



Supply and Demand of Skills in Food and Beverages Manufacturing Sectors

DRAFT FINAL REPORT

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Wits REAL team

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Abbreviations

Acronym	Full Name	Acronym	Full Name
4IR	Fourth Industrial Revolution	OCS	Occupational Classification System
		OECD	The Organization for Economic Cooperation and Development
AET	Adult Education and Training	OFO	Organizing Framework of Occupations
APP	Annual Performance Plan	PSET	Post School Education and Training
ATR	Annual Training Reports	QCTO	Quality Council for Trades and Occupations
BCCS	Baking, Cereals, Confectionery & Snacks	REAL Centre	Centre for Researching Education & Labour
DHET	Department of Higher Education and Training	SARS	South African Revenue Services
DPME	Department of Planning, Monitoring and Evaluation	SETA	Sector Education and Training Authority
ERRP	Economic Reconstruction and Recovery Plan	SSP	Sector Skills Plan
FoodBev SETA	Food and Beverages Manufacturing Sector Education and Training Authority	Stats SA	Statistics South Africa
GDP	Gross Domestic Product	TVET	Technical and Vocational Education and Training
HEI	Higher Education Institution		
HRDC	Human Resource Development Council	WEF	World Economic Forum
HRDS-SA	Human Resources Development Strategy for South Africa	WSP	Workplace Skills Plan
		WITS	University of the Witwatersrand
ICT	Information and Communications Technology		
ILO	International Labour Organization		
M&E	Monitoring and Evaluation		
NCV	National Certificate Vocational		
NDP	National Development Plan		
NEDLAC	National Economic Development and Labour Council		
NQF	National Qualifications framework		
NSA	National Skills Authority		
NSDP	National Skills Development Plan		
NSDS	National Skills Development Strategy		
NSF	National Skills Fund		

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Summary

At the heart of the problem that is being investigated by this project is that South Africa has an extensive collection of processes and tools aimed at understanding demand for skills across the economy and translating this demand into planning for provision. The research aims to elucidate both the skills demand and supply planning lock-ins and opportunities, focused on the Food and Beverage sector specifically.

An in-depth analysis of research into skills planning in general in South Africa, and in the Food and Beverage sector in specific, shows some serious concern with the way our national systems, which the SETA is obliged to use, are designed. One is that while employer data is a key input into the skills system, it has been poor for a range of different reasons. Many of the problems stem from the design of the system, and the same tool being used to do contradictory things. This data is increasingly supplemented by labour force survey analysis, which provides additional insights into current and emerging skill requirements. The classification systems used for collecting and aggregating the former (employer-stated needs) are different to those used for labour force analysis. The classification tools shape the identification and design of qualifications. All of these suggest major constraints to demand, and provision planning for the Food and Beverages manufacturing sector, and formed the basis of enquiry during the data collection phase with a view of testing these arguments using insights from each of the chambers.

To summarize, data from employers is a key input into the skills system but has been poor for a range of different reasons. This data is increasingly supplemented by labour force survey analysis, which provides additional insights into current and emerging skill requirements. The classification systems used for collecting and aggregating the former (employer-stated needs) are different to those used for labour force analysis. The classification tools shape the identification and design of qualifications. All of these suggest major constraints to demand, and provision planning for the Food and Beverages manufacturing sector, and formed the basis of enquiry during the data collection phase with a view of testing these arguments using insights from each of the chambers.

The research employed a combination of qualitative and quantitative methodologies. The qualitative component consisted of focus group discussions with FoodBev SETA chamber members and key informant interviews with relevant stakeholders. The quantitative component was a survey of employers exploring their perceptions of the effectiveness of the skills planning tools and processes of the FoodBev SETA. The study's findings led to practical recommendations that the FoodBev SETA could consider implementing as part of improving skills planning and anticipation. The recommendations are two-fold. Firstly, there are changes that can be made within the already existing skills planning system to make immediate improvements that can be impactful. Secondly, it is recommended that high level engagement with key roleplayers in the system to realise major changes that the research suggests are necessary.

With regard to possible changes to the systems, these include:

- Separate the Workplace Skills Plan report from the Annual Training Report for the purposes of awarding the mandatory grant.
- Put more effort into identifying distortions on the scarce skills and hard-to-fill vacancies list. This is for cases where a skill is listed as 'scarce' when the level of that skill is generally available in South Africa and could be easily recruited. It makes sense that employers list skills where they know they will be doing training, because they want to get training for the positions that regularly require training, but, this does not make the skills scarce, only important.
- Spend more time in high level engagement with employers on their training plans, and allocate funds accordingly, without a focus on accreditation.
- Find a way of reaching out to employers who have high quality service providers who are not accredited in South Africa but are highly recommended by the employers; these may be international.
- Look into non-levy paying small companies and devise ways of assessing what their skills planning process would entail, this is to reach out to food producers who are operating as SMMEs and township-based businesses. Industry associations would be helpful to partner with, to reach these employers.
- Use the structures of the SETA for strategic engagement, and strive to build relationships with companies at a more strategic level.

Major changes could entail the FoodBev SETA lobbying DHET, and other SETAs, on issues for that can reduce the complexity of skills planning. For example, a suggestion is that the SSP development and the generation of scarce skills lists should be centralised with Statistics South Africa who have all the expertise to quantify the skills planning agenda of the country. This would relieve the SETAs from elaborate task of managing Workplace Skills Plans which, this research shows, and many other previous pieces of research have shown, are really not providing useful data about skills needs in South Africa. This would also enable SETAs to focus on high level strategic engagement with employers—levy paying and non-levy paying—as well as industry associations that represent and understand small businesses in the sector.

1. Introduction

Skills planning is central to the development of South African society and the building of a prosperous future for its citizens. The SETA system is an important cornerstone of the process of the development of a credible mechanism for skills planning, given the proximity of the SETAs to their respective industrial sectors. The aim of this project therefore is to unpack the ways in which demand planning and provision planning in the food and beverages manufacturing sector currently takes place, the roles and relationships of different institutional actors, and the ways in which the current rules and tools in the system are helpful or

constraining. By analyzing the complementarity and contradictory nature of these processes currently, the research sought to give the FoodBev SETA a more nuanced understanding of the skills terrain which we envision will better guide the interventions that will be undertaken by the SETA to enhance productivity within its sector.

The research aimed to outline the key insights into challenges in skills planning as well as the ripe opportunities for enhancing these processes. Notwithstanding the significance of demand planning in any sector, to analyse this piece of the puzzle in isolation to provision or 'supply' planning is a fruitless exercise since it is important to understand not just the individual nature of each of these spheres of the skills system but more significantly, how they interact with one another and thus shape the skills terrain. It is in this spirit then that this project sought not only to elucidate the nature of 'demand' planning and 'supply' planning but also the nature of the relationship between them within the Chambers and across the Chambers.

This research was driven by the following overarching research question:

What is the nature of demand planning and provision planning within the food and beverages manufacturing sector and what is the nature of the relationship between these two spheres of the skills system within the sector?

This question was further divided into the following sub-questions:

- What skills/demand planning practices (e.g., processes, institutional relationships, rules, and tools, for current and future) do stakeholders adopt, per Chamber?
- What provision/supply planning practices (e.g., processes, institutional relationships, rules, and tools, for current and future) do stakeholders adopt, per Chamber?
- What are the main key demand planning and provision planning challenges faced by each of the chamber stakeholders?
- What are the (perceived) reasons for the demand planning and provision planning challenges for stakeholders in each Chamber?
- What are the opportunities/enablers and mechanisms required to overcome these planning challenges for each Chamber?

The report analyses findings from interviews with stakeholders in the industry on key aspects of enablers and constraints for skills planning and concludes with recommendations on how the FoodBev SETA can improve its approach to skills planning.

The next section is a review of the literature that is relevant to our research questions.

2. Literature review

2.1. Introduction

South Africa has many processes and tools for understanding skills demand across the economy and translating this into planning for provision. There is a myriad of institutions and role players at different levels, developing policies, plans and targets. Despite this, the understanding of economy-wide skills demand and provision planning is less than optimal, and the links with supply planning are weak, particularly in terms of funding levers.

According to Buchanan (2019, p. 19) skills planning alone cannot make up for deficient labour demand or inadequacies in education and training systems. Better skills planning is, however, an essential ingredient in a policy mix concerned with social and economic renewal. This review of skills demand and provisioning planning processes provides inroads for investigating the processes that currently shape labour market intelligence to address skills needs in the Food and Beverages manufacturing sectors. It presents some of the key challenges with the 'rules and tools' of skills demand and supply in the greater skills system, particularly in terms of how the systems and institutions for understanding labour market demand interact with the systems and tools for the supply of skills.

The literature suggests that with respect to demand, our systems depend on aggregations of employer specified data, supplemented by analysis of labour force surveys which give snapshots and can give some (limited) insights into current and emerging skills needs, and trends over time. They are limited in terms of developing a picture of how requirements for work may change, particularly within the context of responses to changes in the world of work. These limitations are then aggravated by the ways in which provision planning is constrained by problems within the qualification system.

This review starts with a brief overview of the context of the FoodBev SETA's scope, and the issues confronting the sector in terms of a changing world of work. It then considers the genesis of skills planning in South Africa, followed by some sections on how it has changed over time, leading to a section that provides an overview of how the system is intended to work, and where some challenges are.

2.2. The FoodBev SETA

The FoodBev SETA is one of the 21 SETAs in South Africa, and has the mandate to implement the National Skills Development Strategy. It is meant to achieve this by ensuring that: relevant and quality learning standards and qualifications are available in this sector; high-quality learning provision is maintained in this sector, and access to knowledge and skills is improved for all in the sector (*FoodBev SETA Website, 2023*). In short, the purpose of FoodBev SETA is to encourage, support, and incentivize skill development in the Food and Beverage production sectors (*FoodBev SETA Website, 2023*).

The FoodBev SETA is divided into five chambers; namely Baking, Cereals, Confectionery & Snacks (BCCS); Beverage Manufacturing; Dairy Manufacturing; Manufacture of Food Preparation Products; and Processed and Preserved Meat, Fish, Fruit, and Vegetables. Each chamber represents the various sub-sectors that can be found within the sector and the industrial focus of that sub-sector.

The FoodBev SETA is constantly adapting to the changing situation of the economy, the labour market, and society at large. The adaptation is mainly reflected through innovations in new training programmes, learning platforms, and resources. The SETA is also continuously strengthening its systems for more effective skills development (FoodBev SETA, 2021).

The primary goal of the FoodBev SETA is the development of industry-specific skills (Telukdarie et al., 2020). Various trends can have an impact on skills. For instance, Telukdarie et al. (2020) performed research on COVID-19 mitigation, especially via skills development for sustainability. They found that with the advent of COVID-19, skills training has undergone a significant adjustment on a worldwide scale and as a result, different training methods needed to be addressed. The availability of digital content made learning possible during the pandemic. In a similar vein Latchem (2017) emphasises a variety of methods for building post-school learning skills with a focus on Technical and Vocational Education and Training (TVET), including the online tools that facilitated learning online.

2.3. Future skills in the FoodBev Manufacturing sector

Across the world the nature of work is being influenced by both internal and external factors which operate at a rapid pace with an effect on the form and content of work. Workplace change implies consistent changes to skills, knowledge, and learning in the workplace. The decline in manufacturing is a critical point in South Africa's industrial landscape and re-industrialization of the economy in ways consistent with supporting the ecology of the planet is an urgent priority.

The literature on technology and skills emphasizes both the negative and positive consequences of new technology (Brynjolfsson & McAfee, 2014; Spencer (2017)). The argument over whether the new technology will create more jobs or result in higher levels of unemployment is quite tenuous in the academic literature. Spencer (2017), for example, argues that outcomes of digital technologies for workers are often negative. The perpetuation of low-paid and low skilled work can go together with the advance of digital technologies. Inequalities of income, gender, and status can also be reproduced, despite and potentially, because of digital technologies advancing.

Another driver of change is the restructuring of companies, public organisations and value chains through outsourcing and relocation of work. Unitary workforces and internal labour markets have been shrunk and complemented by groups of workers employed by or posted to different organisations often in different geographical locations (Flecker, 2010, p. 8). Flecker (2010) states that the

conditions of work and employment are increasingly diverging from, rather than approaching, the goal of ‘the same pay for the same work’ within any one country, region or even organisation.

South African workplaces have an additional feature of racialised divisions of work due to colonial and apartheid legacies that shape our society. As Von Holdt & Webster (2005, p. 7) have stated ‘Like other spheres of society, the workplace was a site of racial domination buttressed by racial segregation, and by racist discourses and practices in which the distribution of occupations, skills, incomes and power was racially defined.’

According to Webster (2006), the decline of formal sector employment has resulted in a rapid growth of informal sector employment in what is often referred to as precarious work characterized by lack of benefits, and low wages:

A central reason for the worldwide growth of the informal sector is the changing nature of work in the modern enterprise. At the centre of the new work paradigm are two strategies, namely “effective downsizing” and subcontracting all but the “indispensable core” activities. (Webster (2006, p. 21).

This feature of the labour market defines the phenomenon of a declining labour force which is increasingly volatile due to restructuring. The increase in retrenchments in some sectors also has implications for our framing of skill.

The FoodBev SETA has invested heavily into the process of developing an Atlas of emerging jobs in the Food and Beverage Manufacturing sector. The Atlas was developed through the Skills Technology and Foresights Workshops (October and November 2022) which was done in partnership with the BRICS Business Council. According to the Atlas of Emerging Jobs, the key factors that are driving change in the Food and Beverage Manufacturing Sector can be divided into three broad categories. These are Technological advances in the industry and across the value chain; the impact of ecology, climate change and sustainability initiatives; and lastly the pressure from social forces and consumers (2022;37). The report outlines the significant influence of the consumer culture and varying tastes of food:

As consumer power increases product research and development will become more important to maintain and grow market share. The sector will be continually educating consumers in entertaining and effective ways to assist with informed decision making, utilising technology as an enabler. One of the outcomes of the workshop was to produce professions at risk in the future due to technological advancements.

The identified jobs include:

Job Title	The rationale behind the decrease
Operations Supervisor	Optimisation of the workforce and automation

Job Title	The rationale behind the decrease
Learning and Development Facilitators	Online learning management systems, technologies replacing facilitators
Warehouse pickers	Automation
Stock-takers	Digital analytical systems monitoring stock and predicting stock levels
Production planner/buyer	Digital analytical systems will help in procurement planning, so the number of staff members can be reduced.
Couriers	Drones and self-driving cars
Maintenance staff	Self-correcting technology and self-repairing materials
Supply chain professionals	Replacing mediators utilising uber-like platforms
Operations supervisor	Optimisation of the workflow and automation

Source: Atlas of Emerging Jobs, 2022: pg. 104

According to the FoodBev SETA's Sector Skills Plan the sector is currently undergoing rapid change driven by a combination of five main factors, (1) food safety and nutrition, (2) technological advancements, (3) population growth, (4) climate change and (5) the energy crisis. These factors combined with consumer dietary choices have a strong influence on the overall production and consumption of food by the sector. Fukase & Martin (2020) maintain that in recent years, developing countries have been growing much more rapidly than the industrial countries. This growth convergence has potentially very important implications for world food demand and for world agriculture because of the increase in demand for agricultural resources as diets shift away from starchy staples and towards animal-based products and fruits and vegetables.

2.4. The Genesis of Skills Planning in South Africa

Since the democratic era, the South African state has had an ambition of creating national, provincial, sectoral, and local skills planning processes which are geared at advancing social transformation. This has its roots in the early 1990s when the reforming apartheid government had begun to explore ways of engaging the growing black trade union movement in attempts to build a social accord. The South African economy was experiencing a rising demand for skilled labour and these could not only be drawn from the white community as many white artisanal skilled workers had been gradually moving into the professions and 'white collar' work in the civil service (Crankshaw, 1994). Against this backdrop, under the provisions of the Manpower Act of 1991, 33 Industry Training Boards (ITBs) were established by the government at the time. The ITBs were focused on artisan training.

The National Training Board together with the Human Sciences Research Council (HSRC) produced several reviews of the training system. The main interest groups on these review processes were the apartheid state and the mining sector. The apartheid state prioritized elements of reforms given the growing popular local and international resistance to apartheid, the apartheid state also had interests in education reforms and building of manpower resources to contribute to the rebuilding of the South African economy given the years of exclusion that the economy had experienced due to international sanctions which gave the country a pariah status in the world.

The transition from the Industry Training Boards to the SETAs (Sector Education and Training Authorities) had implications for all the policy actors in the skills system. Andre Kraak (2004) has described the main differences between the old and new institutional forms as consisting of the following factors:

- ITBs had a narrower focus of training apprentices. The SETAs expand training at all occupational and qualification levels.
- The new institutional environment to be set up around 'Learnerships' is intended to turn around the decline in training due to the demise of the old apprenticeship system.
- “Sectors” are larger than “industries” and include several industries previously untouched by ITBs or demarcated by separate ITBs.
- SETAs are also responsible for including people who are not in formal employment, for example, in SMMEs, in job creation programmes, pre employed youth and the unemployed. (A. Kraak, 2004, p. 118).

The SETA model of funding skills training arose within the context of these considerations. The ITB system had been more employer dominated with very little participation by employees. Training under ITBs was largely focused on artisanal training, was done nationally, had a coverage of 50% to 100% in their sectors, and (not unlike the SETAs) had a low coverage of small businesses.

2.5. Role of Employers in Skills Planning

It is widely argued that an essential part of skill anticipation is comprehending employer needs (ILO, 2015a). Mylett (1998, p. 288) maintains,

That employers shape labour demand is hardly contentious. Labour supply is usually regarded as a product of individuals' choices and family circumstances plus government policies on the provision of education, training, and social welfare. However, the role of employers must be acknowledged. In practical terms, most of the labour supply exists within organisations and most workers are recruited from other firms rather than from the home or the educational institutions.

Business takes an active role in influencing policy and usually does so by combining its economic hegemony with deployment of intellectual resources or lobby groups to support its cause. It deploys a variety of mechanisms, some of which range from NGO funded initiatives to representation on social dialogue

structures to advancement of its cause through the articulation of its position as the provider of employment to a bigger number of people. With regards to skills, business also supports corporate social responsibility type initiatives which demonstrate practically its commitment to socio-economic development:

The NSDS III and IV strategies highlight the need for employers to open their workplaces for more training, particularly for those students that need the workplace component to complete their studies. The view of some business representatives is that the framing of these initiatives by government at times is not targeted at the interests or needs of business but to broader societal developments in the interest of the nation. Delpont (2013) goes as far as saying; There are numerous organizations that are not only choosing to ignore skills development altogether but are also inadequately implementing skills development in the workplace and, at times, even misusing the levy grant system. (Delpont, 2013, p. 174).

Many employers argue that the schooling system and university are failing to produce qualified or suitable candidates for employment, although despite these challenges employers still employ these supposedly incompetent graduates. So the refrain that poor quality will affect performance continues to shape the way in which employers approaches the skills development issue (Ngcwangu, 2016).

Surgey (2010, p. 15) argues that there is common agreement that a company's strength is based on the employees' strength. It is clearly recognised that there is a need for investment in employees. Of course, it is also one of the areas in which spending is likely to be cut back in times of financial difficulty (as experienced with the global recession of 2008/09/10). Some companies however have argued that this is not necessarily the case and have stressed that now is the time for an even more efficient productive workforce, as it is what would reduce their overall cost. Some argue that the contribution business makes in education and training cannot be too significant, as this would affect their bottom line. A company's main responsibility is to its shareholders, and shareholders are primarily concerned with bottom line profits – shareholders return.

The role of business as a social partner in skills development occurs through many corporatist structures, national apex level institutions and sectoral bodies such as SETAs. These structures have an inherent bias to big business perhaps due to their levy contributions. Big business seems to dominate the landscape of skills development; implicit in this is an assumption about the growth trajectory of the country that through big business skills development can be achieved. There is often very little attention given to the small business community and the informal sector which in other public policies are seen as the best placed for absorbing the millions of unemployed into employment (Ngcwangu, 2016). Critical to this research has therefore been to engage directly with employers, industry associations and regulatory agencies on what they value in skills planning and the ways it should be improved.

2.6. Organised Labour

The skills issue has historically been central to the formation of the trade union movement in South Africa and has been informed by racial divisions within the broader society. The history of the skills question in South Africa is a history of exclusion and inclusion shaped by the political developments during specific periods of South African history. According to Kraak (1993, p. 174) the predominantly African trade unions which emerged in the 1970s and 1980s did so alongside an established trade union movement which represented largely skilled White, Coloured and Indian workers who were often hostile to the new unions.

Buhlungu (2010) argued that South Africa's entire economy was founded and built on the availability of cheap black labour, and the political infrastructure was such that it supported this imperative and ensured the availability of a constant supply of such labour. Black unionism therefore constituted a threat to the cheap-labour edifice and elicited vicious responses from employers and the state. But it did not end there. White workers also benefited hugely from the cheap-labour system, and from the early years of industrialization white unions mobilized to maintain the system by excluding black workers from all forms of skilled work.

In a context of sanctions that affected the South African economy as the apartheid economic system was facing a crisis during the 1980s, COSATU commissioned several studies under a project titled the Industrial Strategy Project (ISP) to investigate ways of improving manufacturing performance of the South African economy. The skills question within the unions arose within this period of various attempts at seeking to rebuild the economy while enhancing the skills of workers and the broader population. Cosatu's Education and Training Secretary Nhlapho (2019, p. 58) states, 'In our country it was the labour unions that sought the change in skills-development processes and advised the new democratic government that it needs to depart from the practices of the apartheid state'. The skills debate is rooted in the larger political and ideological contestations about the ideology of competitiveness and the future of struggle in the unions, and perhaps this is why union participation in the formal structures is not always adequate, given the fragmentation of unions in contemporary South Africa.

Ngcwangu (2023, p. 129) states that the challenge of the unions is to build adequate capacity to respond to 'production politics' in a manner that is proactive and links to the aspirations of workers on the ground. In his study of technological changes at ArcelorMittal in Vanderbijlpark, Hlatshwayo (2014, p. 123) found that the unions lacked capacity to engage effectively in the processes of restructuring. He maintains that the national weaknesses of the labour movement were replicated at the plant level where the union reacted to technological change, lean production, and privatisation only after they had been introduced by management (Hlatshwayo, 2014, p. 124).

However, there is a sign of a resurgence of focus by Cosatu on the question of skills at a systemic level, especially in relation to financing, which is a critical component of the institutional delivery mechanisms of skills development in South Africa. Nhlapho states:

Financing is a particularly problematic aspect of the skills system. Firstly, 1 per cent² is inadequate to properly address the major socio-economic and inequality issues confronting South Africa. Secondly, whilst state-owned enterprises, local government and other public entities do pay levies, national and provincial government departments are not part of the levy system. This both lowers the total pot but also removes the experience in government of actual implementation reducing competence to manage the skills development system. This needs to change. We need to stand firm as labour that the skills levy needs to increase from 1 per cent to 4 per cent (Nhlapho, 2019, p. 32).

Numerous reports and studies have found that Cosatu and its affiliates need to build research capacity and engage with new challenges of the changing workplace environment (Webster et al., 2008; Buhlungu, 2010; Hlatshwayo & Buhlungu, 2017) (as cited in Ngcwangu, 2023).

There are also signs of unions returning to focus on the skills from a conceptual and a policy perspective, as seen in the recent work through DITSELA. In their report *The need to Review, Rethink & Re-imagine Skills Training & Development in South Africa*, DITSELA acknowledged the following challenges related to Covid 19 and skills development:

Before the COVID- 19 pandemic, the South African capitalist economy was already in free fall with retrenchments and factory becoming a consistent occurrence for workers and the families they support.

In the face of an unemployment crisis of close onto 50% and a ticking time bomb of youth unemployment sitting at 75%, the relevant government departments/ministries talk economic recovery, but skills development does not occupy the centre stage of their plans.

The 21 SETA's who on an annual basis accumulate between R16 & R17-billion, appear unable to make a meaningful contribution to dent or eradicate unemployment and address the skills crisis in our country.

Unfortunately, the trade union movement has skills development and skills training at the bottom of its priorities and therefore "quick rich type" service providers and companies have taken over this important space with "hyster training" rather than apprenticeship and artisan training and upskilling of existing workers.

Unions mouth the need for a "skills revolution" in theory but in their practice do little to bring the benefits of skills development to workers.

Many workers will face the loss of their jobs and young workers will struggle to enter the labour market for the first time. Yet there is very little discussion within the union movement about the political and economic implications of these changes and how the skills system should respond.

The current skills system must be transformed and repositioned to promote the interests of workers – employed and unemployed. It must transform from a set of structures that are un-responsive to the new and changing economy and labour market, and which have been slow to respond to the Covid-19 and associated lockdown conditions.

The skills system must be transformed into one that is contributing to the creation of decent jobs, retention of jobs, job security, and mobility of skills in and between different sectors of the South African economy (Ditsela, 2022).

The interaction between the unions, employers, and the state is critical in shaping skills anticipation initiatives that serve the importance of development. However, coordination does not always work as envisaged, and we now turn to some challenges in this regard.

Structures for coordination and social discussion are also important components of these systems. The OECD proposes that South Africa prioritise stronger cross-government collaboration (OECD, 2017b), and that a key priority for South Africa is to create vehicles for employers' voices to be heard in relation to skills needs. The ILO argues that:

Social dialogue is a cornerstone of skills needs anticipation: it is critical for the informed decision making as well as for the implementation of findings and recommendations (ILO, 2015b, p. 4).

2.7. Structures and forums for coordination

South Africa has a multitude of organisations and mechanisms in place for official stakeholder engagement. The Human Resource Development Council (HRDC) was established in 2010 to connect various aspects of government with various sectors of the economy. The Council, led by the Deputy-President, is tasked with guiding and shaping the human resource development agenda (Republic of South Africa, 2010, p. 10). A major issue here is ensuring that policies across the government are consistent with one another. The structure includes 14 government ministers, as well as captains of industry, union leaders, and others. However, this council's task is not only unwieldy, and it is also seen by critics as not being sufficiently focussed: Allais, Marock and Ngcwangu (2017) have argued that the concept of national human resource development, with its focus on the many different factors that lead to individuals being more 'developed' as human resources, is simply too broad and too diffuse to be a way of ensuring focused intervention in the skills formation system. But paradoxically, it is also too narrow, because it poses the development of human resources as the solution to all manner of social problems, instead of looking at the economic and social policies that are preventing both the development of skills and general human well-being. So, the South African HRD Council hardly touches on difficult issues in relation to industrial relations and labour market regulation, the weakness of industrial strategy and the economy more broadly (Allais, Marock and Ngcwangu, 2017:10).

The National Skills Authority (NSA), the Human Resource Development Council (HRDC), and the National Economic Development and Labour Council (NEDLAC) are also involved in coordinating. The NSA is a stakeholder body comprised of representatives from several social partners. Allais (2022) argues that there is lack of clarity concerning its position in relation to the HRDC, as well as a misalignment of mandates. Despite the existence of a Ministerial Task Force (DHET, 2012) advocating for its dissolution, it remains a part of the coordinating environment. NEDLAC, a group that fosters discussions between employers and labour leaders across the country about laws, includes skills in its mandate. This is necessary for various aspects of industrial relations, but it may be a rather hostile space for discussions about skills, and not lead to communal solutions for problems.

On a sectoral level, all SETAs have representation on their governing boards from businesses, unions, and government. This is to guarantee that their systems and initiatives match the skill formation demands of their respective industries. However, at the board level, this participation has resulted in entrenched interests dominating SETA agendas and, at times, corruption (DHET, 2012; Singizi Consulting, 2007). Finally, as discussed below, employers are actively involved in the qualification design process.

Skills planning is also embedded at other levels of the state such as the provincial governments who have structures such as Provincial Growth and Development initiatives that produce Provincial Skills and Human Resources Development plans. At local government level skills priorities and interventions feature strongly in Integrated Development Planning research which seek to place the local economy and its skills needs as central to development.

Both the NSDS III and the White Paper on Post School Education and Training (PSET) advocate for the making of all workplaces to be learning spaces and for employers to create more space for learning to take place in their work environments. The shifts since 2009 to providing a stronger role for the state and acceleration of improvement in supply through the public institutions have ensured that the previous private provider led approach is slowly being reformed to a stronger state regulated process. Other changes in the NSDS III were related to grant regulation reforms (reduction of the mandatory grant), more funding for full academic qualifications, strengthening of artisanal training and pressure on employers to make workplaces available for training purposes.

2.10 Skills demand and supply in South Africa

The report now turns to an analysis of what the system looks like and how it is working today, by way of introducing the main rules and tools that make up this system. One starting point is that the concept of skill has changed over time, away from a definition strictly related to technical 'hard' skills, which are related to artisanal and apprenticeship types of work which is linked to vocational education, to a definition that encompasses a broader set of skills including 'soft skills' which are related to human relations and professional ethos. McGrath

(2002) contends that the language of skill has shifted from an input orientated concept of ‘education and training’ to an outcomes orientated language of skill due to the rise of globalization and the increasing dominance of market led ideologies in society. The differing perspectives on what constitute skill and the search for a common language have implications for statisticians, researchers, and labour market research in general. The term skill is central to the various distinctions within the labour force and the various hierarchies of remuneration.

The system is divided across three spheres: the ‘demand side’, the ‘supply side’, and the tools intended to create coordination between the two former spheres. Figure 1 below gives a broad indication of how these three spheres are seen to exist. Demand is represented by ‘public and private workplaces. Demand tools are intended to provide data on workplace needs that are translated into sector skills plans to guide supply. Supply is represented by the ‘provision’ box. The regulatory institutions that oversee systems and tools for attempted coordination is represented by some of the red and grey boxes. The system does not work effectively as demand data is unreliable, and there is a lag between the time skills are identified, the planning to supply these skills and the interventions that will lead to this supply. This constraint is exacerbated by how funding and qualifications systems work. Research also finds a disjuncture between time horizons of demand analysis and supply planning (Allais, 2022a).

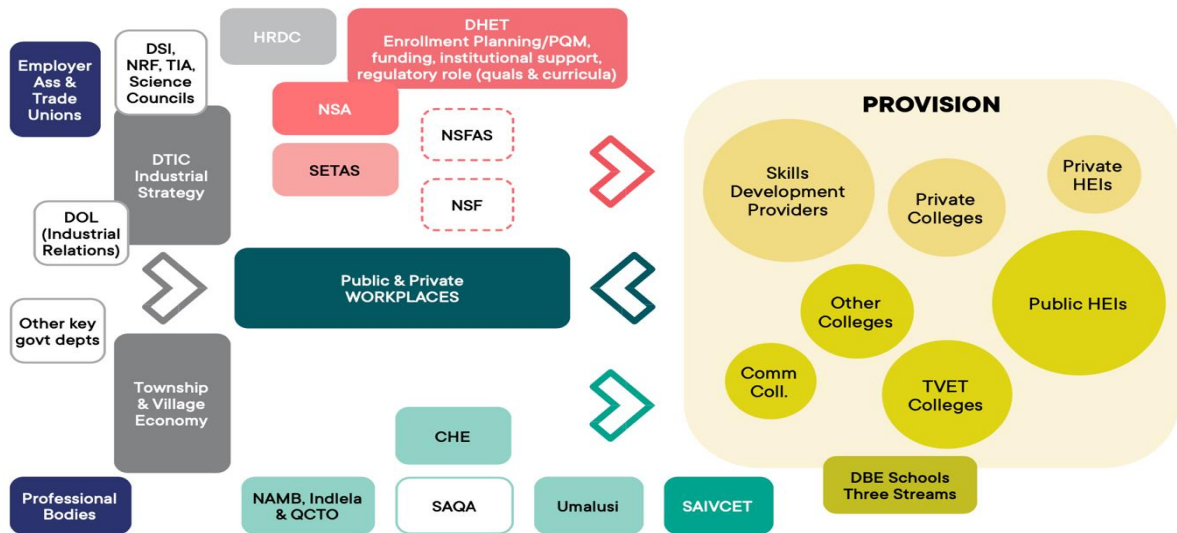


Figure 1: The Skill Formation System in South Africa

The Demand Side: Anticipating Skills and Analysing the Labour Market

As discussed above, understanding employers’ requirements is a critical component of skills anticipation. For the past 20 years in the South African context, we have attempted to analyse skills demand through the aggregation of employer-specified vacancies, through the SETAs (Allais, 2013; A. Kraak, 2004, 2010; Republic of South Africa, 1998). Employers above a certain size pay a levy of 1 percent of their payroll to the South African Receiver of Revenue (SARS).

They receive a portion of their levy back on the submission of a Workplace Skills Plan, which outlines where their skills gaps are, and an Annual Training Report against this plan. The thinking behind these tools is that they will enable SETAs to gain insight into the training requirements of employers and what training takes place in workplaces. SETAs would aggregate employers' priorities in their sector and would then know what skills are required across the sector, and then fund and support the necessary training.

Because obtaining data from employers is seen as a crucial goal of the system, employers are given a portion of their levy back (in the form of the 'mandatory grant') on submission and approval of planning data (through the Workplace Skills Plans) that are intended to feed into sectoral and national plans. But this grant is also seen as incentivising employers to train. Because of this, SETAs refund them if, in their Annual Training Report, they reported on meeting their training plans; so, the plan and training report are expected to align. This prompts employers to primarily indicate the skills needs in their training plans that they can address within a year. Anything that is lengthier, for example apprenticeships, is typically excluded, which seriously compromises the quality of the data in terms of analysing skills demand (DHET, 2012). For the FoodBev SETA then, this suggests that the data that informs sector skills planning may be weak and could undermine sectoral planning; the extent of this problem will be tested with employers. This feature of the greater skills planning system suggests the first major constraint to skills planning in the sector: the weakness of data derived from aggregated employer specified needs.

In the latest update of their sector skills plan the SETA states that data for analysing occupational shortages, supply and demand of the potential skills pool and the SETA's response to vacancies in the sector was primarily obtained from WSP/ATRs data, discretionary grant data and qualitative collection data (FOODBEV SETA, 2023, p. 40). This process is subject to the concerns that have been highlighted above. The SETA does state, however, that this data is triangulated using focus groups, interviews, FoodBev SETA employer associations, and SARS employer databases.

Another challenge on the side of employers themselves is that they are not always efficient at anticipating their future needs, and even in terms of current vacancies they have limitations when it comes to skill anticipation (Allais, 2022b). This is seen in how employers tend to focus on identifying deficits in staff—for example a skill like 'critical thinking' comes up as a scarce skill but is unhelpful for planning. Further, by analysing one sector, the data does not necessarily provide an indication of potential shortages across the economy. This is a challenge because many occupations cut across sectors and many graduates from a qualification do not necessarily work in the related occupation. Another recent phenomenon appears to be emerging whereby employers report on skills gaps to simply obtain funded learnership positions which are seen as cheap labour, regardless of whether these are real skills gaps in their organizations. This challenge suggests the second major constraint to skills planning which is

that the skills gaps that are reported to the SETA lead to planning that is based on current and not emerging skills needs.

To supplement data obtained from employers, SETAs use data from the Quarterly Labour Force Survey, which is conducted by Statistics South Africa (StatsSA) (Allais, 2022b). There are considerable challenges with this move. Firstly, the sectoral demarcation used by Statistics SA does not correspond to the sectoral demarcation used by the SETAs; another is that for various historical reasons, the SETAs (and by extension the employers that supply them with data) use the relatively newly developed Organizing Framework for Occupations¹, while Statistics SA uses the South African Standard Classification of Occupations. This suggests further discrepancies in the data that is received by the FoodBev SETA from employers since the occupational titles are different between the two classification systems.

In the data gathering phase the research therefore sought to understand how the SETA mitigates these differences in sectoral demarcation between the two systems when it comes to use of the quarterly labour force survey.

In a critical review and SWOT analysis of the OFO, another challenge identified is that employers report not finding the Organizing Framework for Occupations a useful tool, as does not to reflect either skills or jobs in terms of how they think about them in their day to day operations (REAL Centre, 2021). For example, in the digital space the occupations are all in the context of specific IT skills like high level excel skills. But the industry needs a high-level combination of these skills. Employers reported not hiring according to occupations, but according to required skill sets. This has serious implications for the extent to which the reports given by employers in the food and beverages manufacturing sector are a fair reflection of their labour market realities. The research therefore sought to understand the extent to which the OFO serves or curtails the process of reporting on skills and the data that informs planning for skills in the sector.

Labour market intelligence projects are also included in the systems for predicting skill requirements. For example, the Department of Higher Education and Training has attempted to develop centralized planning capacity to find better ways of identifying economy-wide priorities, as well as to improve methodologies for future-oriented planning. Two large Labour Market Intelligence Projects have been supported. The first², initiated in 2012 and led by the Human Sciences Research Council, included the development of an econometric model

¹ The intention of the OFO was to standardize occupational definitions and their up-to-date associated practice requirements. Policy makers hoped that this could then be used by educational institutions to develop their training programmes. The intention was that employers would update occupations on the OFO through workplace skills plans, which would lead to occupational definitions providing an accurate reflection of the labour market. However, employers rarely make significant updates to the definitions on the OFO and many sectors suggest that the OFO is not updated sufficiently to accommodate emerging occupations or to reflect jobs that are constituted by skills from across multiple occupations.

² A full set of reports can be found here: <http://www.hsrc.ac.za/en/departments/ied/lmip>

which intended to forecast shifting skills needs in response to shifting changes in the economy; however, it has yet to be used³.

The University of Cape Town's second Labour Market Intelligence Project expands on the first by attempting to enhance the methods in which the education and training system provides skills to the economy.⁴ Both initiatives contain a wide number of research projects that use various approaches, such as labour force trends analysis, employer surveys, tracer studies, studies of skills ecosystems, and analyses of skills planning policies and systems. Since 2016, these initiatives have generated an annual report on 'Skills Supply and Demand in South Africa' with a recent example being Khuluve et al (2022). These studies include a synthesis of labour market data through time, economic indicators, educational system output, and analysis of skill change drivers, as well as a study of skill mismatches and gaps, using OECD recommended methods and methodology (2017a).

In sum, the research literature suggests that the Food and Beverages manufacturing sector skills planning is constrained by the strength of the data that informs these processes along with the ability of employers to strengthen this data due to not being able to forecast future needs adequately.

The supply side: systems for qualifications and provision

In many aspects, the systems for skill supply or qualification are intimately tied to the systems for skill demand forecasting. One example is that employers are involved in the Quality Council for Trades and Occupations (QCTO) processes for identifying and establishing qualifications, as well as occupational standards linked to qualifications, curricula, and assessment. The core concept, which is related to competence-based training reforms in many countries, is that employers should designate the abilities (or competencies) they demand, and education and training institutions should be funded to provide these skills through courses leading to these specific competences (Guthrie, 2009; UNESCO, IIEP and IFEF, 2020). Allais (2022b) argues that for the past 40 years advocates of competency based reforms have assumed this would enable education institutions to provide the required competences, despite little evidence of success. She goes on to explain that while in principle these mechanisms aim to ensure that training content is exactly what employers want, the intended match between education and employment does not appear to be achieved through these processes. One reason for this is that, except for a few occupations, for example, the traditional professions, it is difficult to find a one-to-one link between qualifications and occupations.

³ Information on the various projects and research outcomes can be found here: <http://www.hsrc.ac.za/en/departments/ied/lmip>

⁴ Information on the projects underway and results to-date can be found here: <http://www.dpru.uct.ac.za/lmi-research-programme-labour-market-intelligence>

Another way the qualification system is tied to planning is that the identification of an occupation on the Organising Framework for Occupations serves as the beginning point for the establishment of a new trade or occupational qualification (Allais, 2022b). As a result, there have been several issues in the design and development of an adequate set of vocational credentials, including relatively restrictive or narrow qualifications. In addition, the development of a qualification is often seen as the solution to a skills shortage. The rationale behind this strategy is that once a qualification exists, the occupation will exist or be strengthened. The problem is the idea of a one-on-one correspondence between what the OFO classifies as an occupation, but what is more like a job, and a qualification. The relationship between qualifications and occupations is tenuous for most occupations. Added to this is the extent to which the planning processes in the food and beverages sector either strengthen or weaken this link.

Another issue shaping skills 'supply' is funding. The SETAs were supposed to transform their analysis of skills requirements into training support using monies raised by the skills tax and distributed through 'discretionary grants' to companies or training providers nominated by employers⁵ (Allais, 2013; A. Kraak, 2011; Mzabalazo and REAL, 2018). A small amount of the tax is directed to the National Skills Fund, which was created to assist jobless students, if the SETAs would mainly fund training for existing employees through companies.

While there have been changes over time, a key problem (putting aside simple corruption, of which the skills system has by no means been free) has been the absence of distinctions between funding for short-term interventions—such as an urgent training programme for a new machine—and long-term interventions—for example training more engineers—with respect to qualifications and quality assurance. So, for example, employers and training providers have struggled to obtain funds for short-term training, because the requirement from SETAs is that training interventions must be 'accredited'. But short-term skills programmes can only be accredited if they are linked to qualification pathways. A minimal amount of funding is potentially available for non-PIVOTAL, non-accredited training. This has massive implications for the FoodBev SETA since some skill interventions may require short term training to address various gaps. In the data gathering phase, we will seek to understand the experiences of employers in this regard and how these enable or constrain planning for provision.

Related to the above, there are more challenges linked to processes for qualification development as well as for accreditation of part-qualifications (Allais, 2022b). These procedures are described as time-consuming and inconvenient and tend to result in planning that is centred on existing credentials rather than rising skills needs. Up to now, the national qualifications framework rules for short programmes are that they can only be accredited as a 'part qualification,'

⁵ Some funds were used for SETA administration, some went to the National Skills Fund. The percentage allocated to the 'mandatory' grant and the 'discretionary grants' respectively has been the subject of an ongoing court case that has recently been resolved.

constituted by credits within a full qualification. The idea here is to address the proliferation of part-qualifications that do not lead to a full qualification, as well as qualifications of extremely varied sizes. However, the unintended consequence of this rule is that industry associations are unable to determine the need for a short programme, get it accredited and enable the graduate to access a specific opportunity in the workplace. The effect then is that these requirements lead to planning that is based on existing qualifications rather than on emerging demand. This factor is critical for the Food and Beverages manufacturing sectors since this may constrain the response time for various skills interventions that are needed in the sector.

In the initial unit-standards based qualifications that were developed through the national qualifications framework, many non-governmental organizations and even workplace-providers could not get funding because of these kinds of rules, as well as the complex quality assurance systems which were initially different for each SETA (Allais, 2012). The QCTO has recently engaged in a process of reconfiguring occupational qualifications to change this, as well as to revisit the formal requirement for workplace experience, which learners now simply cannot get (and most could not get before the COVID-19 pandemic).

The funding of formal training supply frequently does not go hand in hand with the development of long-term provision and strong vocational education institutions (Allais & Marock, 2020). Financing is allocated per student and per programme. This works for large institutions like universities that can cross-subsidize, but for smaller, weaker institutions, it makes long-term institutional stability challenging, and it makes short term responsiveness very difficult because staff have little spare capacity to spend time on industry engagement or the development of new programmes. This makes it hard to respond to skills demands, especially urgent short-term training programmes: creating a curriculum, delivering it, consulting with industry and local communities to establish skill gaps, teaching lecturers, updating and retraining them, all demand focused time and experience (Buchanan et al., 2009). So short-term designed to encourage responsiveness makes responsiveness more difficult. This issue may be noticed in nations that have adopted the Australian competency-based training approach (Allais & Marock, 2020; Wheelahan & Moodie, 2016). This difficulty is exacerbated in South Africa by the existence of many certification systems in the vocational education system, all of which coexist, are funded differently, and have varying time limits, curriculum requirements, and evaluation processes (Allais et al., 2021).

The current extent and nature of supply in the Food and Beverages manufacturing sectors includes two pipelines; Adult Education and Training (AET) level 4 since it allows entrance into the NQF level 1 Learnership Programme of the SETA and the second pipeline being the South African senior certificate (Grade 12) since it provides passage directly into the sector for those that wish to enter the labour market (FOODBEV SETA, 2023, p. 44). From the side of the SETA, there are four main kinds of skills interventions that are used to

speak to enhancing the supply of skills to the sector; learnerships , bursaries, apprenticeships and internships (FOODBEV SETA, 2023, pp. 46–47).

Demand supply coordination—sectoral and national planning

The Skills Lists, which define categories of demand for skills, are described as critical mechanisms for bringing demand analysis and supply planning together at a national level (Allais, 2022b). The central list, known as the Occupations in High Demand list, has shifted away from the concept of scarcity of skills and toward a concept of demand, recognising that the skills that need to be prioritised for development may be skills that are currently scarce, or they may be skills that are important for allowing a larger number of new entrants into the economy (DNA Economics, 2020b, 2020a; Venter & Capazario, 2022).

The system of creation of the skills lists is not without its limitations. Balwanz & Ngcwangu (2016) argue that there are three problems with equating skill with occupation. First, for a skill to be included on SETA ‘scarce skills’ lists or the List of occupations in high demand, an occupation must be identified as one of the thousands of occupations identified in the Organising Framework of Occupations. As such, discourse on skills (and post-school education reform) is framed from within the limitations of the Organising Framework of Occupations (OFO). Secondly, an occupational shortage is different from a skills shortage. To be qualified to fill a vacancy, an applicant may not only need a certain skill (or related qualification or experience) but may also need additional (professional or legal) certifications and affiliations. Thirdly the most fundamental problem is that occupation is a blunt and highly inflexible way to define ‘skill’ – particularly if there is a desire for a broader conceptualization of ‘skills’ in South African economy and society (Balwanz & Ngcwangu, 2016, p. 241).

There are two sub-lists within the list of Occupations in High Demand. The first is the Critical Skills List, which serves as the foundation for visa determinations and allows people to work in South Africa on the assumption that these skills simply cannot be acquired in time to satisfy employer demand (Allais, 2022b; DNA Economics, 2020a). The second is the Priority Skills List, which emphasises skills where demand may be satisfied through short-term training interventions or where demand is anticipated to be continuous and can be fulfilled by changing enrolment in particular programmes, or by developing and/or adapting certificates and programmes (DNA Economics, 2020b).

The lists are based on weighted data from many sources. As previously stated, aggregated employer data (through SETAs) is a key source of this data. Because of the multiple inconsistencies that have been identified, this data is prone to frailty, which has a negative impact on the validity of the skill lists. Other data sources include labour force survey analyses and studies on skill drivers, such as a World Economic Forum study (Allais, 2022b).

Government plans are also considered. In principle, the government should be able to foresee skill demands to match targeted economic development efforts. A National Skills Infrastructure Plan contains 18 Strategic Integrated Projects that

were produced using a complicated 21-step framework for integrating skills planning (Presidential Infrastructure Coordinating Commission, 2012). Allais (2022b, p. 65) found no publicly accessible assessment of the extent to which this occurred or functioned. The Centres of Specialization programme, which focused on increasing capacity for certain vocations in specialised technical and vocational education and training (TVET) institutes, was argued to have had a noticeable impact on the supply side.

The Skills Lists are also meant to be a starting point for university and college enrolment planning. Here, Allais (2022) identifies misalignment of time horizons in the areas of demand analysis, qualification design, and finance as a concern: aside from current and emerging skills, practically all data systems for skill anticipation lack the ability to provide information on long term skill demands. Policy responses to recognised current and emerging skills should result in rapid, short-term initiatives but due to the link between the qualifications system, the OFO, the quality assurance standards, and the financial levers, systems hinder short-term solutions. Through the Skills Lists, the same data is utilised to guide medium to long-term planning. Allais extends the argument showing that this implies that medium to long-term planning is based on present and emerging demand, and occupational qualifications are generally confined to focusing on narrow skills sets.

In short, conflation of time horizons is a major problem for planning training interventions to meet skills needs in the economy, particularly in so far as demand analysis, qualification design, and funding come together. Our tools and systems for demand analysis mainly give insight into current and emerging skills. Policy responses to identified current and emerging skills should lead to short term, immediate interventions. And yet, our systems prevent short-term responses, because of the relationship between the qualifications system, the Organizing Framework for Occupations, the quality assurance requirements, and the funding levers. And the same data is used to inform medium to long-term planning, through the Skills Lists. This means that our medium to long term planning is extrapolated from current and emerging demand; it also means that our occupational qualifications tend to be rather narrow.

Before discussing some potential opportunities for improving skills planning, the literature review briefly considers some aspects of black economic empowerment policy, as it also impacts on targets and incentives for training.

Broad Based Black Economic Empowerment (BBBEE)

BBBEE is a significant part of the government's agenda to increase the participation of Black South Africans in the economy. It is aimed at effecting a more equitable distribution of economic wealth and has been branded as the essential second wave of transformation after democratisation (Balshaw & Goldberg, 2005, p. 16). Transformation features prominently within the work of the FoodBev SETA, it permeates various aspects such as the incentives for training, skills spend and learnership rebates which companies get because of their compliance with BBBEE and Skills Development policies. According to

Kgalema et al.,(2021, p. 5) the B-BBEE policy states that skills development must:

Contribute to the achievement of the country’s economic growth and social development goals that will enrich the creation of decent work and sustainable livelihoods.

Promote the development of an industrial skills base in critical sectors of production and value-added manufacturing, which are largely labour-intensive industries.

Support Professional, Vocational, Technical and Academic Learning programmes, achieved by means of professional placements, work-integrated learning, apprenticeships, learnerships and internships, that meet the critical needs for economic growth and development.

Strengthen the skills and human resource base by encouraging the support of skills development initiatives with an emphasis on skills development and career pathing for all working people to support employment creation (Codes of Good Practice on Broad Based Black Economic Empowerment, 2019).

The codes then map out the type of skills development programmes that are required by industry. These include seven broad skills development learning programmes, which are seen as crucial for the achievement of economic transformation objectives: bursaries or scholarships, internships, learnerships, apprenticeships, work integrated learning, informal training (occupationally directed and work-based informal training programmes) (Kgalema et al., 2021, p. 5).

BBBEE generic scorecard

Element	Weighting
Ownership	25
Management	19
Skills Development	20 (plus 5 bonus points)
Enterprise Development	40 (Plus 4 bonus points)
Socio-Economic Development	5
TOTAL	109 (118) including bonus points

Source:(CODES OF GOOD PRACTICE ON BROAD BASED BLACK ECONOMIC EMPOWERMENT, 2019)

What this means is that BBBEE features prominently within the debate of creation of an enabling environment for skills planning and anticipation, because the codes produce a complex system that sometimes has unintended consequences. There are risks of some companies ‘double dipping’ while others adhere so strictly to the codes that it can impede the desired outcomes of skills development.

Opportunities to improve skills interactions through industrial policy

Participants in the Skills Dialogues⁶ organized by REAL in 2021 suggested tighter and more focused engagement, and representation of the most directly involved stakeholders and role-players. For example, engagement between employers and unions, in a collective agenda for supporting workplace transformation through skills development, were given expression in the Masterplan process in the Clothing and Textile Industry. In this context, DHET actively played a role in the Masterplan process and social partners appeared to be reaching agreement on key approaches including joint projects to support improved productivity.

The national Department of Trade, Industry, and Competition developed master plans as a response of the government to reposition the economy widely rather than response to issues on an industry-by-industry basis. The master plans are developed through a methodology of research, engagement, and collaboration between stakeholders to identify and support the actions required (Levin (2021)). The stakeholders involved here are not national associations relatively removed from the coalface, but those with a direct stake in the specific process under discussion. In the Masterplan processes, coordinated by the Department of Trade, Industry, and Competition, often with support of other relevant government departments, the key players determine how best to drive industrial development in key industries and consider the key enabling factors in this regard. This includes incentives as well as a skills development component. The skills component, however, has sometimes been an add on and not integrated into the strategy or seen as integral to the decisions that are made with respect to industrial transformation; current processes are attempting to change that.

In a company survey on the role of TVET in industrial transformation and growth with three South African manufacturing sectors including food and beverages, employers argued that vocational skills development initiatives seem more coherent and effective when embedded within company industrial transformation strategies and industrial or sectoral policy rather than national skills policy (Allais et al., 2021). This argument converges very well with the sub-sector skills planning processes and stands as support for the prospect of the subsector processes serving as an opportunity to enhance skills planning in the sector.

These learnings are particularly significant for the FoodBev SETA as they serve as an entering wedge into the opportunities that can be used to strengthen skills demand and supply planning in the sector using structures and interventions that already exist in the SETA. The process of engagement for the SETA is facilitated through the chamber process and this process presents ample opportunities to involve the most closely associated actors on the ground within processes for skills planning and supply planning. The SETA also has a sub-sector skill

⁶ A full set of briefs and reports from each Dialogue is available here: <https://www.wits.ac.za/real/publications/skills-dialogues/>

planning processes which can certainly serve to emulate the successes highlighted in the skills dialogues since the kind of planning that could emanate from these processes is not national planning that is removed from the realities of the subsectors but one that speaks to the sectors with the most directly involved actors actively shaping this process. In this way, many of the constraints that have highlighted stand the chance of being effectively ameliorated. The SETA also has a robust set of partnerships and plans to improve monitoring and evaluation which can greatly enable more effective skills planning (FOODBEV SETA, 2023).

In the data gathering phase the research sought to extend this outlook and to assess the degree to which these processes can be key to creating the type of dialogue that will enhance planning for the sector. Because of the importance of embedding skills interventions in economic development interventions, the literature review briefly considers some key industrial policy in the sector.

The Agriculture and Agro-processing Master Plan (AAMP) is one of several master plans which also include Automotive; Clothing, Textile, Footwear and Leather (CTFL); Sugar; Poultry; Steel and Metal Fabrication; and Furniture. This is an ongoing process of identification of strategic sectors for which master plans should be developed.

One of the influences on the Food and Beverages Manufacturing sectors is the role of the state in shaping industrial policy to drive the transformation and growth of the sector. The vision of the AAMP is to build a growing, equitable, inclusive, competitive, job-creating, low-carbon and sustainable agriculture and agro-processing sector. The AAMP has specific interventions in which it sees the FoodBev SETA's involvement as crucial these relate to human capital cluster outcomes. Concretely it endeavours to deliver:

- Worker ownership schemes in agriculture and agro-processing value chains depending on the size of the enterprise and viability of the worker ownership scheme.
- Inclusion of SMMEs, mainly black, women and worker owned enterprises, in agro processing enterprises.
- Conduct an audit of the number and skills sets of graduates from institutions of higher learning and measure their absorption rate into the industry.
- Jointly identify import replacement opportunities in agro-processing and make industrial financing available (Agriculture and Agro-Processing Master Plan, 2022).

2.8. Conclusion of the literature review

In sum, our planning systems are predicated on employer-specified demand, but the tools in use do not seem to be enabling a good picture of this. Our funding levers also appear to not always be helpful. In terms of coordination, what is needed is better insight into why coordination is failing, despite so many structures, and why employers feel that their voices are not heard, despite so many mechanisms for capturing their concerns and perspectives. Many employers are alienated from the formal skills planning systems.

Four major themes were identified as pertinent for the Food and Beverages manufacturing sector: weakness of sector skills planning data; disjuncture in time horizons in terms of demand analysis and provision planning; links between occupations and qualifications; and the funding dynamics that shape responses to skills gaps.

The review shows the importance of understanding what the role of employers entails, how they engage in skills planning, and what value the skills planning processes play in their own planning. Data from employers is a key input into the skills system but has been poor for a range of different reasons. This data is increasingly supplemented by labour force survey analysis, which provides additional insights into current and emerging skill requirements. The classification systems used for collecting and aggregating the former (employer-stated needs) are different to those used for labour force analysis. The classification tools shape the identification and design of qualifications. All of these suggest major constraints to demand, and provision planning for the Food and Beverages manufacturing sector, and formed the basis of enquiry during the data collection phase with a view of testing these arguments using insights from each of the chambers.

It also shows how organised labour's role in skills planning has waned over time despite that the original ideas of the establishment of the SETA system emerged from within the trade unions. The vision of the unions was to have a democratic dispensation in the labour market which would overcome the legacy of the apartheid's cheap labour power regime. The unions have developed a vision for their re-engagement with skills issues by arguing that the skills system should cover employed and unemployed workers as well as contribute to addressing the crisis of unemployment in South Africa.

The literature review suggests opportunities that can be maximised to improve skills demand and supply planning, including sub-sector as opposed to sector wide planning, enhancing engagement through the chamber processes, improving monitoring and evaluation, and embedding skills planning within the minutiae of company industrial transformation strategies and sub-sectoral skills policy. SETAs have very close proximity to industry and could play a crucial role in understanding the general trends of the changing world of work in more concrete terms.

Speaking on the US context Cappelli (2015, p. 2) states that the evidence driving the complaints about skills does not necessarily appear in a way that labour market experts might expect to see it, such as in rising wages. Instead, it comes directly from employers, who report, typically in surveys, difficulties hiring the kind of workers they need. The recommendations from these reports include increased immigration and use of foreign workers as well as efforts to shape the majors that college students choose. In South Africa what is required is clarity on the kinds of information that would be useful for skills planning and how that information should be generated and used.

One of the weaknesses and gaps in skills development research in South Africa is the lack of focus on the actual changing dynamics of work and specifically understanding how the labour process is changing over time in various industries. SETAs have very close proximity to industry and could play a crucial role in understanding the general trends of the changing world of work in more concrete terms.

Next, the report outlines the research design of the project.

3. Methodology

The methodology for the study comprised of both qualitative and quantitative research methods, namely, a survey of companies in the sector, focus groups with FoodBev SETA chambers, and interviews with key informants.

Survey

The survey aimed to obtain companies' views on how well the skills planning processes within the FoodBev SETA, including the tools that companies are required to use by the SETA. The survey was designed and administered on RedCap, a web application used for building and managing online surveys and databases used by University of the Witwatersrand. It was designed to be short and take 5 to 10 minutes to complete.

The survey was sent to FoodBev SETA Skills Development Facilitators, with a request that they facilitate its completion by the HR Manager or a senior manager of the company and, that if the Skills Development Facilitator is an external contractor for several companies, they forward the survey to an appropriate manager within each company to complete. The list of Skills Development Facilitators was provided by the SETA and emails were sent out to a total of 1083 Skills Development Facilitators, 1040 of which were sent successfully.

A very exhaustive process of following up with the respondents was undertaken. The actions taken to improve the number of responses included the following:

- Of the 1083 emails sent, 98 of the emails did not go through. These Skills Development Facilitators were called by researchers in order to get the correct email address and 67 emails were then sent, of which 12 emails were still unsuccessful.
- Reminder emails requesting completion of the survey went out to all Skills Development Facilitators.

- The majority of Skills Development Facilitators (of the 1083) were called by researchers to request them to complete the survey if they had not already done so. An offer to complete it telephonically with them at a stime suitable to them was made.

Employer responses to the survey were low: 154 responses from the sector were received. Figure 2 below shows the breakdown of responses per sub-sector. It shows that the higher number of respondents came from the manufacture of food preparation products sector and the lowest number of responses came from the manufacture of breakfast products sector.

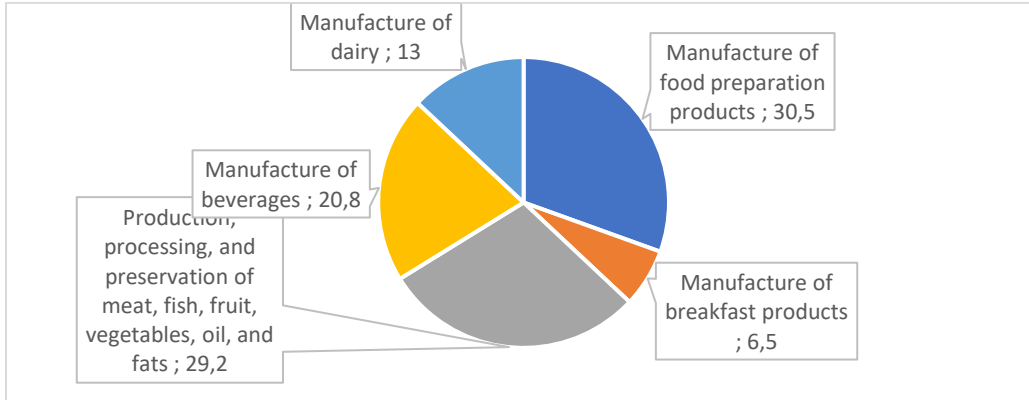


Figure 2: Survey response by sub-sector

Figure 3 below shows the geographical distribution of responses, which is quite like the employer distribution trends captured in the Sector Skills Plan, skewed towards the country's economic hubs, mainly in Western Cape (37%), Gauteng (31%), and KZN (12%) in 2023.

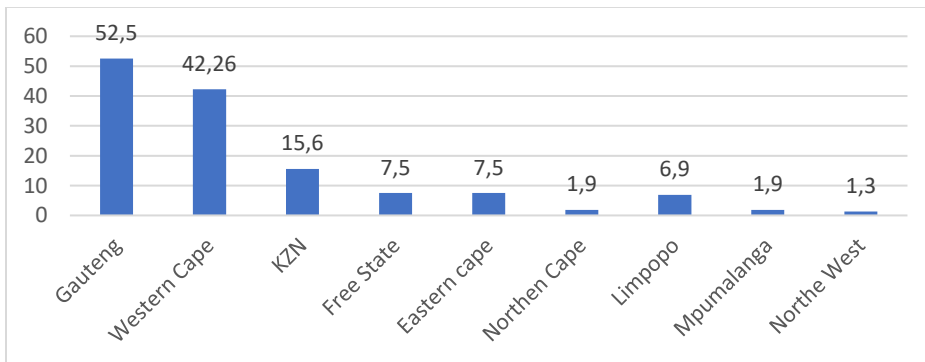


Figure 3: Geographical distribution of survey responses

Focus groups

Focus group were held with each of the five SETA chambers, namely: Manufacture of food preparation products; Manufacture of breakfast products; Production, processing and preservation of meat, fish, fruit, vegetables, oil and fats; Manufacture of beverages; Manufacture of dairy; Chambers consist of employers, industry associations and trade unions representatives.

The focus group discussions were guided by the following overall research question:

What is the nature of demand planning and provision planning within the food and beverages manufacturing sector and what is the nature of the relationship between these two spheres of the skills system within the sector?

This question was further divided into the following sub-questions:

- What skills/demand planning practices (e.g., processes, institutional relationships, rules, and tools, for current and future) do stakeholders adopt, per Chamber?
- What provision/supply planning practices (e.g., processes, institutional relationships, rules, and tools, for current and future) do stakeholders adopt, per Chamber?
- What are the main key demand planning and provision planning challenges faced by each of the chamber stakeholders?
- What are the (perceived) reasons for the demand planning and provision planning challenges for stakeholders in each Chamber?
- What are the opportunities/enablers and mechanisms required to overcome these planning challenges for each chamber?

Focus groups were well attended, although with limited participation from labour representatives.

Interviews

A small number of key informants were selected to validate the information received from the survey and focus groups. Key informants were from the FoodBev SETA, DHET, the majority trade union and the body central to the Agri-processing Master Plan, the DTIC and the National Agricultural Marketing Council (NAMC).

The semi-structured interviews were guided by the core question: How can the match between skills anticipation and skills provision be improved? The interviews were designed to take no longer than 30-45 minutes. The interviews with FoodBev SETA internal staff aimed at getting their insights on critical aspects of sector skills planning and anticipation for which they are responsible. Interviews with DHET staff focused on specific issues that arose in the focus group session which relate to their role as DHET in guiding policy related to skills planning. The interview with the trade union aimed to understand what the union's perspective is on a range of issues related to skills planning and anticipation, given the importance of their voices in shaping skills planning. The focus of interviews with the DTIC and/ NAMC was to understand how the development and implementation of the Agriculture and Agro-Processing Master Plan it interfaces with skills planning at national level.

Some of the interviews were impossible to secure within the time of the project.

The research team obtained informed consent from all focus group and interview respondents. Respondents were informed that the information and insights that they provided would be regarded as confidential and the data would be

presented anonymously. Furthermore, while they would never be mentioned by name nor position in the report, given that it's a small number of respondents, researchers cannot completely guarantee that no one will link the comments back to them.

The report now turns to a discussion of findings, starting with findings from a survey of employers that sought to understand their perceptions of the value of the skills planning mechanisms and tools of the FoodBev SETA, followed up findings from focus groups and interviews.

4. Findings

4.1. Survey findings

As discussed above, the survey received low responses, despite extensive efforts. Survey 'fatigue' could be one of the factors that impacted on the low number of responses. The general trend in response to questionnaires of surveys is that targeted groups tend to have low responses when it is voluntary to respond. In other cases, low responses are because it is not company policy to respond to surveys. However, what can't be ruled out is that low response indicates dissatisfaction with the SETA or alienation from SETA processes. As a result, the report does not draw any strong conclusions, the strongest conclusion is low engagement, that SETA engagement is palmed off to Skills Development Facilitators, many of whom are external, and that this accounts for the positive views that they present—as it is their income source. The researchers had insisted that the survey not be completed by Skills Development Facilitators and specifically asked for it not to be completed by them and yet it was mainly the Skills Development Facilitators that completed the survey forms.

One of the issues that emerged in focus group discussions with members of the chambers is the influence of Skills Development Facilitators over the processes of skills planning. The response to the question of the role the person completing the survey plays in their organization show a trend of dominance of the Skills Development Facilitators: HR Manager (36, 23.5%), Company Manager (34, 22.2%), Skills Development Facilitator (83, 54.2%). The low response rate means that the researchers are not making major conclusions from the survey, but the responses point to crucial issues that emerged in the focus group discussions and which are elaborated on below.

As shown by Figure 4 below, on the question of whether the SETA templates are easy to complete there was a very positive response which showed: Strongly disagree (2.6%), Disagree (15.4%), Agree (60.3%), Strongly agree (16.7%), I don't know (5.1%). This points to a very positive sentiment towards the SETA's templates. It is not clear if this is motivated by the fact that Skills Development Facilitators have an incentive to complete the templates through rewards/payments that companies give them for the work.

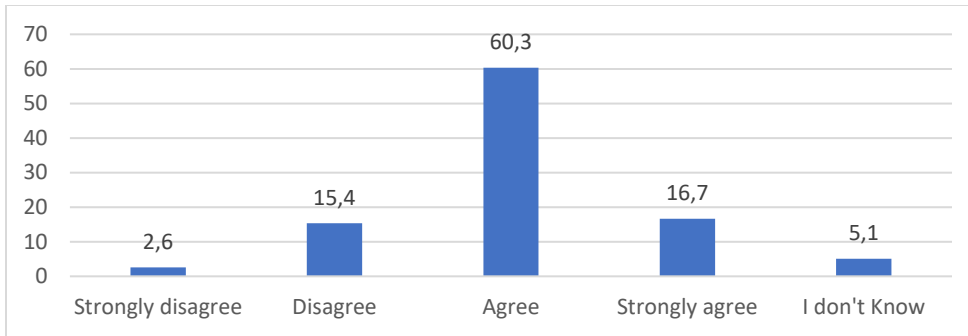


Figure 4: Responses on whether the SETA forms are easy to complete

An issue that the respondents seemed less positive on was the question *It's easy to get funds to do the training that we need to do from the SETA*, shown in Figure 5 below. There is a slightly higher percentage at 37 % of those who said they disagree that accessing the funds is difficult while 34 % agree that it is easy.

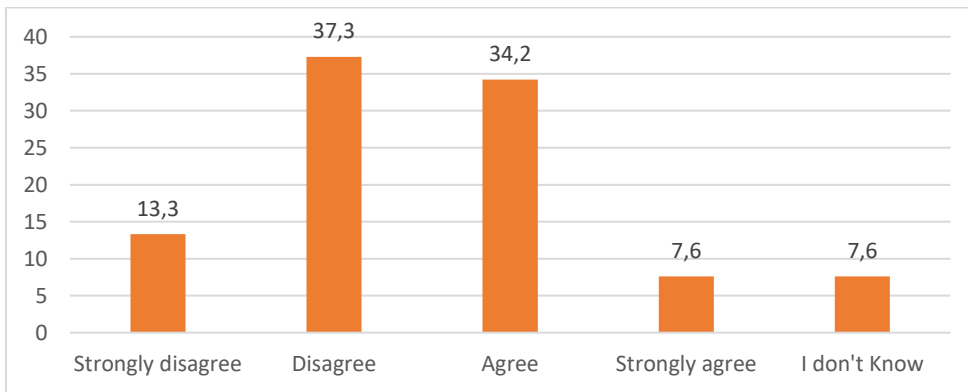


Figure 5: Responses on ease of obtaining funds for training

On the question, *We work with other companies in planning skills training* there was an overwhelmingly positive response, as shown in Figure 6 below.

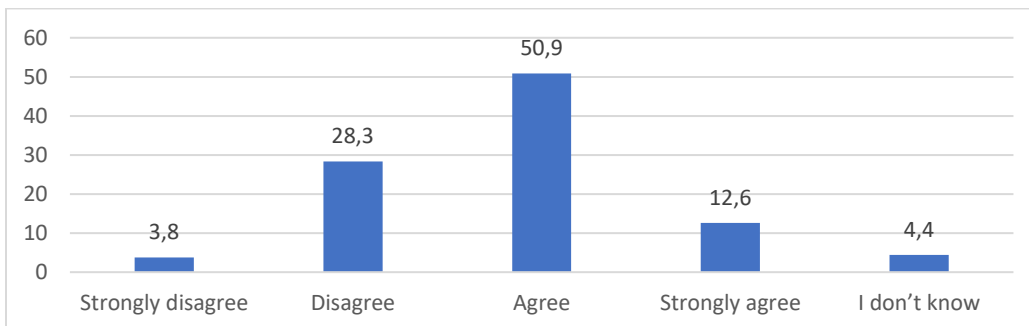


Figure 6: Responses to 'We work with other companies in planning skills training'

Given that the main respondents were Skills Development Facilitators and that they work for different companies with incentives based on completion of SETA

documents, it was not surprising 50,9% of the respondents agreed that they work with other companies in skills planning. The fact that the survey was responded to by Skills Development Facilitators is particularly problematic in this regard, as inter-company collaboration on training is a crucial issue for skill formation, and it is difficult to ascertain from these responses whether they simply reflect that these individuals themselves work across companies.

Finally, respondents were very positive that SETA templates add value: in response to a question on whether *the SETA templates and processes do not add value to our skills planning* the respondents' views were broken down as shown in Figure 7 below.

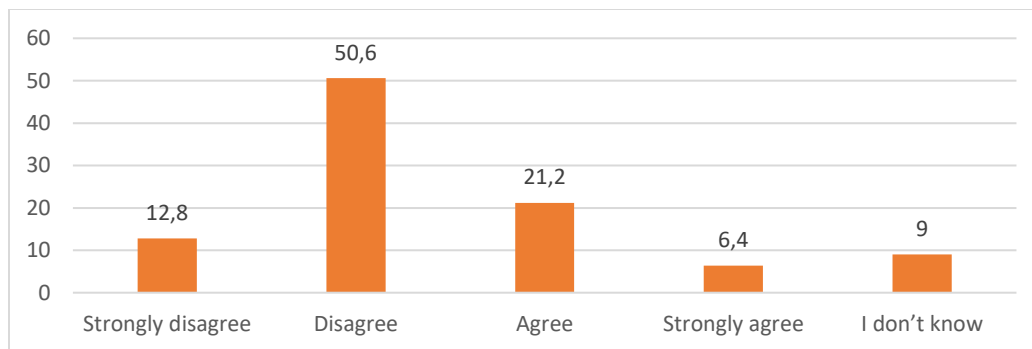


Figure 7: Responses to 'The SETA templates and processes do not add value to our skills planning'

It is impossible to conclude from this that there is a generally positive view by sector stakeholders on the value of the SETA's templates used to gather information related to skills planning, because of the obvious selection bias in who responded, and because the respondents were Skills Development Facilitators. This is really unfortunate, but it is not clear how an alternative survey could be conducted, without considerably more time and expense to call repeatedly and administer the survey directly.

4.2. Interview and focus group findings

The findings are organized around thematic areas that emerged during the focus group discussions and key informant interviews.

Theme 1: Workplace level skills planning

As discussed in section 2, the Workplace Skills Plan is intended as a key source of data. The logic that guides the creation of the hard-to-fill vacancies list is that those vacancies would have been those that have been vacant for a period of six to twelve months and employers found it hard to fill through attracting suitable candidates:

Through that WSP data, we ask employers, what is your hard-to-fill vacancy? Then they tell us they are hard to fill vacancies right in the WSP when they're submitting the WPS we even put a definition what do we mean by a hard-to-fill vacancy to them that is any vacancy that takes six to 10 months, sorry six to 12 months to fill. Then once they are done in terms of giving us that information, we go and clean the data in such a way that it removes the noise

or outliers because, because often than not, you will find that employers want to help you out, to put this in a nice way you will find a person are asking how many of these vacancies were hard to fill the put high numbers. So, we don't consider the numbers that are coming per employer, but you consider the companies that have mentioned that vacancy to be hard to fill right.

However, what was clear is that there are many reasons that emerged from the research as to why the Workplace Skills data does not give a good overview of workplace skills needs:

- Employers don't list all their skills needs, they only list what they think will be funded
- They only list what they think they can do against their training plan
- They don't list training that is not accredited, and they therefore cannot claim
- They find the OFO codes cumbersome and inaccurate
- They list jobs that are important and where they will be hiring, even if these are not hard to train for or fill
- Hard to fill vacancies may not represent scarce skills—for example, they may be experienced in remote or rural areas, or areas that are less desirable to live in.
- Many employers don't participate, and in particular insights from non-levy paying members are not obtained.

One participant stated:

We cannot put everything in the WSPs, because otherwise it will be a long and tedious online system, that might cause a lot of employers to sort of like, shy away from it. And remember, the workplace skills plan, it's a legislation that they need to submit their workplace skills plan, it's like us when we're doing our tax returns. It's something that is legislated. And we have to do it. So we don't want them to be disruptive and then end up not submitting on time, because of a long or tedious process.

The Workplace Skills Plan does not always align to how companies plan for skills. Companies mostly work off their own internal training plans drawn from training needs analyses and role profiling. Employers having their own elaborate career planning matrices and role profiling which are not always well covered within what the Workplace Skills Plan requires. Some participants argued that the Workplace Skills Plan processes has become a transactional process of submission and withdrawal of the mandatory grant. As a result, it risks being a paper pushing exercise rather than a genuine process of identifying skills needs of the company:

I feel the WSP is a tick box to get the mandatory grant. There is a disconnect ... I don't use those documents to do my skills planning. I have internal structures and whatever else.

Another said:

We don't use at all any of those templates to do skills planning in the organization. It doesn't relate well in that regard.

Another problem in this regard is time frames:

Time frames don't align with business processes. I've done my business [training] plan for 2024, but the SETA process is only later. My WSP won't look half as detailed as what my training plan looks, or my ATR. My WSP will contain every bit of accredited training that drives the levies. It won't contain that level of detail.

In terms of the time horizons, some participants suggested that 80% of the information on the Workplace Skills Plan covers the short-term, only 10% is forward looking and can help with planning in the long term. The other 10% is generic administrative information which companies tend to have already in prepared submission templates. Another participant said, in relation to their training plan:

I put a conservative guesstimate because it doesn't align with my financial year ... it doesn't align with my budgeting process.

One participant pointed out that it is not straightforward to determine what makes a post hard to fill:

The definitions of the jobs are not well known. Why are you saying a quality manager is scarce? It's experience that's scarce but do you need that? We can train for that. People think, I can't find what I'm looking for so it's scarce.

Examples were given of lower-level occupations being listed as 'scarce' because of the geographical location of the employer and the need for experience for that kind of work:

Other impediments that our companies face, for example, you will find that that skill, it is a hard to fill not because the person needs to go to university. It's a hard to fill vacancy in an essence that it needs experience. And it needs someone who's willing to move to a rural or outside town, you know factory because most of our factories are outskirts, they will tell you that, for example, you are going to work in Cape Town but it is not in the heart of Cape Town. It's probably 300 kilometers away from the city Centre. So there are other factors that contribute to other occupations being hard to fill Yes, you might get someone with matric to do it, but that does person have an experience in that field. And does that person is that person willing to you know, work in those outskirts.

So, there are several reasons why the data provided in Workplace Skills Plans is not capturing the key skills needs of companies. This is a serious cause for concern, given that Workplace Skills Plans play a central role in national planning processes, and are seen as a key form of information from employers. There is a serious risk of the Workplace Skills Plan being captured as a 'copy and paste' as some companies prefer to outsource the Workplace Skills Plan to consultants to reduce their own costs of managing training.

One of the basic objectives of some in-company training is to ensure that the currently employed workforce is properly skilled to undertake work responsibilities. Participants argued that while the SETA emphasizes training of those who are unemployed for them to access opportunities, there are still huge

numbers of the employed who are not properly skilled. SMME training has also emerged as an issue of concern for companies that are within the sector but are non-levy paying:

It's a huge challenge for smaller companies. If you must do skills planning, you do it for 5 or 10 people. When you require training, you have a challenge because everyone has specific skills needs. When you try to find a training provider where you have one individual it becomes a challenge. You don't send employees for training because you must pay from your pocket. It's not easy to do your discretionary grant because you are not a levy paying company.

And sometimes, the WSPs are sidelining the skills required by the SMEs and non-levy paying in particular because they don't participate in WSP. Because remember, WSP is for levy paying company? So what about those? So I'm saying this that's where information that if you could conduct a research in that area, but where it's to a certain extent, this supply demand or demand supply whatever, with one comes first, it will it will lead for you to say in the sector, that SMEs require this in the sector, this chamber, it's more inclined to this, then which one is cutting across whatever. Without this mapping of WSP and I honestly say here I'm ticking the box I've got a target to meet that company so many have submitted.

Many participants argued that the systems need to be simplified as currently it is an onerous process to complete all the documents and furnish the information required by the SETA, and that this was a problem given that:

Training and development is very administratively heavy. You need to find easier ways to implement your administration.

Training and placement of people with disabilities was highlighted by several (larger?) companies as an area that they have recently begun addressing.

There are dangers of Skills Development Facilitators that are linked to training providers, providing skewed information that suits their commercial interests. Bigger companies have more focus on completing the Workplace Skills Plans often through a fully equipped HR department. However, some respondents felt comfortable with the format of the document for skills planning. One respondent says the Workplace Skills Plan is still important for purposes of standardizing information:

In terms of WSP we cannot have free for all tools, they are legislated. Right. So, there might be those limitations

The Workplace Skills Plan is only signed when worker input has been made but questions still linger about the nature of that input given that the process is often technically driven by Skills Development Facilitators. The input of the unions as worker representatives is supposed to be central to the development of the Workplace Skills Plan, yet this was found to be unclear and seemingly procedurally signed by the unions. It is not elaborated whether unions consult their members to inform their approval of the Workplace Skills Plan, which raises

questions about how the unions strive for workplace democracy through the voice of the membership:

Yeah, so the workplace skills plans are also signed by the unions, right? To confirm that whatever that the company has submitted, is really, the voice of the workers is there. So, for me to say is their voice heard? I would really have to be on the ground when they WPS are being done, but my confirmation is getting that signature from the union reps to say, Yes, this is actually what is needed, you know, but I cannot really 100% confirm if the voice of the workers is being heard through the WSP my comfort is just that signature that is confirming from the labor side.

In sum, the Workplace Skills Plan loses its value as a primary source document for skills planning if it is not reliable and fraught with a range of questions of validity. Our interviews and focus groups showed that many stakeholders acknowledge that there are weaknesses with the Workplace Skills Plan, and these have an impact on the conclusions made in the Sector Skills Plan.

Theme 2: How workplace skills planning feeds into sectoral planning
SETAs are driven by Sector Skills Plans as key research-based documents to drive skills planning and identification of funding priorities for training. It is assumed that the information in the Sector Skills Plans provides accurate reflections of the skills needs of employers and an overview of the industry's priorities for the annual and the five-year period. As is clear from the discussion above, the information obtained through Workplace Skills Plans is very questionable. Depending on the extent and nature of supplementary research, it would be expected that the Sector Skills Plan may logically also then not capture the needs of the sector. One of the employers argued that some Sector Skills Plan information distorts the needs of the sector because the Workplace Skills Plans at many companies are completed by Skills Development Facilitators rather than the employees of the company. The result is that specific issues of company dynamics and the labour market in the industries tend to be overlooked. For example, Skills Development Facilitators do not adequately cover the value chains of the different industries which results in significant information on skills not well reflected in the document.

While identifying 'critical and scarce skills' (previously skills gaps and hard-to-fill-vacancies) is a major part of the Sector Skills Plan, what came up strongly was that identified scarce skills are in areas where it is easy to recruit and train people. This is especially in operator-type occupations, and other lower-level labour intensive types of work which do not require high levels of complexity in application. The participants in the focus group acknowledged a tendency amongst employers to view lower-level jobs as 'cheap labour'. There are also concerns about how employers utilize the learners within their company. Some practices reinforce the perception that the learners are used as workers in their production, and they "recycle" the learners through the same qualification. This raises questions about the sustainability of the learnership system. This is seen in what one participant raised:

Sometimes, employers use the learners as how to put this, like they become, they go in for a year they go out, and then the others come in, which is not what we want, we want a situation where there is progression. So if we have learners that are doing a certain level is either you absorb them for employment, or you train them for the next level, in terms of your program, because we don't want what you are saying now in terms of, you know, a recycling, the same qualification because that's the only accreditation you have. And then now, the learners after they are done with that level, they are, they're left in the cold and then you bring in new learners once the program is done. So you are using the learners for your production and at the expense of the SETA's. And at the same time, it's not sustainable.

From a skill planning perspective, a key problem is where the skills levy is used by employers to access cheap labour through learnerships, work-integrated learning, internships and other such programmes aimed at providing young people with exposure to the world of work—because they are then listed as skills gaps, to get funding, thereby inputting misleading data. One participant speculated that companies list, for example, the number of 'food and Beverage handling workers' they will need in the next year, and might say 30 or 40, but in fact these workers are not hard to find:

You can take them off the street and in three months you can take them through basic skills programmes and have them qualified.

This was seen as a problem on the side of companies, who do not put enough effort into thinking about what the plan is asking for, and the participant suggested that it led to 'junk in junk out' in terms of data. One key issue here is whether skills priorities are correctly identified. In general participants felt that there was some alignment, but that it was not good enough:

The SETAs banged their heads on artisans. We all know there is a shortage of artisans. So certain things are well covered. The GIBBS management development thing is exactly what we need to do if we want future leaders in the sector. But the food handlers come up every year and they don't go away.

On the other hand, there are what employers deem scarce and critical skills that do not make it onto the SETA's list of scarce skills. Examples were given of artisanal trades that, according to focus group participants, are included every year in Workplace Skills Plans, but are never reflected in the Sector Skills Plan⁷. This was mainly very specific high-level skills like microbiology processes of food production and beverages manufacturing.

As another participant argued:

I wonder what they would be thinking about when they list factory worker as needed or scarce you know, what qualification would they be thinking about because also the qualification that one could say was closest to the factory worker is the food

⁷ Details of specific skills and occupations are not mentioned here to protect the anonymity of interviewees.

handling NQF level one that qualification didn't have I think it had less than 500 learners

The contradictions that arise due the processes of creation of these lists point to a need for a more strategic engagement over how priorities should be developed in relation to 'scarce skills'. The key difficulty is that identifying scarce skills has also become a numbers driven process which impacts on how implementation takes place.

You find out that more than 60% of what we have implemented is outside of what we have said is in demand you get that's one but two the even the approach is quite questionable the way we calculate the hard to fill whatever we'll make the site and then it's a numbers-driven formula, which says which one comes on top.

One potential problem could be that in the process of aggregation, where skills that are important but not in wide demand get missed. The second core issue to consider is whether the Sector Skills Plan enables support for the kinds of training that companies want.

Some of the emerging trends not captured well in the Sector Skills Plan include the emergence of E-commerce within the Food and Beverage industry and as a marketing platform. The crucial matter of 'future food' needs to be considered as a strategic issue globally and locally in the food industry given the interrelated challenges of climate change, extreme poverty, and diet related health problems. Some participants argued that the OFO is static and a particularly poor tool for planning in the context of rapid changes in the workplace:

I know that the work skills plan in our environment is consultative. From what I can see and having had oversight at the W&RSETA we have been highlighting that digitalization is key. We did put forward a caution some kind of catering for digitalization upskilling into the WSP I'm not sure how it is being catered to. I can't say I am seeing the fruits of that aspect. I don't know what the timeline is for implementing worked on skills requirements. Is it three years, five years, I'm not sure.

Other trends highlighted include:

- Robotic packers—participants said robotic machines can easily replace 20 workers in a factory.
- Rising unemployment levels in the country place pressure on employers to absorb more people even though there may not be sufficient vacancies.

There is an even more fundamental issue about the changing world of work that not only are low-skilled jobs at risk, but even traditional professional occupations are at risk of becoming obsolete. FoodBev can only grasp these issues more authoritatively if it develops research that improves its proximity to the workplaces within the industry.

The ways in which funding is then allocated was not seen as a strategic engagement with training in the sector. One problem raised here was that SETA's discretionary grants do not make it easy to fund the same learner to

undertake a one-year programme (e.g., Business Admin L3) and then progress to the next level (L4) the following year. Programmes targeting school leavers and graduates provide a discretionary grant for one year. In some occupations, a 2nd year of experience and development is needed but cannot be funded.

Allocation of funds to public provision was also not always seen as in line with a well-conceived strategic direction for the sector. Over the last ten years there has been emphasis in policy on SETAs having to work with TVET college and provide students from TVET with opportunities for training and workplace exposure. The participants raised the following concerns regarding TVET students and the infrastructure used in the colleges:

- Employability of TVET graduates, there is a serious concern over the general work readiness of TVET students and graduates.
- The depth of training and use of outdated machinery for artisanal training results in the students being behind on major industry developments within technical fields

Participants argued that private providers are more flexible in arranging the training, can customize the material, etc. Where materials had been developed with SETA support, participants argued that they were overly generic and lacked the technical aspects that they require.

Some participants argued that Sector Skills Plans are valuable mostly for the outline of 'hard-to-fill vacancies' and 'scarce skills' lists. The rest of the document is relevant for reporting purposes and compliance with DHET requirements for the continued existence of the SETA.

Theme 3: The role of the SETA

In general participants spoke very positively about the SETA, arguing that it has improved dramatically recently, and the term 'really trying hard' was used a lot. Where there are problems, some participants argued that they stemmed from DHET, as in the three quotes below:

The SETA's hands are tied. DHET dictates certain things. There are things that the SETA can do. They must comply. Some things you just live with.

The SETAs are a political space, there is a lot of interference that happens there. They need to do as they are told.

Unfortunately, the SETA is governed by national objectives and national targets. It's very challenging for the SETA to shift their view because of the objectives that they are governed by in terms of DHET.

However, others argued that in general, across the economy, there is broken trust between employers and SETAs, and this was seen as reflected in the scarce and critical skills lists, which were described as out of touch with industry needs. In line with this, some participants were critical of the SETA's communication and the functioning of their chamber:

Experience so far is around non-responsiveness I have been trying to connect with someone. Despite trying email, phone, others as well, to access

people at the SETA for me. In the chamber we provide input. We did discuss the sector skills plan, we questioned why is this prioritized, why do we consider this to be a scarce skill, we must approve it again, months have passed, there doesn't seem to be much communication between meetings. Is there nothing that happens between meetings? I know things take time; I've been enthusiastic about offering support. You keep on calling and emailing, politely, saying this is what we can do, what we want to do, we want to invest.

Some participants argued that the SETA is not visible enough in the sector, both to young people and in terms of encouraging training:

It is high time whereby the SETA must look at ways and means of how they can get involved and make sure there is skills development. There are so many scarce skills that we have in our sector and other sectors as well, it's even worse with township development or skills. If we are looking for a qualified [removed to ensure anonymity] it's not there. SETAs are not actually visible enough. Especially within the township backgrounds or environment.

However, other participants felt that publicity and engagement was also an area in which the SETA has improved a lot in recent years. The role of the SETA in ensuring provision and information about provision about training for unemployed people was emphasized by some participants.

Concerns were raised regarding the high level of forfeiture of grants, i.e., funds allocated but due to difficulties in being able to comply with requirements. Focus group participants did not give specific reasons for this; it would be important to explore it with companies—the SETA should have details of those that received funds and then forfeited them. Onerous admin and timing could be a reason. Participants indicated that sometimes timeframes are too tight, particularly in relation to the second window for discretionary grants, which is usually driven by the SETA's attempt to meet targets and spend funds.

Another key problem in terms of accessing grants to support training was the timeframes of the SETA, and the turnaround time from application to approval.

Most of these discretionary grants when they are being advertised not everyone is at liberty to see that there are discretionary grants that are available. And the process becomes cumbersome. Only a minority of people will apply, only a minority of people will be trained for those skills.

The issue of companies working across different SETAs came up repeatedly. Agri SETA and WRSETA were mentioned of being of relevance, but others also came up—CHIETA and MerSeta in particular, and one mention each of Services SETA and ETDP SETA. In addition, it was noted that sectors and sub-sectors are becoming more fluid. This is onerous and raises serious red flags about the functioning of the skills-levy institutions. Inter-SETA collaboration was seen as lacking. The chambers are best placed to engage on the issue of the value chains through strategic dialogues with the FoodBev SETA and industry.

Theme 4: The role of Skills Development Facilitators

Some participants were concerned about 'external dependency' on Skills Development Facilitators. There appears to be an intermediary regime of SDFs who cut across various industries providing a service that some companies have outsourced. The unintended consequence of this is the distortion of information reported on skills and recommendations that are not fully researched or canvassed within companies:

The SDFs are only there to do the skills planning and annual training reports. If it is someone internally that must do those activities, training will be taken seriously.

The use of external Skills Development Facilitators, even in large companies, was due to the administrative intensive nature of what is required by the SETA. Despite the general trend of Skills Development Facilitators being externally appointed there are those big companies that are able to place a senior executive in HR to be the Skills Development Facilitator:

When it comes to WSPs it's the likes of [lists large multinational companies] and all that of the world. So they have internal SDFs not the ones that you know, come and help them do WSP, and then they move. So for us, then it gives us comfort because it's not someone who is chasing business, but is an employee of an entity of that particular entity. So, the information that we are getting, and normally, those SDFs that are appointed, they are normally the head of HR, in that entity, so it's someone who already understands the skill sets and the skills gaps that come in with that entity.

As discussed in relation to the survey findings, the Skills Development Facilitators play a central role in providing information to the FoodBev SETA, but a huge risk exists that some information can be distorted because they don't work for the companies, and they complete the SETA forms as part of earning a living. It could help for the SETA to produce a breakdown of how many of the Workplace Skills Plans are completed by external Skills Development Facilitators and how many by company staff, and the SETA could start to shift to a focus on engaging with internal staff; however, this will never be possible while the formal requirements of the SETA are onerous for companies.

The role of Skills Development Facilitators who are independent of the companies results in the creation of a self-driven system which can reproduce their individual interests through the SETA processes. Given the hands-off approach of many companies towards the Skills Development Facilitators and their role in helping with compliance, there is a risk that the SDFS can influence the provisioning process by identifying skills needs in areas where they have particular service providers aligned to them which can benefit from SETA resources when approvals and accreditation of training takes place:

WSP information, it is more driven by the SDF. And some of the SDFs are there in and not directly aligned to these companies. And how you get that, you will find that this SDF who are doing this WSPs man, they are also aligned to some training providers. So in other words, when they provide this

information, they it's like, indirectly, you throw your pass yourself. If you don't, they will, they will provide these things says that it will favor them a aligned to the training providers that they are aligned to already you get me. So because this once we are accredited for we must make sure that they get their space into this. WSP you get my point. So that's one thing that and also the fact that generally some of them are not the subject matter. They are not the masters or how to put it let me put like this, they are not they don't have the insights. Net, because there's some somebody will find an SDF, in fishing industry, and also get in another sub-sector, whatever.

Theme 5: Accredited versus non-accredited training.

A major concern about the Sector Skills Plan and the way in which training is supported is the notion of accreditation. It was very clear from many participants that the bulk of training that they need, or much of the most important training that they need, is not supported by the SETA because it is not accredited—in part because it is international providers that are highly respected in the different industries:

In terms of what we find this notion of focusing on accredited I think to a certain extent, it is not providing us with a correct response to the needs of a sector or different sectors, because hence, But you can find a skill in this qualification another skill in another qualification, but kept bringing them together. Because that's what the company or the industry needs, you bring that because that the skill set which they require to do something, but that skill set is not accredited, because it's not a question of, you'll get you you'll get a whether it's used or not are not exempt from another qualification and from our records. And even if some area it is completely not accredited, but it adds value to the sector.

Another participant said:

SETAs have always been funding accredited training, so I think it is also implied from the skills development act, you know, it might not necessarily be stipulated, but it is implied to say as SETAs we find it must be quality, you know, trend that happens and then how do you measure quality you know, if you don't want to be frustrated with anything else to actually understand is it quality or is it not quality? So, if it's accredited, then it is viewed as that it is it carries quality. So that is how it is at the moment. You know, I remember we've had that debates internally last year and towards the end of the 2022, and 2021, financial year, which was coming, it was about one of the digital skills, you know, and then so we ended up funding, you know, so those digital skills on the basis that there isn't in a skills program or qualification that is registered that, that QCTO or SAQA.

Two participants emphasized how the core technical training in their sector is paid for directly from their budgets, as it is essential, and they argue that they frequently lose trained technicians as the training is so internationally competitive, and yet, it can't be supported through Discretionary Grants. This was particularly emphasized in relation to skilled operator and artisan roles which differ a lot across different manufacturing processes across the sector.

Another issue is in-house on-the-job training, which participants emphasized as crucial. Employers and industry associations raised concern over the cap on informal training which impacts on the production /workplace related training that companies require for their workers.

Why this is the case needs exploration—is it DHET rules, that make SETAs increase their support for accredited training providers to minimize the risk of bogus providers who provide poor quality training? Is it DHET rules to try to build public provision? There is a view that funding accredited training is about credibility of the training, and it is not to discard the non-accredited training. The reality is that there are good qualities in the non-accredited which may not be found in the accredited training and vice-versa. The balance that needs to be reached must accommodate the need for accreditation to be responsive to changing dynamics of the world of work as there would be no relevance in accrediting many programmes that are not valued by employers. A participant with insight on the processes argued that:

We are mandated to give accreditation programs. But we do give also non accredited programs, as well that we support, but at a smaller portion. Because we don't want a situation where now a lot of our learners are trained on non-accredited programs. Let me just make an example. Imagine as a university, a person goes through a program a three-year program and gets out, you know, with something without any credits. So how do you prove to the next employer that you were trained on a particular program? So, it becomes a challenge, you know, in terms of credibility of the training, but we do award non accredited programs, but at a very minute percentage.

There are several other perspectives on the issue of the accredited vs non-accredited training. Mostly the issue revolves around compliance with policies and regulations of skills training. At the core of this problem is that the system is predicated on value judgements on substantive issues of quality when there are no real determinants of what would constitute quality or 'need' and the system drives towards bureaucratic notions of quality:

When it comes to that [accreditation] you know, yes, you may come with it and say it is urgent and then you can't wait for accreditation, and then it becomes an issue because remember, we also understand ourselves, as SETAs such as implementing the NQF. So now, if it is not on the NQF then we sort of we normally shy away from funding those programs, you know, so I can imagine that if it gets starts funding then non- accredited. In actual fact, it can open a can of worms, you know.

The DHET is in the process of changing regulations, and it is possible that the new version could help in addressing the SETA financing dilemma for workplace-based learning programmes which are not accredited.

Theme 6: Overlaps and contradictions between black economic empowerment score card and the skills development grants

The BBEE scorecard and the Skills incentive regimes are not well aligned in places and share similar problems in other places. For example, the BBEE

scorecard does not allow for a trainee to have more than one opportunity for training, as the rebate cannot be paid twice. This affects instances where a company would like to retain a trainee and give them further exposure to the world of work. One participant expressed their frustration in this way:

I think there is a fight between what we do from a skills point of view in terms of SETA and BBEE. Those two don't align. The money we spend we can't claim a lot of it either from BBEE or SETA. Its money lost. Where we have debated its skills programmes and learnerships. But it's so admin intensive that it scares you. It's an industry on its own. So, you do the training without claiming it. The time it takes to sign them off in terms of the SETA processes is two months later, the learners are despondent, they hold you as a company responsible.

Participants argued that some employers spend a lot of money on training, but some types of training, such as learnerships and skills programmes, count more in relation to the BBEE scorecard and a small percentage of non-accredited training for designated groups also counts. In manufacturing companies that use international providers, they get no points for high quality industry relevant training. Concerns over 'double-dipping' as companies claim for the same learner from BBEE and skills development incentives is a contentious issue. One participant outlined the complexity of the support for learners and emphasis on uplifting their skills:

DHET did not want that you report a learner twice or whatever, saying that the learner that is viewed as having supported the learner more than once, but which is not correct. Because you might be requiring, or uplifting the skills on another level or on a different skill altogether. So how can we then say, the skill, we are double dipping? Yes money we are just topping up the money. But in terms of this, this the skill it makes this into learner to be even more and we're equipping this learner to be even more employable. Let me say it comes in different ways the issue of double dipping. One of the things let's say if you find a learner on NQF level two. And remember that learnership is based now, I can complete my learnership in less than 12 months or 10 months, as opposed to someone who can get it in 16 months. Now, if I get my NQF, level two in 10 months, and then I get reinstated in that same year into level 3 I am not getting an additional skill, which will make me more chances of being employed or creating employment more. If I've got level two and level three, why should I be locked out? And then it okay, will see you in the following year, whatever. Whereas if the opportunity is there, that is completely wrong.

It was reported that if a company receives external funding for training, it does not count on their BBEE scorecard. BBEE penalizes companies who train and do not hire. As discussed in Section 2, Kgalema et al., (2021, p. 6) have shown that following amendments of the BBEE codes there are now new improvements which can accommodate the concerns raised by the stakeholders. The code now sets the value of expenditure that is required in terms of spend for training on black employees at 6% as a percentage of the leviable amount. This allows for spending on unemployed people who are not employed by a measured entity to be included; that is the company that is submitting the skills

development report for assessment against the Code is now able to train unemployed young people and claim points in terms of the Code. Ultimately BBBEE and skills development should be seen to be beyond just claiming of points by the companies and to receive rebates, it ought to be about broader societal upliftment which was the original goal of these policies. This critical view was raised by one of the participants:

I think at some point, we should move away from looking at skills development interventions. Only from that perspective, you know, from the purposes of claiming, for purposes of BEE and employment equity, and all those things, you know, there is more of a benefit to a learner and to the economy and society at large through that particular learnership, other than just, you know, a company meeting its own BEE score points.

Alignment of these processes should be intended to minimize overlaps, realise the intended goals of the policies, ensure that the state takes full control of the implementation and that monitoring of all the submissions is done adequately. The challenge that the BBBEE and the skills development regime have produced is that due to the complexity of the alignment of the two policies there has also emerged an industry of consultants who thrive on clarifying the processes. This benefits the consultancies, but they have no accountability to the state as they work independently.

Theme 7: The role of the chambers

Whether or not the chambers are able to play a strategic role in skills planning for the sector was discussed. A concern about the role of SETAs was the structuring of agendas, and the type of discussion which takes place, which was described as 'death by PowerPoint' with a lot of detailed feedback from the SETA that appeared more bureaucratic than strategic at times. One participant emphasized, in relation to the Sector Skills Plan:

There should be more weighting on engagement with senior leadership about 'where do you see the industry going?' The SETA needs to have those conversations at a top level.

In a similar vein, a participant argued:

I'm caught between are we here to listen to the deliverables of the SETA or are we sector focused?

This is important because SETAs are supposed to be key agencies reflecting the needs of employers across the economy, and yet, they appear to be driven more by government targets than expressed needs of industry. There was a view that there needs to be some attention at chamber level on the developments within the SMME sector in the Township Economy of Food Production. The SMME sector is seen as central to the development of the South African economy and job creation. How the issue of skills development within the informal sector and SMME's requires a serious consideration in the SETA system. Many small companies are not levy payers but are critical in the value chains of the

respective sectors. This issue relates to the structural orientation of the economy and where the issue of skills is in that context. One of the participants stated:

We are pushing, and it's most in most SETAs mandate is entrepreneurship. Because we have discovered that yes, we can train, train, train, train, train, you know, for to supply skills, but there is that element of, you know, economic growth of the country that you know, our GDP is shrinking, or it's got a very slow growth at no less than 1%. So how are we now helping now to develop into entrepreneurs that will now help in contributing to the GDP, and ultimately create employment from their side. So small, businesses support of small businesses is quite key for SETAs.

There is a concern that the SETA is not visible any more through information seminars that can inform members on latest industry trends on issues such as the Quality Council for Trades and Occupation (QCTO) and other government policy shifts relevant to the sub-sectors of the FoodBev SETA. It was suggested that some bridging courses or programmes (orientation or induction?) onto the SETA are necessary to ensure that new participants in the chamber are transitioned into the processes of the SETA.

Certainly, differences emerged across the five chambers and six sub-sectors. Coordination amongst employers and strong industry associations seem to be factors that support training in sub-sectors—but this does not appear to be something engaged with by the SETA or by the Sector Skills Plan. The bias against private providers and non-accredited providers could be a factor here.

Theme 8: Organizing Framework for Occupations (OFO)

There are companies that report that their systems do not align with the OFO system and therefore show its limitations. This leads to the impression of the OFO being a 'white elephant' which is not fully utilized by the sector despite resources being invested for its development over time. As one participant observed:

The OFO is a challenge because we also require it when you're doing WSPs. And we know we know it's something that we all know. And it's something that we are engaging DHET, you know, to say, improve this tool. It's got this at this gap, align it, there's a misalignment. But I think it's work in progress.

Many participants expressed concern over aligning the Organising Framework for Occupations (OFO) with their own internal systems as the OFO's tend to be too tedious in their description of occupations:

Very few jobs align. We do not associate them with OFO codes.

Another participant said:

Most of us work with similar training plans and training initiatives and the way we do our training plans ... The templates should be aligned to those [industry's] processes. If the template was more structured in that way it could be a useful tool to use with an industry, as opposed to trying to map it. I wanna die a slow death when I'm busy with that ATR, and I must go thumb suck against an OFO code. I'm trying hard to make it make sense.

Further:

A needs analysis takes me anything between two to three months to formalize the training plan. To complete the WSP and ATR takes me another month to try to bring our plan into there. It's never as detailed as our training plan. It's very tedious. I understand why that data is important, but I think from a company perspective we all just put what is necessary. It's not a real reflection of what we do. It's a reflection of what is accredited.

The SETA recently released an OFO mapping guide which was seen as a good start in assisting companies. The key point here is that there are important disconnects between individual company systems and the OFO. Development of qualifications through the OFO system is also complex and relies on research produced by the SETA and any other relevant bodies:

... if we have decided that we are developing a qualification, based on that the occupation exist on the OFO document, which means that there is a need, and also that there is research that supports the need. But we do also ask the subject matter experts from the industry to confirm the occupation and also to confirm them the occupational tasks or you know, data associated with a particular occupation. So make sure that we are now developing against what is current and not what was current three years ago, because the OFO document is normally a three-year document gets a reviewed every after three years.

The OFO is developed with good intentions, but runs the risk of many government policies in that it is well crafted but unevenly implemented. It creates a complex system with layers of bureaucracy without clarifying the kind of value it brings to our understanding of structural changes in the labour market.

Theme 9: Aggregation of national data

When considering all the issues raised in relation to problematic aspects of skills planning, a question that lingers is how the lists and numbers are aggregated at a national level. Key sources of data for the creation of a national lists of occupations in high demand are:

- Stats SA QLFS
- Career Junction Occupations in Demand
- SETA – WSPs
- ESSA – Job Opportunity Index

Sometimes targets are linked to perverse incentives which perpetuates notion of distortions and misrepresentation of priorities. The review of strategic documents such as Sector Skills Plans, Annual Performance Plans, and Annual Reports is done regularly by the DHET, and also on an ad hoc basis independently by the National Skills Authority. However, this committee has at times not been able to do the work due to the lack of funds which leaves the four officials of the DHET responsible for reviewing the documents and recommending signoffs by the Minister. This is all within a framework of basically a month between 15 June and 15 July annually. The independent panel and/or the four officials within the DHET

would also collate the top 10 scarce skills and hard to fill vacancies. The national list of hard to fill vacancies, scarce skills and occupations in high demand is generated from this process. The nature of the process seems likely to further tend towards a bureaucratization and not a strategic engagement with skills priorities.

Critical in this entire process is the reality that the country plans other important policy interventions through these processes which have flaws at various stages. Decisions that are taken based on this information have far reaching implications for the country.

5. Analysis

The report starts the analysis by acknowledging that one of the strengths within the South African skills system is that there is a lot of goodwill for skills planning. Government has put considerable energy and focus in this area, the SETAs put in a lot of effort, employers are participating, and they are training in many workplaces. This is the energy that society needs to build on. However, both the literature review and the empirical research is absolutely clear that in many ways, the systems are not working: they are not producing good data and they are alienating employers.

Our system is by no means demand-led. Our data from employers is weak because of the mechanisms used to collect it, as well as for other reasons, there is also very little engagement with smaller companies, and employers have a limited voice in giving direction to the system. The role of unions appears to be even weaker; the fact that there was very little participation and we struggled to interview union representatives suggests that union engagement in SETA processes is unlikely to be strong. All of this works against high level strategic engagement on the skills trajectory of the sector. In short: the rules and tools of our system, and in particular the Workplace Skills Plans and Sector Skills Plans do not appear to be serving their envisaged roles, and the funding levers are in many cases not used strategically on the key priorities of employers in the sub-sectors.

The system has become a labyrinth of institutions which are all committed to identifying skills needs and where funding must be allocated. This process is circular, and documents move around from SETA to DHET to correlate whether identified skills correlate with training plans. The design of the tools (format of Workplace Skills Plans, Annual Training Reports, and Sector Skills Plans) is not in line with the objectives of these tools, and the tools are used to do too many things, ending up doing none of them well. It is noted that the Ministerial Task Team on Seta Performance in 2012 recommended that SETAs should stop producing Sector Skills Plans in their current form, as they are not playing a strategic role (DHET, 2012), and this does not appear to have changed.

Employers clearly have a number of reporting obligations to the state, and combination of BBBEE with skills reporting requirements appears

counterproductive. The issue of BBBEE points arose frequently in the interviews and the focus groups. There is a need to raise the score allocation on the BBBEE scorecard for skills development. Kgalema et al., (2021, p. 4) state that the skills development dimension of BBBEE has the third highest weighting on the score card. This reflects the importance placed on skills by government in realising the agreed upon transformation objectives. Given this weighting it would be quite difficult for companies to achieve a higher target on the score card without significant investment in this element.

To unlock this and bring strategic value there is a need for a more simplified process and a common vocabulary for the actors in the system. It almost requires a return to the basics of the skills planning process, as Buchanan (2019, p. 27) says the challenge is to devise a new skills settlement based on shared understanding concerning the threshold questions: Skills planning for what? About what and with what? To this we should add: Involving who?

Since their promulgation in 2001 the SETAs have had uneven levels of success in skills development and have been undergoing a process defined by Marock (et al., 2008) as 'institution building with a focus on improved co-ordination and delivery'. What authority can a SETA claim if they don't have a good high-level insight into skills needs? To have high level engagement with industry the FoodBev SETA must engage at a strategic level and embed the importance of skills at those levels. It is when industry and labour can see the value in skills planning that the SETA would truly stake the claim of being an authority. However, the current 'rules and tools' appear more to get in the way than to assist this process.

6. Recommendations

Firstly, there are changes that can be made within the existing skills planning system to make immediate improvements that can be impactful. Secondly, it is recommended that high level engagement with key roleplayers in the system should take place to realise the major changes that the research suggests are necessary.

6.1. Changes within the existing systems

Current processes can be improved. Some ways in which this could happen are:

- Separate the review of the Workplace Skills Plan report from that of the Annual Training Report. That is, allocate the mandatory grant against each report discreetly and do not evaluate the Training Report against the Plan.
- Put more effort into identifying distortions on the scarce skills and hard-to-fill vacancies list. This is for cases where a skill is listed as 'scarce' when the level of that skill is generally available in South Africa and the barriers to recruitment may relate to other factors. It makes sense that employers list skills where they know they will be doing training, because they want to get funding for training for the positions that regularly require training, but, this does not make the skills scarce. This does not however negate the

- importance of funding programmes that are required by industry because of factors such as levels of churn et cetera. Where skills are in fact scarce, then determine a strategy to expand the numbers trained and available.
- Spend more time in high level engagement with employers on their training plans so that the plans reflect all training that will be implemented or facilitated by employers regardless of whether it is accredited or not. In addition, the SETA should explore the ways in which it can more effectively target funding against the emerging priorities – in both the more valid WSP linked to the previous point – and linked to research that the SETA has undertaken and the engagements within chambers. This should allow for funding to be provided that supports a mix of programmes against priorities including a percentage for training that may not be on accreditation. This with the proviso that the training is consistent with priorities and that the employer can offer an alternate quality assurance mechanism.
 - Find a way of reaching out to employers who have high quality service providers who are not accredited in South Africa but are highly recommended by the employers and explore the extent that this network of providers can better support provision in this space in a way that complements other forms of provision; these providers could include international providers.
 - Look into non-levy paying small companies and devise ways of assessing what their skills planning process would entail and how best they can interface with the skills development system, this is to reach out to food producers who are operating as SMMEs and township-based businesses. Industry associations would be helpful to partner with, to reach these employers.
 - Use the structures of the SETA for strategic engagement, and strive to build relationships with companies at a more strategic level.

6.2. More systemic changes that require strategic engagement

There are aspects of the skills planning process that FoodBev SETA does not directly control. However, change is crucial to improve our systems, and the report therefore recommends the following:

- Approaching DHET and other SETAs on issues that can reduce the complexity of skills planning. For example, a suggestion is that collection of data that can be used in skills planning should be handled centrally through Statistics South Africa. Stats SA could then quantify the availability of skills at a country-wide level. This could assist the SETA to undertake an analysis of skills needs in the workplace much more simply,
- This would allow the Workplace Skills Plan to be simplified and focus on which skills employers believe are current priorities. This would then relieve the SETAs from the elaborate task of analysing Workplace Skills Plans, which are often populated by Skills Development Facilitators, and which does not always produce data that can be used meaningfully.

- FoodBev can lead an engagement on the issue of the influence of Skills Development Facilitators over the skills planning process. Skills Development Facilitators have formed a 'regime within a regime' of skills planning. How can this be overcome to ensure that a system that delivers reliable data is produced? High level engagement with DHET and other relevant stakeholders would be necessary as all SETAs are affected.
- Consider the value of Annual Training Reports—is this data really important to the system? Given that employers have to report to government on a large number of issues, no report should be required that is not used in a meaningful way. Would it not be more appropriate to only get reports against funding allocations from the SETA? Or, is there a broader purpose that the Annual Training Report data serves? It was not clear in the findings from this research what such a purpose is. It could play a useful role if there is good in-depth analysis of what training employers are doing and are funding, and where they need support—but it does not appear that it is being used in this way.

The report recommends that the FoodBev consider smaller research projects that can concentrate on workplace change which is central to understanding the content of skill, these could be guided by the following questions:

- What new skills are evident in technical work? Or work generally in the FoodBev sector
- How important are they to work and to workers? Focussed on the FoodBev industry.
- Are they common across jobs? Does the SSP research tell us that or is it still helpful as an aggregation?
- How do frontline workers learn these skills? A mixture of supply side and training service provider issues.

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