figure 6, legislation pertaining to the development of skills in South Africa was initially addressed in 1995 with the promulgation of the South African Qualifications Authority Act.

In 1998, the Skills Development Act was brought into being followed by the Skills Development Levies Act in 1999. This legislation led to the introduction of the NSDS for South Africa.

The NSDS, in turn, provides for the SETAs, which require Workplace Skills Plans (WPSPs). The legislation is implemented through various means, including learnerships.



Figure 6: Relevant legislation regarding skills development

2.2.5.1 South African Qualifications Authority Act No. 58 of 1995

The South African Qualifications Authority Act (No. 58 of 1995) was passed to provide for the development and implementation of a NQF and, for this purpose, to establish the South African Qualifications Authority (SAQA), and to provide for matters connected therewith (RSA, 1995:1). According to Botha, De Jager and Jonck (2004:57), the South African Qualifications Authority Act (No. 58 of 1995) was passed as a forerunner to improving skills, training and development in South Africa.

The South African Qualifications Authority Act aims to provide access to and quality of learning wherever learning takes place, be it at school or in the workplace. This Act regulates the accreditation of qualifications for which learnership programmes are implemented and aligned (Meyer *et al.*, 2004:234).

2.2.5.2 South African Qualifications Authority (SAQA)

SAQA was established by the South African Qualifications Authority Act (No. 58 of 1995) and is a body consisting of 29 members who are appointed jointly by the Ministers of Education and Labour (Babb & Meyer, 2005:204). According to Meyer *et al.* (2004:15), the mission of SAQA is to ensure the development and implementation of a NQF, which contributes to the full development of each learner and to the social and economic development of the nation at large.

Therefore, this Authority is required to perform its tasks after consultation and in cooperation with all bodies and institutions responsible for education, training and the certification of standards, which are affected by the NQF (Botha *et al.*, 2004:48).

Mercorio and Mercorio (2001:103) indicate that SAQA regulations provide rules for the registration of qualifications. The regulations ensure that qualifications are meaningful, fit for purpose and provide learners with a foundation for lifelong learning. Qualifications should be benchmarked against international standards, as there is a focus on ensuring quality.

2.2.5.3 National Qualifications Framework (NQF)

The NQF is a set of principles and guidelines through which records of learner achievements are registered to enable national recognition of acquired skills and knowledge, thereby ensuring an integrated system that encourages lifelong learning (Meyer *et al.*, 2004:13). This framework is divided into eight levels and three bands, as illustrated in Figure 7.

NQF LEVEL	BAND	QUALIFICATION TYPE	
8	HIGHER EDUCATION AND TRAINING	Doctorates Further research degrees	
7		Higher degrees Professional qualifications	
6		First degrees Higher diplomas	
5		Diplomas Occupational certificates	
FURTHER EDUCATION AND TRAINING CERTIFICATE			
4	FURTHER EDUCATION AND TRAINING	School/ College/ Trade certificates Mix of units from all	
3		School/College/Trade certificates Mix of units from all	
2		School/College/Trade certificates Mix of units from all	
GENERAL EDUCATION AND TRAINING CERTIFICATE			
1	GENERAL EDUCATION AND TRAINING	Grade 9	ABET Level 4
		Grade 7	ABET Level 3
		Grade 5	ABET Level 2
		Grade 3	ABET Level 1
		1 year reception	(ABET = Adult Basic Education and Training)

(Source: Adopted from Botha *et al.*, 2004:59)

Figure 7: The NQF levels and bands

According to the South African Qualifications Authority Act (No. 58 of 1995), the objectives of the NQF are to:

- create an integrated national framework for learning achievements
- facilitate access to, and mobility and progression within, education, training and career paths
- enhance the quality of education and training
- accelerate the redress of past unfair discrimination in education, training and employment opportunities
- contribute to the full personal development of each learner and the social and economic development of the nation at large (RSA 1995:1).

Botha *et al.* (2004:61-63) and Meyer *et al.* (2004:32-39) indicate that to ensure national and international credibility of qualifications, the NQF utilises quality assurance infrastructures such as:

- National Standards Bodies (NSBs)
- Standards Generating Bodies (SGBs)
- Education and Training Quality Assurance bodies (ETQAs)

2.2.5.4 Skills Development Act No. 97 of 1998

The Skills Development Act (No. 97 of 1998) is the result of in-depth discussions and work within the Department of Labour and the social partners in the National Training Board and industry training boards. This Act replaces the Manpower Training Act (No. 56 of 1981), the Guidance and Placement Act (No. 62 of 1981), the Local Government Training Act (No. 41 of 1985) and Sections 78 to 87 of the Telecommunications Act (No. 103 of 1996). The Skills Development Act promotes a skills development strategy that is flexible, accessible, demand-led, decentralised and based on a partnership between the public and private sectors (Du Plessis *et al.*, 2002:181).

This Act provides an institutional framework to accomplish the following:

- devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce
- integrate those strategies within the NQF, as contemplated in the South African Qualifications Authority Act (No. 58 of 1995)
- provide for learnerships that lead to recognised occupational qualifications
- provide for the financing of skills development by means of a levy-grant scheme and a NSF
- provide for and regulate employment services
- provide for matters connected therewith (RSA, 1998:1).

The objectives of the Skills Development Act are viewed by Du Plessis *et al.* (2002:181) as being to develop the skills of the South African workforce by:

- increasing the levels of investment in education and training in the labour market
- encouraging employers and employees to buy into the new system of an active learning environment
- improving employment prospects of persons previously disadvantaged by unfair discrimination
- ensuring quality of education and training in and for the workplace
- assisting with finding and matching of employment
- providing and regulating employment services.

According to Meyer *et al.* (2004:66), the objectives of the Skills Development Act facilitate another means of developing the skills of the workforce in that they allow new entrants into the labour market to acquire new skills via learnerships and skills development programmes.

In order to achieve the aims and objectives of the Skills Development Act, the following has been provided for in legislation:

- The National Skills Authority (NSA)
- The NSF
- SETAs
- The Skills Development Planning Unit
- A Levy Grant Scheme (RSA, 1998)

2.2.5.5 Skills Development Levies Act, No. 9 of 1999

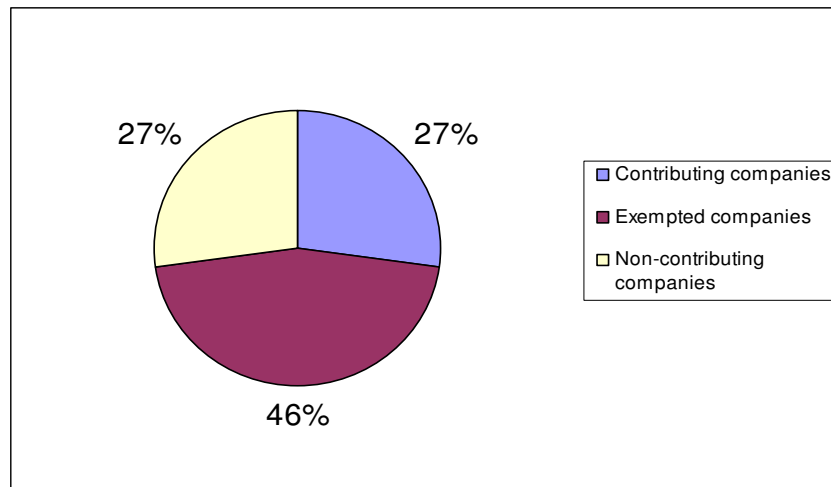
Originally, the Skills Development Levies Act (No. 9 of 1999) established a compulsory levy scheme, with a levy equivalent to one percent per month of the payroll of employers. This was done for the purpose of funding education and training, as envisaged in the Skills Development Act (Nel *et al.*, 2004:405, 414).

During 2006, the amended Section 4(b) of the Skills Development Levies Act stipulated that from 1 August 2005 an employer is not liable for the payment of a Skills Development Levy, where the amount upon which a levy can be imposed of such an employer, did not exceed R500 000 over the following twelve month period (Department of Labour, 2006:1).

Statistics shows that over 44 000 companies are registered under the MERSETA. Only 12 000 of these companies contribute towards levies and 20 000 small companies are exempt from paying the skills development levy (MERSETA, 2007:29). This is illustrated in Figure 8.

According to Du Plessis *et al.* (2002:187), the Skills Development Levies Act was introduced by government to encourage and fund employers to achieve

the envisaged increased training objectives, as set by the Skills Development Act.



(Source: Adopted from MERSETA, 2007:29)

Figure 8: Composition of MERSETA contributing companies

Meyer *et al.* (2004:12) indicate that, in order for employers to qualify for a partial refund of the levy, the Skills Development Levies Act obliged them to:

- appoint skills development facilitators
- draw up and submit a WPSP
- implement training in accordance with the WPSP
- report on the implementation of the WPSP.

2.2.5.6 Other acts that influence skills development policies

The Skills Development Act (No. 97 of 1998) and the Skills Development Levies Act (No. 9 of 1999) focus on employment, and the interpretation of these Acts must be done in conjunction with other labour legislation, as indicated by Heather (2003:20):

- Basic Conditions of Employment Act (No. 75 of 1997)

- Labour Relations Act (No. 66 of 1995)
- Employment Equity Act (No. 55 of 1998)
- Occupational Health and Safety Act (No. 85 of 1993)
- Compensation for Occupational Injuries and Diseases Act (No. 130 of 1993)

2.2.6 National Skills Development

The following section discusses various development strategies, plans and authorities pertaining to South African national skills development.

2.2.6.1 National Skills Development Strategy (NSDS)

According to Nel *et al.* (2004:415-416), the Skills Development Act (No. 97 of 1998) and the Skills Development Levies Act (No 9. of 1999) required the Minister of Labour to prepare a NSDS, covering the period April 2001 to March 2005. The strategy was designed to support economic and employment growth, as well as social development.

The title of the strategy document, 'Skills for productive citizenship for all', (RSA, 2001a:3-4), summarised the vision for the future. The vision includes the following:

- **Skills:** Skills development is about empowering and enabling individuals to acquire the skills and competencies that are in demand. These skills should be linked to quality and qualifications (either whole or part) that hold currency throughout the country.
- **Productive citizenship:** Citizenship includes the right to actively contribute to and participate in making decisions that affect investment and work. Skills development is about building the capacity of people

to enable them to engage in decisions regarding productivity, the organisation of work and technology, entrepreneurship, sustainability and growth.

- **For all:** The intention of the strategy is to provide opportunities for employed people, unemployed people, new entrants to the world of work, older people and people with disabilities. These opportunities pertain to women as well as men.

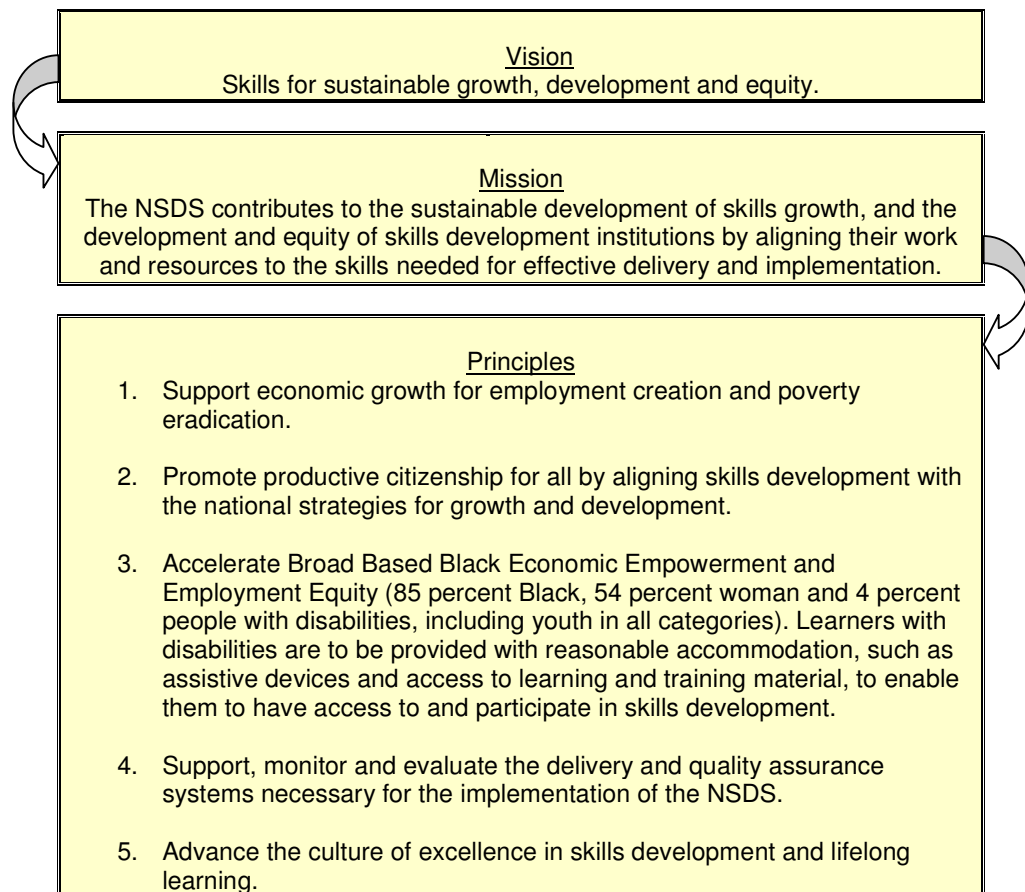
In addition, this strategy document (RSA, 2001a:3-4) is also underpinned by six guiding principles towards the vision:

- Lifelong learning
- Promotion of equity
- Demand-led: The emphasis is on the skills and competencies required to enhance productivity, international competitiveness, the mobility of workers, self-employment and the meeting of community needs
- Flexibility and decentralisation
- Partnerships and cooperation
- Efficiency and effectiveness

The new NSDS, for the period 1 April 2005 to 31 March 2010, replaced the first NSDS (1 April 2001 to 31 March 2005). The second NSDS spells out the national priority areas to which funds from the skills development levy will be allocated and further ensures that the institutions of skills development, which in the main are the SETAs and the National Skills Fund, use their resources to advance the country's skills revolution.

This new strategy also supports the broader goals of government, which are to halve unemployment and poverty, and reduce inequality by 2014 (RSA,

2005a:2). The vision, mission and principles of the new NSDS are indicated in Figure 9:



(Source: Adopted from RSA, 2005a:3)

**Figure 9: Vision, mission and principles of the NSDS
for the period 2005 to 2010**

In addition to Figure 9, Heather (2003:21) views the NSDS as having a three-pronged approach, designed to improve the skills of South Africa's mainly unskilled labour force by:

- implementing Workplace skills plans
- introducing learnerships
- introducing other sector specific processes.

2.2.6.1(a) National Skills Authority (NSA)

The NSA is a stakeholder body, established in accordance with the Skills Development Act (No. 97 of 1998). It was introduced as a vehicle to promote the strategic focus of skills development and to lead the process of skills development in the country, by ensuring that a national skills development policy and strategy are developed and implemented (Mercorio & Mercorio, 2001:26; Meyer *et al.*, 2004:203). According to Nel *et al.* (2004:413), the NSA replaces the old National Training Board (NTB).

In terms of Section 5 of the Skills Development Act (Du Plessis *et al.*, 2002:183; Botha *et al.*, 2004:70), the functions of the NSA are to:

- advise the Minister of Labour on a national skills development policy, a NSDS, guidelines on the implementations of the NSDS, the allocation of subsidies from the NSF and any regulations to be made
- liaise with SETAs on the national skills development policy and the NSDS
- report to the Minister of Labour on the progress made in the implementation of the NSDS
- conduct the necessary investigations on any matters arising out of the application of the Act
- exercise the powers and perform the duties conferred or imposed on the NSA by the Act.

2.2.6.1(b) Workplace Skills Plans (WPSPs)

According to Coetzee (2005:2), WPSPs are well-developed plans from each organisation describing what skills are needed, who needs the skills, how they will obtain the skills and how much it will cost.

The WPSP of an organisation provides the basis for a sector skills plan (for a whole economic sector, such as mining or banking), required for each SETA. The sector skills plans take account of and represent organisational and

sector priorities. They also reflect national focus areas within the national skills strategy (Meyer *et al.*, 2004:64).

2.2.6.1(c) The Sector Education and Training Authorities (SETAs)

The SETAs were established through the Skills Development Act (No. 97 of 1998). Chapter 3 of this Act defines a SETA as follows:

“(1) The Minister may, in the prescribed manner, establish a sector education and training authority with a constitution for any national economic sector” (RSA, 1998:9).

According to Meyer (2002:41), the Minister of Labour originally published a list of 27 SETAs during June 1999. These SETAs were established to devise and implement customised skills development strategies in each national economic sector of the economy (Meyer, 2002:41). During a speech given by the Minister of Labour, it was indicated that due to the amalgamation by certain sectors only 23 SETAs currently exist (RSA, 2005c:6).

The functions of the SETAs include:

- general functions, including the implementation of sector skills plans
- learnership functions, including the promotion and registration of learnerships
- quality assurance functions
- financial functions, including the collection and distribution of skills levies
- strategic functions, including labour market research and training needs assessment
- liaison functions, including the promotion of partnerships (Botha *et al.*, 2004:72).

The SETA creates a skills development plan for an industry sector, using the NSDS as a basis. It then implements its sector skills plan by:

- establishing learnerships
- approving WPSPs
- allocating skills grants to employers, training providers and workers
- monitoring education and training in the sector (Nel et al., 2004:414).

A key role of a SETA is in promoting learnerships by:

- identifying workplaces for practical work experience
- supporting the development of learning materials
- improving the facilitation of learning
- assisting in the conclusion of agreements
- registering learnership agreements (RSA, 1998:10).

Other roles of a SETA include receiving and paying out the skills development levies in its sector, communicating with the NSA on the NSDS and its sector's skills plan, and reporting to the Director-General on its income and expenditure. In addition, a SETA is responsible for implementing its sector's skills plan, improving information regarding employment opportunities, training providers and the market (Meyer *et al.*, 2004:69).

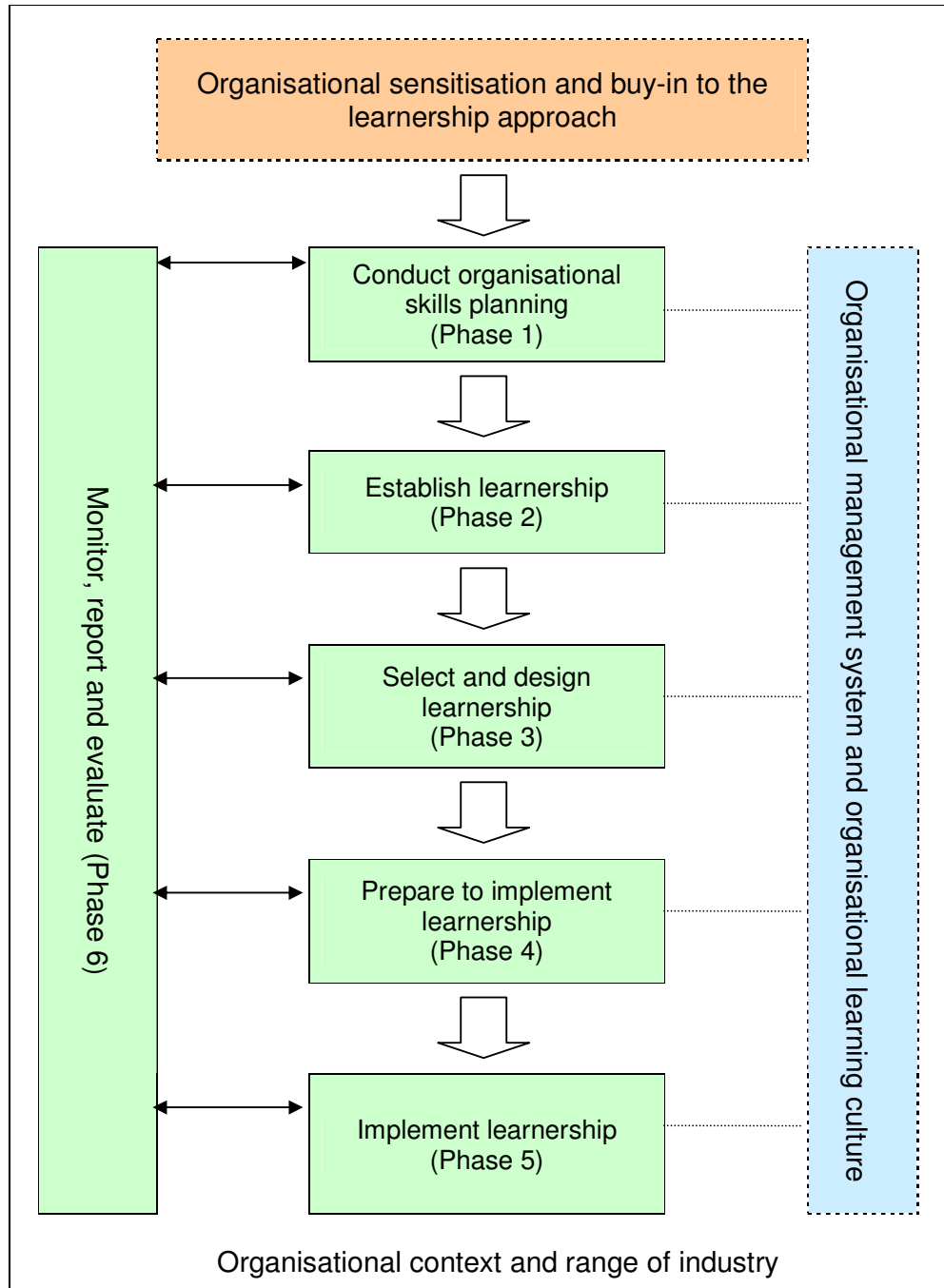
2.2.6.1(d) Manufacturing Engineering and Related Services Education and Training Authority (MERSETA)

The MERSETA is the SETA for the manufacturing, engineering and related services sector. The purpose of the MERSETA is to:

- promote economic employment growth and social and economic development
- redress inequalities in education and training
- facilitate and advance employment equity in the sector (MERSETA, 2006a:1).

Hamlet (2005:10) supports the statement that the MERSETA is concerned with education and training and is tasked with aiding the implementation of the

NSDS to increase the skills of people in this economic sector. Hamlet (2005:199) also developed a model for establishing, implementing and maintaining learnerships in South Africa, as indicated in Figure 10.



(Source: Hamlet, 2005:199)

Figure 10: Six-phase integrated learnership model

Table 6 describes the components of Hamlet's model (2005:200) in more detail.

Table 6: Phases, actions and tasks to be considered in the six-phase integrated learnership model

<p>Conduct organisational skills planning (Phase 1)</p> <ul style="list-style-type: none"> • Perform organisational skills analysis • Integrate learnership into organisational Human Resources Development Strategy
<p>Establish learnership (Phase 2)</p> <ul style="list-style-type: none"> • Confirm demand for a learnership • Generate unit standards and qualifications for learnership
<p>Select and design learnership (Phase 3)</p> <ul style="list-style-type: none"> • Select an appropriate learnership programme to meet organisational goals • Develop an organisational workplace project proposal before implementation • Design a learning programme outlining all learning requirements
<p>Prepare to implement learnership (Phase 4)</p> <ul style="list-style-type: none"> • Establish a process and project steering committee to guide implementation • Form implementation partnerships with providers • Develop an organisational capacity for delivery of the learnership • Obtain workplace provider accreditation • Select and support learners • Develop learning material from the detailed curriculum
<p>Implement learnership (Phase 5)</p> <ul style="list-style-type: none"> • Implement workplace learning • Conduct formative and summative assessment
<p>Monitor, report and evaluate (Phase 6)</p> <ul style="list-style-type: none"> • Prepare reports for organisation and SETA • Determine the cost effectiveness and impact of the learnership • Update organisational Quality Management System based on improvements identified

(Source: Hamlet, 2005:200)

The MERSETA has set itself an ambitious target of training over 13 000 unemployed artisans by 2010. Learners will be trained via the apprentice and learnership route (MERSETA, 2007:7).

The MERSETA (RSA, 2005:12-20) consists of five chambers, namely:

- Automotive
- Metal and engineering
- Retail motors and components
- New tyres
- Plastics

The MERSETA has six regional offices within South Africa and these offices are responsible for the implementation of the MERSETA's skills development initiatives through a regional outreach programme, including providing support to companies, and training providers and learners (MERSETA, 2007:24).

In the MERSETA Sector Skills Plan Review (2006a:57), documented statistics indicate that almost 80 percent of the metal and engineering industries are located within the Gauteng area. This study will focus on the metal and engineering chamber given the availability of related industries in the Sedibeng district municipal area, which falls within the Gauteng region.

The MERSETA annual report 2004/2005 (RSA, 2005:14) indicates that the metal and engineering sub-sector contributes approximately 5,3 percent to the Gross Domestic Product (GDP). As such, this sector plays a critical role in the economic advancement of South Africa as a whole.

After the issue of the second NSDS, it became evident that the MERSETA needs to ensure the alignment of the scarce and critical skills identified within their sector's skills plan. The MERSETA also has to address the skills gaps to

ensure that the manufacturing sector continues to make a vital contribution to the economy (MERSETA, 2006a:2).

According to the SETA's Chief Executive Officer (CEO), the MERSETA has made the emotional, moral and economic commitment to the advancement of scarce and critical skills within the sector. He further elaborates that the MERSETA believes that, due to its responses to requests from clients, it can improve its performance and service delivery during the next financial year, 2007/2008 (MERSETA, 2007:7).

2.3 LEARNERSHIPS

2.3.1 Overview of learnerships

According to Babb and Meyer (2005:17), one of the elements of the macro skills development system is that of learnerships and observably the one with the most apparent success, as it incorporates many of the elements of the larger skills development system. In the same way that the macro skills development system has a number of elements which need to work together effectively for the system to work, so the learnership system has a number of elements which are essential to its success (Babb & Meyer, 2005:17).

South Africa's learnerships have been adapted from countries such as the United Kingdom and South Africans can learn from the work-based learning experiences and successes of this country and others like it (Karlsson & Berger, 2006:53&61). The research conducted by Hamlet (2005:11-12) also emphasised the experiences of countries such as United Kingdom, Australia and New Zealand, all of which adopted systems similar to the South African NQF. These countries indicated increased benefits for companies and workers in the global economy.

During the Budget Speech of 2006 (Sunday Times, 2006:14) the Minister of Finance confirmed that the learnership allowance introduced in 2002 would be extended and increased for a further five years, given its beneficial contribution to encouraging on-the-job training and skills development.

Other recent measures and programmes were also implemented by South Africa's government to address skills shortages as an element of the macro skills development system. These include:

- In accordance with the Department of Labour requirements, the MERSETA Metals Chamber drafted a five-year sector skills plan to cover the second National Skills Development Strategy period (2005-2010), in which scarce or critical skills were identified for each sub-sector in order to address skills shortage (MERSETA Metals Chamber, 2006:6-10).
- According to a speech delivered by the Minister of Labour (RSA:2005c), one of the key priorities identified in the National Skills Development Strategy is that of learnerships. The target set by the Minister of Labour in 2001 was that at least 80 000 young people should enter learnerships by March 2005. Statistics indicate that 85 753 learnerships were entered into by November 2004, thus exceeding the set target.
- Of the total increase in funds for the national Department of Education (DoE), R2.2 billion goes to subsidies for higher education, which, according to the Minister of Finance, would help universities to meet their goals of increasing enrolment and producing more graduates in science, engineering and technology (Hamlyn, 2007:5).

- The Minister of Labour launched the first learnership programme under the facilitation and coordination of the newly established Employment Skills Development Lead Employer (ESDLE) pilot project during August 2004. The purpose of this project was to accelerate learnership intake within the small and medium business sector (The Star, 2004:19).
- The Accelerated and Shared Growth Initiative for South Africa (ASGISA) was launched in February 2006 (The Star, 2005:1).
- As stated on the Website of the Skills Portal (2006:1), ASGISA launched a new national stakeholder body, the Joint Initiative on Priority Skills Acquisition (JIPSA) during March 2006.

2.3.2 Clarification of concept of learnership

Learnerships are new paraprofessional and vocational education and training programmes. They combine theory and practice, and culminate in a qualification that is registered on the NQF (Department of Labour, 2005:2). Learnerships are built on the apprenticeship model, where an apprenticeship has been defined as a “traditional technical training system, including practical and theoretical components offered mostly in trade-type occupations” (Babb & Meyer, 2005:199).

Learnerships are a structured learning programme that combines learning at a training institution with practical, work-based learning, and leads to a nationally recognised qualification that is registered with South African Qualifications Authority (Coetzee & Stone, 2004:8).

Learnerships combine structured learning, or theory, with practical work experience, in which skills are developed and consolidated. A learnership must lead to a qualification registered on the National Qualifications

Framework and must prepare the learner for an occupation which the labour market demands (Mercorio & Mercorio, 2001:4).

A learnership is a mechanism to link structured learning with work experience, which will lead to nationally recognised credits or qualifications (Botha *et al.*, 2004:73). A learnership is a mode of delivering a learning programme, which combines work-based experience with structured learning (Meyer, 2002: 225).

Learnerships and skills programmes are occupationally-based programmes that combine structured learning with on-the-job experience, thus integrating learning with real-life working experience (Meyer *et al.*, 2004:224). On-the-job training programmes are designed to combine theoretical and practical skills development (Robbins *et al.*, 2003:345).

For the purpose of this research, the following definition will be used for learnership:

A learnership is a training programme whereby theory and practice are combined to culminate in a qualification and/or credit(s) that is registered on the National Qualifications Framework.

2.3.3 Learnerships in comparison with apprenticeships and in relation to skills programmes

The Oxford School Dictionary (2004:21) defines an 'apprentice' as a "person who is learning a trade or craft by a legal agreement with an employer".

According to Meyer *et al.* (2004:226), a skills programme must be linked to one or more unit standards, and a learnership must terminate in a qualification. Providers can therefore structure a series of skills programmes so that they build up into a qualification. It may be that a person completes a

series of skills programmes that result in a full learnership qualification (Meyer, 2002:45).

Meyer *et al.* (2004:229) illustrate the differences between learnerships and apprenticeships in Table 7.

Table 7: Learnerships and apprenticeships

<i>Learnerships</i>	<i>Apprenticeship</i>
Demand led	Not demand led
More diverse	Limited to technical trades only
Appeal to a wider range of learners	Focus is on a particular industry
Learning takes in multiple workplace contexts	Limited to one workplace
Process based	Event based
Learning programme	Learning intervention
Extended duration	Short course
Competence focused	Attendance focused
Recognises prior learning	Does not consider prior learning

(Source: Meyer *et al.*, 2004:229)

Given the above facts, the Skills Development Act (RSA, 1998:16-17), Coetzee and Stone (2004:8-12), Meyer *et al.* (2004:29&230) and Babb and Meyer (2005:17-27), indicate that a learnership can be identified from other forms of skills development programmes by using the following characteristics.

A learnership:

- is able to assist an employed person to improve skills, have existing skills recognised and assessed, and to gain qualifications
- is designed particularly to assist unemployed people gain access to the world of work
- can be in any field and be of varied duration

- combines work experience and structured learning (theory and practice)
- requires that the learner works for an employer for an agreed time during the programme, under an employment contract
- exists where the learner is registered with an accredited provider
- involves a learnership agreement between the learner, the education provider and the employer
- requires that a registered assessor evaluates the work experience, recognises this as contributing to the qualification and considers this component to be at least 30 percent of the programme
- is where an accredited training provider evaluates the structured learning component, recognises this as contributing to the qualification and considers this to be at least 30 percent of the programme
- results in a South African Qualifications Authority registered qualification
- is registered by the SETA with the Department of Labour.

2.3.4 Components of learnerships

Hattingh (2003:5) defines the components of learnerships as follows:

- **Fundamental component:** This refers to the basic educational requirements needed to take part in a learnership, for example basic communication, mathematics and life skills.
- **Core component:** This refers to the compulsory learning required in the learnership programme, for example occupationally-directed education, training and development.
- **Elective component:** This relates to the specialised areas of an occupation. For example, learners working towards an engineering

qualification may choose between functional areas such as electrical, mechanical and civil engineering.

2.3.5 Benefits of learnerships

The Department of Labour view effective learnerships as producers of learners who are well trained and qualified to contribute to the economic growth and development of the country (Department of Labour, 2005:3).

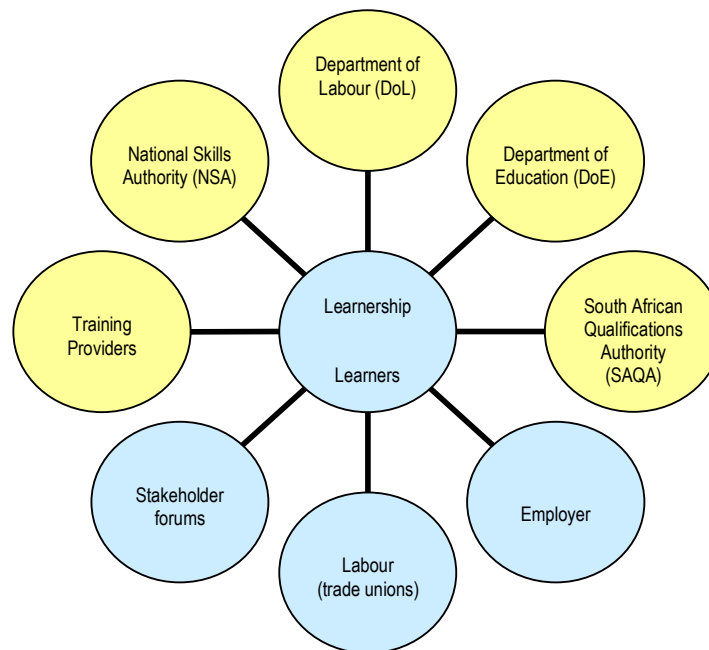
According to Mercurio and Mercurio (2001:59), Meyer *et al.* (2004:229-236), Babb and Meyer (2005:37-39) and Greenwood (2006:13) the benefits that learnerships will bring are abundant and include:

- the facilitation of skills development within the workforce
- an increased number of skilled workers in the labour market pool and, in particular, increased levels of skills in previously unemployed learners
- improved employment prospects for previously disadvantaged persons
- enabling individuals with the necessary skills to become self-employed through new-venture creation
- the provision of assistance to work seekers to facilitate their ability to find work, and to provide and regulate employment services
- the receipt of a National Qualifications Framework-registered qualification (learners)
- the provision of financial benefits in the form of pay incentives and skills development grants
- increased levels of investment in education and training by both employers and employees
- assurance of quality of education and training both in and for the workplace
- visible support for transformation
- visible commitment to employment equity
- increased productivity and performance

- increased market share opportunities due to a skilled workforce
- greater contributions from a more participative workforce in the success of the company
- a more motivated workforce leading to fewer labour disruptions
- a greater contribution to the economic growth and development of the country.

2.3.6 Role players in learnerships

A learnership can be seen as a multi-stakeholder entity (Davies & Farquharson, 2004:336). Babb and Meyer (2005:19) indicate that the more diverse the stakeholders, the more essential effective governance structures and processes are. Within an organisation, the governance, roles and responsibilities need to be clearly articulated and understood to facilitate the smooth and successful implementation of learnerships. Thus, buy-in from external and internal stakeholders needs to be achieved for a learnership before it commences (Hattingh, 2003a:3&21).



(Source: Adopted from Hattingh, 2003:7-9; RSA, 2003:16-17; Meyer *et al.*, 2004:229-230)

Figure 11: The role players in the learnership initiative

According to the Skills Development Act (RSA, 1998:16-17), Hattingh (2003:7-9) and Meyer *et al.* (2004:229-230) role players in learnership consist of both internal and external stakeholders. Figure 11 depicts the external (yellow) and internal (blue) role players in the learnership initiative:

2.3.6.1 External stakeholders

External stakeholders include the Department of Labour, Department of Education, South African Qualifications Authority, training providers and National Skills Authority, as indicated in yellow in Figure 11.

According to Meyer *et al.* (2004:230), the Department of Labour developed the regulations that govern the registration of learnerships. The Department of Labour evaluates and registers learnerships and has the legal authority to develop either regulations or guidelines in respect of skills programmes.

The Minister of Labour created the SETAs for every clearly defined and reasonably distinct national economic sector. Businesses are grouped within a SETA so that their training and education needs will be similar (Mercorio & Mercorio, 2001:56).

In some cases, a SETA may also operate as an Education and Training Quality Assurance body (Meyer *et al.*, 2004:69). According to De Jager, Horne and Joubert (2005:52), a provider means an Education and Training Quality Assurance accredited body, which delivers a learning programme that culminates in registered standards and qualifications.

The number of institutional providers for learnerships is considerable, ranging from state or private providers at basic Further Education and Training (FET) levels to universities providing post-doctoral qualifications (Botha *et al.*, 2004:59&74).

2.3.6.2 Internal stakeholders

In Figure 11, internal stakeholders are indicated in blue and include learners, employers, stakeholder forums and trade unions.

According to Coetzee (2004:4), internal stakeholders include the human resource manager, the training and development manager, management, trade unions and employees, which assist with skills development. Whilst the role of government is to lay down policy, to provide a systemic framework for skills development and to ensure that institutions produce people with the necessary generic skills, it is the private sector which will need to identify and build the skills the economy requires (Babb & Meyer, 2005:9).

Babb and Meyer (2005:23) further indicate that successful learnerships are able to incorporate on-the-job training, coaching and assessment into the job fabric of line managers and thus minimise the disruptive effects of this role.

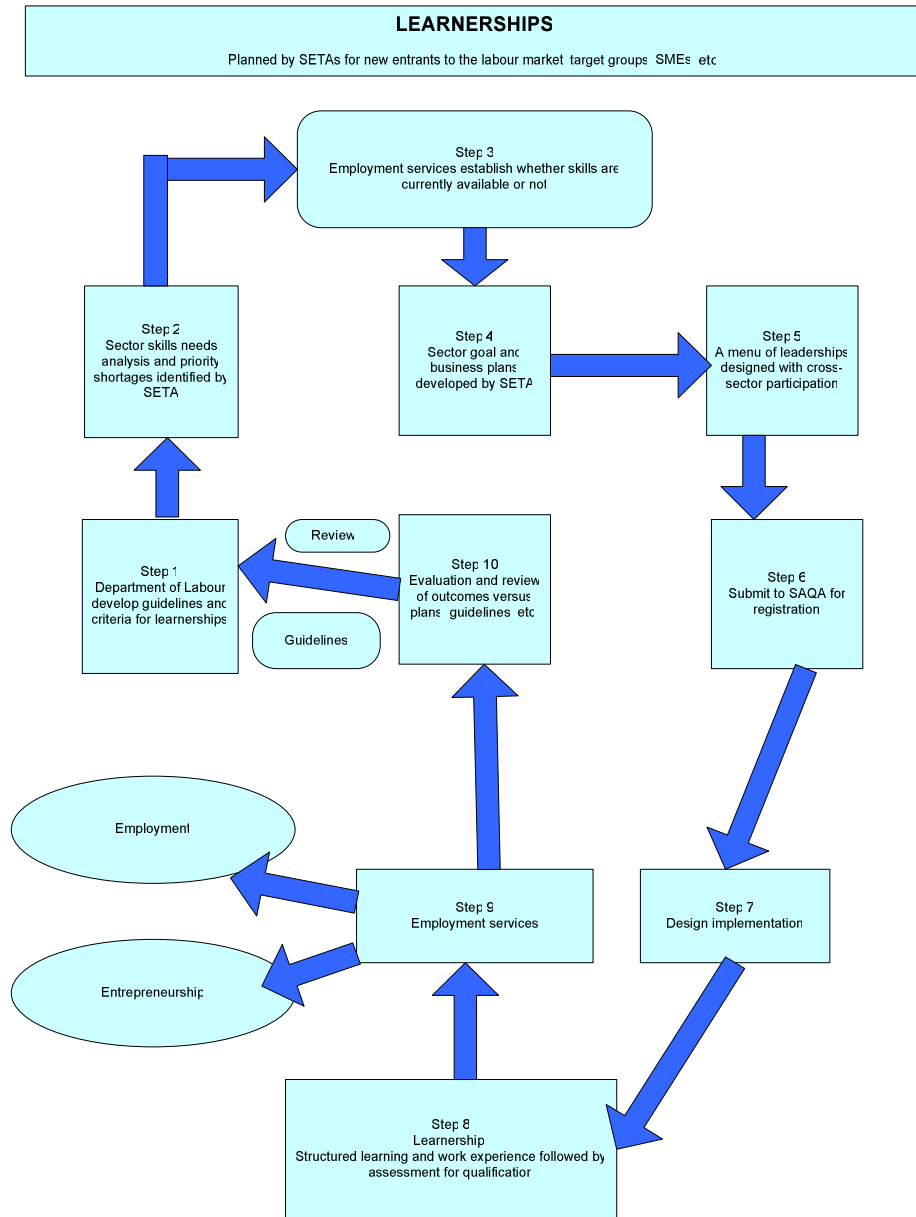
2.3.7 Implementation of learnerships

All learnerships must be registered with a SETA and have its qualification registered on the National Qualifications Framework by the South African Qualifications Authority (Hattingh, 2003a:3&5).

Once a learnership has been established, employers enter into learnership agreements with learners. In most cases, the learnership provider provides the structured or theoretical part of the learnership, while the employer provides the practical part of the learnership (Clark, 2005/2006:146).

According to Meyer *et al.* (2004:99), the learnership qualification is made up of unit standards. Each unit standard must fulfil a part of the skills required for a learnership and carries a certain number of credits towards the qualification, which must consist of at least 120 credits.

Greenwood (2006:14) elaborates that the unit standards, chosen from those already written and registered, or newly developed, must encompass occupational outcomes, relevant literacy, numeric and academic outcomes. The learner builds a portfolio of evidence as he/she continues with his/her learnership, until he/she reaches the requisite number of credits.



(Source: Adopted from Meyer, 2002:44)

Figure 12: Development cycle for a learnership system

Furthermore, credits can be attained through the recognition of prior learning (RPL), which is a process of assessment that formally recognises a learner's competence by assessing the learner's current skills level, knowledge and experience against a specific qualification standard (Coetzee & Stone, 2004:7).

It is important to note that all learnerships, their qualifications and their unit standards are registered by the Department of Labour on their National Learnership Registration Database (Greenwood, 2006:14).

In addition to claiming learnership grants through the relevant SETA, a tax incentive can be claimed when registering a learnership agreement (Business Day, 2007:2).

2.3.8 Effective learnership system

The elements from which an effective learnership system can be identified include the following:

- the overall purpose, aims and objectives of the system
- the governance of the system
- the learning outcomes expressed as a qualification, as well as broad individual and corporate objectives
- the selection of the learners
- the quality of learning provision
- the quality of on-the-job learning and work placement
- the provision of mentoring and coaching support
- the culture of the organisation
- the assessment process
- the process for ongoing evaluation

- the administration of the system (Coetzee & Stone, 2003:4; Hattingh, 2003a:21-23; Babb & Meyer, 2005:17&18).

2.3.9 Learnerships developments and availability in the Manufacturing, Engineering and Related Services Education and Training Authority (MERSETA)

The annual report 2006/2007 (MERSETA, 2007:26) indicates that the MERSETA has registered 96 qualifications with the South African Qualifications Authority. According to the MERSETA's CEO, the training and development targets set for this SETA were exceeded during the period under review, as reported in the MERSETA's annual report of 2006/2007 (MERSETA, 2007:7).

Training for 3 933 employed workers was facilitated, of which 949 entered into learnerships and 2 329 into apprenticeships. An additional 2 403 unemployed learners entered into learnerships and 132 into apprenticeships (MERSETA, 2007:7). The Divisional Manager of Skills Development Implementation within the MERSETA indicates that skills development projects have been structured mainly around learnership implementation during the financial year of 2006/2007 (MERSETA, 2007:25).

The MERSETA sector skills plan review 2007-2010 acknowledges that the South African legacy of inadequate people development, low introduction of and investment in new technology in most sectors and limited human resource skills enhancement inside firms, presents a major challenge for the nation. The MERSETA chambers mentioned in particular that the lack of technical skills is keenly felt within this SETA (MERSETA, 2007a:66).

Overall results of the MERSETA's "Scarce and Critical Skills Project 2007", indicates that the total number of scarce skills required to fill scarce skills occupations within the industry by 2010 is at least 78 273. More than three

quarters (79%) of the reported 'scarce skills' lie within the occupational major Group 3 category: Technicians and Trades workers (MERSETA, 2007a:73).

In the MERSETA's "Draft terms of reference for impact assessment of learnerships and apprenticeships" document, the problem statement indicates that the MERSETA has not had comprehensive access to empirical evidence pertaining to the effectiveness and/or ineffectiveness of the learnership and apprenticeship systems. In addition, the MERSETA has not adequately assessed the return on investment of the learnership and apprenticeship systems in the workplace (MERSETA, 2007b:3).

Based on research conducted by Davies and Farquharson (2004:350), three barriers affecting workplace training were identified:

- Physical barriers
- Structural barriers
- Attitudinal barriers

These barriers have been utilised to categorise the challenges facing learnerships in the tables below.

Researched literature (Business Day, 2003:3; Davies & Farquharson, 2004:350; Babb & Meyer, 2005:11,23-27; Sunday Times, 2005:1; The Star, 2005:1; Hattingh, 2006:63; MERSETA, 2006:10-11; The Star, 2006:1; City Press, 2007:28; Financial Mail, 2007:120; Financial Mail, 2007a:34; Mail & Guardian, 2007:3; MERSETA, 2007a:80; The Herald, 2007:4) indicates the *physical* (Table 8), *structural* (Table 9) and *attitudinal* (Table 10) barriers and challenges facing the implementation of learnerships.

These challenges can be linked directly and indirectly to the research perspectives undertaken in this study.

It is envisaged that the information gained from the study will also enhance the MERSETA's quest for continuous improvement as indicated in the "Draft Terms of reference for Impact Assessment of Learnerships and Apprenticeships" document (MERSETA, 2007b:3).

Table 8: Physical barriers and challenges facing the implementation of learnerships

<i>Physical barriers and challenges</i> Including financial, administration and time constraints	
Burdensome learnerships	Learnerships are perceived as a regime with numerous obligations and requirements on organisational resources.
Bureaucracy	Assessing the MERSETA training is seen to be a constraint for the smaller firm, as is government red tape.
Financial limitations	<ul style="list-style-type: none"> • Some employers are confining training budgets to the 1 percent skills levy. • Small firms experience problems in accessing skilled workers, as training is costly.
Industry training capacity	<p>The main reasons for neglected workplace learning are:</p> <ul style="list-style-type: none"> • The people required to provide on-the-job training are generally stretched for time • People frequently do not possess the skills required for effective coaching and training <p>This results in a lack of trainers, mentors and coaches.</p>
Administrative burden	The administrative burden of learnerships is unacceptable high. Considerable time is required to comply with a SETA's requirements, which continue to change on a regular basis.
Abuse of funding from SETAs	The concept of developing individuals (learnerships) is being abused. Some organisations view it as a way of making money.

Table 9: Structural barriers and challenges facing the implementation of learnerships

<p><i>Structural barriers and challenges</i></p> <p>Including a lack of learning opportunities and a lack of available work-related training.</p>	
Uninformed learners	Learners enter learnerships for reasons which do not align with workplace requirements.
Non-completion of learnerships	<p>Almost 80 percent of learners registered for the SETA learnerships do not finish their training.</p> <p>Main reasons for non-completion of learnerships are:</p> <ul style="list-style-type: none"> • poor selection procedures of learners • poor support mechanisms
Insufficient employers	Learners cannot achieve qualifications because of insufficient employers who are willing to offer workplace experience.
NQF	Employers do not understand the links between national qualifications and occupations. They do not know what skills and knowledge they will get from qualifications.
Lack of articulation and progression	There is a lack of articulation and progression in the General Education and Training (GET) to Further Education and Training (FET) to Higher Education and Training (HET) bands within the National Qualifications Framework.
Skills mismatch	A mismatch exists between the programmes learners choose and the skills requirements of the industry.
Providers capacity	It appears that the level of FET does not have the capacity to absorb and train the considerable number of learners leaving the schooling system.

Table 10: Attitudinal barriers and challenges facing the implementation of learnerships

<p><i>Attitudinal barriers and challenges</i></p> <p>Including a lack of confidence, a lack of motivation, negative attitude towards training, group culture and perceptions of no tangible benefits.</p>	
Lack of skills	Many companies simply blame the ‘failed’ SETA for the lack of skills.
Maladministration of learnerships	The SETAs are blamed for maladministration of learnerships.
Negative perception of organisations towards SETAs	It is alleged that organisations abandoned internal development efforts due to the ineffectiveness of the SETAs.
Unfair favouritism	The perception exist that learnerships favours employment for individuals with previous experience.
Corrupt SETAs	Allegations of fraud and corruption are made against the SETAs.
Lack of financial motivation	The implementation of learnerships costs far more than what organisations receive as a direct grant from the SETAs.
Attitude towards training	Some organisations have never had much enthusiasm to train employees. The perception exists that the staff they train leave for other opportunities.
No tangible benefits	<p>Perceptions exist that no tangible benefits arrive from learnerships, for example:</p> <ul style="list-style-type: none"> • Learnerships do not end in a qualification (dropouts) • Poor support mechanisms for learnerships • Administrative burden • Time consuming • Candidates are not guaranteed a job after completion of learnership, etc.

2.4 Conclusion

The aim of this chapter has been to review the existing skills development landscape in South Africa and to locate the system of learnerships within this environment. The National Skills Development Strategy has set the framework for the development and transfer of skills. The Skills Development Act and the Skills Development Levies Act create the legislative framework for the development of skills. The institutional infrastructure for these Acts is found in the National Skills Authority, the Sector Education and Training Authorities, the National Skills Fund, and the Skills Development Planning Unit and labour centres within the Department of Labour. Learnerships forms a critical part in the National Skills Development Strategy and, therefore, thorough research was conducted in terms of concept clarification, comparisons to other skills programmes, components of learnerships, benefits, role players, effectiveness, support structures, and the development and availability of learnerships, specifically in the MERSETA, on which this study focuses.

In the next chapter, the research objectives of the study will be described, and the population and the selection of the sample groups will be explained. The experimental procedure followed and the measuring instruments used will be explained, together with the methods used for the statistical analysis of the data.