

IMPACT ASSESSMENT OF NATIONAL SKILLS DEVELOPMENT STRATEGY II

The Impact of Work Experience Grants on Learner Placement

An investigation into the measurement of the effectiveness of Work
Experience Grants

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From May 2010 to January 2012, the Human Sciences Research Council, with its partner Development Policy Research Unit (UCT), undertook research to assess and evaluate the progress made in skills development since the implementation of National Skills Development Strategy II in March 2005. The research covered three thematic areas and produced nine research reports:

- A. Impact of skills development on placement of learners upon completion of the programme. (Indicator 1.2; 3.1; 4.2)
 - 1. Sumayya Goga and Carlene van der Westhuizen (2012) Scarce Skills Information Dissemination: A Study of the SETAs in South Africa.
 - 2. Renette Du Toit (2012) The NSF as a Mechanism to Address Skills Development of the Unemployed in South Africa.
 - 3. Morne Oosthuizen (2012) The Impact of Work Experience Grants on Learner Placement.

- B. Impact of skills development support on large, medium and small firms as well as on Government, BEE firms and BEE co-operatives. (Indicator 2.1; 2.2; 2.5)
 - 4. Pundy Pillay, Andrea Juan and Thembinkosi Twalo (2012) Impact assessment of skills development on service delivery in government departments.
 - 5. Pundy Pillay, Andrea Juan and Thembinkosi Twalo (2012) Impact assessment of skills development on service delivery in government departments: Appendices.

- C. Progress evaluation on support to high-level scarce and critical skills for both workers and unemployed learners.(Indicator 2.8 & 4.1)
 - 6. Dean Janse Van Rensburg, Mariette Visser, Angelique Wildschut, Joan Roodt and Glenda Kruss (2012) A Technical Report on Learnership and Apprenticeship Population Databases in South Africa: Patterns and Shifts in Skills Formation.
 - 7. Angelique Wildschut, Glenda Kruss, Dean Janse Van Rensburg, Genevieve Haupt and Mariette Visser (2012) Learnerships and Apprenticeships survey 2010 technical report: Identifying transitions and trajectories through the learnership and apprenticeship systems.
 - 8. Claudia Mummenthey, Angelique Wildschut and Glenda Kruss (2012) Assessing the impact of learnerships and apprenticeships under NSDSII: Three case studies: MERSETA, FASSET & HWSETA
 - 9. Glenda Kruss, Angelique Wildschut, Dean Janse Van Rensburg, Mariette Visser, Genevieve Haupt and Joan Roodt (2012) Developing Skills and Capabilities through the Learnership and Apprenticeship Pathway Systems. Project Synthesis Report. Assessing the Impact of Learnerships and Apprenticeships under NSDSII.

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List of Setas

AgriSETA	-	Agricultural Sector Education and Training Authority
BANKSETA	-	Banking Sector Education and Training Authority
CETA	-	Construction Education and Training Authority
CHIETA	-	Chemical Industries Education and Training Authority
CTFL SETA	-	Clothing, Textiles, Footwear and Leather Sector Education and Training Authority
ESETA	-	Energy Sector Education and Training Authority
ETDP SETA	-	Education, Training and Development Practices Sector Education and Training Authority
Fasset	-	Financial and Accounting Services Sector Education and Training Authority
FIETA	-	Forest Industry Sector Education and Training Authority
FoodBev SETA	-	Food and Beverage Manufacturing Industry Sector Education and Training Authority
HWSETA	-	Health and Welfare Sector Education and Training Authority
INSETA	-	Insurance Sector Education and Training Authority
ISETT SETA	-	Information Systems, Electronics and Telecommunications Technologies Sector Education and Training Authority
LGSETA	-	Local Government Sector Education and Training Authority
MAPPP SETA	-	Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority
merSETA	-	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MQA	-	Mining Qualifications Authority
PSETA	-	Public Service Sector Education and Training Authority
SASSETA	-	Safety and Security Sector Education and Training Authority
Services SETA	-	Services Sector Education and Training Authority
TETA	-	Transport Education and Training Authority
THETA	-	Tourism and Hospitality Education and Training Authority
W&RSETA	-	Wholesale and Retail Sector Education and Training Authority

Executive Summary

Unemployment remains one of the key socioeconomic policy challenges facing South Africa and has attracted considerable attention from researchers. Including discouraged workseekers, the unemployment rate currently stands at 33.9 percent (own calculations for 2011Q2, Statistics South Africa 2011), far exceeding levels that will allow sustainable improvements in living standards and quality of life.

One of the common threads of analyses of South Africa's unemployment problem points to the difficulties posed by a lack of work experience to employers and jobseekers alike. Potential employees that lack work experience may be less productive relative to their more experienced counterparts, while information asymmetries present considerable risks for employers. The problem of a lack of work experience is extensive. The South African labour market is strongly segmented and the experience of unemployment tends to be long term. Importantly, work experience has a positive relationship with the likelihood of finding employment.

Work experience grants (WEG) represent one intervention that aims to promote the employability of members of the labour force by providing individuals with access to work experience without imposing requirements of permanent employment on employers. Potential benefits are available to both individual learners and employers: essentially, learners are enabled to improve their employability, while employers are able to address some of the information asymmetries they face. Within the NSDS II, work experience grants are intended to enhance the employability of participants and are expected to lead directly to employment for the majority of participants.

The original intention of this research was to provide an assessment of the scope and nature of Setas' interventions relating work experience grants, with a particular focus on the post-participation labour market outcomes of learners. However, data constraints mean that this is not possible. The first part of the research, therefore, focusses on trends in participation and placement in work experience grant programmes, using data from three key sources namely the NSDS Quarterly Monitoring Reports (QMR) covering the 2008/09 financial year, data gleaned from Setas' annual reports and data provided directly by Setas in response to a questionnaire. The second part investigates some of the more practical issues surrounding work experience programmes as implemented by the Setas. Thus, the paper turns to budgetary issues, some of the challenges experienced by Setas in implementing these programmes, the alignment of WEG programmes with scarce skills requirements and the public availability of information regarding these programmes. A final component of this section investigates employers' experiences and perceptions of work experience grants.

Over the NSDS II period, there has been a considerable improvement in the implementation of WEG programmes as measured by participation, with actual participant numbers rising from 2 751 in 2005/06 to 11 735 in 2008/09 (Department of Labour 2010a). While considerable strides have been made in placing participants in (self-)employment, placement rates typically remained a small proportion of participants.

The key constraints to considering the extent to which placement in (self-)employment was secured by learners upon completion of WEG programmes are related to data. Specifically, the data collected via the QMR, as the key central repository of data on WEG programmes, is incomplete and inconsistent with considerable duplication of individuals within the spreadsheets. While the QMR spreadsheet for Indicator 4.2 is generally well laid out in terms of collecting appropriate information for monitoring

progress and specifically placement in (self-)employment, as a data source it suffers from inconsistent interpretation of fields, a lack of data validation and insufficient emphasis on post-participation labour market outcomes.

The analysis of participation and placement targets and achievements raised an important issue in terms of how exactly should placement targets be defined and weighted when evaluating programmes' performances. Current placement targets are simply defined as 70 percent of participation targets, with no recognition of the knock-on effect that missing participation targets, on the down- or up-side, may have. Success in terms of indicator 4.2 must surely be measured on the basis of placement rates and, unless there is evidence to suggest that participation in WEGs alone has a beneficial impact on the future employability of individuals for whom Setas are unable to secure employment, scaling up participation without consideration for the placement rate of actual participants may represent a significant waste of resources.

Although the National Skills Survey 2010 received relatively few responses from firms, the data suggests that larger, older firms are more likely to offer WEG opportunities. The surveyed firms indicated that the three most important reasons for not employing WEG participants/learners upon completion of their programmes were: (1) firms preferred to take on more learners than they would be able to employ so as to improve their chances of finding suitable candidates for employment; (2) firms' intention in terms of their involvement in WEG programmes was to provide work experience, rather than employment; and (3) economic conditions prevented the employment of learners at the time of completion.

A major concern is the lack of interrogation on the part of Setas of the efficacy of their interventions under the auspices of Indicator 4.2. Some Setas do not collect any information at all on learners post-participation. Only a handful of Setas have actually undertaken an analysis of their programmes. While understanding the impact of WEG programmes formed part of the rationale for this research, this was not possible given the available data. Going forward, it is key then that data collection be given appropriate emphasis, thereby enabling a rigorous analysis of the impact that these programmes have and the extent to which their objectives are being realised.

Despite the various problems experienced by Setas, implementation appears to have improved over time. Setas appear also to be innovating in their implementation of work experience grants in order to accommodate the sectoral labour market and training realities. Programmes are generally aligned to the critical and scarce skills identified in each sector, although some Setas do fund learners in other learning programmes. Importantly, it appears that, amongst certain Setas at least, there is a growing recognition of the benefits associated with WEGs and the scope for scaling up. Two factors are key in this regard: buy-in from stakeholders, which must be won through improved information and communication and through demonstrated benefits for employers and learners; and a commitment to a more sustainable, stable stream of funding for WEG programmes at the Seta level.

1. Introduction

One of the common threads of analyses of South Africa's unemployment problem points to the difficulties posed by a lack of work experience to employers and jobseekers alike. Potential employees that lack work experience may be less productive relative to their more experienced counterparts, but also represent a greater risk for employers. Such risk encapsulates the informational asymmetries – such as job fit, the likelihood and nature of future improvements in the individual's productivity, and work ethic – facing employers who, ultimately, are the ones who determine whether or not employment occurs.

The problem of a lack of work experience is extensive. The South African labour market is strongly segmented and evidence from household surveys points to the fact that unemployment tends to be a long term phenomenon (Bhorat and Oosthuizen 2007). At the same time, there is evidence that, once employed, an individual is likely to remain employed. It is also noted that “unemployed young people *with experience* are almost three times more likely to find a job [than] those without” (National Treasury 2011).

Work experience grants – Indicator 4.2 within the National Skills Development Strategy Phase II – represent one type of intervention that aims to promote the employability of members of the labour force by providing individuals with access to work experience without imposing requirements of permanent employment on employers. Potential benefits are available to both individual learners and employers. Learners are able to obtain work experience, which provides opportunities for the practical implementation in a real world working environment of theoretical knowledge, the assimilation of behaviours and attitudes required in the world of work and, potentially, greater clarity on career objectives. Employers, on the other hand, are able to access this pool of labour at a subsidised cost. However, perhaps one of the most substantive employer benefits of WEG programmes is the opportunity afforded to employers to evaluate potential employees, reducing some of the informational asymmetries employers face.

The aim of this research is the measuring the impact of work experience grants on the placement rates of graduates. Unfortunately, a lack of suitable data has prevented the analysis of placement rates. Section 2 discusses the methodology and objectives of the revised research plan, and details the structure of the report.

2. Background and methodology

2.1. Overview

The National Skills Development Strategy has five objectives. One of these objectives, namely Objective 4, is “[assisting] designated groups, including new entrants to participate in accredited work, integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment” (Department of Labour 2005: 12). The performance in terms of meeting this objective is gauged by three success indicators and it is success indicator 4.2 – that “100% of learners in critical skills programmes covered by sector agreements from Further Education and Training ... and Higher Education and Training institutions [are] assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment” (Department of Labour 2005: 13) – which is the focus of this research. Employers that offer workplace experience in sector-relevant programmes receive incentives from the Setas. Grants are provided to both levy and non-levy paying employers.

The terms of reference for this research project raises three research questions in relation to WEG programmes. The first issue is the scope and nature of the sector agreements between Setas on the one hand and FET and HET institutions on the other hand. Another question revolves around the types of work experience programmes offered by Setas, the number of learners participating and the alignment of these programmes with scarce and critical skills programmes. Finally, and perhaps most importantly, the extent to which WEG participants are able to secure (self-)employment needs to be investigated, while providing a better sense of the types of placements and reasons underlying particularly non-placement.

The availability of data (or lack thereof) represents a significant constraint on this research. As will be shown below, the various sources of data utilised have proven unsuitable or inadequate to provide robust answers to some of the most pressing questions relating to work experience grants. Most distressing is the lack of any coherent data with which to assess the efficacy of work experience programmes as implemented by the Setas and, specifically, whether they have proven effective in improving the employment prospects of participants relative to non-participants.

The various research questions raised will be addressed in this paper in the following way. An assessment of the extent (in terms of individual participants) of WEG programmes will be undertaken on the basis of data reported by Setas to, firstly, the Department of Labour via the Quarterly Monitoring Reports and, secondly, the broader public via their annual reports and other publications. Further, as a means of supplementing the information gleaned from publically available documents, Setas were surveyed and asked, amongst other things, to fill in any data gaps that may have existed. The research will also assess the extent of WEG programmes from a budgetary perspective, taking both budgeted and actual expenditure on these programmes into account. Since no suitable data exists to assess issues around placement (or not) of participants upon completion of WEG programmes, questions regarding involvement in WEG programmes were included in the National Skills Survey of 2010 (conducted as one of the other components of the broader project by the Human Sciences Research Council). Finally, the research will assess the extent of easily accessible information on WEG programmes on

Setas' websites and the types of qualifications targeted by Setas within their WEG programmes, and will describe some of the challenges experienced by Setas in implementation.

The report is structured as follows. Section 3 describes trends in work experience grant programmes during the NSDS II period, using data from the annual NSDS Implementation Reports, Seta annual reports and Seta responses to the questionnaire sent out to them as part of this project. Section 3.2 assesses the data contained within the NSDS Quarterly Monitoring Reports from two perspectives, namely in terms of the data's ability to provide accurate detailed statistics on WEG programmes and its suitability for investigating issues surrounding placement of participants in employment or self-employment. Section 4 investigates budgetary commitment on the part of Setas to WEG programmes (section 4.1.1), challenges experienced by Setas in the implementation of the programmes (section 4.1.2), and other issues relating to the design of WEG programmes (section 4.1.3). Section 4.1.4 details the results pertaining to WEG programmes from the National Skills Survey 2010. Section 5 concludes. Before proceeding to Section 3, though, the key data sources are discussed below.

2.2. Data concerns

2.2.1. Quarterly Monitoring Reports

The analysis below (section 3.2) utilises Quarterly Monitoring Report (QMR) data pooled over the four quarters for the financial period between April 2008 and March 2009, the second-last year within the NSDS II, to draw a profile of work experience grant beneficiaries. The reports include information pertaining to the various NSDS success indicators. For indicator 4.2, information submitted to the Department of Labour includes demographic data, such as gender, race and age-group, and training specifics, such as qualification, institution and start and completion dates. The QMR data is collected on a quarterly basis from Setas via a standard spreadsheet.

The consolidated dataset – covering all Setas and the four quarters of the 2008/2009 financial year – is described in Table 1, which is drawn up on the basis of the original dataset received. According to the data, work experience grants were taken up by 8 467 individuals during the financial year. However, these were very unevenly distributed across Setas. Of the 23 Setas, seven (30 percent) did not report providing any work experience grants during the year. Amongst those that did report on work experience grants, there was a substantial degree of concentration of activity within a small number of Setas. For the year, merSETA reported the highest number of work experience grants (3 627, or 43 percent of the total), followed by Fasset (1 947, or 23 percent of the total) and the MQA (749, nine percent). In other words, these three Setas were responsible for 75 percent of all work experience grants reported during the year.

Over the year, the number of work experience grants reported by Setas shows no real trend, apart from the fact that the number reported in the fourth quarter exceeded the total number reported for the first three quarters. This is due to two main reasons. Firstly, several Setas reported no work experience grants for the first three quarters of the financial year, but reported grants in the fourth quarter. This was the case for BANKSETA, CETA, CHIETA and ETDP SETA, for example. Secondly, and in numerical terms most significantly, merSETA reported a massive increase in the number of work experience grants between the third and fourth quarters of the 2008/2009 financial year. Indeed, work experience grants reported by merSETA almost quadrupled between the first and second quarters, more than doubled

between the second and third quarters, and then quintupled between the third and fourth quarters.

Table 1: Overview of Original QMR Data, 2008/2009

SETA	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
AGRISETA	28	22	43	26	119
BANKSETA	0	0	0	251	251
CETA	0	0	0	181	181
CHIETA	0	0	0	286	286
CTFL SETA	0	12	28	2	42
ESETA	..	..	..	..	..
ETDP SETA	0	0	0	188	188
FASSET	822	155 (151)	284	686	1 947 (1 943)
FIETA	..	..	..	..	..
FOODBEV SETA	0	19	31	19	69
HWSETA	0	0	2	0	2
INSETA	118	0	0	135 (19)	253 (137)
ISETT	31	203	0	0	234
LGSETA	0	28	15	0	43
MAPP SETA	..	..	..	..	..
MERSETA	68	251	545	2 763 (2 020)	3 627 (2 884)
MQA	304	150	0	295	749
PSETA	..	..	..	..	..
SASSETA	..	..	..	..	..
SERVICES SETA	..	..	..	..	..
TETA	..	..	..	..	..
THETA	0	66	66	0	132
W&RSETA	0	0	0	344	344
TOTAL	1 371	906	1 014	5 176	8 467 (7 604)

Source: Department of Labour 2010b.

Notes: Figures in parentheses represent totals once records consisting only of names and no other information were removed from the data.

Closer inspection of the data reveals some important inconsistencies and problems associated with data integrity. For example, 743 records in merSETA's fourth quarter data are simply name entries, without any further detail provided on demographic characteristics, critical skills programme, or placement status. However, key amongst the problems is the issue of duplication of records. In this context, duplicate entries may be exact copies of each other, or may correspond so closely to one another that it is impossible to assert from the perspective of data user whether entries are or are not referring to the same work experience grant. In the QMR data, duplicate entries have been observed across virtually all Setas, with the extent of the problem varying. The existence of easily identifiable duplicates within the data is, though, straightforward to deal with and it is those records where duplication is uncertain that may result in the greatest distortion of the dataset.

In an attempt to identify duplicate records, the four quarterly submissions for each Seta were merged to form a dataset for each Seta covering the financial year. These datasets contained all the information pertaining to each participant as submitted to the Department of Labour. Records were then sorted by surname, name and ID number and were compared using these three fields to flag possible duplicate entries. Reliance on this comparison would yield inflated numbers of duplicates, since participants completing two components of the same programme are often recorded twice in the dataset. As a result, record-by-record checking of the data was necessary to distinguish between unique records, definitely duplicated records and potentially duplicated records.

There are three possible outcomes for each record in the spreadsheet: unique, definite duplicate, and potential duplicate. A record is considered to definitely be a duplicate of another record if all information in key fields is identical (with allowance made for typing errors). These fields are name, surname, ID number, skills programme and institution. A definite duplicate is identified in the first example in the appendix. A potential duplicate is essentially where there is insufficient information to confirm that a record has been duplicated, although records are sufficiently similar to be of concern.

Table 2 quantifies the extent of duplication in the QMR dataset. Out of the 7 604 observations that included information beyond only participants' names, 530 (or seven percent) were identified as definite duplicates, while a further 559 were identified as potential duplicates. The existence of duplicates is particularly prevalent within the merSETA data, with fewer than 50 definite and potential duplicates identified amongst the other Setas' data.¹ The impact on merSETA's data is substantial: of the original records contained in their submissions, 18 percent were identified as definite duplicates, while a further 18 percent were identified as potential duplicates. The analysis that follows excludes definite duplicate records, leaving a total number of 7 058 observations.

Table 2: Duplicate Records within the QMR Data, 2008/2009

SETA	Unique Records	Duplicate Records		Total
		Definite	Potential	
AGRISETA	118	0	1	119
BANKSETA	251	0	0	251
CETA	181	0	0	181
CHIETA	274	0	12	286
CTFL SETA	42	0	0	42
ESETA	..	..	..	..
ETDP SETA	188	0	0	188
FASSET	1 943	0	0	1 943
FIETA	..	..	..	..
FOODBEV SETA	68	0	1	69
HWSETA	2	0	0	2
INSETA	137	0	0	137
ISETT	233	1	0	234
LGSETA	28	15	0	43
MAPP SETA	..	..	..	..
MERSETA	1 823	530	531	2 884
MQA	749	0	0	749
PSETA	..	..	..	..
SASSETA	..	..	..	..
SERVICES SETA	..	..	..	..
TETA	..	..	..	..
THETA	118	0	14	132
W&RSETA	344	0	0	344
TOTAL	6 499	546	559	7 604

Source: Department of Labour 2010b.

¹ Although it is uncertain at this point, duplicates in the merSETA data appear to have arisen due to merSETA seemingly providing snapshots of their work experience grant data each quarter. This means that they seem to be submitting details of all participants in any given quarter, as opposed to only new participants in that corner. Neither option is necessarily incorrect, but submission of snapshot data holds important implications for the totalling of Learners in Critical Skills in the QMR spreadsheets since quarterly data is totalled to arrive at annual figures.

2.2.2. Seta-provided information

The important limitations in using the QMR data have necessitated the use of alternative data sources to highlight trends in the implementation of WEG programmes by the various Setas. In an effort to address this, data from annual reports published by Setas has been collected and collated to provide a coherent picture of WEG programmes. However, there have been some problems in terms of the accessibility of annual reports, with not all annual reports for all Setas being available for all years. At the same time, reporting of information on WEG programmes is not necessarily standardised or consistent over time and across Setas.

To address some of these problems, which have resulted in incomplete data, a brief two-page survey was sent to Setas during February and March 2011. The aim of the survey was to verify the information gleaned from available annual reports, and to augment particularly available data on the financial commitment to WEGs. Eliciting responses from the Setas proved challenging, but in the end responses were received from 17 out of the 23 Setas. Those Setas that responded were BANKSETA, CETA, CTFL SETA, ETDP SETA, Fasset, FoodBev SETA, INSETA, ISETT, LGSETA, MAPPP, the MQA, SASSETA, Services SETA, TETA, THETA and W&RSETA. The questionnaire sent to the Setas can be found in the appendix.

3. Trends in work experience grant programmes during the NSDS II

3.1. Overall trends in work experience grant programmes

Progress in terms of the implementation of the National Skills Development Strategy is monitored by the Department of Labour and published in annual NSDS Implementation Reports. The latest report, for the 2008/09 financial year, includes updated figures for previous years and the results relating to WEGs are presented in Table 3. Overall, the target number of participants across all Setas for experiential learning have remained in the 7 000 to 9 500 range, with target placement numbers ranging from just shy of 5 000 to 7 000 (by definition, 70 percent of the experiential learning targets). Overall, across the four-year period, the target for experiential learning was almost 34 000 learners, with a placement target of close to 24 000 individuals.

Table 3: Performance with respect to work experience grants, 2005/06-2008/09

	Experiential Learning			Placement		
	Target	Achievement	Percentage	Target	Achievement	Percentage
2005/06	8 301	2 751	33.1	5 811	276	4.7
2006/07	9 454	8 695	92.0	6 618	3	0.0
2007/08 ¹	7 076	6 074	85.8	4 953	1 672	33.8
2008/09	9 088	11 735	129.1	6 361	3 561	56.0
TOTAL	33 919	29 255	86.2	23 743	5 512	23.2

Source: Own calculations, Department of Labour 2010a.

Notes: 1. The 2008/09 NSDS Implementation Report reports percentages that are inconsistent with the numbers reported for target and achievement for both experiential learning and placement. Recalculated percentages are presented here.

Progress in terms of success indicator 4.2 has shown considerable improvement between 2005/06 and 2008/09, with the gap between targets and achievements narrowing substantially over the period. In 2005/06, the target for experiential learning was 8 301 participants, but Setas only managed to enrol 2 751 participants in their various WEG programmes, an achievement percentage of just 33.1 percent. This relatively slow start in the first year of implementation gave way to significant improvements in the subsequent years and, by 2008/09, Setas had succeeded in surpassing their collective target by almost one-third. Despite the slow start, Setas managed to achieve 86 percent of the targeted level of participation in experiential learning.

However, the key challenge facing Setas has been to translate participation in WEG programmes into placements in (self-)employment. In total, less than one-quarter of participants have been placed in full-time (self-)employment over the four-year period under review: while Setas have been expected to have secured full-time (self-)employment for almost 24 000 participants, this happened for just over 5 500 individuals. Indeed, virtually all (95 percent) of the recorded placements were achieved in the latter two years of the period, and almost two-thirds (65 percent) were achieved in 2008/09 alone. Underlying this is a considerable improvement in the achievement rate for placements, from 4.7 percent in 2005/06 to 33.8 percent in 2007/08 and 56.0 percent in 2008/09.

The figures presented above reveal two important lessons regarding workplace experience grant programmes. First, once systems and processes were in place alongside commitment on the part of Setas and employers, it has been relatively straightforward to ramp up participation in work experience grant programmes. Between 2005/06 and 2008/09, participation in WEG programmes more than quadrupled, equivalent to an average annual growth rate of more than 60 percent. Naturally, performance varied across years and, presumably, across Setas, but there is certainly no case to be made that the overall targets were too ambitious. The second point is that the Setas have certainly found it vastly more difficult to secure placement of participants in (self-)employment post-WEG participation. This is certainly a more complex challenge than placing individuals in firms for short periods for experiential learning, but must surely be the core measure of the success of WEG programmes.

Buy-in from all relevant parties – learners, employers, educational institutions and Setas – is essential to the successful implementation of WEG programmes. As noted by the Department of Labour (2007: 34) in their assessment of the challenges facing WEG programmes during the 2006/07 financial year, “[progress] is mainly hampered by the lack of commitment from employers to provide learners with work experience and not reporting on learners placed”. They further note reluctance on the part of employers to enter into agreements with educational institutions, committing themselves to offer work experience to learners upon completion of their learning programmes.

Since objective four has the employment of designated groups at its centre, WEG programmes implemented by Setas must be judged on the basis of the proportion of participants who find full-time (self-)employment post-participation. This has further implications in terms of the monitoring and evaluation of WEG programmes and the relevant data requirements both at the individual Seta level and, by extension, at the overall NSDS level.

3.2. Monitoring work experience grant programmes using the NSDS Quarterly Monitoring Reports

3.2.1. Results

This section investigates the cleaned QMR data, providing an analysis of work experience grants for the 2008/2009 financial year. In doing so, it will also highlight some of the shortcomings of the data particularly as they relate to evaluation of the success of the programme. Given the extent of duplications discussed above and the fact that only definite duplicates are excluded from the analysis below, the findings presented here must be treated with considerable caution.

Of the 7 058 records in the data, just over half have usable information on race (Table 4). However, inconsistencies in the way demographic information is recorded by Setas mean that it is impossible to provide a detailed breakdown by race. While some Setas record race as “Black” or “White” – the former referring to Africans, Coloureds and Asians – others record race as “Black: Coloured” or “Black: African”. The latter type of information allows detailed racial breakdowns, while the former clearly does not and, as a result, Table 4 can only distinguish between black (African, Coloured and Asian) and White participants.

Table 4: Distribution of WEG Participants by Race, 2008/2009

SETA	Black		White		Unspecified		Total		Black Share ¹
	N	Percent	N	Percent	N	Percent	N	Percent	Percent
AGRISETA	84	70.6	7	5.9	28	23.5	119	100.0	92.3
BANKSETA	235	93.6	16	6.4	0	0.0	251	100.0	93.6
CETA	88	48.6	16	8.8	77	42.5	181	100.0	84.6
CHIETA	..	..	..	..	286	100.0	286	100.0	..
CTFL SETA	37	88.1	5	11.9	0	0.0	42	100.0	88.1
ESETA	..	..	..	..	..	..	..	..	..
ETDP SETA	..	..	..	..	188	100.0	188	100.0	..
FASSET	..	..	..	..	1 943	100.0	1 943	100.0	..
FIETA	..	..	..	..	..	..	..	..	..
FOODBEV SETA	68	98.6	1	1.4	0	0.0	69	100.0	98.6
HWSETA	2	100.0	0	0.0	0	0.0	2	100.0	100.0
INSETA	19	13.9	0	0.0	118	86.1	137	100.0	100.0
ISSETT	232	99.6	1	0.4	0	0.0	233	100.0	99.6
LGSETA	27	96.4	1	3.6	0	0.0	28	100.0	96.4
MAPP SETA	..	..	..	..	..	..	..	..	..
MERSETA	1 689	71.8	272	11.6	393	16.7	2 354	100.0	86.1
MQA	434	57.9	11	1.5	304	40.6	749	100.0	97.5
PSETA	..	..	..	..	..	..	..	..	..
SASSETA	..	..	..	..	..	..	..	..	..
SERVICES SETA	..	..	..	..	..	..	..	..	..
TETA	..	..	..	..	..	..	..	..	..
THETA	131	99.2	0	0.0	1	0.8	132	100.0	100.0
W&RSETA	344	100.0	0	0.0	0	0.0	344	100.0	100.0
TOTAL	3 390	48.0	330	4.7	3 338	47.3	7 058	100.0	91.1

Source: Department of Labour 2010b.

Notes: 1. Figures reported in the final 'Black Share' column refer to the share of black participants within the group of participants of specified race.

Missing race information affects most of the reporting Setas. Three Setas, namely CHIETA, ETDP SETA and Fasset, report no race information at all, while 86 percent of INSETA's records and more than 40 percent of those of CETA and the MQA have no information on participants' race. For records where race is reported – i.e. excluding the 3 338 participants of unspecified race – Whites make up just under nine percent of participants, although this proportion is just 4.7 percent overall. This is considerably lower than this group's share of total employment (15.3 percent), but much higher than its 2.4 percent share of narrow unemployment in the first quarter of 2009 (own calculations, Statistics South Africa 2009). This pattern by race is not unexpected, given relatively high educational attainment amongst Whites and active utilisation of WEG programmes for purposes of redress. At the same time, this pattern is related to demographic differences, with Whites accounting for only 10.4 percent of employment amongst 15 to 34 year olds (own calculations, Statistics South Africa 2009). Conversely, 91.1 percent of participants whose race was specified were black, compared to black's 84.7 percent share of total employment and its 97.6 percent share of narrow unemployment.

Considering only records where race has been specified, the proportion accounted for by Whites within Setas ranges from zero to 15 percent, with the highest proportion of Whites found in CETA (15 percent), merSETA (14 percent) and CTFL SETA (12 percent). Broadly speaking, however, and excluding individuals of unspecified race, the racial distribution of participants is not inconsistent with their relative shares of unemployment and youth employment. Assuming that the racial breakdown of participants is generalizable to those of

unspecified race, WEG programmes are in line with current demographic and socioeconomic imperatives.

Overall, more than half of WEG participants in 2008/2009 are reported to be male (Table 5). Reporting is far more complete for gender than was the case for race with only six percent of records having no information on gender. It is estimated that women accounted for 45 percent of total employment and 40 percent of formal employment in the first quarter of 2009, and the distribution of WEG participants is, therefore, in line with these proportions. Given the labour market disadvantages experienced by women, there is a strong argument that policies directed towards improving employability should disproportionately target women and, consequently, it appears that in aggregate there has been insufficient targeting of WEG programmes towards women.

Table 5: Distribution of WEG Participants by Gender, 2008/2009

SETA	Male		Female		Unspecified		Total		Male Share ¹
	N	Percent	N	Percent	N	Percent	N	Percent	Percent
AGRISETA	70	58.8	49	41.2	0	0.0	119	100.0	58.8
BANKSETA	107	42.6	144	57.4	0	0.0	251	100.0	42.6
CETA	86	47.5	18	9.9	77	42.5	181	100.0	82.7
CHIETA	124	43.4	136	47.6	26	9.1	286	100.0	47.7
CTFL SETA	18	42.9	24	57.1	0	0.0	42	100.0	42.9
ESETA	..	..	..	..	..	..	..	..	..
ETDP SETA	44	23.4	144	76.6	0	0.0	188	100.0	23.4
FASSET	809	41.6	1 134	58.4	0	0.0	1 943	100.0	41.6
FIETA	..	..	..	..	..	..	..	..	..
FOODBEV SETA	31	44.9	38	55.1	0	0.0	69	100.0	44.9
HWSETA	0	0.0	2	100.0	0	0.0	2	100.0	0.0
INSETA	71	51.8	66	48.2	0	0.0	137	100.0	51.8
ISSET	101	43.3	132	56.7	0	0.0	233	100.0	43.3
LGSETA	13	46.4	15	53.6	0	0.0	28	100.0	46.4
MAPP SETA	..	..	..	..	..	..	..	..	..
MERSETA	1 533	65.1	486	20.6	335	14.2	2 354	100.0	75.9
MQA	492	65.7	256	34.2	1	0.1	749	100.0	65.8
PSETA	..	..	..	..	..	..	..	..	..
SASSETA	..	..	..	..	..	..	..	..	..
SERVICES SETA	..	..	..	..	..	..	..	..	..
TETA	..	..	..	..	..	..	..	..	..
THETA	73	55.3	59	44.7	0	0.0	132	100.0	55.3
W&RSETA	97	28.2	247	71.8	0	0.0	344	100.0	28.2
TOTAL	3 669	52.0	2 950	41.8	439	6.2	7 058	100.0	55.4

Source: Department of Labour 2010b.

There is, though, considerable variation across Setas insofar as the gender breakdown of participants is concerned. Ten Setas report that more than 50 percent of all participants (excluding those with unspecified gender) were women, while women accounted for more than 60 percent of participants in only two Setas, namely ETDP SETA and W&RSETA. In contrast, women account for fewer than one-quarter of WEG participants in CETA and merSETA.

There was considerable geographic concentration of participants of WEG programmes during the 2008/2009 financial year (Table 6). Of the just over 7 000 participants, one-third (33.8 percent) were located in Gauteng, while a further 28.6 percent were located in the Western Cape. The only other province with a share in double digits was KwaZulu-Natal (12.3 percent). Together, these three provinces accounted for three-quarters of all WEG participants. Virtually

no participants were reported to have been located in the Northern Cape (0.3 percent), Free State (1.1 percent) or the North West (1.9 percent).

The majority of Setas reporting on WEG participants (ten out of 16) have the majority of their participants located within a single province. At the extreme, all WEG participants reported by ETDP SETA and HWSETA were located within one province, respectively the Western Cape and the Free State. Other Setas with more than 70 percent of their WEG participants located in a single province are CTFL SETA (90.5 percent in KwaZulu-Natal) and BANKSETA (71.3 percent in Gauteng), while nearly two-thirds of participants reported by ISETT and THETA are located in Gauteng. Concentration (or not) of specific Seta's WEG participants is not a phenomenon that can be adjudged to be appropriate or not without proper contextualisation. Specifically, the provincial distribution of economic activity and employment that fall within individual Seta's jurisdictions is central to such contextualisation. While CTFL SETA, for example, covers a regionally concentrated sector, the location of its WEG participants may be overly concentrated in KwaZulu-Natal. A logical comparison would be between the provincial distribution of WEG participants and that of employment within each Seta, but unfortunately it is not possible to recode Labour Force Survey data with sufficient accuracy to make such a comparison.²

Table 6: Distribution of WEG Participants by Province, 2008/2009

SETA	WC	EC	NC	FS	KZ	NW	GP	MP	LP	Unsp.
AGRISETA	11.8	0.0	0.0	0.0	37.8	0.8	10.1	24.4	15.1	0.0
BANKSETA	4.4	3.6	8.0	0.8	8.4	2.4	71.3	0.0	1.2	0.0
CETA	1.7	0.0	0.0	0.0	1.1	0.0	33.7	0.0	21.0	42.5
CHIETA	0.0	0.0	0.0	0.7	12.9	0.0	61.5	0.0	0.0	24.8
CTFL SETA	9.5	0.0	0.0	0.0	90.5	0.0	0.0	0.0	0.0	0.0
ESETA	..	..	..	..	..	..	..	..	..	..
ETDP SETA	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FASSET	4.8	6.3	0.2	1.3	11.8	2.5	61.6	2.8	8.7	0.0
FIETA	..	..	..	..	..	..	..	..	..	..
FOODBEV SETA	24.6	0.0	0.0	1.4	21.7	0.0	49.3	1.4	1.4	0.0
HWSETA	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
INSETA	0.7	0.0	0.0	0.0	5.1	5.8	2.2	0.0	0.0	86.1
ISETT	14.6	6.9	0.0	1.3	5.6	0.0	65.2	1.3	5.2	0.0
LGSETA	0.0	7.1	0.0	0.0	14.3	0.0	46.4	3.6	28.6	0.0
MAPP SETA	..	..	..	..	..	..	..	..	..	..
MERSETA	61.2	12.2	0.0	1.0	10.5	0.0	1.9	9.5	0.0	3.7
MQA	0.7	2.4	0.0	2.1	23.1	8.0	43.7	7.6	12.4	0.0
PSETA	..	..	..	..	..	..	..	..	..	..
SASSETA	..	..	..	..	..	..	..	..	..	..
SERVICES SETA	..	..	..	..	..	..	..	..	..	..
TETA	..	..	..	..	..	..	..	..	..	..
THETA	0.8	6.1	0.0	0.0	0.0	9.8	63.6	10.6	9.1	0.0
W&RSETA	59.0	0.0	0.0	0.3	10.2	0.0	30.2	0.3	0.0	0.0
TOTAL	28.6	6.6	0.3	1.1	12.3	1.9	33.8	5.4	5.0	5.0

Source: Department of Labour 2010b.

The Northern Cape has very little reported WEG activity as proxied by the location of participants, with only BANKSETA and Fasset reporting participants from these provinces. In contrast, Gauteng, the Western Cape and KwaZulu-Natal are typically home to WEG participants for all reporting Setas. There may be various reasons underlying the concentration of WEG participants in certain provinces. Firstly, the involvement of employers and educational

² Essentially, the problem is that, although Setas are defined according to the Standard Industrial Classification (SIC), they are mapped to 5-digit SIC codes while labour market data in the LFSs is only available at the more aggregated 3-digit level.

institutions may be related to proximity to Seta head offices, or may be due to phased roll-outs of such programmes starting in certain provinces. Secondly, as noted, it may relate to the spatial distribution of employment within each Seta, but also to the spatial concentration of employment in the three major hubs of economic activity in South Africa, namely Gauteng, KwaZulu-Natal and the Western Cape. Thirdly, if employer involvement in WEG programmes is correlated with firm size and large firms are more common in certain provinces, WEG participants may be concentrated in those provinces.

Considerable amounts of data are lacking in terms of the institution type variable, with a full three-fifths of participants not having an institution type specified, whether Further Education and Training (FET) or Higher Education and Training (HET) (Table 7). Indeed, ten of the 16 reporting Setas do not report any information in the institution type field. Of the 7 058 participants that remain in the data, just 341 or 4.8 percent are reported to have been affiliated to an FET institution for the purposes of the WEG. Although one-third of participants are reported to have been affiliated to an HET institution, there is really too little data here to analyse sensibly. Compounding the difficulties associated with the analysis of this data is the fact that, even where Setas report either institution type, a significant proportion of participants within those Setas have no institutional information at all.

Table 7: Distribution of WEG Participants by Institution Type, 2008/2009

SETA	Further Education and Training (FET)		Higher Education and Training (HET)		Unspecified		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
AGRISETA	8	6.7	83	69.7	28	23.5	119	100.0
BANKSETA	0	0.0	0	0.0	251	100.0	251	100.0
CETA	97	53.6	7	3.9	77	42.5	181	100.0
CHIETA	..	..	..	..	286	100.0	286	100.0
CTFL SETA	3	7.1	39	92.9	0	0.0	42	100.0
ESETA	..	..	..	..	..	..	..	..
ETDP SETA	..	..	..	..	188	100.0	188	100.0
FASSET	..	..	..	..	1 943	100.0	1 943	100.0
FIETA	..	..	..	..	..	..	..	..
FOODBEV SETA	..	..	..	..	69	100.0	69	100.0
HWSETA	..	..	..	..	2	100.0	2	100.0
INSETA	..	..	..	..	137	100.0	137	100.0
ISETT	233	100.0	0	0.0	0	0.0	233	100.0
LGSETA	0	0.0	28	100.0	0	0.0	28	100.0
MAPP SETA	..	..	..	..	..	..	..	..
MERSETA	0	0.0	2 279	96.8	75	3.2	2 354	100.0
MQA	..	..	..	..	749	100.0	749	100.0
PSETA	..	..	..	..	..	..	..	..
SASSETA	..	..	..	..	..	..	..	..
SERVICES SETA	..	..	..	..	..	..	..	..
TETA	..	..	..	..	..	..	..	..
THETA	0	0.0	0	0.0	132	100.0	132	100.0
W&RSETA	0	0.0	0	0.0	344	100.0	344	100.0
TOTAL	341	4.8	2 436	34.5	4 281	60.7	7 058	100.0

Source: Department of Labour 2010b.

In terms of the objectives of this research, the placement variable is key. Unfortunately, there are a number of issues that have been found to be highly problematic in the way this field has been populated. Firstly, as with other fields, there is a high proportion of missing or unspecified values. As indicated in Table 8, a total of 45.1 percent of participants have no placement

information at all. Three Setas – CHIETA, ETDP SETA and Fasset – provide no information in this field at all.

Secondly, there is inconsistent or unclear interpretation of the field, with AgriSETA, for example, indicating five possible values – employed, unemployed, yes, no or studying. While all other Setas have “yes” or “no” as valid values for the field, not all utilise both values. For example, BANKSETA reports placement status as “yes” for 54.2 percent of participants and “no” for 45.8 percent, while INSETA reports placement status as “no” for 13.9 percent of participants but provides no information for the remaining participants.

Third, the spreadsheet gives no indication as to whether ‘placement’ refers to placement in a firm as part of the WEG, or placement in (self-)employment post-participation. Although this information may be inferred from other fields – specifically the date fields – values allocated to placement status are often incongruent with the date information provided (start date, estimated completion date and actual completion date). For example, if a “yes” placement status refers to placement in (self-) employment post-participation, it should be impossible for an individual to have placement status equal to “yes” and either no actual completion date or no start date. If a “yes” placement status refers to placement in a firm for the purposes of the WEG, then participants with valid start and completion dates should not have placement status equal to “no”. In both these examples, however, significant numbers of individuals contravene these assumptions. There are various permutations of date and placement values, but the point is that it is difficult to discern from the data what the true meaning of placement is. This implies either an inconsistent interpretation of the field and its relationship to the various date fields, or there are serious problems surrounding data integrity.

Table 8: Distribution of WEG Participants by Placement Status, 2008/2009

SETA	Employed	Unemployed	Yes	No	Studying	Unspec.	Total Obs.	Implied “Yes”
	Percent	Percent	Percent	Percent	Percent	Percent	Number	Percent
AGRISETA	6.7	7.6	-	42.9	0.8	42.0	119	
BANKSETA	-	-	54.2	45.8	-	-	251	54.2
CETA	-	-	57.5	-	-	42.5	181	57.5
CHIETA	-	-	-	-	-	100.0	286	
CTFL SETA	-	-	-	100.0	-	-	42	-
ESETA	..	..	..	..	..	..	..
ETDP SETA	-	-	-	-	-	100.0	188	
FASSET	-	-	-	-	-	100.0	1 943	
FIETA	..	..	..	..	..	..	..
FOODBEV SETA	-	-	100.0	-	-	-	69	100.0
HWSETA	-	-	100.0	-	-	-	2	100.0
INSETA	-	-	-	13.9	-	86.1	137	86.1
ISSETT	-	-	-	91.4	-	8.6	233	8.6
LGSETA	-	-	100.0	-	-	-	28	100.0
MAPP SETA	..	..	..	..	..	..	..
MERSETA	-	-	80.2	11.5	-	8.3	2 354	80.2
MQA	-	-	-	59.4	-	40.6	749	40.6
PSETA	..	..	..	..	..	..	..
SASSETA	..	..	..	..	..	..	..
SERVICES SETA	..	..	..	..	..	..	..
TETA	..	..	..	..	..	..	..
THETA	-	-	100.0	-	-	-	132	100.0
W&RSETA	-	-	59.6	40.4	-	-	344	59.6
TOTAL	0.1	0.1	36.3	18.3	0.0	45.1	7 058	42.6

Source: Department of Labour 2010b.

Perhaps some assumptions can be made, despite the uncertainties and data problems that exist, in order to arrive at some estimate of placement rates. For example, if Setas either report “no” or leave the field blank (missing), it may be possible to assume that blanks are actually “yes” values. Making this assumption and assuming consistent interpretation of the field by Setas, the final column of the table estimates the implied placement rate. Overall, it is estimated that 42.6 percent of participants were placed, although there is massive variation in implied placement rates by Seta (ranging between 8.6 percent and 100.0 percent).

The problems associated with the placement status variable are further compounded by consideration of responses within the placement type field. Once again, the number of non-responses or missing values is substantial: 4 640 participants have no information recorded in the placement type field, representing accounting for almost two-thirds of all participants within the cleaned dataset (Table 9). Further, more than two-thirds of participants with no placement type data also have no placement status data. For a group of 144 individuals whose placement status is “employed” or “yes”, the values assigned to placement type (“permanent”, “fixed term” and “self-employed”) are consistent with placement status and are consistent with placement status referring to post-participation labour market status. Similarly, for 18 participants whose status is “unemployed”, “no” or “studying”, placement type is listed as “unemployed”, which is again consistent with this understanding of the placement status field.

Table 9: Distribution of WEG Participants by Placement Status and Type, 2008/2009

Placement Type	Placement Status						Total
	Employed	Unemployed	Yes	No	Studying	Unspecified	
Yes	0	0	3	0	0	0	3
No	0	0	0	15	0	0	15
Permanent	8	0	0	0	0	0	8
Fixed term	0	0	135	0	0	0	135
Self-employed	0	0	1	0	0	0	1
Unemployed	0	9	0	8	1	0	18
Vacancy for employment	0	0	214	207	0	0	421
Learning programme	0	0	1 511	217	0	20	1 748
Work experience	0	0	69	0	0	0	69
Unspecified	0	0	632	847	0	3 161	4 640
Total	8	9	2 565	1 294	1	3 181	7 058

Source: Department of Labour 2010b.

In contrast, however, 1 511 participants for whom placement status is recorded as “yes” have placement type listed as “learning programme”, while a further 214 have placement type listed as “vacancy for employment”. While the exact meaning of the latter is unclear, particularly in terms of understanding the placement status variable, the former appears to be consistent with an understanding of placement status that refers to placement within the WEG programme. It should be noted, though, that 217 learners have “no” as placement status, yet also have “learning programme” as placement type. As is the case with placement status, dates recorded in the spreadsheet are unable to clarify these spreadsheet values.

3.2.2. Conclusions

While Setas submit data on Indicator 4.2 on quarterly basis via the QMRs, it is clear that there are significant difficulties with using the QMR data to monitor progress in terms of this success

indicator.³ Importantly, it is impossible to gauge the proportion of beneficiaries who find (self-) employment post-WEG from this data source, for two chief reasons. First, there are significant numbers of participants that simply lack any information in the placement status field. Excluding the issue of missing values, the values within the placement status field *might* be consolidated into a yes-no format, except for the problems associated with the placement type field. Thus, the second reason relates to the inconsistencies that become evident through cross-tabulation of these two fields, and that cast serious doubt on the extent to which placement status has been uniformly interpreted across Setas.

The above descriptive analysis of the QMR data reveals the critical importance of data validation within this process. Although Setas are submitting data via a standard spreadsheet, there is considerable variation in the range of fields actually populated by Setas, as well as in the contents of the fields (i.e. the possible values). In combination, problems such as these result in significant challenges in terms of analysing the data. Variation in the contents of fields can be effectively limited through the implementation of data validation rules within the Excel spreadsheet, a process that requires relatively little effort to set up. Variation in the range of fields submitted by Setas is more difficult to address, but the Department of Higher Education and Training would not be the first public institution to have to confront this problem. For example, the South African Qualifications Authority (SAQA) requires six-monthly uploads from the various Education and Training Quality Assurers (ETQA), many of which are also Setas. Although their systems for data submissions are considerably more complex than the QMR spreadsheet, their experience in ensuring that ETQAs submit the required data may be useful to the Department of Labour. While complex systems may not be necessary for the QMR data, they do have the ability, if properly managed, to ensure the level of data integrity that is so essential if the data is to be sensibly analysed. Perhaps more importantly, they may require far less on-going supervision on the part of the Department, particularly once Setas are familiar with the system.

One of the results of the lack of data validation – although the spreadsheet format is perhaps also partly to blame – is that it appears that Setas are simply copying and pasting data straight into the spreadsheet for indicator 4.2, with little regard for the quality of the information. As a result, individual participants may be recorded multiple times over time (i.e. across quarterly submissions), with important implications for the way data is presented in the QMR. Currently, the QMR cover page presents data for the four quarters within the financial year. Totals are generally calculated as the sum of data from the four quarters and, given the presence of duplicate individuals across quarters, there is often considerable double-counting. If the total is to be calculated as the sum of data from the four quarters, quarterly reported data should instead represent the marginal or *additional* participants entering the programme within that quarter rather than the stock of participants at that point in time.

As alluded to above, there are significant problems associated with the various date fields, namely start date, estimated completion date and actual completion date. Not only is the data in these fields inconsistently formatted, but there also appears to be no common understanding

³ It is important to note that all discussions regarding data validation and data integrity are based on the research team's experience with the spreadsheet for success indicator 4.2 only. Points made in this section may or may not, therefore, have relevance to the other spreadsheets submitted by Setas as part of their quarterly reporting.

(or at least implementation) of these fields. This data, if accurately recorded, would enable the analysis of the duration of participation in WEG programmes.

Another concern relates to the appropriate unit of observation: is it the participant or is it the learning programme? As data is currently submitted and tallied for reporting purposes, it is apparent that Setas are, for the most part, using the learning programme as the unit of analysis within the QMR. Thus, it is common for individuals to be recorded multiple times in QMR submissions, each time attached to a different learning programme or qualification. This choice is not incorrect, but requires that the data be adjusted in order to properly reflect the actual number of individuals participating within WEG programmes, particularly since the outcome against which performance is measured is the placement rate of *individuals* into (self-) employment.

Perhaps the most critical issue that prevents the utilisation of this data for the purposes of monitoring performance in terms of this success indicator is the lack of coherent information on beneficiaries post-WEG. For the vast majority of Setas, data on beneficiaries' labour market outcomes post-WEG are either completely missing or inconsistent with reported start and completion dates. As a result, as has been noted, the consolidated dataset reveals an inconsistent understanding of the placement status variable across Setas.

In essence then, the incompleteness and general poor quality of the QMR data renders it unable to be used to measure the performance of Setas insofar as Indicator 4.2 is concerned, despite the QMR having ostensibly been instituted for exactly that purpose, amongst others. Without active management of the submissions, robust validation of the data and an alignment of incentives between Setas and the Department, data quality will continue to suffer.

3.3. Monitoring work experience grants using Seta-provided information

3.3.1. Participation in work experience grant programmes

Confirmed numbers of WEG programme participants and placements for the 2005/06 to 2009/10 period are presented in Table 10. The data presented here were confirmed and augmented by Setas through the survey, with figures for Setas that did not respond not being included at this point. There are three points to be made regarding WEG programmes on the basis of this data. First, while there have been strong responses from various Setas in terms of the numbers of learners participating in WEG programmes, there is also considerable variation across Setas in the extent to which they have been able to reach their target. Second, in line with the observation made earlier of weak performances on the basis of the data presented in the *NSDS Implementation Report* (Department of Labour 2010a), Setas have generally been unsuccessful in securing permanent placements in (self-)employment for learners post-WEG participation. Finally, if data availability reflects the emphasis placed by Setas on the achievement of specific outcomes, then it is clear that Setas' focus has fallen particularly on learners obtaining workplace experience, rather than on the placement of participants after completion of the WEG programme.

Of the Setas that responded to the survey, those with the largest numbers of learners participating in WEG programmes over the five-year period are Fasset (4 198 participants),

THETA (4 068 participants), Services SETA (3 747 participants), ISETT (3 450 participants), CHIETA (2 881 participants), ETDP SETA (2 836 participants) and the MQA (2 295 participants).

BANKSETA has been very successful in terms of providing workplace experience for learners, surpassing its target in each year over the period. For the period as a whole, BANKSETA had a target of 610 participants and managed to take on 1 134 individuals, almost twice the targeted number. Relatively low targets at the start of the period combined with falling levels of participation in the latter half of the period saw achievement rates fall significantly from more than 600 percent in 2005/06 to 115 percent in 2009/10. However, this Seta's performance in terms of post-participation placement has been weak for much of the period. No placements were made at all between 2005/06 and 2007/08, while BANKSETA only achieved two-thirds of their 2008/09 placement target. Actual placement in 2009/10 was double that year's target.

BANKSETA had various programmes running within Indicator 4.2. They have funded CIDA bursaries for 190 students from historically disadvantaged backgrounds over a period of four years. Bursary recipients were enrolled in a Bachelor of Business Administration (BBA) degree. Learners would be able to gain work experience after four years, upon completion of their degrees. Accordingly, BANKSETA was unable to place any learners in full-time employment over this period due to the lead time associated with the completion of the degree. BANKSETA experienced a lower intake for full-time work placement as some learners needed to repeat subjects. Another programme implemented by BANKSETA was the Thusanani Work Readiness Programme, which ran during 2007/08 and 2008/09. This programme was initiated by Fasset and offered by Stanley Hutcheson & Associates, in partnership with the University of Johannesburg and Deloitte. Upon completion, learners are to be placed in employment with employers in the banking and microfinance sector.

CETA provided WEGs to 224 learners between 2005/06 and 2009/10, which translates to an overall achievement rate of 74.7 percent for the period. However, there was no activity in the programme for three years of the five-year period, between 2006/07 and 2008/09. Consequently, the majority (181 out of the 224 total) of the learners that participated within this Seta's WEG programme did so during the final year of the period. Even though CETA set targets in each year for learners to be placed in (self-)employment, actual placements only occurred during 2005/06. Thus, by the end of the period, just 30 WEG participants had been placed in full-time (self-)employment.

As noted earlier, CHIETA has managed to implement one of the largest WEG programmes across responding Setas, with close to 2 900 learners having participated in their programme during the reporting period. Annual participation targets were consistently surpassed by the Seta, with its overall participation achievement rate averaging 157.6 percent for the 2005/06-2009/10 period as a whole. The Seta, though, reports having placed just under 500 learners in full-time (self-)employment over the five-year period. Assuming a total placement target of 1 280 for the period as a whole (CHIETA did not report placement targets), this represents a placement achievement rate of under 39 percent. CHIETA reported that companies provided full-time employment to learners in two years, with placements of 268 and 228 learners in 2006/07 and 2009/10 respectively. Of the latter placement figure, companies affiliated to the Seta provided employment to 210 participants, while 18 participants started their own businesses.

Table 10: WEG Targets and Achievements by Seta based on Seta Survey, 2005/06-2009/10

Seta	Year	Number of Learners to Gain Work Experience			Number of Learners to become (Self-)Employed		
		Target	Achieved	Achieved Rate	Target	Achieved	Achieved Rate
BANKSETA	2005/06	30	190	633.3	21	0	0.0
	2006/07	100	220	220.0	70	0	0.0
	2007/08	190	319	167.9	133	0	0.0
	2008/09	190	290	152.6	133	87	65.4
	2009/10	100	115	115.0	70	136	194.3
	Overall	610	1 134	185.9	427	223	52.2
CETA	2005/06	50	43	86.0	35	30	85.7
	2006/07	50	0	0.0	35	0	0.0
	2007/08	50	0	0.0	35	0	0.0
	2008/09	50	0	0.0	35	0	0.0
	2009/10	100	181	181.0	70	0	0.0
	Overall	300	224	74.7	210	30	14.3
CHIETA	2005/06	200	214	107.0	...	...	...
	2006/07	578	1039	179.8	...	268	...
	2007/08	250	684	273.6	...	...	...
	2008/09	400	536	134.0	...	...	...
	2009/10	400	408	102.0	...	228	...
	Overall	1 828	2 881	157.6	0	496	...
CTFL SETA	2005/06	32	0	0	...	...	...
	2006/07	32	14	43.8	...	...	...
	2007/08	32	0	0	...	...	...
	2008/09	32	10	31.3	...	...	...
	2009/10	93	42	45.2	...	...	...
	Overall	221	66	29.9	...	...	...
ETDP SETA	2005/06	0	0	0	0	0	0
	2006/07	100	153	153	0	0	0
	2007/08	200	282	141	140	0	0
	2008/09	800	2213	276.6	560	0	0
	2009/10	No Target	188	...	No Target	0	0
	Overall	1 100	2 836	257.8	700	0	0
Fasset	2005/06	800	473	59.1	560	473	84.5
	2006/07	350	414	118.3	250	371	148.4
	2007/08	400	826	206.5	280	703	251.1
	2008/09	800	1223	152.9	560	871	155.5
	2009/10	800	1262	157.8	560	681	121.6
	Overall	3 150	4 198	133.3	2 210	3 099	140.2
FoodBev SETA	2005/06	No Target	...	...	No Target	...	...
	2006/07	100	150	150	70	86	122.9
	2007/08	50	73	146	35	46	131.4
	2008/09	5	7	140	70	63	90
	2009/10	0	0	0	50	69	138
	Overall	155	230	148.4	225	264	117.3
INSETA	2005/06	200	66	33	...	...	...
	2006/07	470	363	77.2	329	23	7
	2007/08	470	208	44.3	329	24	7.3
	2008/09	200	133	66.5	140	31	22.1
	2009/10	200	450	225	140	25	17.9
	Overall	1 540	1 220	79.2	938	103	11
ISETT	2005/06	100	100	100.0	100	100	100.0
	2006/07	2 000	2 267	113.4	1 400	1 610	115.0
	2007/08	100	187	187.0	70	110	157.1
	2008/09	157	381	242.7	85	222	261.2
	2009/10	157	515	328.0	145	250	172.4
	Overall	2 514	3 450	137.2	1 800	2 292	127.3

Table 10 (cont.)

Seta	Year	Number of Learners to Gain Work Experience			Number of Learners to become (Self-)Employed		
		Target	Achieved	Achieved Rate	Target	Achieved	Achieved Rate
LGSETA	2005/06	300	211	70.3	200	211	105.5
	2006/07	450	459	102	50	0	0
	2007/08	450	43	9.6	...	...	...
	2008/09	300	321	107	210	0	0
	2009/10	1550	60	3.9	1 085	0	0
	Overall	3 050	1 094	35.9	1 545	211	13.7
MAPPP	2005/06	30	138	460	21	0	0
	2006/07	55	178	323.6	38	156	410.5
	2007/08	100	86	86	75	86	114.7
	2008/09	0	0	0	0	16	...
	2009/10	50	56	112	35	44	125.7
	Overall	235	458	194.9	169	302	178.7
MQA	2005/06	296	323	109.1	...	...	...
	2006/07	296	297	100.3	207	0	0
	2007/08	98	338	344.9	...	...	...
	2008/09	160	588	367.5	112	112	100
	2009/10	160	749	468.1	112	116	103.6
	Overall	1 010	2 295	227.2	431	228	52.9
SASSETA	2005/06	75	45	60	0	13	...
	2006/07	75	208	277.3	...	...	...
	2007/08	150	40	26.7	...	...	...
	2008/09	75	24	32	53	0	0
	2009/10	250	39	15.6	...	...	...
	Overall	625	356	57	53	13	24.5
Services	2005/06	...	...	...	...	...	...
	2006/07	...	...	...	...	...	...
	2007/08	500	1 220	244	...	...	...
	2008/09	600	811	135.2	420	420	100
	2009/10	900	1 716	190.7	630	998	158.4
	Overall	2 000	3 747	187.4	1 050	1 418	135
TETA	2005/06	1 000	392	39.2	700	...	...
	2006/07	1 000	381	38.1	700	...	...
	2007/08	400	264	66.0	700	...	...
	2008/09	1 000	760	76.0	700	...	...
	2009/10	1 000	921	92.1	700	220	31.4
	Overall	4 400	2 718	61.8	3 500	220	6.3
THETA	2005/06	1 500	0	0	...	...	...
	2006/07	1 500	612	40.8	...	...	...
	2007/08	1 500	518	34.5	...	...	...
	2008/09	1 500	2 797	186.5	1 050	0	0.0
	2009/10	2 000	141	7.1	1 400	0	0.0
	Overall	8 000	4 068	50.9	2 450	0	0
W&RSETA	2005/06	...	...	...	...	...	...
	2006/07	...	...	...	...	...	...
	2007/08	250	303	121.2	175	216	123.4
	2008/09	500	465	93	350	320	91.4
	2009/10	0	205	...	0	137	...
	Overall	750	973	129.7	525	673	128.2

Source: Responses to WEG Questionnaire.

Notes: 1. Instances where information is not available are represented by ellipses ("...").

CTFL SETA, on the other hand, has had consistently weak performance in implementing their WEG programmes, despite relatively low targets. Just 66 participants were recorded over the five-year period – with two-thirds of these recorded in the final year – compared with a targeted number of 221. In other words, CTFL SETA managed less than one-third of their target for the period, with the best annual achievement rate of 45.2 percent observed in 2009/10. Indeed, two years of the period, namely 2005/06 and 2007/08, saw no activity in terms of participants in

this Seta's WEG programme. CTFL SETA's poor performance in terms of WEG programmes is attributed to the global economic crisis and recession. Firms within this sector have faced significant economic and financial difficulties both prior to and during the NSDS II period, resulting in large-scale retrenchments. Employers have, therefore, found it difficult to accommodate WEG participants. At the same time, a lack of reported data (either in this survey or in the Seta's annual reports) on post-participation placement numbers points to weak emphasis on the part of CTFL SETA on this indicator.

ETDP SETA had a slow start to their WEG programme, with no activity recorded in 2005/06. In subsequent years, however, participation levels have grown rapidly and, despite participation targets doubling between 2006/07 and 2007/08 and quadrupling in the following year, ETDP SETA surpassed its target in each year. This Seta was able to assist more learners in 2007/08 than had originally been budgeted due to a shorter average duration of the grants (ETDP SETA 2008). In 2008/09, having targeted 800 participants, ETDP SETA was able to realise more than 2 200 participants, an achievement rate of 277 percent. This was attained through supporting student teachers, particularly those doing their practical teaching in rural areas. Again, participant numbers were higher than anticipated as the duration of work experience programmes differed across institutions and ranged between three weeks and six months (ETDP SETA 2009). No participation targets were set for the 2009/10 financial year as ETDP SETA had already surpassed their five-year target (ETDP SETA 2010). Recognising the importance of the programme, ETDP SETA continued with it in 2009/10, but managed only 188 participants.

No ETDP SETA learners were placed in full-time employment post-participation. In fact, no targets (or zero value targets) were set for three out of the five years reported here. This lack of success in terms of placement was ascribed by ETDP SETA to the fact that students returned to their learning institutions to complete the academic requirements of their programmes (ETDP SETA 2009). The assertion is, then, that the WEG will only lead to full-time employment once the full requirements (both academic and practical) are completed.

Of the responding Setas, Fasset has the highest target for participation over the five-year period of 3 150. Despite high targets, this Seta has managed to surpass their targets every year except the first.⁴ Fasset does not, however, run a conventional work experience grant, but funds Development Projects that address the scarce and critical skills needs of the sector as detailed in the Sector Skills Plan. Learners are recruited through service providers and attend soft skills and practical technical skills training. Some examples of interventions include virtual office environment, interviewing scenarios, time management and personal budgeting.

Over the five-year period, nearly 4 200 individuals participated in relevant Fasset programmes, representing an achievement rate of 133 percent. Perhaps most important, though, is Fasset's ability to scale up their Development Projects, from around 400 participants in 2006/07 to more than 1 200 in 2008/09 and 2009/10. Fasset has also been able to secure (self-) employment for a large proportion of participants, although in the context of their programme it is not clear how to interpret the placement rates or whether their placement rates are comparable with those of other Setas. Nevertheless, for the five-year period, Fasset recorded an

⁴ Fasset reports counting the number of Learnership Cash Grants paid out to employers in the 2005/06 financial year as work experience grants due to a lack of a definition for indicator 4.2.

achievement rate of 140 percent in terms of placement in (self-)employment, which means they were able to place just under 74 percent of all participants.

FoodBev SETA had a participation target of just 155 over the five-year period, with no target for 2005/06 or 2009/10. In the three years for which the Seta set targets in relation to WEGs, a participation achievement rate of 148 percent was achieved. While this is a relatively good performance, participation in FoodBev SETA's WEG programme declined from 150 in 2006/07 to just seven in 2008/09 and zero in the following year. Placements were relatively high, with FoodBev SETA placing between 90 percent and 140 percent of the target between 2006/07 and 2009/10, despite having set no participation target for the final year of the period. In fact, there is a disjuncture between participation levels and placements in (self-)employment, with total placements over the period, at 264 individuals, exceeding achieved participation levels (230 participants). This should not be possible – participation in a WEG programme should act as the primary filter to distinguish the population that Setas should strive to place in full-time (self-) employment – and points to possible issues in recordkeeping relating to WEG programmes.

While INSETA managed a participation achievement rate of 225 percent in 2009/10, it was unable to achieve 80 percent in any of the preceding years. For the five-year period as a whole, participation in INSETA WEG programmes was just under 80 percent of its target. INSETA points to insufficient sector buy-in as a key reason for failing to reach its targets. As part of its work around WEG programmes, INSETA has engaged with employers in seeking opportunities for employing interns (INSETA 2008), a process that may have borne fruit as evidenced by a more than tripling of participation between 2008/09 and 2009/10. Importantly, though, actual placements of participants in full-time employment have not materialised: INSETA was able to place barely 100 individuals as opposed to a target of 938, representing an achievement rate of just 11 percent.

Overall, ISETT managed to achieve participation rates of 137.2 percent between 2005/06 and 2009/10. Even though targeted participation levels declined in 2007/08 (after peaking at 2 000 learners in 2006/07), the Seta consistently surpassed the targets set for its WEG programme. ISETT is also one of the few Setas that has managed to achieve a good through-put of learners from WEG participation to actual full-time employment. In total, the Seta achieved a placement rate of 127.3 percent of learners into full-time employment over the five-year period, with placement rates in excess of 100 percent in each of the five years too.

LGSETA's performance in terms of WEG programmes has been somewhat erratic over the five-year period. In two of the years, actual participation was less than ten percent of targeted participation, while in two of the years it was just over 100 percent. At the same time, in terms of participation targets, LGSETA's WEG programme is one of the largest amongst responding Setas, targeting participation of over 3 000 individuals over the five-year period. One of the reasons cited by LGSETA for low participation levels in communications with the research team is that they found it difficult to recruit learners who qualified for participation in the programme. Apart from the 211 individuals reported to have been placed in full-time employment post-participation in 2005/06, LGSETA reports no other placements.

MAPP SETA has generally performed well insofar as WEGs are concerned. The only year in the five-year period in which it did not reach the targeted participation level was 2007/08 – participation was 86 percent of the targeted number – although there was no activity at all during 2008/09. For the period as a whole, actual participation was almost double (194

percent) targeted participation. In addition, post-participation placement was common: actual placements were almost four-fifths higher than the target and accounted for two-thirds of all participants, just short of the 70 percent figure. MAPPP SETA found that they faced the problem of too many learner applications and too few opportunities for workplace experience.

The MQA is one of the responding Setas with the largest involvement in WEG programmes – a reported 2 295 participants over the period – and the only responding Seta to have surpassed its participation targets in every financial year between 2005/06 and 2009/10. Overall, participation levels in MQA WEG programmes exceeded targeted levels by more than 125 percent (i.e. an achievement rate of over 225 percent). While targeted participation levels declined from almost 300 to 160 over the five years, the number of participants grew from 323 in 2005/06 to 749 in 2009/10, equivalent to an average annual growth rate of 23.4 percent. These diverging trends saw the Seta's participation achievement rate more than quadruple over the period, from 109 percent to nearly 470 percent. In terms of placement in (self-)employment, however, the MQA has not been as successful. While there is no available data on placement in 2005/06 and 2007/08, MQA reports placing just 228 individuals post-participation. While the MQA is able to report post-participation placement achievement rates of around 100 percent, they were actually only able to place 19.0 percent of participants in 2008/09 and 15.5 percent of participants in 2009/10.

SASSETA has generally been unable to achieve its participation targets, with achievement rates ranging between 15 percent and 60 percent. The only exception was 2006/07 when participation was almost three times the targeted number. For the period as a whole, SASSETA managed to secure the participation of just 356 individuals, less than half the target of 750. SASSETA ascribe this relatively weak performance to limited funding for WEGs (SASSETA 2009). Post-participation placement was virtually non-existent: a total of just 13 individuals are reported to have been placed in employment.

While information for the first two years of the period is lacking, Services SETA has consistently surpassed both participation and placement targets. Participation in WEG programmes was 87 percent above the target of 2 000 for the period as a whole, while placement was one-third higher than the target. As is the case for other Setas, however, placement achievement rates are considerably lowered if actual participation rather than target participation is the denominator. Services SETA attribute their ability to surpass targeted participation levels to increased levy income, which meant there was generally greater discretionary funding available, some of which was earmarked for WEG programmes (Services SETA 2010).

TETA has not attained any of the annual targets set during the NSDS II period. Nevertheless, the Seta managed to secure the participation of more than 2 700 learners, which equates to an overall achievement rate of 61.8 percent for the five-year period. There has, though, been a significant improvement over the period as TETA has been able to raise its participation achievement rate from 39.2 percent in 2005/06 to 92.1 percent in 2009/10. The Seta only placed learners in full-time (self-)employment in one of the five years and therefore only managed a placement achievement rate of 6.3 percent for the period as a whole.

With the exception of 2008/09, THETA has been unable to attain the targets set for participation in its work experience programmes. Indeed, in each year the gap between target and achievement was substantial: in the four years in which the Seta was unable to meet its participation targets, achievement rates ranged between zero and 41 percent, while in 2008/09

the Seta exceeded its target by almost 90 percent. Despite the fact that, for the five-year period as a whole, THETA's participation achievement rate was only 50.9 percent, this Seta's WEG programme was the second largest of the responding Setas. However, the Seta performed poorly in terms of the requirement of placing participants into (self-)employment upon completion of WEG programmes, reporting no success whatsoever.

Reporting on WEG programmes by W&RSETA is patchy: targets are available for just two years, while actual figures are available for three. For 2007/08 and 2008/09 combined, W&RSETA managed to include 768 participants in its WEG programmes compared to its target of 750. In the same period, actual placements totalled 536 compared with a target of 525. Thus, W&RSETA recorded achievement rates of 102.4 percent and 102.1 percent for participation and placement respectively. In 2009/10, 205 individuals participated in W&RSETA's WEG programmes, with 137 placed in full-time employment post-participation.

According to available annual report data, Setas had a collective target of around 29 000 for participation in WEG programmes over the course of NSDS II (Table 12). Targeted participation levels per year have risen over the period, from around 4 600 to over 7 000. However, there are several Setas for which there are information gaps. Comparisons with data from the NSDS Implementation Report (Department of Labour 2010a) confirm the extent of the data gap: for the 2005/06 to 2008/09 period, the report estimates a collective participation target of more than 33 500, compared to just over 29 000 based on the available annual report data – a difference of around 13 percent.

Table 11: Participation in WEG Programmes as reported in Seta Annual Reports, 2005/06-2009/10

Seta	Target						Achieved					
	2005	2006	2007	2008	2009	TOTAL	2005	2006	2007	2008	2009	TOTAL
AGRISETA	50	50	100	50	50	300	0	24	97	61	59	241
BANKSETA	30	100	190		100	420	190	221	319		115	845
CETA	50	50	50	50	70	270	43	0	0	0	138	181
CHIETA	200					200	214					214
CTFL SETA	32	32	32	32	93	221	0	14	0	10	42	66
ESETA	50	100	100	200	152	602	54	1	48	232	0	335
ETDP SETA			200	800		1 000			282	2 213	188	2 683
FASSET	800	350		800	800	2 750	473	414		1 223	1 262	3 372
FIETA			0			0			28			28
FOODBEV SETA			50	5		55			73	7		80
HWSETA	0		333		200	533	0	61	3		221	285
INSETA	200	470	470	200	200	1 540	66	363	208	133	450	1 220
ISETT	100	2 000	100	157	157	2 514	100	2267	187	381	515	3 450
LGSETA	300	450	450			1 200	246	210	24			480
MAPPP SETA	30			0	50	80	134			117	61	312
MERSETA	1 000	1 000	1 000	1 738	2 365	7 103	64	461	901	1 561	2 893	5 880
MQA	296	296	98	160	160	1 010	323	297	338	588	749	2 295
PSETA			333	200	175	708			0	279	0	279
SASSETA		75		75	250	400				24	39	63
SERVICES SETA	0		500	500	368	1 368	0		867	753	998	2 618
TETA				1 000		1 000				760		760
THETA	1500			1 500	2 000	5 000	0			2 797	141	2 938
W&RSETA			250	500	0	750			303	465	137	905
TOTAL	4 638	4 973	4 256	7 967	7 190	29 024	1 907	4 333	3 678	11604	8 008	29 530

Source: Seta Annual Reports.

Notes: Blank cells indicate instances where no data was located or where no information was reported. Cells with zero values represent instances where zeros are reported by Setas.

Overall, the Setas for whom information has been located have collectively surpassed their target in terms of participation. For the five-year period, total participation achieved stood at

just over 29 500, which is 1.7 percent above their combined target. There has been a marked increase over time in terms of the number of participants achieved per year. Indeed, the increase has been more rapid than that of the targets, indicating the significant lag in implementation. Thus, actual participation levels increased from 1 907 in 2005/06, to 3 678 in 2007/08 and 8 008 in 2009/10. Participation peaked in 2008/09 at 11 604, nearly 46 percent above the overall target for that year.

Only eight Setas have data for all five years within the period and the patchy data makes size rankings somewhat dubious. However, in terms of the available data, merSETA is the Seta with the largest WEG programme as far as participation is concerned. merSETA targeted participation of around 7 100 for the five-year period, rising from 1 000 per year in 2005/06 through 2007/08, to 2 365 in 2009/10. Actual participation levels were very weak during the first two years of the period and, although they rose considerably in successive years, it was only in 2009/10 that actual participation met (and exceeded) merSETA's target. Nevertheless, almost 5 900 individuals participated in the merSETA programme, more than for any other Seta. Other Setas with large WEG programmes include ISETT (targeted participation of 2 514; actual participation of 3 450), Fasset (2 750; 3 372), THETA (5 000; 2 938), ETDP SETA (1 000; 2 683), Services SETA (1 368; 2 618) and MQA (1 010; 2 295).

Relatively few Setas report on post-participation placement targets in their annual reports (Table 12). While 18 Setas provided details on placement targets (which are simply formulaically derived from participation targets), just seven were found to have non-zero targets in more than two years of the period. The situation is even worse in terms of achievement figures: only three Setas report non-zero figures for at least three years. In total, Setas reported placement targets of just over 13 800, although given the participation targets presented above the target for placements should arguably be around 20 300 (70 percent of 29 024). However, at 6 155, fewer than half the targeted number were reported as achieved and nearly half of these were achieved in the final year of the period.

Once again, the patchy data makes comparisons across Setas difficult. In terms of the available data, the largest reported participation targets are found in THETA (2 450 across two years), Fasset (1 925 across four years), ISETT (1 800 across five years) and merSETA (1 656 in one year). Just two Setas, though, reported aggregate placements of more than 1 000: Fasset reported 1 923 over three years, and ISETT reported 1 495 over five years.

Table 12: Placement of WEG Participants as reported in Seta Annual Reports, 2005/06-2009/10

Seta	Target						Achieved					
	2005	2006	2007	2008	2009	TOTAL	2005	2006	2007	2008	2009	TOTAL
AGRISETA	35	35	70	35	35	210					58	58
BANKSETA												
CETA			25			25						
CHIETA												
CTFL SETA					65	65					0	0
ESETA		50		140	106	296		0		0	0	0
ETDP SETA			140	560		700			0	0		0
FASSET	560	245		560	560	1 925		371		871	681	1 923
FIETA												
FOODBEV SETA			35	70	50	155				63	69	132
HWSETA	0		233		140	373	0		0		0	0
INSETA		329	329	140	140	938		0	0	6	25	31
ISETT	100	1 400	70	85	145	1 800	100	813	110	222	250	1 495
LGSETA												
MAPP SETA					35	35					44	44
MERSETA					1 656	1 656					743	743
MQA		207		112	112	431				112	116	228
PSETA			233	140	123	496			0	0	0	0
SASSETA				53		53				0		0
SERVICES SETA					1 000	1 000					760	760
TETA				700		700						
THETA				1 050	1 400	2 450				0	0	0
W&RSETA			175	350	0	525			216	320	205	741
TOTAL	695	2 266	1 310	3 995	5 567	13 833	100	1 184	326	1 594	2 951	6 155

Source: Seta Annual Reports.

Notes: Blank cells indicate instances where no data was located or where no information was reported. Cells with zero values represent instances where zeros are reported by Setas.

Despite their data weaknesses, these two tables – Table 11 and Table 12 – raise two important issues. First of all, comparisons of the extent of missing data in the two tables seem to indicate that Setas consider *participation* in WEG programmes, not placement, to be the more important dimension of Indicator 4.2. Information on participation is considerably more complete than it is on placement. Tellingly, this is the case even for information on targets, where placement targets would simply be calculated as 70 percent of participation targets.

Secondly, and on a more encouraging note, there appears to have been a gradual improvement in reporting over time. The number of Setas for which there is data increases over time for both participation and placement. Thus, while just four placement targets for 2005/06 were located (AgriSETA, Fasset, HWSETA and ISETT), only five placement targets were missing in 2009/10. There are essentially two main reasons driving this pattern of improvement, namely improvements in the accessibility of annual reports and improvements in the reporting of placement data in particular. While it is not clear what underlies the latter improvement, it is possible that Setas have begun to attach greater importance to performance within this indicator.

Finally, Table 13 presents the achievement rates in terms of participation in WEG programmes and post-participation placements over the five-year period. For the period as a whole and considering only those Setas with both target and achievement data, the participation achievement rate was 101.7 percent, indicating that reporting Setas have, on average, managed to meet their participation targets. There has been considerable improvement over the period, though, with achievement rates rising from just 41.1 percent in 2005/06 to 86.4 percent in 2007/08, and to 108.8 percent in 2009/10. Performance in terms of participation achievement rates was highest in 2008/09, when reporting Setas collectively exceeded their targets by 45.7

percent. In contrast, achievements in terms of placement have been relatively weak: less than half of the placement target was achieved over the five-year period as a whole, with placement achievement rates ranging between 50 percent and 60 percent in three of the five years, and the placement achievement rate for 2005/06 derived from the experiences of a single Seta.

Table 13: WEG Achievement Rates as reported in Seta Annual Reports, 2005/06-2009/10

Seta	Participation						Placement					
	2005	2006	2007	2008	2009	TOTAL	2005	2006	2007	2008	2009	TOTAL
AGRISETA	0.0	48.0	97.0	122.0	118.0	80.3					165.7	165.7
BANKSETA	633.3	221.0	167.9		115.0	201.2						
CETA	86.0	0.0	0.0	0.0	197.1	67.0						
CHIETA	107.0					107.0						
CTFL SETA	0.0	43.8	0.0	31.3	45.2	29.9					0.0	0.0
ESETA	108.0	1.0	48.0	116.0	0.0	55.6		0.0		0.0	0.0	0.0
ETDP SETA			141.0	276.6		249.5			0.0	0.0		0.0
FASSET	59.1	118.3		152.9	157.8	122.6		151.4		155.5	121.6	140.9
FIETA												
FOODBEV SETA			146.0	140.0		145.5				90.0	138.0	110.0
HWSETA			0.9		110.5	42.0			0.0		0.0	0.0
INSETA	33.0	77.2	44.3	66.5	225.0	79.2		0.0	0.0	4.3	17.9	3.3
ISETT	100.0	113.4	187.0	242.7	328.0	137.2	100.0	58.1	157.1	261.2	172.4	83.1
LGSETA	82.0	46.7	5.3			40.0						
MAPPP SETA	446.7				122.0	390.0					125.7	125.7
MERSETA	6.4	46.1	90.1	89.8	122.3	82.8					44.9	44.9
MQA	109.1	100.3	344.9	367.5	468.1	227.2				100.0	103.6	101.8
PSETA			0.0	139.5	0.0	39.4			0.0	0.0	0.0	0.0
SASSETA				32.0	15.6	19.4				0.0		0.0
SERVICES SETA			173.4	150.6	271.2	191.4					76.0	76.0
TETA				76.0		76.0						
THETA	0.0			186.5	7.1	58.8				0.0	0.0	0.0
W&RSETA			121.2	93.0		120.7			123.4	91.4		141.1
TOTAL	41.1	87.2	86.4	145.7	108.8	101.7	100.0	58.5	27.6	48.9	53.0	47.0

Source: Own calculations, Seta Annual Reports.

Notes: Total achievement rates across Setas are calculated across only those Setas where target and achievement data is available.

In terms of participation in WEG programmes, MAPPP SETA, ETDP SETA, the MQA, BANKSETA and Services SETA were amongst the best performers, with average achievement rates ranging between 190 percent and 390 percent. AgriSETA, W&RSETA, Fasset, MAPPP SETA, FoodBev SETA and the MQA are the best performers in terms of placement. It should be noted that the method of calculation of total achievement rates over the period tends to bias the achievement rates upward if zero-valued achievements are not reported by Setas in their annual reports. Thus, for example, if AgriSETA did not place any participants in (self-)employment between 2005/06 and 2008/09 and reported zeros (instead of the existing non-reporting), their achievement rate would be far lower than is reported in the table.

3.3.2. Conclusions

The preceding sections describe progress in terms of the implementation of WEG programmes by the Setas on the basis of information they have provided both in their published annual reports and in their responses to a brief questionnaire emailed to them. There are numerous important conclusions that can be drawn from this analysis.

Perhaps the most important point to make is that the Setas often face widely different circumstances and challenges in terms of implementing WEG programmes. Indeed, this is not an issue that is unique to WEG programmes but is certainly evident across all facets of the NSDS II.

Setas cover different industries facing different economic circumstances, consisting of different mixes of employers (size, location, attitudes towards skills development), and characterised by different educational and training requirements and environments. This necessitates both flexibility within the NSDS that provides scope for Setas to implement WEG programmes that account for sector-specific conditions, as well as ingenuity and initiative on the part of Setas to design appropriate programmes. This appears to be happening to varying degrees as evidenced by cross-Seta variations in the design and implementation of WEG programmes and the degree of success achieved. However, at the same time, care should be taken to ensure that programmes implemented under the guise of WEGs remain aligned to the overarching objective of assisting designated groups to acquire critical skills in order for them to enter (self-) employment.

In any system where targets are set and are expected to be met, there is a danger that these targets become an end in themselves. In the context of WEGs, the risk is that Setas pursue their stipulated targets with possible negative consequences in such areas as quality and programme coherence. Perhaps a more serious consequence of target chasing is a neglect of need for true integration of WEG programmes within skills development strategies at the Seta level. Evidence of this may be discerned from Seta responses, in the form of performance in remaining years, to early achievement of five-year targets, for example. Further, the degree to which participation and placement numbers are concentrated in one or two years within the NSDS II period, the variability of targeted and actual performance over time, and the extent of any unexplained disconnect between targeted and actual performance may point to insufficient integration of and attention paid to WEG programmes.

There is indeed a significant degree of intra-Seta variability in the targets set in terms of participation in WEG programmes over time and this is also true of actual participation and the participation achievement rate. In fact, Setas can see achievement rates of more than 100 percent in one year followed by single digit achievement rates in the following year and vice versa. The same is true in terms of placement. While it is acknowledged that some variation is due to additional outside funding received by Setas from the private sector, such significant instability of participation and placement must surely constrain the sustainability, administrative efficiency and effectiveness of WEG programmes. This, and the fact that Setas are frequently able to surpass targets of participation by factors of two, three or even more, may point to problems in the way targets are set. It must be noted, though, that several Setas spikes in the numbers of participants in some years attributed to special programmes or funding arrangements, typically with private sector involvement.

Any policy evaluation should consider the extent to which the ostensible success of that policy may be the result of a crowding out or cannibalisation of other existing policies and programmes. The latter in particular may occur due to the shifting of activities that occurred prior to the policy from the scope of existing policies into the domain of the new policy, without any net impact. This is certainly a concern within the skills development arena given that the NSDS was not implemented within a skills development vacuum. In other words and in the context of WEGs, evaluation of the success of WEG programmes should focus on the incremental impact of the policy. One example is ETDP SETA's funding of student teachers under the WEG banner, although there are certain to be more, albeit less eye-catching, examples. Given the requirement of practical teaching stints within teaching qualifications – practical work experience that has been institutionalised within the curriculum for decades – it is difficult to

argue on the face of it that this WEG programme has facilitated *additional* work experience, nor is it clear that this work experience will later lead to *additional* employment. In this example, the WEG programme may to a large extent simply be subsuming an existing work experience 'programme' and may not be particularly well targeted in terms of the overarching objective. Note, this is not to say that work experience gained in the context of this WEG programme would necessarily have occurred in the absence of the programme, but this specific example does point to the general possibility across this and other Setas.

A key question to be asked in the context of indicator 4.2 is how exactly should the placement target be defined? Currently, Setas define their participation targets and placement targets simply as 70 percent of the participation target. This method of establishing the numerical target for placement may be appropriate where actual participation levels are within range of targets, but begins to lose meaning when actual participation deviates significantly from targeted levels. This is true in instances of significant failure and significant success with respect to targets. Where participation falls significantly short of the target, achieving placement targets that are derived on the basis of target participation levels becomes increasingly difficult. Indeed, missing targeted participation by more than 30 percent makes attainment of the placement target impossible without placing previously unplaced participants from previous years. Given the administrative constraints facing Setas and the mobility of individuals within the segment of the labour market from which WEG participants are conventionally drawn, requiring Setas to make up placement shortfalls in this way may represent a significant administrative burden.

Conversely, significantly exceeding participation targets may render conventionally calculated placement targets meaningless. Success in terms of indicator 4.2 must surely be measured on the basis of placement rates and, unless there is evidence to suggest that participation in WEGs has a beneficial impact on the future employability of individuals for whom Setas are unable to secure employment, scaling up participation without consideration for the placement rate of actual participants may represent a significant waste of resources.

4. The practicalities of work experience grant programmes

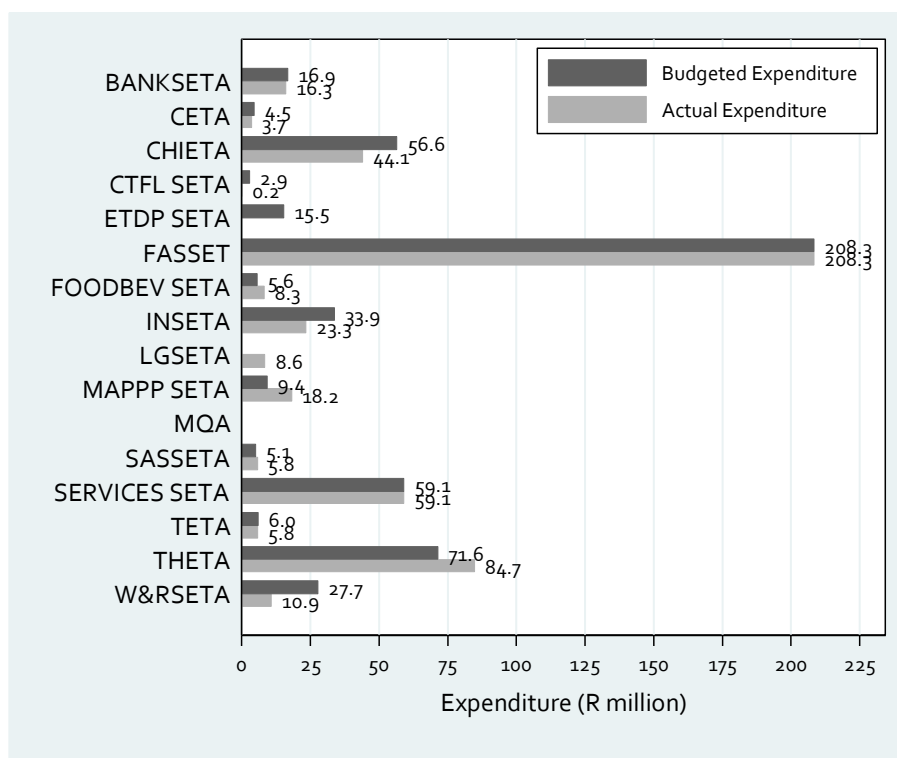
4.1.1. Budgetary commitment to work experience grant programmes

Assessing the extent of budgetary commitment to WEG programmes has proven quite difficult. As far as could be ascertained, there is no requirement to report expenditure at the level of success indicators and consequently the Department of Labour was unable to provide expenditure data at this level of details. Setas publish financial information as part of their annual reports and, indeed, some publish expenditure figures at the very disaggregated level of success indicators. However, these are in a small minority.

Given the lack of publicly available data on expenditure on indicator 4.2, a question on expenditure on WEGs was included in the survey sent out to Setas. Responding Setas were generally able to provide financial information relating to WEGs, although from communications with the Setas around this question it appeared that retrieving this information was not always a straightforward process. Nevertheless, the majority of responding Setas were able to provide budgeted and actual expenditure information relating to WEGs.

Total budgeted and actual expenditure figures provided by responding Setas are totalled and presented in Figure 1. Some Setas did not provide information for all years: for those that did not provide any data for either budgeted or actual expenditure, the relevant bars are missing. However, the gaps in the data can better be seen in Table 14. The figure provides initial context regarding the size of the Setas' WEG programmes in pure financial terms. By far the largest WEG programme is that of Fasset, although, as noted earlier, their programme is unconventional in that the Seta funds so-called Development Projects under the WEG banner. Over the five-year period, Fasset has allocated and spent more than R200 million. THETA is the next largest with expenditure of nearly R85 million between 2005/06 and 2009/10, followed by Services SETA (R59 million), INSETA (R23 million), MAPPP SETA (R18 million) and BANKSETA (R16 million).

Figure 1: Total Expenditure on WEG Programmes, 2005/06-2009/10



Source: Responses to WEG Questionnaire.

Notes: Missing bars correspond to instances where responding Setas did not provide the relevant information.

The annual budgetary allocations and actual spending on WEGs for the individual Setas are presented in Table 14. For the most part, those Setas that responded to the survey report relatively high proportions of their WEG budgets being spent over the five year period. Although spend rates have been relatively good, the figures presented reveal considerable instability in both budgeted and actual expenditure for many Setas. Indeed, for a number of Setas, budgeted and actual expenditures bounce up and down over time with no real trend in evidence. While some Setas do see rapid surges in financial resources earmarked and utilised for WEG programmes over time, the opposite pattern is observed for others. It is also clear that actual expenditures cannot always be simply reconciled with reported participation numbers and grant/stipend values.

BANKSETA is one of the Setas that has managed, for the most part, to spend their full budget allocated to WEG programmes. The Seta spent 100 percent of their R1.47 million budget each year sponsoring 190 students to complete a BBA degree at the CIDA Campus between 2005/06 and 2008/09. Another project – the Thusanani Work Readiness Programme – saw 100 percent spending for 2007/08 and 2008/09. The Seta budgeted R4.0 million for this programme in each of these years. The only programmes where the full budgeted amount was not spent were the Micro-Finance Project (a budget of R1.02 million in 2006/07) and the Internships and Work Experience Grant (a budgeted R2.0 million in 2009/10). Underspending of 26.9 percent and 18.2 percent were recorded for these two programmes respectively.

CETA committed a total of R5.5 million to their WEG programme and managed to spend R3.7 million (66.7 percent) of this amount during the five-year period. Funding for work experience grants was suspended by the Seta during the first two years of the period and, while funds were

allocated to the programme for the 2007/08 and 2008/09 financial years totalling R1.1 million and R1.4 million respectively, no projects were funded during those years either. Expenditure on WEG programmes only occurred during the final year of the period, with the Seta overspending their budget of R3.0 million by 22.5 percent.

A total of R56.6 million was committed by CHIETA to WEG programmes over the NSDS II period. Annual allocations of fund more than doubled over the period, from R7.4 million in 2005/06 to R15.8 million in 2009/10. CHIETA was able to maintain consistent expenditure on work experience grants, with budget utilisation rates remaining at or over 80 percent in each year apart from 2009/10 when two-thirds of the allocated budget was spent. The Seta reported actual expenditure to date and explained the dip in budget utilisation by noting that some projects started in late 2010 and were, at the time of the survey, still in the process of being completed.

While CTFL SETA reports a total of just under R2.9 million allocated to WEG programmes for the entire period, three-quarters of it was budgeted in 2009/10. Budgeted expenditure, therefore, rose by almost 30 times from R75 000 in 2006/07 to almost R2.2 million in 2009/10. Despite this rapid expansion in the financial resources earmarked for WEG programmes, actual spending has been variable and an increasingly small proportion of budgeted spending. For the four years reported by CTFL SETA, actual expenditure totalled just R178 000 or an average of under R45 000 per year. As a result, actual spending fell from 82.7 percent of budgeted spending in 2006/07 to under three percent in the latter two years of the period.

A total of almost R210 million was allocated to WEG programmes by Fasset, with budgeted expenditure highest in 2007/08 (R61.4 million) and 2008/09 (R48.8 million). Fasset spent its full budget for indicator 4.2 in all five years of the period. The variability of the budgeted expenditure is attributed by the Seta to the fact that WEG programmes are funded through discretionary grants, which only become available once all mandatory grants are paid out. With Fasset management responsible for approving the various interventions funded through discretionary funding, there are other work experience-type interventions that are funded by the Seta but that are not counted within indicator 4.2. Examples include the Learnership Cash Grant and the Strategic Cash Grant, which employers can access in respect of providing work experience to learners on Fasset-registered learnerships.

FoodBev SETA's allocations for WEG programmes declined from R3.6 million in 2006/07 to R180 000 in 2008/09, with no budget allocated for the final year of the period. While actual expenditure followed a similar downward trend, FoodBev SETA overspent their budget by between 40 percent and 50 percent in each year.

Almost R34 million was allocated to WEG programmes by INSETA over the five-year period, with just over half of that amount, R17.4 million, allocated in 2009/10. Between 2005/06 and 2008/09, therefore, INSETA allocated an average of R4.1 million to WEG programmes. It was only in 2005/06 that INSETA managed to spend the full budgeted amount, although budget utilisation rates remained above 80 percent in each year – the only exception being 2009/10, when less than 50 percent of the budget was spent. Overall, therefore, INSETA spent a total of R23.3 million on WEG programmes over the five year period.

Table 14: Seta Expenditure on Work Experience Grants, 2005/06-2009/10

Seta	Year	Budgeted Expenditure (R '000s)	Actual Expenditure (R '000s)	Share of Budget Spent (Percent)
BANKSETA	2005/06	1 473	1 473	100.0
	2006/07	1 473 + 1 021	1 473 + 746	100.0 and 73.1
	2007/08	1 473 + 4 000	1 473 + 4 000	100.0 and 100.0
	2008/09	1 473 + 4 000	1 473 + 4 000	100.0 and 100.0
	2009/10	2 000	1 635	81.8
CETA	2005/06	0	0	-
	2006/07	0	0	-
	2007/08	1 051	0	0.0
	2008/09	1 440	0	0.0
	2009/10	2 982	3 653	122.5
CHIETA	2005/06	7 367	6 899	93.6
	2006/07	10 651	8 521	80.0
	2007/08	13 895	11 012	79.3
	2008/09	8 856	7 085	80.0
	2009/10	15 837	10 558	66.7
CTFL SETA	2005/06			
	2006/07	75	62	82.7
	2007/08	253	57	22.5
	2008/09	373	11	2.9
	2009/10	2 180	48	2.2
ETDP SETA	2005/06			
	2006/07			
	2007/08			
	2008/09	15 000		
	2009/10	500		
FASSET	2005/06	27 655	27 655	100.0
	2006/07	35 864	35 864	100.0
	2007/08	61 407	61 407	100.0
	2008/09	48 809	48 809	100.0
	2009/10	34 574	34 574	100.0
FOODBEV SETA	2005/06			
	2006/07	3 600	5 400	150.0
	2007/08	1 800	2 628	146.0
	2008/09	180	252	140.0
	2009/10	0	0	-
INSETA	2005/06	3 326	3 326	100.0
	2006/07	2 111	1 940	91.9
	2007/08	6 357	5 235	82.4
	2008/09	4 680	4 365	93.3
	2009/10	17 416	8 455	48.5
LGSETA	2005/06			
	2006/07		672	
	2007/08		1 528	
	2008/09		2 539	
	2009/10		3 891	
MAPPP SETA	2005/06	1 200	5 520	460.0
	2006/07	2 200	7 120	323.6
	2007/08	4 000	3 440	86.0
	2008/09	0	0	-
	2009/10	2 000	2 240	112.0
MQA	2005/06			
	2006/07			
	2007/08			
	2008/09			
	2009/10			

Table 14 (cont.)

Seta	Year	Budgeted Expenditure (R '000s)	Actual Expenditure (R '000s)	Share of Budget Spent (Percent)
SASSETA	2005/06	1 380	1 350	97.8
	2006/07	1 380	1 380	100.0
	2007/08	1 380	1 200	87.0
	2008/09	1 000	720	72.0
	2009/10		1 170	
SERVICES SETA	2005/06			
	2006/07			
	2007/08	18 420	18 420	100.0
	2008/09	12 345	12 345	100.0
	2009/10	28 545	28 545	100.0
TETA	2005/06			
	2006/07			
	2007/08			
	2008/09			
	2009/10	6 039	5 281	87.5
THETA	2005/06			
	2006/07	5 000	4 985	99.7
	2007/08	5 200	5 194	99.9
	2008/09	60 000	60 378	100.6
	2009/10	14 000	14 191	101.4
W&RSETA	2005/06			
	2006/07			
	2007/08	12 516	4 838	38.7
	2008/09	12 516	4 838	38.7
	2009/10	2 691	1 195	44.4

Source: Responses to WEG Questionnaire.

LGSETA did not provide information on budgeted expenditure relating to WEG programmes. However, its actual expenditure reveals a total financial commitment of R8.6 million for the period. This appears to be a relatively small amount given the size of local government employment. Nevertheless, actual expenditures rose over the period, from R672 000 in 2006/07 to almost R3.9 million in 2009/10.

MAPPP SETA allocated a total budget of R9.4 million to WEG programmes under indicator 4.2. While this equates to an average of just under R1.9 million per year, annual allocations varied between nothing in 2008/09 and R4.0 million in 2007/08. However, MAPPP SETA significantly overspent their budget, spending R18.3 million over the five years, almost twice the budgeted amount. Although the 2007/08 budget was underspent by 14 percent, MAPPP SETA spent more than three times their budget in 2006/07 and more than four and a half times their budget in 2005/06. This massive overspending in the early years of the period is ascribed by the Seta to a lack of monitoring of expenditure with respect to the budget available. Underspending in 2007/08 and a slight overspend in 2009/10 seems to indicate, although does not definitively prove, that this problem has been resolved.

SASSETA is the Seta with the most stable budget for WEG programmes over the period. A total of just over R5.1 million was allocated to WEG programmes for the first four years of the period, compared to total expenditure of almost R4.7 million, implying an underspend of 9.5 percent. Over time, therefore, budget utilisation declined from around 100 percent in the first two years to 72 percent in the fourth year. The Seta did not report budgeted expenditure for 2009/10, so it is not possible to determine whether this underspending persisted in the final year of the period.

Services SETA's budget for WEG programmes is one of the largest reported here, totalling almost R60 million for the three years between 2007/08 and 2009/10. Importantly, budgeted

spending was realised in each year, resulting in a budget utilisation rate of 100 percent. TETA did not allocate budget for four of the five years during the NSDS II period. A total of R6.0 million was allocated to WEG programmes during the 2009/10 financial year, with the Seta managing to spend R5.3 million or 87.5 percent of the budget.

THETA allocated more than R70 million over the five-year period towards its WEG programmes, with the vast majority of it (R60 million) being allocated in the 2008/09 financial year. This exceptionally high allocation, which represents almost 84 percent of the five-year allocation, was the result of THETA receiving additional funding from the National Skills Fund. For the first three years for which there is data, THETA managed to keep close to its budget, overspending by just 0.5 percent. However, in 2009/10, THETA reports massive overspending, having spent more than ten times the allocation to WEG programmes.

Budget allocated to WEG programmes by W&RSETA totalled R27.7 million between 2007/08 and 2009/10, although just R2.7 million (less than ten percent of the total) was allocated in the 2009/10 financial year. This Seta, however, has struggled to convert the budgeted commitment into actual expenditure, with a total of R10.9 million having been spent over the three year period.

Overall, therefore, the realisation of the intended financial commitment to work experience grant programmes varied considerably across the 13 Setas that responded to the survey. It is clear that performance with respect to the financial commitment to WEG programmes cannot be generalised across Setas.

The Setas' various WEG programmes are characterised by varying financial costs per participant, even where duration of the programme is controlled for (Table 15). Although not shown in the table, in most instances the nominal rand value of grants was not adjusted during the course of NSDS II period. Considering the effects of inflation over this period, it is therefore estimated that grants lost close to 30 percent of their value between 2005/06 and 2009/10 (own calculations, South African Reserve Bank 2011).⁵ This loss of real value may have had a significant impact on the willingness of both employers and learners to be involved in WEG programmes towards the end of the period.

Amongst Setas that provided information via the questionnaire, values of work experience grant range from R1 250 per month to as much as R12 000 per month. The wide variation in grant values is arguably at least partly related to the differing mix of participants, particularly insofar as qualification levels and industry 'standards' are concerned. Most responding Setas have grant values ranging between R2 000 and R4 000 per month. Where grant values are specified on the basis of periods longer than one month, it appears that pro rata reductions in total grant values are common in instances of shorter durations.

⁵ The consumer price index (CPI) for urban areas was estimated at 83.1 for the 2005 calendar year and at 107.1 for the 2009 calendar year.

Table 15: Work Experience Grant Values by Seta

Seta	Year	Amount	Period	Details
BANKSETA	2009/10	R15 000	Per annum	For work-based experience grant. Various other amounts relating to other related programmes.
CETA	2009/10	R29 000	Per annum	
CHIETA	2009/10	R36 000	Per annum	
CTFL SETA	2009/10	R3 120	Per month	
ETDP SETA	2009/10	R2 500	Per month	Period of work may last between three and 12 months.
FASSET	2009/10	R52 971	Per annum	Calculation of mean cost per participant complicated by duration of development projects (technically, Fasset does not provide WEGs).
INSETA	2009/10	R42 000	Per annum	Up from R24 000 previously.
LGSETA	2009/10	R24 000	Per annum	
MAPPP SETA	2009/10	R40 000	Per annum	Pro rata reduction of amount if duration of less than 12 months.
MQA	2009/10	R12 000	Per month	Duration is usually one year.
SASSETA	2009/10	R30 000	Per annum	
SERVICES SETA	2009/10	R24 000	Per six months	
TETA	2009/10	R2 000	Per month	Maximum duration of 12 months, depending on budget availability
THETA	2009/10	R14 000	Per annum	Down from R21 000 in 2008/09
W&RSETA	2009/10	R2 500	Per month	Typical duration of three or six months.

Source: Responses to WEG Questionnaire.

These grant values do, however, obscure the picture where Setas offered multiple WEG programmes over the period. BANKSETA, for example, paid learners sponsored at CIDA City Campus between 2005/06 and 2008/09 R7 750 per annum, while learners in the Micro Finance Workplace Experience Project were paid R3 200 for allowances and allocated R17 500 for training in 2006/07. Similarly, learners participating in the Thusani Work Readiness Programme in 2007/08 and 2009/10 were paid R30 000 for six months, compared to R15 000 per annum in 2009/10 for those enrolled in learnerships and work-based experience programmes.

Companies were paid R3 120 per month by CTFL SETA for each learner requiring experiential training as part of their course curriculum between 2006/07 and 2009/10. Work experience stints typically lasted between three and six months. The Seta notes that, during 2007/08, no applications received for WEG programmes met their revised criteria. Under the revised criteria, bursaries of R15 000 per annum were allocated to learners on clothing and textile technology diploma programmes in 2009/10. These grants were originally reported under Indicator 4.1 as bursaries for unemployed people, but because work experience forms part of the diploma course it was later included under Indicator 4.2.

As noted earlier, Fasset does not offer work experience programmes but rather funds Development Projects, which address the scarce and critical skills needs of the sector as detailed in their Sector Skills Plan (SSP). Additionally, the scope of Fasset's development projects range from one to four years, complicating the calculation of annual average cost per head for Indicator 4.2. Estimated annual average costs per head range between R41 000 (in 2006/07 and 2007/08) and R53 000 (in 2005/06 and 2009/10).

4.1.2. The challenges associated with work experience grant programmes

Irrespective of performance insofar as participation and placement in (self-)employment are concerned, Setas are without doubt exposed to numerous challenges. This section explores some of the key challenges faced by Setas that responded to the survey. The key challenge that was shared across all responding Setas is one of limited funding. As noted earlier, work experience grants are funded through the discretionary grant system and a lack of funding for Indicator 4.2 initiatives may be attributable to a preference amongst those allocating funds for other types of interventions. Such a preference may arise due to a variety of considerations, including perceptions of the relative effectiveness of other interventions and differing views within Setas as to the ability and willingness of employers to absorb participants in the WEG programmes.

BANKSETA: One of the key challenges faced by BANKSETA is employers' expressed concerns regarding the various risks associated with temporarily employing inexperienced workers on their premises, particularly given the nature of the business and the concomitant security risks. Employers have noted a preference for learnerships rather than work experience programmes within the ambit of indicator 4.2, as they believe the former to be a longer-term and more sustainable approach to building skills.

The various work experience programmes offered by BANKSETA present their own challenges.

- *CIDA bursaries for the unemployed:* In terms of the CIDA bursaries for unemployed individuals, the challenge has been placement of learners within the financial services sector as sector involvement was only sought at post-programme stage. Employers within the financial services sector prefer to implement learnerships as they are able to access the related tax incentives.
- *Micro Finance Workplace Experience Project:* Employers in the micro finance sector considered this project to be most beneficial as it exposed participants to the industry. In fact, employers indicated that they would consider using this specific qualification to train existing employees. BANKSETA has also been advised that some learners have mapped their future career paths in the micro finance industry as a result of the exposure and knowledge gained from participation in this project. Although few appointments have been made to date, at least four employers are considering offering learners full-time employment.
- *Thusanani Work Readiness Programme:* BANKSETA replicated a programme that was entrenched and suited to the accounting and finance sectors under the auspices of Fasset. Learners were recruited without input from banking sector and micro finance employers and they received work experience that was suited to a consulting context, with limited banking exposure. The result was that the majority of the learners were placed in sectors other than the banking and micro finance sector.
- *Discretionary Grant Funding Window and Internships/Work-Based Experience Grants:* The placement rate within these offerings improved significantly as employers had more control over the learners that they recruited, as well as over the type of delivery model for the training interventions they implemented.

CHIETA: It is noted by the Seta that there are insufficient opportunities for learners wanting to participate in WEG programmes and attributed this to the lack of adequate enforcement measures. CHIETA does, however, note that the NSDS III provides a superior enabling framework with respect to workplace experience and the Seta is collaborating with Higher Education Institutions and FET colleges, both public and private, to promote this aspect of skills development. Looking forward, CHIETA notes that it has “greatly prioritized workplace experience training”.

CTFL SETA: This sector has been faced with economic and financial difficulties throughout the NSDS II period and, as a result, retrenchments have taken place on a large scale. Companies have consequently found it difficult to accommodate temporary or work experience candidates.

ETDP SETA: This Seta has found that employers have been reluctant to take on learners for work experience and, as a result, placing learners has proved challenging.

Fasset: Fasset faced various challenges including limited funding and difficulties in finding learners with the appropriate characteristics for participation in WEG programmes. The Seta found that the funding available for interventions within indicator 4.2 was limited and insufficient to address the scarce and critical skills needs in the sector. Fasset notes also that many learners leave the sector for more lucrative employment opportunities once they are qualified and, as a result, the training investment is lost to the sector. Because of the strong record of the work readiness programme provided by Fasset, employers in other commercial and industrial sectors often employ learners directly from Fasset-funded interventions. Thus, while the sector trains and bears the cost of the training, the rewards (in the form of skilled workers) are often not reaped by employers in the sector.

FOODBEV SETA: This Seta found it difficult to recruit learners for participation in WEG programmes due to a mismatch in the time that students are available and the timing of the WEG offering. Learners are usually available in January, while the Seta’s financial year starts on 1 April. To overcome this challenge, FoodBev SETA has created a database to which learners can submit their information and from which companies can recruit learners. A further challenge has been the late submission by employers of work experience funding agreements. A third challenge in the implementation of the work experience grant was the retention of learners in the programme. The stipend provided to students for the WEG was viewed as being too low, which meant that students exited to the programme to join companies that provided better stipends and thus did not complete the programme. It was suggested that one option to try to address this problem was for employers to sign employment contracts with students that would bind them to the one year programme.

INSETA: The FET colleges contacted and invited to develop programmes for the insurance sector have, thus far, not commenced any programmes. INSETA has also not been provided with the names of learners attending FET colleges who would like to participate in the WEG programme.

LGSETA: LGSETA found it challenging to recruit learners who qualify for the work experience grant.

MAPPP: This Seta did not have sufficient opportunities to place all the learners that applied to participate in its WEG programmes. However, a more critical concern was the lack of a proper linkage between the experience garnered at the companies where learners were placed and the qualification in which they were enrolled. This poor linkage is attributed by MAPPP to the

possibility that employers are exploiting learners and using them as 'cheap labour' rather than providing them with the required type of work experience. MAPPP also found that employers do not apply the funds appropriately.

SASSETA: SASSETA found that there were insufficient funds to implement the work experience grants. They were also unable to conduct an impact assessment relating to indicator 4.2, specifically in relation to the number of learners who had been placed post-participation. A misalignment between the WEGs and SASSETA's scarce and critical skills lists was also an important challenge in implementing the grants.

Services SETA: The challenges experienced by Services SETA relate to both learners and employers, and include the fact that interns abscond or terminate their involvement within the internship period, that interns may find other employment before the six-month internship is completed, and that the intern could be dismissed through a disciplinary process if found guilty. Lack of compliance with the Seta's requirements on the part of employers often delays the process, while the Seta faces the relatively common problem of employers electing not to participate in work experience programmes. Interestingly, Services SETA points to the risk that employers providing work experience may close down, leaving participants stranded mid-programme.

TETA: TETA has only ever budgeted for work experience grants in 2009/2010, with no funds allocated to these programmes in previous years. In 2010, TETA embarked on an advocacy campaign to mobilise stakeholder participation in the project in 2010 and, as a result, 920 learners participated in the programme. Furthermore, 1 000 learners have been enrolled to participate in the WEG programme in 2010/2011 after the SETA advertised the programme and invited companies to participate in the programme. TETA found placing learners in full-time employment a challenge as there is no obligation for employers to employ learners permanently once learners have gained work experience. The Seta found that the two main reasons for learners not completing WEG programmes were, firstly, that the stipend provided to learners was low and, secondly, that the expectations of learners for the programme were not met. Unmet learner expectations result in lowered learner moral, which in turn fuels dropout. The Seta also feels that a stronger mentorship and coaching programme in the workplace is also lacking, while the low reporting of WEG programmes by employers is attributed to a lack of integration of WEG programmes by Chambers and the poor tracking system for stakeholders.

Setas are, no doubt, confronted with numerous challenges in implementing programmes within Indicator 4.2, although there is no real reason to believe that these challenges are either insurmountable or more problematic than those experienced in the implementation of programmes within other areas of the NSDS II. What is most concerning, however, is the general lack of attention to understanding the effectiveness of WEG programmes. The majority of responding Setas indicated that they had not undertaken any analysis of their WEG programmes. Of the 16 responding Setas, only four – CTFL Seta, Fasset, FoodBev Seta and Services SETA – indicated that they had undertaken (or commissioned) analyses of their work experience programmes, while CHIETA reports that an analysis is currently being done.

Without rigorous analysis of these interventions, it is difficult to make the case that they deserve greater strategic and financial emphasis. Similarly, the appropriate focus of the programmes themselves – whether participation alone, or participation and placement – cannot be settled without empirical studies on the benefits of the programmes for learners. This latter point may

seem less obvious, but if empirical studies of WEG programmes were to find that participation alone had no beneficial impact on participants' future employment probability, then scaling up participation without placement would largely be a waste of funds from the point of view of the programme's objectives. At the same time, the natural consequence of the finding would be a significantly stronger emphasis on performance in terms of placement, as opposed to participation.

4.1.3. The design of and availability of information on work experience grant programmes

A key aspect determining the success (or not) of Setas' work experience grant programmes is the accessibility of information regarding these programmes. This ability to access information should extend to both employers and potential participants.

To assess the extent to which information on WEG programmes is available from the Setas, the various individual Seta websites were surveyed. Information availability was assessed in terms of three viewpoints: first, did the website have easily accessible 'general' information on work experience grants; second, did the website have information on work experience grants that was targeted at learners; and third, did the website have information on work experience grants that was targeted at employers. Obviously, their websites are not the only way in which Setas communicate such information to learners and employers – other methods of communication may include direct electronic or postal correspondence, particularly with employers, or roadshows, careers fairs and other such events – but they undoubtedly represent an important communication channel.

Generally, Setas have very little information on work experience grants on their websites (Table 16). Indeed, general information on work experience grants, which could be as little as a general description of grants, was located on the sites of only seven of the 23 Setas. Interestingly, the availability of information does not appear to be correlated with performance in terms of participation in WEG programmes, although one would expect such a relationship to be complicated by the relative sizes of the sectors served by the various Setas. Of the top eight Setas ranked by number of participants over the NSDS II period and representing almost 24 500 participants in total (as reported in their annual reports), four Setas representing over 13 000 participants were found to have WEG information on their websites.

What information there was available tends to be employer-focussed. Fasset was the only Seta for which information tailored to the needs of learners was located and, even then, the information was not very extensive. Similarly, of the seven Setas for which employer-focussed information was located, only Fasset provided direct information on their projects. Information on the sites of the remaining six Setas tends to be 'indirect' information, mostly via documentation on discretionary grants generally. These would typically be documents such as guidelines or application forms. Two Setas – AgriSETA and INSETA – were found to have uploaded more extensive documentation on WEG programmes, although these were more administrative in nature, including guideline documents, forms and agreement templates. In essence, then, Setas do not use their websites as a key mode of communication in communicating to stakeholders regarding work experience grants.

In the survey administered to Setas as part of this project, Setas were asked to indicate whether they had a publicly available policy document on their work experience grant programmes.

Eight of the 17 responding Setas indicated that they did have such a document. Although this proportion is higher than that of Setas with information on WEG programmes on their websites, it remains surprisingly low.

Table 16: Availability of Information on Indicator 4.2 on Seta Websites, June 2011

SETA	Information on Work Experience Grants	Information on Work Experience Grants for Learners	Information on Indicator 4.2 for Employers	Publicly Available Policy Document on Work Experience Grants
AGRISETA	Yes	No	Guidelines, forms and agreements	Did not respond
BANKSETA	No	No	No	Yes
CETA	No	No	No	No
CHIETA	No	No	No	No
CTFL SETA	No	No	No	Yes
ESETA	No	No	No	Did not respond
ETDP SETA	Yes	No	No	No
FASSET	Yes (as "Development Projects")	Some	Details of projects, contact details	Yes
FIETA	No	No	No (although reference to work experience grants in discretionary grant application form)	Did not respond
FOODBEV SETA	Yes	No	Application forms	Yes
HWSETA	Yes	No	Indirectly, via discretionary grant application forms	Did not respond
INSETA	Yes	No	Guidelines, forms and agreements	Yes
ISSET	No	No	No	No
LGSETA	No	No	No	No
MAPPP SETA	No	No	No	No
MERSETA	Yes	No	Indirectly, via discretionary grant guidelines	Did not respond
MQA	No	No	No	No
PSETA	No	No	No	Did not respond
SASSETA	No	No	No	Yes
SERVICES SETA	No	No	No	Yes
TETA	No	No	No	Yes
THETA	No	No	No	No
W&RSETA	No	No	No	No

Source: Individual Setas' websites; Responses to WEG Questionnaire.

As part of the work experience grant programmes, Setas typically have agreements with educational institutions. Depending on the types of programmes and the exact qualifications involved, these educational institutions may be either Further Education and Training (FET) institutions or Higher Education (HE) institutions. Given the lack of information relating to WEGs on Setas' websites, it should not be a surprise that the identities of the educational institutions with which the Setas have agreements relating to WEGs were exceedingly difficult to locate. Setas were asked about these agreements – specifically which educational institutions they had agreements with – in the questionnaire administered as part of this research. These agreements between the Setas and educational institutions are subject to change as agreements

expire and sectoral needs change and therefore the questionnaire focussed only on agreements in effect during the final year (2009/10) of NSDS II.

Of the 17 responding Setas, six did not report agreements with educational institutions (Table 17). These Setas are CETA, LGSETA, SASSETA, Services SETA, THETA and W&RSETA. Of these, THETA was the only Seta to specifically note that they did not have agreements with either FET or HE institutions. There are two key points to note in terms of the remaining 11 Setas and their partnerships with educational institutions relating to work experience grants. Firstly, there is considerable variation across Setas in the number of agreements. Thus, for example, CHIETA reports agreements with two institutions and BANKSETA and INSETA report agreements with three, while ETDP Seta lists agreements with close to forty institutions. This would be dictated by a variety of factors including the size of the sector (Setas in larger sectors would need or be able to involve more educational institutions), the geographical concentration of the sector (geographically concentrated sectors would require the involvement of fewer institutions), and the existence and dominance within the educational field of centres of excellence (sectors with a dominant educational provider would be less likely to require the involvement of other institutions).

Table 17: Education institutions with which Setas have work experience grant agreements

Seta	Further Education and Training (FET) Institutions	Higher Education (HE) Institutions
BANKSETA		<ul style="list-style-type: none"> • CIDA City Campus • University of Pretoria Centre for Microfinance • University of Johannesburg
CETA		
CHIETA		<ul style="list-style-type: none"> • University of Johannesburg • Cape Peninsula University of Technology
CTFL SETA	<ul style="list-style-type: none"> • Damelin • Sanzaf • Durban Business College 	<ul style="list-style-type: none"> • Durban University of Technology • Cape Peninsula University of Technology • University of Stellenbosch • Technical University of Liberec (Czech Rep.) • Prestige Academy
ETDP SETA	<ul style="list-style-type: none"> • Buffalo City FET • King Hintsa • Ingwe FET • Sekhunkhule FET • Vhembe FET • Letaba FET • Waterberg FET • Orbit FET • NC Rural FET • Ikhala FET • PE College • KDS FET • Mopani FET • Lephalele FET • Capricorn FET • Taletso FET • NC Urban FET • Vuselela FET 	<ul style="list-style-type: none"> • Central University of Technology • University of the Free State • University of Pretoria • University of the Witwatersrand • UNISA • University of Limpopo • University of Venda • University of Johannesburg • North West University • Cape Peninsula University of Technology • University of the Western Cape • University of Cape Town • University of KwaZulu-Natal • University of Zululand • National Institute for Higher Education • University of Stellenbosch • University of Fort Hare • Walter Sisulu University • Nelson Mandela Metropolitan University
FOODBEV SETA	<ul style="list-style-type: none"> • Northlink College • Tshwane South College 	<ul style="list-style-type: none"> • Cape Peninsula University of Technology • Vaal University of Technology • Tshwane University of Technology • University of Johannesburg
FASSET	<ul style="list-style-type: none"> • <i>Fasset's scarce skills are concentrated at the higher NQF levels (from NQF4 and above). Fasset has thus not had an opportunity to work with an FET.</i> 	<ul style="list-style-type: none"> • University of Stellenbosch • University of Johannesburg • University of Cape Town
INSETA		<ul style="list-style-type: none"> • University of the Witwatersrand • University of Pretoria • University of Cape Town
LGSETA		

Table 17 (cont.)

Seta	Further Education and Training (FET) Institutions	Higher Education (HE) Institutions
MAPPP SETA	<ul style="list-style-type: none"> • College of Cape Town • Boland College • PE College • Northlink College – Bellville Campus • Buffalo City College • Rural Public FET College – Kathu Campus 	<ul style="list-style-type: none"> • University of the North West (Potchefstroom Campus)
MQA		<ul style="list-style-type: none"> • Vaal University of Technology • Tshwane University of Technology • Central University of Technology • Cape Peninsula University of Technology • UNISA • Mangosuthu University of Technology • Durban University of Technology • Walter Sisulu University • Nelson Mandela Metropolitan University • University of the Witwatersrand • University of Cape Town • University of KwaZulu-Natal • University of Fort Hare • University of the Free State
SASSETA		
SERVICES SETA		
TETA	<ul style="list-style-type: none"> • Ekurhuleni West College 	<ul style="list-style-type: none"> • Tshwane University of Technology • Nelson Mandela Metropolitan University • University of Cape Town • Walter Sisulu University
THETA	No agreements were entered into with either FET or HE institutions	
W&RSETA		

Source: Responses to WEG Questionnaire.

The second point to be made is that, quantitatively, agreements with higher education institutions dominate. All Setas that listed the educational institutions with which they had agreements in the questionnaire listed higher education institutions, while five did not list any FET institutions. At the same time, although it is not rigorously quantified, there appears to be evidence of some bias toward historically White institutions. The fact that higher education institutions are numerically dominant is, to a significant degree, determined by the fact that WEG programmes are aimed at scarce skills. As Fasset, for example, notes in their response, their “scarce skills are concentrated in the higher NQF levels ... [and they have] thus not had an opportunity to work with an FET [institution]” (Response to WEG Questionnaire).

The National Skills Development Strategy stipulates that programmes falling within Indicator 4.2 should focus on critical skills (Department of Labour 2005). Setas were asked in the questionnaire to indicate which scarce and critical skills programmes their WEG programmes focussed on. If other skills programmes, outside of the scarce and critical skills were also covered by WEG programmes, Setas were asked to note these skills programmes too. The Setas’ responses are presented in Table 18. Only two of the responding Setas did not provide information on the skills programme covered in their WEG programmes. Nevertheless, from those Setas that did identify the skills programmes involved, it is evident that there is considerable variation across Setas in two key aspects.

First, some Setas focus purely on scarce and critical skills programmes, with no other skills programmes being eligible for work experience grants. Indeed, only six of the 15 Setas that

provided information on skills programmes indicated that their programmes covered ‘non-scarce’ skills programmes. Of these six, however, it was only really CTFL SETA and FoodBev SETA that listed more than one ‘non-scarce’ skills programme. While most Setas provided lists of specific skills programmes, some merely noted that the skills programmes eligible for work experience grants were those that fell within their domain and that were in line with their scarce and critical skills lists.

Table 18: Skills programmes funded through work experience programmes as reported by Setas

Seta	Scarce and Critical Skills Programmes	Other Skills Programmes
BANKSETA	<ul style="list-style-type: none"> • Customer interface-related skills development • Legislation implementation skills development • Information technology skills development • Management and leaderships skills development • Specialist financial skills development • Microfinance 	<ul style="list-style-type: none"> • Credit skills assessment work readiness programme
CETA	<ul style="list-style-type: none"> • Contractor incubator training programme (CITP) 	
CHIETA	<ul style="list-style-type: none"> • Chemical engineering skills programmes • Analytical chemistry skills programmes 	<ul style="list-style-type: none"> • New venture skills programmes
CTFL SETA	<ul style="list-style-type: none"> • Clothing management (technology) • Textile technology • Production management 	<ul style="list-style-type: none"> • Human resources • Finance • Manufacturing • Administration • Marketing • Engineering
ETDP SETA	<ul style="list-style-type: none"> • Various B.Ed. specialisations (mathematics, science, accounting, languages, EMS, etc) • Various PGCE specialisations (mathematics, science, accounting, languages, EMS, etc) • Financial management • Marketing • Human resources • Public management • Business management • Office administration 	
FOODBEV SETA	<ul style="list-style-type: none"> • Logistic management • Production management • Sales and marketing • Human resources management • Accounting • Information technology 	<ul style="list-style-type: none"> • Food technology • Analytical chemistry • Industrial engineering • Mechanical engineering • Electrical engineering • Food science and technology • Marketing • Biotechnology
FASSET	<ul style="list-style-type: none"> • All projects are linked to the scarce and critical skills list, as well as to learnerships in the sector. The projects mainly place learners on SAICA/SAIPA learnerships within the sector 	

Table 18 (cont.)

Seta	Scarce and Critical Skills Programmes	Other Skills Programmes
INSETA	<ul style="list-style-type: none"> Actuarial science (students hosted in reinsurance companies) 	<ul style="list-style-type: none"> Internships for intellectually disabled learners to assist them in getting employment to carry out supporting functions in the insurance sector
LGSETA	<ul style="list-style-type: none"> Civil engineering Electrical engineering Water engineering Mechanical engineering Transport engineering Urban engineering Property valuation Internal audit 	
MAPPP SETA	<ul style="list-style-type: none"> All programmes within domain and in line with Seta's scarce and critical skills list 	
MQA		
SASSETA	<ul style="list-style-type: none"> Psychologist Legal interpreter Locksmith Legal secretary Alarm technician Attorneys practice 	<ul style="list-style-type: none"> Security management
SERVICES SETA		
TETA	<ul style="list-style-type: none"> Engineers Technicians Financial personnel Passenger handling operations Human resources 	
THETA	<ul style="list-style-type: none"> All qualifications are relevant to the labour market requirements of the sector 	
W&RSETA	<ul style="list-style-type: none"> All programmes with domain and in line with Seta's scarce and critical skills list 	

Source: Responses to WEG Questionnaire.

The second area of variation is in terms of the numbers of skills programmes eligible for work experience grants and this is generally related to the scope of the respective Setas and the nature of scarce skills. CETA, for example, lists a single skills programme (the contractor incubator training programme), while INSETA lists a single critical skills programme (actuarial science). Despite the individual sectoral needs, there are some commonalities in the skills programmes covered by work experience grant interventions across Setas. For example, several Setas list skills programmes such as human resources, marketing and finance.

4.1.4. Employers' experiences of work experience grant programmes

This research's location within a broader research project covering the NSDS II afforded the opportunity to tap into some of the survey work being undertaken within other projects. Feedback on work experience grant programmes from both participants and employers has the potential to cast more light on some of the issues that may either constrain or contribute to the successful implementation of these programmes. Participants would be able to provide insight into some of the challenges they faced over the course of their involvement with WEG programmes, as well as into their post-participation labour market experiences. This latter information is particularly important in the given context since the overall success of WEG programmes is measured in terms of post-participation placement rates. Firms, on the other hand, are well placed to provide insight into the administrative challenges facing them in terms

of WEGs. At the same time, firms are able to provide an assessment of the effectiveness of this training intervention, which is certainly a critical viewpoint of a programme that aims to promote the employability of workseekers.

Within the context of this research, the success of WEG programmes is measured in terms of the placement rate of participants and, unfortunately, firms are unlikely to have full information on participants' labour market outcomes. With no real way of surveying participants, however, the opportunity was taken to include questions on WEG programmes in the National Skills Survey, which is a firm survey. Given employers' limited information and the usual limitations on the overall length of the survey, the questions focussed more on the extent to which firms were engaged in WEG programmes (e.g. numbers of learners taken on in WEG programmes, number of learners offered employment post-participation), and on reasons why participants were *not* employed by the firm post-participation.

The response rate to the National Skills Survey (NSS) 2010 was very low and the Human Sciences Research Council (HSRC) managed to collect responses from only 220 firms nationwide. The poor response rate means that the data is not nationally representative and this problem cannot be corrected through weighting the data. Thus, the data presented in this section is not generalizable to the country as a whole. The small sample size also limits the scope for deeper investigation of the data through comparisons of responses across characteristics (e.g. across Seta).

Of the 220 firms that completed the survey, 15.5 percent (or 34 firms) reported having offered WEG opportunities within the last three years (Table 19). A further 76.4 percent reported not having been involved in providing WEG opportunities, while 8.2 percent of firms did not respond to the question. Given the non-responses, this means that between 15.5 percent and 23.7 percent of firms surveyed were involved in WEG programmes. Fortunately, the proportion of non-responses is relatively low, reducing the uncertainty that non-responses introduce into the analysis.

Provincially, participation in WEG programmes was highest amongst respondents headquartered in the Free State (28.6 percent of respondents), KwaZulu-Natal (24.3 percent), the Northern Cape (20.0 percent) and Gauteng (19.7 percent). However, given the provincial distribution of economic activity and firm headquarters, the majority of firms reporting involvement in WEG programmes were headquartered in Gauteng (41.2 percent), KwaZulu-Natal (26.5 percent) and the Western Cape (17.6 percent), with no other province accounting for more than six percent. High rates of involvement is evidenced in provinces' shares of firms being smaller than their shares' of firms providing WEG opportunities, e.g. Gauteng accounts for 32.3 percent of responding firms, but 41.2 percent of firms involved in providing WEG opportunities.

Amongst respondents, older firms tend to be more likely to provide WEG opportunities than younger firms. Just 2.7 percent of firms established within the preceding five years reported offering WEG opportunities, while this was true of 5.1 percent of firms aged between five and nine years. In contrast, amongst firms older than ten years, more than one in five reported offering WEG opportunities in the preceding three-year period. Firms younger than ten years accounted for almost 35 percent of respondents, but fewer than eight percent of firms offering WEG opportunities. In contrast, firms aged 20 years or more accounted for 35.9 percent of respondents, compared to 52.9 percent of firms offering WEG opportunities.

Table 19: Firms' Involvement in Work Experience Grant Programmes During Past Three Years, 2010

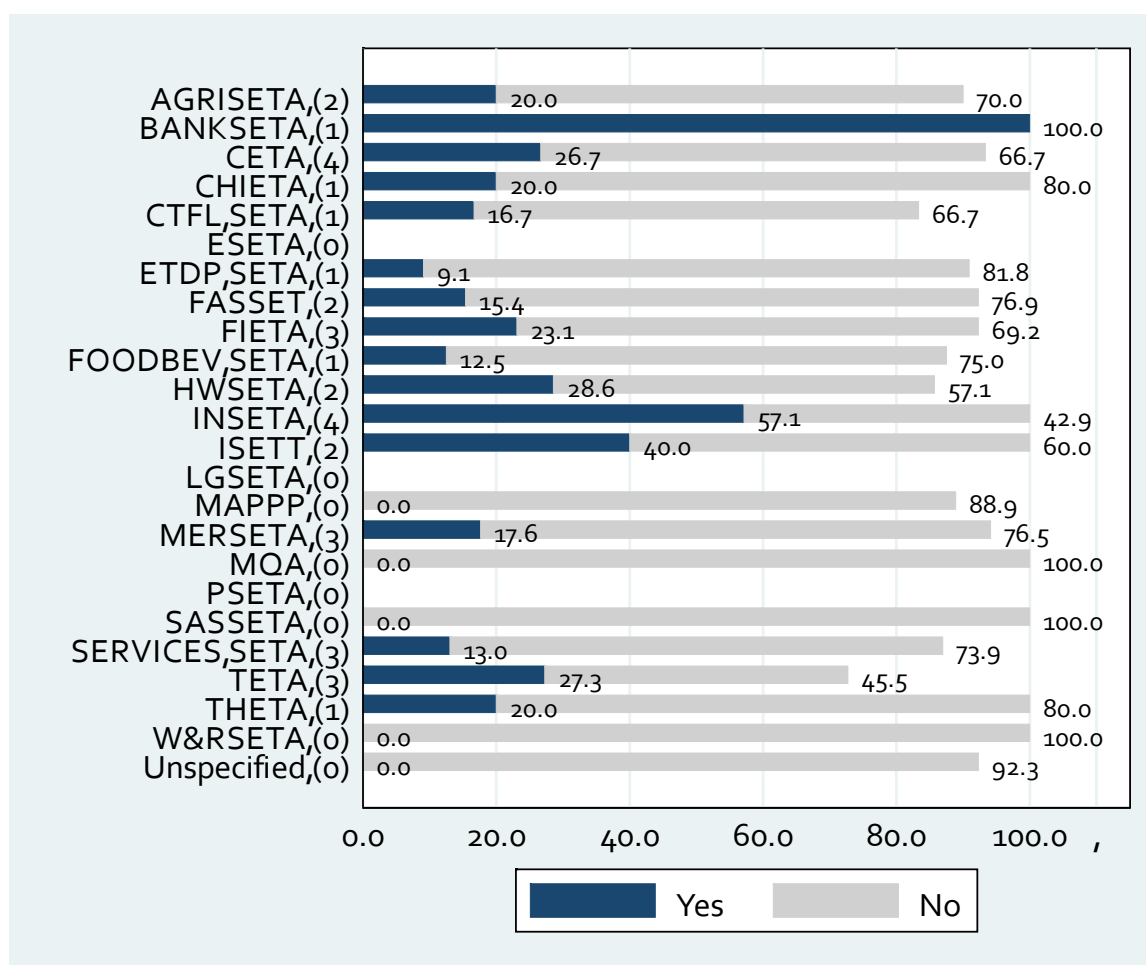
	Total Firms Number	Yes Percent	No Percent	Unspecified Percent	Distribution of...	
					Firms Percent	"Yes" Share
Total	220	15.5	76.4	8.2	100.0	100.0
<i>By Province of Firms' Headquarters</i>						
Western Cape	55	10.9	78.2	10.9	25.0	17.6
Eastern Cape	17	11.8	76.5	11.8	7.7	5.9
Northern Cape	5	20.0	60.0	20.0	2.3	2.9
Free State	7	28.6	71.4	0.0	3.2	5.9
KwaZulu-Natal	37	24.3	67.6	8.1	16.8	26.5
North West	6	0.0	100.0	0.0	2.7	0.0
Gauteng	71	19.7	73.2	7.0	32.3	41.2
Mpumalanga	10	0.0	100.0	0.0	4.5	0.0
Limpopo	7	0.0	100.0	0.0	3.2	0.0
Unspecified	5	0.0	80.0	20.0	2.3	0.0
<i>By Age of Firm</i>						
0-4 years	37	2.7	89.2	8.1	16.8	2.9
5-9 years	39	5.1	89.7	5.1	17.7	5.9
10-19 years	52	23.1	67.3	9.6	23.6	35.3
20+ years	79	22.8	70.9	6.3	35.9	52.9
Unspecified	13	7.7	69.2	23.1	5.9	2.9
<i>By Firm Size (Total Employed)</i>						
Small (11-49)	126	7.9	86.5	5.6	57.3	29.4
Medium (50-149)	54	14.8	72.2	13.0	24.5	23.5
Large (150+)	35	45.7	48.6	5.7	15.9	47.1
Unspecified	5	0.0	60.0	40.0	2.3	0.0

Source: Authors calculations, NSS 2010.

Finally, smaller firms appear to be less likely to be involved in WEG programmes. While 45.7 percent of large firms (those with 150 or more employees) reported offering WEG opportunities, this was true of 14.8 percent of medium firms (50 to 149 employees) and just 7.9 percent of small firms (11 to 49 employees). This is not an unexpected finding given the capacity requirements associated with providing WEG opportunities. Large firms account for 15.9 percent of respondents, but 47.1 percent of firms offering WEG opportunities, compared to small firms, which account for 57.3 percent of respondents and 29.4 percent of firms involved in WEG programmes.

Rates of participation amongst respondents vary considerably across Setas, although it must be noted that sample size becomes an issue when dividing 220 observations across 23 Setas. Three Setas – ESETA, LGSETA and PSETA – have no respondents in the NSS 2010 data, while BANKSETA has only one respondent. In absolute terms, no Seta has more than four responding firms involved in providing WEG opportunities (Figure 2). CETA and INSETA each have four respondents involved in WEGs, while FIETA, MERSETA, Services SETA and TETA all have three. WEG participation rates are highest for INSETA (57.1 percent of respondents), ISETT (40.0 percent), HWSETA (28.6 percent), TETA (27.3 percent) and CETA (26.7 percent), while BANKSETA's single respondent also provides WEG opportunities (equivalent to a 100.0 percent participation rate).

Figure 2: Firms' Involvement in Work Experience Grant Programmes During Past Three Years, 2010



Source: Authors calculations, NSS 2010.

Note: Figures in parentheses following Setas' names refer to the number of respondents from each Seta indicating involvement in WEG programmes during the preceding three-year period.

The small sample size is clearly evident in the low numbers reported for the intake of learners into WEG programmes, the number of learners completing WEG programmes and the number of learners offered employment upon completion of WEG programmes between 2007/08 and 2009/10 (Table 20).⁶ In aggregate, firms that were involved in WEG programmes reported total intake of just over 900 learners, 619 completions and employment of 572 learners post-completion. Thus, amongst respondents to the NSS 2010, 68.6 percent of participants completed WEG programmes, while the employment rate (ratio of number of participants employed to the number of participants completing) was 92.4 percent. Further, the 'throughput' rate, simply defined as the ratio of employment of participants post-completion to the total intake of participants, was 63.4 percent. This latter figure corresponds with Indicator 4.2's target of 70 percent of participants to be placed in (self-)employment and is, for this sample, not far off the mark.

Across the three years, throughput rates appear to be rising. Employment of learners post-completion in 2007/08 was equivalent to 59.1 percent of the intake of learners in that year,

⁶ At the time that the questionnaire was compiled, these were the three most recently completed financial years.

while in 2009/10, this proportion rose to 67.8 percent. Important to note in this regard is that although completion, employment and throughput rates are calculated within specific years, intake, completion and employment numbers typically refer to different cohorts of learners. This may influence the calculated rates if there are rapid changes in the numbers of learners involved (within intake, completion and/or employment). For example, if intake rises rapidly in one year, completion and throughput rates may be biased downwards until such time as the increased intake of learners filters through to completions and employment. Interestingly, amongst respondents to the NSS 2010, intake, completion and employment jumped by 21 percent, 66 percent and 33 percent respectively between 2008/09 and 2009/10. This may reflect increasing emphasis on WEG programmes over the period (2009/10 also being the final year within NSDS II), but it may also point to an improvement in employers' views of WEG programmes in the light of the recession and difficult economic conditions during the period.

Table 20: Learner Intake, Completion and Employment, 2007/08-2009/10

	Intake	Completed	Employed	Completion Rate	Employment Rate	'Throughput' Rate
	Number	Number	Number	Percent	Percent	Percent
<i>Only firms that responded "Yes" to question about having provided WEG opportunities in past three years</i>						
2007/08	279 (N=26)	169 (N=25)	165 (N=25)	60.6	97.6	59.1
2008/09	281 (N=28)	169 (N=26)	175 (N=27)	60.1	103.6	62.3
2009/10	342 (N=31)	281 (N=30)	232 (N=31)	82.2	82.6	67.8
OVERALL	902 (N=85)	619 (N=81)	572 (N=83)	68.6	92.4	63.4

Source: Authors calculations, NSS 2010.

The final question in the NSS 2010 about WEG programmes relates to the employment of learners post-completion. In particular, employers were asked to indicate the three most important of ten possible reasons why WEG participants were not employed within the establishment upon completion. Space was provided for respondents to offer other reasons, but only three respondents offered alternative reasons.⁷ Table 21 presents the ten reasons and the number of times they were ranked the most, second most and third most important reasons for not employing learners post-completion.

Amongst respondents that had been involved in offering WEG opportunities within the preceding three-year period, three reasons emerge as being the most important reasons for post-completion non-employment of learners. Five of the 14 respondents that answered this question indicated that they preferred to take on more learners than they would be able to employ so as to improve their chances of finding suitable candidates for employment. Two further respondents also cited this as the second most important reason for not employing participants. Respondents also indicated that their intention with their involvement in WEG programmes was to provide work experience, rather than providing employment. This was cited the most important reason by three out of 14 respondents, while a further five respondents place this reason either second or third. Finally, economic conditions preventing the employment of participants at the time was cited as one of the three most important reasons by seven respondents, two of whom viewing it as the most important reason.

⁷

These additional reasons did not provide much new information in terms of the analysis here. The three additional reasons were: (1) "None have completed the work experience programme" (essentially a 'not applicable' response); (2) "There was no formal training"; (3) the name of the WEG programme in which the respondent was involved.

The second half of the table includes all responses to the question. These include respondents who indicated that they had not been involved in WEG programmes in the preceding three-year period and who should technically not have answered this question (the former question is a hurdle question and respondents that answered no should have skipped the section entirely). This section of the table is included because it has more than twice as many responses as the first section (respondents who offered WEG opportunities in the preceding three-year period), but should be treated with caution since it is not clear what impact the selective answering of this question may have had on the overall pattern of responses. Nevertheless, the same three reasons are highlighted as the main reasons for post-completion non-employment of participants, although in a slightly different order. A further reason that emerges is that the programme did not attract learners of sufficient quality for the firm to employ.

Table 21: Reasons for Not Employing WEG Participants upon Completion of Programme

	Learners did not gain sufficient experience/skills during course of programme	Programme did not attract learners of sufficient quality for us to employ	Learners chose not to accept offers of employment from us upon completion	Learners accepted offers of employment from other establishments	Economic conditions prevented us from expanding employment at the time	Work experience programmes were not aligned to our skills needs	Our skills needs changed	Prefer to take on more learners than we would be able to employ to have better chance of finding good candidates	Our intention was providing learners with work experience, rather than providing employment	Learners pursued other training opportunities upon completion of the programme	TOTAL
<i>Only firms that responded "Yes" to question about having provided WEG opportunities in past three years</i>											
Ranked first		1	1	2	2			5	3		14
Ranked second	1	2	1	1	2		1	2	2	1	13
Ranked third			1	1	3				3		8
<i>All firms that provided responses to this question</i>											
Ranked first	1	6	1	3	10	1		7	6		35
Ranked second	1	2	2	3	5	1	1	3	6	1	25
Ranked third		1	3	2	8	1			4	1	20

Source: Authors calculations, NSS 2010.

The main reasons for post-completion non-employment of learners hold some important implications for WEG programmes and the evaluation of their success. First, if employers typically take on more learners than they would be able to employ in order to improve their odds of finding good candidates, throughput rates as calculated earlier would tend to be below 100 percent by a significant margin. In this context, then, a target of 70 percent of participants being placed in (self-)employment is not inappropriate. Should such behaviour be prevalent amongst employers nationally, non-employment of participants upon completion of the WEG programme may be seen by other employers as a reliable indicator of learner quality, potentially lowering the future employment prospects of affected individuals. Second, if employers see WEG programmes as a form of 'charity' or corporate social investment and view their involvement as limited to providing work experience, direct employment of participants

by participating employers may be lower than expected. Given that WEG programmes address some of the information asymmetries faced by employers, such a view taken by employers is certainly sub-optimal from the perspective of the programme. Thirdly, the performance of Setas with respect to Indicator 4.2 should be evaluated taking into account prevailing economic circumstances, both generally and within specific sectors.

These three points made above suggest a broader more comprehensive assessment of performance with respect to Indicator 4.2 is appropriate. Specifically, given that many participants are not employed upon completion of their WEG programmes by the establishment offering the opportunity, better tracking of participants is essential. Tracking these individuals closely would enable a more complete assessment of performance with respect to this indicator, but would also help identify problems within the programmes. Further, this may help in assessing whether or not participation in WEG programmes improves participants' employment prospects in the general labour market (i.e. do other firms see non-employed participants as better prospects for employment than non-participants?). A greater focus on participating firms (e.g. monitoring performance on an individual firm basis) may also yield useful insights into the motivations behind employers' involvement in WEG programmes, which could help improve their design and implementation.

5. Conclusion

One of the common threads of analyses of South Africa's unemployment problem points to the difficulties posed by a lack of work experience to employers and jobseekers alike. Potential employees that lack work experience may be less productive relative to their more experienced counterparts, but also represent a greater risk for employers. Such risk encapsulates the informational asymmetries – such as job fit, the likelihood and nature of future improvements in the individual's productivity, and work ethic – facing employers who, ultimately, are the ones who determine whether or not employment occurs.

Work experience grants represent one type of intervention that aims to promote the employability of members of the labour force by providing individuals with access to work experience without imposing requirements of permanent employment on employers. Potential benefits are available to both individual learners and employers. Learners are able to obtain work experience, which provides opportunities for the practical implementation in a real world working environment of theoretical knowledge, the assimilation of behaviours and attitudes required in the world of work and, potentially, greater clarity on career objectives. Employers, on the other hand, are able to access this pool of labour at a subsidised cost. However, perhaps one of the most substantive employer benefits of WEG programmes is the opportunity afforded to employers to evaluate potential employees, reducing some of the informational asymmetries employers face.

Within the NSDS II, work experience grants are intended to assist all learners in critical skills programmes to gain work experience (qualified by the existence of sector agreements with FET and HE institutions). However, a key characteristic of WEGs is the requirement that at least 70 percent of participants are to find placement in employment or self-employment post-completion. This requirement reflects the central concern that the programme should not only directly contribute to improved employability, but also directly lead to employment for the majority of participants.

The original intention of this research was to provide an assessment of the scope and nature of Setas' interventions relating to Indicator 4.2 of the NSDS II, with a particular focus on the post-participation labour market outcomes of learners. However, it quickly became clear that the data requirements underpinning this intention could not be met in reality and the research was consequently refocused. The first part of the research focussed on trends in participation and placement in work experience grant programmes, using data from three key sources namely the NSDS Quarterly Monitoring Reports (QMR) covering the 2008/09 financial year, data gleaned from Setas' annual reports and data provided directly by Setas in response to a questionnaire. The second part of the research focuses on some of the more practical issues surrounding work experience programmes as implemented by the Setas. Thus, the paper turns to budgetary issues, some of the challenges experienced by Setas in implementing these programmes, the alignment of WEG programmes with scarce skills requirements and the public availability of information regarding these programmes. The final component of this section focussed on employers' experiences of work experience grants based on their responses to the 2010 National Skills Survey.

Over the NSDS II period, there has been a considerable improvement in the implementation of WEG programmes as measured by participation, with actual participant numbers rising from 2 751 in 2005/06 to 11 735 in 2008/09 (Department of Labour 2010a). While considerable strides have been made in placing participants in (self-)employment – the achievement rate rose from virtually zero in 2005/06 and 2006/07, to 56.0 percent in 2008/09 – it must be noted that the achievement rates are relative to targets, which are already defined as 70 percent of participants. Thus, in 2008/09, just 30 percent of actual participants were placed in (self-)employment post-participation. This is arguably a weak performance given the stated need for skills – learners are typically enrolled in scarce skill qualifications – and considering that the employment rate amongst 15 to 34 year olds with post-secondary education in the first quarter of 2009 was 74 percent, while that of 15 to 34 year olds with completed matric was 44 percent.

The key constraints to considering the extent to which placement in (self-)employment was secured by learners upon completion of WEG programmes are related to data. Specifically, the data collected via the QMR, as the key central repository of data on WEG programmes, is incomplete and inconsistent with considerable duplication of individuals within the spreadsheets. While the QMR spreadsheet for Indicator 4.2 is generally well laid out in terms of collecting appropriate information for monitoring progress and specifically placement in (self-)employment, as a data source it suffers from inconsistent interpretation of fields, a lack of data validation and a de-emphasis of post-participation labour market outcomes for whatever reason.

Recommendation 1: *If performance in terms of Indicator 4.2 is to be effectively monitored, a greater focus on the process and tools of data collection is required. Critically, though, the design of data collection instruments such as the QMR spreadsheet must be informed by methodological and other considerations arising from the proposed design of the research.*

The analysis of participation and placement targets and achievements raised an important issue in terms of how exactly should placement targets be defined and weighted when evaluating programmes' performances. Current placement targets are simply defined as 70 percent of participation targets, with no recognition of the knock-on effect that missing participation targets, on the down- or up-side, may have. While missing targeted participation by more than 30 percent makes attainment of the placement target impossible without placing previously unplaced participants from previous years, significantly exceeding participation targets may render conventionally calculated placement targets meaningless. Success in terms of indicator 4.2 must surely be measured on the basis of placement rates and, unless there is evidence to suggest that participation in WEGs alone has a beneficial impact on the future employability of individuals for whom Setas are unable to secure employment, scaling up participation without consideration for the placement rate of actual participants may represent a significant waste of resources.

Recommendation 2: *If performance in terms of Indicator 4.2 is to be effectively monitored, clarification of the relationship between numerical participation targets and the proportional placement targets is required. Further, the 'evaluation hierarchy' needs to be established to clearly delineate exactly when Setas' have not performed satisfactorily in terms of this indicator. For example, it may make more sense for placement targets to be derived from actual, not targeted, participation, while Setas'*

performance should be evaluated in terms of meeting both participation and placement targets.

Relating to the above point, a major concern is the lack of interrogation on the part of Setas of the efficacy of their interventions under the auspices of Indicator 4.2. This ranges from some Setas not collecting any information on learners post-participation, to a lack of interest in the data that is collected. As noted, only a handful of Setas have actually undertaken an analysis of their programmes. While understanding the impact of WEG programmes formed part of the rationale for this research, this was not possible given the available data. Going forward, it is key then that data collection be given appropriate emphasis, thereby enabling a rigorous analysis of the impact that these programmes have and the extent to which their objectives are being realised.

The data reveals that there is significant variation in the performance of Setas, specifically when comparing achievements to targets. While some Setas have fallen far short of their targets for participation, others have exceeded their targets by factors of three or more. A significant proportion of this variation can be explained by Seta effort, employer buy-in, Setas' internal funding decisions, and sector-specific characteristics that promote or reduce the ability of employers to provide on-the-job training, there remains some question as to how these targets are derived.

In their responses to the questionnaire administered as part of this research, a number of Setas referred to a lack of funding representing an important constraint on the implementation of WEG programmes. This is certainly evident in the analysis of Setas' budgetary commitments to WEG programmes over the course of the NSDS II. Indeed, very few Setas have been able to dedicate a steady stream of funding to these programmes and have typically seen very volatile funding allocations from one year to the next. Whatever the reason for this, it certainly seems to be problematic in terms of establishing and maintaining WEG programmes within the individual Setas, and ensuring that the programme is successfully integrated into and internalised within Setas' view of their activities.

Despite the various problems experienced by Setas, implementation appears to have improved over time. However, evidence from the NSS 2010 points to the possibility that firms build in a certain amount of 'excess' training into their WEG programmes, for the social good of providing work experience or to improve their chances of finding suitable candidates for employment post-completion. Setas appear also to be innovating in their implementation of work experience grants in order to accommodate the sectoral labour market and training realities. Programmes are generally aligned to the critical and scarce skills identified in each sector, although some Setas do fund learners in other learning programmes. Importantly, it appears that, amongst certain Setas at least, there is a growing recognition of the benefits associated with WEGs and the scope for scaling up. The key, though, remains buy-in from stakeholders, which must be won through improved information and communication and through demonstrated benefits for employers and learners.

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7. Appendix

Appendix A: Seta Survey

Confirmation of Data on Work Experience Grants

SETA:

Contact Person:

Contact Number:

Contact Email:

Indicator 4.2 Data Gleaned from Available Annual Reports

The following table includes all the information we have managed to locate for your SETA. If there are any gaps (or errors), please fill in the correct information.

Year		Number of learners to gain work experience	Number of learners to become employed or self-employed
2005/06	Target		
	Achieved		
2006/07	Target		
	Achieved		
2007/08	Target		
	Achieved		
2008/09	Target		
	Achieved		
2009/10	Target		
	Achieved		

Rand Value of Work Experience Grants

Please indicate the Rand value of a work experience grant for each year.

Year	Rand Value per Grant	Any Comments
<i>Example</i>	<i>R20 000</i>	<i>Per person for 1-year internship or in-service training</i>
2005/06		
2006/07		
2007/08		
2008/09		
2009/10		

Budget for Work Experience Grants

If possible, please indicate the Seta's actual spending on Work Experience Grants for each year.

Year	Budgeted (If available)	Actual	Any Comments
2005/06			
2006/07			
2007/08			
2008/09			
2009/10			

Other Information

Has your SETA undertaken any analysis of its work experience grant programmes (in terms of impact, effectiveness, take-up etc)?		
	Yes	No
If yes, is this analysis publicly available?		
	Yes	No
<i>(If yes, could you please forward it to us or direct us to the analysis?)</i>		
Does your SETA have a formal, publicly available policy document relating to work experience grants?		
	Yes	No
<i>(If yes, could you please forward it to us or direct us to it?)</i>		
With which FET and/or HE institutions did your SETA have agreements relating to work experience grants during 2009/10?		
<i>Further Education and Training Institutions</i>	<i>Higher Education Institutions</i>	
Which skills programmes or courses, if any, does your SETA currently target in its work experience grant programme?		
<i>Scarce and Critical Skills Programmes</i>	<i>Other Skills Programmes</i>	
Are there any particular challenges or problems your SETA experiences relating to work experience grants?		