AN ANALYSIS OF CHALLENGES FACING DECENTRALISATION OF SECTOR EDUCATION AND TRAINING AUTHORITIES IN THE PROVINCE OF THE EASTERN CAPE

by

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Supervisor: Ms P N Mfene

2010
DECLARATION

“I hereby declare that this treatise submitted for the degree (Master of Public Administration) at NMMU, except where reference is made to the work of others, the work described in this treatise is my own original and was done in collaboration with my supervisor. This treatise has not previously been submitted to any other institution or higher education. I further declare that all sources cited are acknowledged by means of a comprehensive list of references”.

Luvo Ndileka Gazi
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ABSTRACT

It is largely believed that decentralisation promotes efficiency in organisations. This paper analyses the challenges facing decentralisation of Sector Education and Training Authorities (SETAs) in the Province of the Eastern Cape. It is demonstrated that the form of decentralisation followed by SETAs in the Province of the Eastern Cape, where constant referral of matters to head offices for decisions and instruction before any action is taken, by them is the biggest challenge. Yet these important institutions are mandated by government to equip South Africans with skills to enable them to succeed in the global market and to offer opportunities to individuals and communities for self advancement and to play a productive role in society are frustrated by unnecessary interference from SETA national offices on their affairs at the provincial government level, which constrains effective decentralisation.

However, the objectives of the study are to:

- Analyse the challenges of decentralisation by SETAs in the Province of the Eastern Cape;
- Provide an overview of the impact of SETA provincial offices on requisite skills in the province;
- Investigate the advantages and disadvantages of decentralising SETAs in the provinces.

These objectives have been achieved by providing empirical evidence as indicated in chapter four, where it shows that participants believe that decentralisation promotes efficiency and SETAs in the Province of the Eastern Cape are not granted discretionary powers to make decisions a primary reason that leads to delays being experienced. This lack of discretionary power is proof that decision-making is still centralised.

The study has the following strategies for the SETAs in the Province of the Eastern Cape to carry out their skills development mandate:

- Clear strategic intent about SETA provincial offices;
• Sector Skills Plans (SSP) to reflect provincial focus;
• Provincial offices to exercise some discretionary powers;
• Adequate financial resources;
• Skilled workforce.

In order to be more effective and efficient, a variety of recommendations to SETAs, with respect to decentralisation of SETAs, were made. It is hoped that these recommendations assist in improvement of the implementation of a decentralisation strategy. More importantly decentralisation of SETAs should allow and enable branch offices to exercise discretionary powers. In addition, they should have adequate financial resources to manage their affairs.
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<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ABET</td>
<td>Adult Basic Education and Training</td>
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<tr>
<td>ANC</td>
<td>African National Congress</td>
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<td>ASGISA</td>
<td>Accelerated and Shared Growth Initiative for South Africa</td>
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<td>ATR</td>
<td>Annual Training Report</td>
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<td>CETA</td>
<td>Construction Education and Training Authority</td>
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<td>DHET</td>
<td>Department of Higher Education and Training</td>
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<td>ECD</td>
<td>Early Childhood Development</td>
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<td>EPWP</td>
<td>Expanded Public Works Programme</td>
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<tr>
<td>ETDP SETA</td>
<td>Education Training and Development Practices Sector Education and Training Authority</td>
</tr>
<tr>
<td>ETQA</td>
<td>Education Training Quality Assurance</td>
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<td>FET</td>
<td>Further Education and Training</td>
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<td>GEAR</td>
<td>Growth Employment and Redistribution Strategy</td>
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<td>H &amp; W SETA</td>
<td>Health and Welfare Sector Education and Training Authority</td>
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<td>HE</td>
<td>Higher Education</td>
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<tr>
<td>HRDS</td>
<td>Human Resources Development Strategy</td>
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<tr>
<td>ISSET SETA</td>
<td>Information Systems, Electronics and Telecommunication Technologies Sector Education and Training Authority</td>
</tr>
<tr>
<td>ITB</td>
<td>Industry Training Boards</td>
</tr>
<tr>
<td>JIPSA</td>
<td>Joint Initiative on Priority Skills Acquisition</td>
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<td>KRA</td>
<td>Key Result Area</td>
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<tr>
<td>LGSETA</td>
<td>Local Government Sector Education and Training Authority</td>
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<tr>
<td>MERSETA</td>
<td>Manufacturing and Engineering Related Services Sector Education and Training Authority</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>MTSF</td>
<td>Medium Term Strategic Framework</td>
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<td>NQF</td>
<td>National Qualifications Framework</td>
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<td>NSDS</td>
<td>National Skills Development Strategy</td>
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<td>NSF</td>
<td>National Skills Fund</td>
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<td>NYDA</td>
<td>National Youth Development Agency</td>
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<td>PGDS</td>
<td>Provincial Growth Development Strategy</td>
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<td>RDP</td>
<td>Reconstruction and Development Programme</td>
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<td>SA</td>
<td>South Africa</td>
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<td>SAQA</td>
<td>South African Qualification Authority</td>
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<td>SARS</td>
<td>South African Revenue Services</td>
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<td>SDL</td>
<td>Skills Development Levy</td>
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<td>SETA</td>
<td>Sector Education and Training Authority</td>
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<td>SSP</td>
<td>Sector Skills Plan</td>
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<td>W &amp; R SETA</td>
<td>Wholesale and Retail Sector Education and Training Authority</td>
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CHAPTER 1

INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

This study will focus on decentralisation of Sector Education and Training Authorities (SETAs) in the Province of the Eastern Cape (Eastern Cape). The purpose of this study is to analyse inevitable challenges decentralisation will bring.

In this chapter the following topics, namely, background and rationale, statement of the problem, hypothesis, delimitation of the study, research questions, research objectives, research methodology, ethical considerations, literature review and course outline are briefly examined.

1.2 BACKGROUND AND RATIONALE

The Department of Labour, at national level, established Sector Education and Training Authorities (SETAs) in 2000, to replace the Industry Training Boards (ITBs) that had existed during the apartheid era which ended in 1994. The SETAs have been granted greater powers and responsibilities than the Industry Training Boards had. Employers and trade unions in each economic sector established working groups which demonstrated their support of proposed SETAs.

In the main the SETAs are expected to carry out the National Skills Development Strategy (NSDS). Their mission is to equip South Africans with the necessary skills to succeed in the global market and to offer opportunities to individuals and communities for self advancement thus enable them to play a productive role in society. For NSDS’s stated mission to be realised, services rendered to South Africans by the SETAs need to be efficient and effective. A need for decentralisation became apparent. Authority changed from a central position, which had weakened its impact on society, to greater authority being given to SETAs provincial offices. This position shift meant the SETAs
were enabled to act in a more powerful and efficient way for their provinces. It is for this reason that the need for decentralisation occurred.

Hatting in Van der Waldt and Du Toit (2005:166) states that one context in which the concept of decentralisation is used is when the central government creates a number of subordinate government institutions and assigns functions to them. South African Department of Labour used decentralisation as a mechanism to bring the services rendered by the Sector Education and Training Authorities (SETAs) closer to the people. From their inception SETAs were reporting to the Department of Labour. However, after the Republic of South Africa’s 2009 democratic elections under President Jacob Zuma’s administration SETAs were transferred under the auspices of Department of Higher Education and Training.

This nationwide decentralisation that occurred within the Republic of South Africa (RSA) gave rise to the seven presently existing SETAs in the Eastern Cape Province. These are: Education Training and Development Practices SETA (ETDP); Manufacturing Engineering and Related Services SETA (MERSETA); Construction SETA (CETA); Wholesale and Retail SETA (W & R); Services SETA; Local Government SETA (LG) and Information Systems, Electronics and Telecommunications Technologies SETA (ISETT).

The Skills Development Amendment Act, 2008 (Act 37 of 2008) gives powers to SETAs to take appropriate actions to enable them to perform their functions and thus achieve what they were set up to do. Consequently, some SETAs formulated their respective provincial strategies in order to achieve their mandate and to ensure that the skills needs of human capital in their respective sectors, regardless of geographical location, are met and that information is easily available.

The Democratic Alliance (DA) stated in their 2009 election manifesto that the Sector Education and Training Authority system, which is supposed to provide skills training, is costly, wasteful, overly bureaucratic and largely ineffective. Bureaucrats, rather than employers, identify the skills that businesses require. The manifesto further states DA
will scrap the SETA system and instead provide incentives to small, medium and large employers to invest in the productivity of their workers where employers will be fully reimbursed for any money spent on employee’s productivity through approved training programmes (Democratic Alliance Election Manifesto 2009:12).

In terms of section 10 of the Skills Development Amendment Act, 2008 (Act 37 of 2008) the Sector Education and Training Authorities (SETA) must develop a sector skills plans within the framework of NSDS and must implement its sector skills plans by establishing learning programmes and monitoring education and skills development provision in the sectors. This Act requires that each SETA must promote learning programmes by identifying workplaces for practical work experience. In order for the provincial SETAs to carry out their functions efficiently and effectively, they need to be given appropriate powers and authority.

1.3 STATEMENT OF THE PROBLEM

The objective of skills development is to contribute to the raising of skills for instance to bring skills to the employed, or those wanting to be employed in the sector. SETAs have to do this by ensuring that people learn skills that are needed by employers and communities. In order to achieve this objective the Skill Development Amendment Act, 2008 (Act 37 of 2008) states that the functions and duties of SETAs are to:

- Develop a sector skills plans;
- Implement the sector skills plans;
- Develop and administer learnerships;
- Support the implementation of the National Qualification Framework;
- Undertake quality assurance;
- Disburse levies collected from employers in the sectors;
- Report to the relevant Minister and to the South African Qualification Authority.

SETAs were decentralised to provinces in order to improve the delivery of their services as well as to ensure that the skills needs of stakeholders are met and information is
easily available. Beliefs persist that SETA system is costly, wasteful, excessively bureaucratic and largely unproductive.

Against this background, it was decided to carry out a study to analyse the challenges facing decentralisation of Sector Education and Training Authorities in the Province of the Eastern Cape.

1.4 HYPOTHESIS

Interferences by national SETAs offices on provincial affairs of SETAs constrain effective decentralisation in provincial offices.

1.5 DELIMITATION OF THE STUDY

The study is limited to SETAs in the Province of the Eastern Cape and in particular to CETA; MERSETA; LG SETA and ISETT SETA based in the Province of the Eastern Cape. ETDP SETA; Services SETA and W&R SETA are excluded in the study.

1.6 RESEARCH QUESTIONS

The research questions for the study are as follows:

- To what extent do the SETA provincial offices experience challenges in their skills development role in the Province of the Eastern Cape Province?
- Why is it important for the SETAs to carry their functions efficiently and effectively?
- Is decentralisation of SETAs an appropriate strategy to bring services to the people?
- What measures are appropriate to remedy the problems being experienced in SETAs provincial offices?

1.7 RESEARCH OBJECTIVES

In order to have a sustainable decentralised SETA system, efficient and effective use of resources in the provincial SETAs is necessary. The researcher was motivated to undertake this study to seek for a solution that would give credibility to SETAs. The objectives of the study are to:
• Analyse the challenges of decentralisation by SETAs in the Province of the Eastern Cape;
• Provide an overview of the impact of the SETA provincial offices on the requisite skills in the province;
• To investigate the advantages and disadvantages of decentralising SETAs in the provinces.

1.8 RESEARCH METHODOLOGY

Some SETAs took the decentralisation strategy in order to ensure that the skills needs of the provincial stakeholders are met. This study intends to investigate the challenges that these SETAs provincial offices encounter in their pursuit to meet the needs of their provincial stakeholders.

The qualitative and quantitative research approaches are well known research methodologies in the social science discipline. According to Leedy and Ormrod (2001:101) quantitative research is used to answer questions about relationships among measured variables with the purpose of explaining, predicting and controlling phenomena. This approach is sometimes called positivist approach. The qualitative research is typically used to answer questions about the complex nature of phenomena with the purpose of describing and understanding the phenomena from the participants’ point of view. This approach is referred to as the constructivist approach. Bless and Higson-Smith (2000:156) suggest qualitative research is conducted using a range of methods which use qualifying words and descriptions to record and investigate aspects of social reality. Quantitative research is conducted using various measurement techniques to record and investigate aspects of social reality.

According to Fox and Bayat (2007:7) qualitative research methods are designed to scientifically explain events, people and matters associated with them and does not depend on numerical data, although it may make use of quantitative methods and techniques. Quantitative research concerns stuff that can be counted as well as with systematic measurement, statistical analysis and methods of experimentation.
Brynard and Hanekom (1997:29) argue that the quantitative methodology is associated with analytical research, and its purpose is to arrive at a universal statement. Methods such as experiments and surveys, observation, pilot studies, quantitative analysis and questionnaires are used. Usually no numbers or counts are assigned to observations. The qualitative methodology refers to research which produces descriptive data – generally people’s own written or spoken words. Methods such as case studies, in-depth interviewing of key informants, participant observation, questionnaires, perusal of personal documents are used.

In this study, the approach that is used is qualitative. According to Babbie (2007:244) questionnaires are best suited in studies that have individual people as units of analysis. As is the case with this study, SETAs provincial offices are the units of analysis and questionnaires were sent to managers and board members of each of the selected SETAs to obtain their views on the challenges facing SETAs provincial offices in an attempt to meet the needs of their stakeholders.

1.8.1 Research Design
Research design provides the overall structure for the procedures that the researcher follows, the data that the researcher collects, and the data analyses that the researcher conducts (Leedy and Ormrod 2001:91). This study attempts to answer questions on the challenges of decentralisation of SETAs in the province of the Eastern Cape. The qualitative research design that will be used is the case study.

1.8.2 Units of Analysis
The population includes all of the units of analysis regarding the conclusions the researcher wishes to reach (Fox and Bayat 2007:31). According to Babbie (2007: 94) social researchers tend to choose individual people as their units of analysis. This research focuses on managers and governance members in the following sampled offices based in the Province of the Eastern Cape: CETA; MERSETA; LG SETA and ISETT.
1.8.3 Sampling

Fox and Bayat (2007:58) argue that in non-probability sampling, units of analysis in the population do not have an equal chance and sometimes have no chance of being included in the sample. This sampling method is used because it is convenient and inexpensive. The purposive sampling is the most important type of non-probability sampling because the researcher is able to rely on her/his experience and the sample used may be regarded as being representative of the relevant population.

Babbie (2007:184) states that sometimes it is appropriate to select a sample on the basis of knowledge of a population, its elements and the purpose of the study. The provincial managers and governance members of SETAs provincial offices have been identified in this study as key respondents and hence they form part of a purposive or judgmental sampling.

For the purposes of this study, the non-probability sampling method (purposive) is used to select SETAs provincial offices which are in the Province of the Eastern Cape. The SETAs provincial managers are selected as respondents to this study because of their knowledge and experience of decentralisation strategies chosen by their SETA national offices. The governance members are selected because of their advisory role. It would have been preferable to collect data from all the SETAs based in the Province of the Eastern Cape especially given their limited number. Three SETAs did not participate: one because of unwillingness, the other due to ethical considerations had to be excluded and the third is managed by the researcher. Therefore, the collection of data is only from four SETAs.

1.8.4 Research Instruments

Babbie (2007:245) asserts that surveys include the use of a questionnaire as it is an instrument specifically designed to elicit information that will be useful for analysis. Primary information will also be gathered by means of an empirical survey. The researcher intends to make use of questionnaires to collect empirical data from the informants or respondents.
Data is acquired from both primary and secondary sources. In terms of the primary data, respondents are required to complete questionnaires that contain both closed-ended and open-ended questions. A five point Likert Scale is used to draw up the questionnaire that consists of three sections. Section A requires biographical information about respondents. Section B consists of perceptions of provincial managers and governance members on decentralisation. Section C concentrates on decentralisation of SETAs. From the secondary sources, relevant information is acquired from various textbooks, journals, internet and national legislations.

1.8.5 Reliability and Validity
Reliability is concerned with the consistency of measures. An instrument which produces different scores every time it is used to measure an unchanging value has low reliability (Bless and Higson-Smith 2000:126). Validity is the degree to which a study actually measures what it purports to measure (Bless and Higson-Smith 2000:157). The researcher uses a questionnaire to ensure reliability and validity of information.

1.8.6 Analysis of Data
According to Mouton (1998:161) qualitative analysis focuses on:

- Understanding rather than explaining social actions and events;
- Remaining true to the natural setting of the actors and the concept/s they use;
- Constructing, with regard to the social world, stories, accounts and theories;
- Contextually valid accounts of social life rather than formally generalisable explanations.

In qualitative research, data processing may be done manually or with the aid of computer programmes. Manual data analysis could be time-consuming and requires skilful and creative processes. The available programmes are the Statistical Package for the Social Sciences (SPSS), Biomedical Data Processing System (BMDP), Statistical Analysis System (SAS) and Non-numeral Data Indexing, Searching and Theorising (NUD-IST) program (Fox and Bayat 2007:105).
In this study, data is analysed qualitatively. The findings of this research are illustrated by use of graphs, tables and pie charts making use of themes extracted from the questionnaire.

1.9 ETHICAL CONSIDERATIONS

The identity of participants is not revealed in any discussion, description or scientific publication by the researcher and hence confidentiality is upheld throughout the research process. Participation of respondents is voluntary and their decision whether or not to participate does not affect their present or future transactions with the researcher. Permission, in writing was sought from all the SETAs which are based in the Province of the Eastern Cape.

1.10 LITERATURE REVIEW

SETAs need to be decentralised to the provinces in order to enhance skills and capacities of human resources. This may be true if provincial offices are granted some discretionary powers and in particular administrative powers. Ahmed, et al. and Shah, et al. in Elhiraika (2007:1) argue that while decentralisation of service delivery may be attributed to different reasons in different countries, improving service delivery has been a common factor. According to Du Toit and Van Der Waldt (1999:25) the need for better distribution of services to its citizenry is a decisive factor in the division of government authority and services into three levels: central, regional and local governments. At both regional and local levels, provincial and local governments can meet the needs experienced specifically at regional and local levels, for example the development of their own region or municipality.

Gildenhuys (2007:100-101) mentions four forms of delegation which are the core of this review, namely: mandate or command; ministerium; deconcentration and decentralisation which will be briefly explained in the following paragraphs.

According to Gildenhuys (2007:100) the mandate or command is the simplest form of delegation. The higher authority decides and request or orders a subordinate person or
institution to execute the decision in a practical manner. The delegator accepts full responsibility and must account for its results because the delegee acts in the name of delegator and not in his stead. In this case the delegator shall not transfer or shift his or her discretion to a delegee and the delegee is not allowed to use his or her discretion. The decision or command must be executed as it stands.

The ministerium is an action taken by an official acting within the framework of prescribed rules and procedures according to a narrowly defined task. It is an essential characteristic of ministerium to be so fully defined and prescribed that no discretion is allowed with its execution. Procedures contained in procedure manuals prescribing the process of how and in what order functional activities must be executed are an example. The delegee must execute the ministerium as prescribed and cannot use his discretion. Ministeriums are associated with job descriptions and job specifications of each position in the organisation (Gildenhuys 2007:100).

Deconcentration is another form of delegation which is widely used in the public sector. Within a close authority hierarchy, such as in the case of a government department, it is often necessary to organise a deconcentration of functions and authority because it is impossible for a minister or a chief executive officer to execute all the functions and authority that have been entrusted to him by legislation. The most important reason for this type of delegation is the practical need for more efficient and effective governance, management and administration (Gildenhuys 2007:100).

Another form of delegation is derived from decentralisation of functions and activities. In the case of decentralisation certain authority and powers are assigned to an independent institution executing authority and powers completely in its own name. The delegator assigns certain functions to the independent institution and according to this rule; the delegator has no authority to intervene or to act on behalf of the delegee. Delegation through decentralisation can take several forms. Sometimes more power and sometimes less power of control is assigned to the principal organisation. Sometimes the principal organisation is even authorised to intervene in the activities and powers of the subordinate institution (Gildenhuys 2007:101).
According to Yuliani (2004:3) deconcentration can be referred to as the transfer of administrative responsibility for specified functions to lower levels within the central government bureaucracy, generally on some spatial basis. Yuliani further mentions that deconcentration is the process by which agents of central government control are relocated and geographically dispersed. Deconcentration is regarded as administrative decentralisation which redistributes decision-making authority, financial and management responsibility to lower levels. There is no real transfer of authority between levels of government. It may involve only a shift of responsibilities from national government department officials to those stationed in provinces and districts.

It is well argued that there are a number of benefits derived from delegation and in particular deconcentration or administrative decentralisation. Effective delegation can benefit the manager, the employee, and the organization. Perhaps the most important benefit for the company is a higher quality of work. Delegation can improve quality of work by allowing the employees who have direct knowledge of products and services to make decisions and complete tasks. Quality can also improve through enhanced employee motivation. Employees may perform better tasks because they feel personal accountability for the outcome, even though responsibility ultimately rests with the individual who delegated the task. Motivation should also be enhanced as delegation enriches the worker's job by expanding the types of tasks that are involved in (Camp 2008:1-2).

Yuliani (2004:1) describes decentralisation as “the means to allow for the participation of people and local governments”. There is a difference between deconcentration and decentralisation. In the case of in the case of deconcentration, the principal organisation retains the final authority and it may intervene in the functions and powers of the subordinate institution. Contrary to this, in the case of decentralisation, the principal organisation must regard the subordinate institution as an independent entity (Gildenhuys 2007:100).

Braslavsky (1999:4) argues that one the advantages to be obtained in redistribution of power through decentralisation of decisions from a single central point to all the formerly
peripheral points, or better, from the apex of a system organised as a hierarchical pyramid to the base and from the summit to the grass roots can release a strong individual and collective creativity that will make it easier to achieve new and better approaches.

According to Niksic (2004:354) decentralisation is regarded as a way to reduce red tape, achieve greater performance, efficiency, foster innovations in administration, improve economies of scale and enhance administrative capability. The need for SETAs, who are government skills development agencies to be decentralised, is embedded in the spirit of good governance. Central governments, located in central points and preoccupied mostly with national issues, fall short of adequately and efficiently providing services essentially local in nature. A case for decentralisation can, in fact, be made.

According to Du Toit and Van Der Waldt (1999: 25) the need for better distribution of services is a decisive factor in the division of government authority and services into three levels: central, regional and local governments. Raga (2007:46) points out that national government deals with national matters which are to be addressed with uniformly to the country as a whole and national legislation provides the required uniform norms, standards, frameworks and policies. Both at regional and local levels, provincial and local governments can meet the needs experienced specifically at regional and local levels, for example the development of the region or municipality. The needs of the particular community are better understood by people who are nearest to them hence the need for decentralisation.

Mashinini (2003:25) ascertains that decentralisation takes place in many forms. However, only three forms, namely decentralisation, devolution and geographic decentralisation are often discussed in literature on decentralisation. Decentralisation which involves the shifting of administrative responsibilities from central government ministries to their local sub-national departments is an example of administrative decentralisation. This decentralisation is composed of workload shifting, field administration and local administration. Workload shifting involves the shifting of some
workload from a ministry’s headquarters to its departments in the field without any power being transferred or given to make autonomous decisions. In field administration, the field personnel are given some limited areas of decision-making but have to seek approval from headquarters before implementation. Under local administration field staff is responsible to a local central body such as the district/provincial administration, which is itself responsible to, and takes instruction from, headquarters on key policy issues but is able to exercise discretion on day-to-day issues.

Decentralisation refers to transfer of authority to plan, make decisions and manage public functions from higher level of government to any individual, organisation or agency at a lower level. Deconcentration and devolution are two major forms of decentralisation. Deconcentration refers to administrative decentralisation or delegation of responsibilities from the headquarters to the field officers, while devolution refers to the political decentralisation or conferment of the necessary legal powers to discharge specified functions upon formally constituted local structures characterised by a measure of autonomy (Hussein 2003:80).

1.11 CHAPTER OUTLINE

CHAPTER ONE

INTRODUCTION AND BACKGROUND

This chapter has provided a background and rationale of the study, statement of the problem, hypothesis, delimitation of the study, research objectives, research design, research methodology and literature review.

CHAPTER TWO

LEGISLATIVE AND THEORETICAL FRAMEWORK FOR DECENTRALISATION

Chapter two provides the legislative framework for Sector Education and Training Authorities (SETAs) and conceptual framework of decentralisation exploring the dimensions, forms, advantages and disadvantages of decentralisation.
CHAPTER THREE

THE DECENTRALISATION CONTEXT OF SECTOR EDUCATION AND TRAINING AUTHORITIES IN THE REPUBLIC OF SOUTH AFRICA

In this chapter a brief overview of human resources development, the establishment of Sector Education and Training Authorities, the decentralisation of SETAs in the Province of the Eastern Cape and the role of SETAs in South Africa is examined.

CHAPTER FOUR

RESEARCH METHODOLOGY, DATA COLLECTION INTERPRETATIONS AND RESULTS

This chapter focuses on the research methodology, data collection, interpretation and results of analysis. It looks at the research design, the population, sampling instruments used in collecting data, ethical considerations and a brief description of the challenges facing decentralisation of SETAs in the Province of the Eastern Cape.

CHAPTER FIVE

STRATEGIES FOR OBTAINING EFFICIENCY AND EFFECTIVENESS IN SETAS

In this chapter, strategies for obtaining efficiency and effectiveness in the SETAs will be proposed. These strategies will provide possible solutions to the challenges faced by SETA provincial offices.

CHAPTER SIX

FINDINGS AND RECOMMENDATIONS

This chapter will present the main findings obtained during the study by integrating results from the previous chapters.
1.12 CONCLUSION

This chapter provided the background and rational, the statement of the problem, research objects and the research methodology and it has briefly indicated the importance of analysing the challenges facing decentralisation of Sector Education and Training Authorities in the Province of the Eastern Cape.
CHAPTER TWO

LEGISLATIVE AND THEORETICAL FRAMEWORK FOR DECENTRALISATION

2.1 INTRODUCTION
Decentralisation is seen as a vehicle through which services could be brought to the community. Depending on the form of decentralisation used, it can increase efficiency and effectiveness in service delivery. Also, it can promote community participation in government affairs. The aim of this chapter is to conceptualise decentralisation in the context of human resource development in South Africa.

The first section of this chapter attempts to provide the legislative framework for Sector Education and Training Authorities (SETAs). The second section deals with conceptual framework of decentralisation exploring the dimensions, forms, advantages and disadvantages of decentralisation.

2.2 LEGISLATIVE FRAMEWORK FOR SECTOR EDUCATION AND TRAINING AUTHORITIES

National governments need to be responsible for ensuring that well-crafted and progressive legal reforms provide local institutions with adequate and appropriate powers to carry out the functions that are being decentralised to them. This requires that a whole range of enabling laws are enacted and implemented, and that these open the way for democratisation and empowerment of local institutions (Smoke 2001:1). It is for this reason that this section concentrates on the legislative framework for SETAs.

2.2.1 The Constitution of the Republic of South Africa

The Constitution of the Republic of South Africa, 1996, is the supreme law of the country which aims to improve the quality of life of all citizens and free the potential of each person. It envisages that every citizen in South Africa enjoys human rights in all areas that are pertinent to their welfare and quality of life. It also expects that every citizen should have access to basic government services such as social welfare
services which Gildenhuys (2004:344) says should include education, health, housing, and social security.

The Bill of Rights, Chapter 2 of the Constitution of the Republic of South Africa, is the cornerstone of democracy in South Africa. It enshrines the rights of all people in South Africa and affirms the democratic values of human dignity, equality and freedom. Section 29(1)(a) states that everyone has a right to basic education, including adult basic education. Section 29(1)(b) provides for further education, which the State, through reasonable measures, must make progressively available and accessible. Section 29(2) further states that everyone has the right to receive education in the official language or languages of their choice in public educational institutions where that education is reasonably practicable. In order to ensure the effective access to, and implementation of, this right, the State must consider all reasonable educational alternatives, including single-medium institutions, taking into account equity, practicability and the need to redress the results of past racially-discriminatory laws and practices.

2.2.2 The Skills Development Amendment Act, 2008 (Act 37 of 2008)

Section 2(1) of the Skills Development Amended Act, 2008 (Act 37 of 2008) stipulates that the aims of this Act are to:

(a) to develop the skills of the South African workforce:
   (i) to improve the quality of life of workers, their prospects of work and labour mobility;
   (ii) to improve productivity in the workplace and the competitiveness of employers;
   (iii) to promote self-employment; and
   (iv) to improve the delivery of social services;
(b) to increase the levels of investment in education and training in the labour market and to improve the return on that investment;
(c) to encourage employers
   (i) to use the workplace as an active learning environment;
(ii) to provide employees with the opportunities to acquire new skills;  
(iii) to provide opportunities for new entrants to the labour market to gain work experience; and  
(iv) to employ persons who find it difficult to be employed;  
(d) to encourage workers to participate in learning programmes;  
(e) to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education;  
(f) to ensure improved quality of learning in and for the workplace;  
(g) to assist:  
  (i) work-seekers to find work;  
  (ii) retrenched workers to re-enter the labour market;  
  (iii) employers to find qualified employees; and  
(h) to provide and regulate employment services.

Section 2(2) of the Act further states that these purposes are to be achieved through (a) an institutional and financial framework comprising among others SETAs;  
(b) encouraging partnerships between the public and private sectors of the economy to provide learning in and for the workplace; and (c) cooperating with the South African Qualifications Authority.

Swanepoel, Erasmus, Van Wyk and Schenk (2003:439) state that according to Chapter 3 of the Skills Development Act 1998 the minister may establish a Sector Education and Training Authority with a constitution for any national economic sector. The minister must, however, take the following into account:  
- The education and training needs of employers and employees;  
- Technologies;  
- The potential of the proposed sector for coherent occupational structures and career pathing; and  
- Scope of any national strategies for economic growth and development. The organisational structures of the trade unions, employer organisations and government in closely-related sectors. Any consensus that there may be
between organised labour, organised employers and relevant departments as to the definition of any sector and financial and organisational ability of the proposed sector to support a SETA.

2.2.3 The South African Qualification Authority Act, 1995 (Act 58 of 1995)

According to Section 10(e) of the Skills Development Amended Act 2008 (No. 37 of 2008), within a week of being established, a SETA must apply to the South African Qualification Authority (SAQA) for accreditation for the Education and Training Quality Assurance (ETQA) function within its sector. The Education and Training Quality Assurance bodies (ETQAs) are established under the South African Qualification Authority Act (No. 58 of 1995). Regulation R1127, under this Act, specifies the roles and responsibilities of ETQAs. They are accredited by SAQA for the purpose of monitoring and auditing achievements in terms of national standards or qualifications and standards. Their quality management functions are to:

- accredit Constituent Providers (subject to them having the capacity to deliver);
- relevant learning and assessment opportunities for specific standards or qualifications and standards;
- promote quality amongst training providers;
- monitor provision by Providers;
- evaluate assessment (by training providers) and facilitate moderation amongst training providers;
- register constituent assessors for specified standards or qualifications;
- take responsibility for the certification of learners;
- co-operate with Moderating Bodies appointed by SAQA;
- recommend new standards or qualifications to NSBs, or modifications to existing standards;
- maintain a database acceptable to SAQA;
- submit reports timeously; and
- perform such other functions as may be assigned by SAQA.
Swanepoel, et al. (2003:437) contend that ETQA bodies shall be accredited in each sector by SAQA for the purpose of monitoring and auditing achievements in terms of national standards or qualifications. An organisation or group of organisations seeking accreditation as an ETQA shall be established in one of the following sectors: social sector, and economic sector or an education and training subsystem sector.

**2.2.4 The Skills Development Levies Act, 1999 (Act No 9 of 1999)**

Chapter 3 Section 14 (1)(a) of the Skills Development Amended Act 2008 (Act 37 of 2008) states that SETAs are financed from 80 percent of the skills development levies. According to Chapter 1 Section 3 (1)(b) of the Skills Development Levies Act 1999 (Act 9 of 1999) every employer must pay a skills development levy from 01 April 2001, at a rate of one percent of the leviable amount.

Swanepoel, et al. (2003:441-2) state that according to section 3 of the Skills Development Act every employer must pay a skills development levy at a rate of one percentum (1%) to fund skills development interventions and the South African Revenue Services (SARS) is the national collection agency. Certain categories of employers exempted from skills development levies are: any public service employer in the national or provincial government; any employer whose remuneration to all its employees during any following twelve (12) months will not exceed R500 000; any religious or charitable institution which is exempted from income tax and any national or provincial public entity that receives 80% or more of its funds from parliament.

**2.2.5 The Employment Equity Act, 1998 (Act No 55 of 1998)**

Chapter 3 Section 15 (2) (d) (iii) of the Employment Equity Act, 1998, states that any affirmative action measures, implemented by a designated employer must include retention and development of people from designated groups. Affirmative action should encourage implementation of appropriate training which, in terms of an Act of Parliament, provide for skills development. To this end SETAs’ programmes have to be aimed at ensuring that previously disadvantaged South African citizens are trained and developed for better employment or self-employment.
Swanepoel, *et al.* (2003: 426) mention that in terms of the South African Qualifications Act of 1995 which oversees the establishment of National Qualifications Framework (NQF), one of the objectives of the NQF is to accelerate the reparation of past unfair discrimination in education, training and employment opportunities. This also includes the development of up and coming training and development providers that were previously disadvantaged. It is thus important that organisations develop their staff in line with the mandates of the Employment Equity Act. Employment Equity Plans inform the Workplace Skills Plans that guide training and development of human resources.

**2.3 CONCEPTUALISATION OF DECENTRALISATION**

Wittenberg (2003:4) notes that decentralisation is seen in many quarters as an important ingredient of development policy. He states that decentralisation means different things to different people. A common view, expressed in the phrase “bringing government closer to the people” is that decentralisation may be a key ingredient in making government more accountable. He further highlights that this is why a number of developing countries have opted for reforms in which decentralisation played an important role.

According to Utomo (2009:2) decentralisation is one of the most vigorous policy choices in creating a more democratic and responsible government. Much as decentralisation models vary from one country to the next, its initiatives generally respond to common concerns such as reduction of the central government bureaucracy and public sector expenditures, liberalisation of the economy and the need to respond to a civil society’s demands for more participatory and democratic state management. The most common formal decentralisation model emphasises the provision of public services such as education or health.

Yemek (2005:2) points out that political liberalisation has opened up possibilities for decentralisation in South Africa. Apartheid policies left a legacy of severe economical social disparities and most South African families still live in conditions that do not meet
the most basic needs. In the fight against poverty the public sector must lead by providing a framework conducive to social and economic development. A well-designed public sector, performing clearly-defined core functions and using resources productively, offers citizens opportunities to break out of the poverty trap by giving them affordable access to essential services and protecting their human rights. In this context decentralisation holds great promise for improving the delivery of public services as the central priority of the South African government, which as set out in the Bill of Rights, is to ensure the provision of a range of services to meet socio-economic challenges, within the constraints of available resources.

2.3.1 Definition of Decentralisation

According to Rondinelli in Niksic (2004:354) decentralisation pertains to the transfer or delegation of legal and political authority to plan, make decisions and manage public functions from the central government to lower government levels, agencies or organisations.

Decentralisation refers to the process of devolving political, fiscal and administrative powers to subnational units of government (Shahid, Guillermo & William 1999:3). Decentralisation refers to a complex pattern of an increasing number of public and quasi-public organisations established with an overarching principle of getting the actions as close to the user as possible (Bogason 2000:22).

Sayer, et al. in Yuliani (2004:1) state that the term ”decentralisation” is used to cover a broad range of transfers of the locus of decision-making from central governments to regional, municipal or local governments.

According to Polidano in Cameron (2009:915) decentralisation means giving line managers greater managerial authority and responsibility.

From the above definitions, it can be concluded that decentralisation means the transfer of power and authority to subordinate institutions and officials to plan, make decisions
and to manage functions. Broadly, any definition of decentralisation would indicate that it involves a transfer of authority to perform some service for the public from central government to some other individual or agency, which is closer to the public to be served. Decentralisation is a multi-dimensional concept which has different meanings to different contexts and situations. In the next section, its dimensions will be pondered.

2.3.2 Dimensions of Decentralisation

Decentralisation is the transfer of power and resources from national governments to subnational governments or to the subnational administrative units of national governments. Decentralisation is often regarded as a top-down process driven by a unitary state in which the central government grants functions, authorities, and resources to subnational levels (Connerley 2009:9). Yuliani (2004:1) points out that decentralisation with its various types has been implemented in many countries, and the terms have been widely used. However, the same word is often used to describe different things. Interpretations vary, and have led to different conceptual frameworks, programmes, implementation and implications.

According to Connerley (2009:3), despite tremendous cross-national variation in how decentralisation unfolds, all-important decentralising changes take place in one or more of three dimensions: political, fiscal, and administrative. Countries adopt different combinations of political, fiscal, and administrative decentralisation in the pursuit of various goals and objectives, including continuing central control of decentralised governments. According to Wittenberg (2003:5) public administration literature notes that decentralisation can take many guises or dimensions which represent components of power. The literature notably mentions three dimensions, political, fiscal and administrative decentralisation.

2.3.2.1 Political Decentralisation

Political decentralisation involves the transfer of political authority to the local level through the establishment or re-establishment of elected local government, electoral
Political decentralisation can be distinguished according to whether the decentralised bodies have single function such as provincial departments or multiple functions as is the case with local government in South Africa. Advocates of political decentralisation assume that decisions made with greater participation will be better-informed and more relevant to diverse interests in society than those made only by national political authorities (Wittenberg 2003:5).

According to Kauzya (2007:4) political decentralisation can be understood to refer to either or both of the following: firstly, transferring the power of selecting political leadership and representatives from central governments to local governments, and secondly, transferring the power and authority for making socio-political-economic decisions from central governments to local governments and communities. Understanding political decentralisation on one hand, only in the first sense, would be limiting the meaning of politics to the choice of political leadership through elections. Therefore the promotion of political decentralisation in this sense entails only putting in place structural arrangements that would facilitate local people to exercise their voting power with limited hindrance or intervention from central government. Here political decentralisation would refer to electoral decentralisation. Participation would be understood only in terms of elections.

On the other hand, promoting political decentralisation in the second sense entails putting structural arrangements and practices in place that would empower and facilitate local governments and communities. Voters would exercise their voting power in choice of local leadership and representatives and they would also have a strong influence in decision-making, implementation, monitoring, and evaluation of decisions that concern their socio-political and economic wellbeing. Voters could demand accountability from their local leadership (Kauzya 2007:4).
2.3.2.2 Fiscal Decentralisation

Fiscal decentralisation has to do with the degree of fiscal autonomy and responsibility given to subnational governments. It is a subject on the policy agenda in many developing, transitional, and industrialised countries. There has been a demand for more decentralisation of government, from a combination of people wanting to get more involved in the process of government and the inability of central governments to get the job done. Fiscal decentralisation in South Africa is characterised by the reassignment of spending, taxing and borrowing authority from national to sub-national governments. The greater the expenditure and revenue assignment, to sub-national governments and the more autonomy they possess in making decisions on what to spend public funds on and how to raise revenue, the more fiscally decentralised the country can be said to be (Bahl 1995:2).

Wittenberg (2003:5-6) observes that it is well known that decentralising administrative and legislative competencies, without ensuring the necessary fiscal resources to deal with them, is likely to lead to unsatisfactory outcomes. Similarly Rondinelli in Niksic (2004:355) states that financial responsibility is at the core of the concept of decentralisation.

2.3.2.3 Administrative Decentralisation

Administrative decentralisation is composed of workload shifting, field administration and local administration. Workload shifting involves the shifting of some workload from a ministry's headquarters to its departments in the field without any power whatsoever to make decisions independently. In field administration, the field personnel are given some limited areas of decision-making but have to seek the approval of headquarters before they can implement them. Under local administration the field staff is responsible to a local central body such as the district/provincial administration, which is itself responsible to, and takes instruction from, headquarters on key policy issues but can exercise its discretion on day-to-day issues (Mashinini 2003:25).
Administrative decentralisation is the transfer of responsibility for the planning and management of one or more public functions from the national government and its centralised agencies to subnational governments and/or subnational administrative units. It encompasses, among others things, subnational departmental structures and responsibilities; human resource requirements and management systems; and planning, monitoring and evaluation of service arrangements. Administrative decentralisation may or may not include improving capacities for budgeting, financial management and financial control, depending on the degree of fiscal decentralisation in the country in question (Connerley 2009:14-15). Wittenberg (2003:5) notes that administrative or bureaucratic decentralisation occurs virtually in every system. Differences occur to the extent that regional offices of national line departments have flexibility in carrying out their mandates. Furthermore, it is stated that in some systems there is regional coordination between line departments, while in other systems they simply operate parallel to each other. Administrative decentralisation is the major interest of this study.

2.3.3 Forms of Decentralisation

Bergh (2004:781) states that in terms of defining the concept of decentralisation, the literature distinguishes between three major forms namely deconcentration, delegation, and devolution. A distinction can be made between functional and geographical decentralisation. Functional decentralisation is the distribution of a state’s authority and responsibility among different functional entities of government. It involves determining the type, amount, and mix of government services and creating the entities to dispense them (Schiavo-Campo and Sundaram 2001:156). Functional decentralisation is a consequence of specialisation requirements. It occurs when an institution makes arrangements for the purposes of rendering services according to a specific function (Roux, Brynard, Botes and Fourie 1999:102). Creation of public entities such as (SETAs) dealing with skills development or the National Youth Development Agency (NYDA) to advance youth development are forms of functional decentralisation.
Geographic decentralisation on the other hand entails dividing the territory of a state into smaller areas and assigning jurisdictional powers among them. The geographic division depends on the relevant criterion used. For instance, it should be based on settlement patterns if the criterion is to minister to the needs of the population (Schiavo-Campo and Sundaram 2001:155-6). Geographical decentralisation refers to the establishment of regional or branch offices in addition to the existence of a head office (Roux, Brynard, Botes and Fourie 1999:102). This is the case in South Africa where public functions have been transferred to organisations within well-defined sub-national or political boundaries a province, district, municipality or other geographical regions.

2.3.3.1 Deconcentration

Deconcentration is the process by which the central government disperses responsibilities for certain services to its regional branch offices without involving any transfer of authority to lower levels of government (Litvack, Ahmad and Bird 1998:4). Similarly, Bizet (2002:476) mentions that deconcentration is when centrally located authorities and entities are re-located to government structures in the provinces, physically deconcentrating the centre. Gildenhuys (2007:100) states that within a closed authority hierarchy, such as in the case of a government department, it is often necessary to organise a deconcentration of functions and authority because it is impossible for a minister or a chief executive officer to execute all the functions and authority that have been entrusted to him or her by legislation. Utomo (2009:4) also points out that deconcentration involves an intra-organisational transfer of particular functions and workloads from the central government to its regional or local offices.

As stated earlier, deconcentration is the transfer of power to an administrative unit of the central government, usually a field or regional office. Yuliani (2004:3) supports this view by saying this form of decentralisation redistributes decision-making authority on financial and management responsibility among levels of the central government. There is no real transfer of authority between levels of government - only shifts responsibilities from central government officials to those stationed in provinces and districts.
Heymans and Totemeyer (1988:25) indicate that deconcentration implies the delegation of authority to subnational units to act as agents in the field. These units are responsible for the implementation throughout the national state of the policies laid down by central government.

Also, Gildenhuys (2004:100-101) argues that under deconcentration the delegator at any time can withdraw its delegation in order to execute the function himself/herself or prescribe rules according to which the delegated function or authority must be executed without discretion. When a delegee executes a function in the name of the delegator, the delegee acts entirely in the place of the delegator and executes the function as if the delegator were doing it himself/herself. The delegator in his/her capacity as principal authority may execute several forms of control over the activities of the delegee. If the delegee does not execute his/her delegation properly, the delegator may release him/her from his/her delegated task.

Despite the fact that Rondinelli in Niksic (2004:2) perceives this form of decentralisation as one that is often considered the weakest since it does not involve any transfer of real power. Gildenhuys (2007:100) maintains that the most important reason for this type of decentralisation is the practical need for more efficient and effective governance, management and administration.

It can be argued therefore that deconcentration does not seek a real redistribution of authority but it tends to extend the central authority to a territorial level through a simple relocation of its agents. Also, deconcentration only seeks to transfer attributions or competencies to dependent bodies of the central administration hence it is seen as the weakest form of decentralisation.

2.3.3.2 Delegation

Yuliani (2004:4) is of the opinion that “delegation” refers to the transfer of managerial responsibility for specified functions to other public organisations outside normal central government control whether provincial or local government or parastatal agencies.
According to Bergh (2004:781) “delegation” refers to a situation in which the central government transfers responsibility for decision-making and administration of public functions to local governments or to semi-autonomous organisations that are not wholly controlled by the central government but are ultimately accountable to it. Unlike deconcentration which is regarded as weak, delegation is regarded as being more extensive.

Panday (2005:13) defines delegation as the transfer of powers and functions to organisations that are not under the direct control of central government ministries. It implies the transfer or creation of broad authority to plan and implement decisions concerning specific activities within specific spatial boundaries to an organisation that is technically and administratively capable to carry out activities direct supervision by a higher administrative unit. This form of decentralisation makes provisions for the powers which are normally centralised to be partly removed from the center and distributed to institutions on the lower subordinate levels of government.

Rondinelli (1999:2) notes that governments delegate responsibilities when they create public enterprises or corporations, housing authorities, transportation authorities, special service districts, semi-autonomous school districts, regional development corporations, or special project implementation units. Usually these organisations have a great deal of discretion in decision-making. They may be exempt from constraints on regular civil service personnel and may be able to charge users directly for services.

As mentioned above delegation provides a great deal of discretion in decision making. According to Gildenhuys (2004:101) this can take several forms, sometimes more power and sometimes less power of control is assigned to the principal organisation. Sometimes the principal organisation may even be authorised to intervene in the activities and powers of the subordinate institution. In some cases, the principal organisation may take over the functions and powers of the subordinate institution, if the latter fails to execute them properly. Gildenhuys (2004:102) further states that the principal organisation, in spite of the authority to intervene and to take over, still
executes the functions and powers on behalf of the surbodinate institution when it intervenes or takes over.

### 2.3.3.3 Devolution

Sharma (2004:1) mentions that decentralisation can appear in the form of devolution of major functional responsibilities, with major increases in fiscal transfers to subnational governments thus collectively ceding the fiscal impact to subcentral entities. Decentralisation can also appear in the form of more administrative autonomy to subcentral or noncentral levels relative to the central control. Finally, it can appear as a shift from appointed to elected subnational governments thereby assigning to these levels the political functions of governance such as representation. Decentralisation in fact alters the structure of governance by shifting the structure of local accountability from central to local constituents. It also changes the geographical boundaries of political contestation by altering the relative power of different actors, and by changing the location of government interaction with society.

According to Heymans and Totemeyer (1988:26) devolution of political power is acknowledged as intrinsically beneficial in all western democracies. This is because autonomous local government promotes three fundamental values such as: firstly, liberty where local government is a vehicle for dispersing political power avoiding undue concentration at a single point and diffusing conflict. Secondly, devolution promotes participation where local government extends choice and individual involvement in the democratic processes. Lastly, efficiency, when local government, with its greater sensitivity to local conditions, enables the matching of services to the needs and wishes of local communities.

Decentralisation is about handing power over to the local level, typically from central government. Neither individuals nor institutions relinquish power easily. Largely, for this reason, decentralisation is a long and usually difficult process that requires extraordinary incentive to enact and implement. It is invariably subject to fits and starts as proponents and opponents manoeuvre for advantage in what is frequently a major
Bergh (2004:781) argues that devolution occurs when the central government transfers authority for decision-making, financial allocations and management to quasi-autonomous units of local government. Devolution usually transfers responsibilities for services to municipalities that elect their own mayors and councils, raise their own revenues, and have independent authority to make investment decisions. It is this type of decentralisation which presents the most direct link with democracy, popular participation, and empowerment. Democratic decentralisation emphasises the linkages between the state and the people, and consequently between decentralisation and participation. It refers to the transfer of powers and resources to authorities representative of, and downwardly accountable to, local populations, and can be considered an institutionalised form of participatory development.

Raga (2007: 25) writes that devolution is the most extreme form of decentralisation and amounts to the creation of relatively independent levels and or units of government with decision-making powers over policy making implementation. Devolution is often seen as a form of decentralisation in which regional local government units are given responsibility for some functions but in which the central government often retains some supervisory powers and may play a large financial role. Some public administrative theorists argue that devolution is a concept and arrangement quite separate from decentralisation in that it implies the divestment of functions by the central government and the creation of new units of governance outside the control of central authority. However, Sherwood in Saltman, Bankauskaite and Vrangbaek (2007:10) notes that devolution means the transfer of power to geographic units of local government that lie outside the formal command structure of the central government.

Raga (2007: 25-6) articulates that devolution has five characteristics, outlined as follows: Firstly, devolution requires that local government be given autonomy and independence and be clearly perceived as a separate level over which central
authorities exercise little or no direct control. Secondly, the local units must have clear and legally recognised geographical boundaries over which they exercise authority and within which they perform public functions. Thirdly, local governments must be given corporate status and the power to raise sufficient resources to perform specific functions. Fourthly, devolution implies the need to develop local governments as institutions in the sense that they are perceived by local citizens as organisations providing services that satisfy their needs and as governmental units over which they have some influence. Lastly, devolution is an arrangement in which there are reciprocal, mutually benefiting and coordinate relationships between central, regional and local governments.

2.3.4 Requirements for Decentralisation

2.3.4.1 Adequate Finance

Bergh (2004:781) says that whilst there may be potential advantages for decentralisation, potential disadvantages also exist. Firstly, he indicates that administrative responsibilities may be transferred to local levels without adequate financial resources and support, thus making equitable distribution or the adequate provision of services more difficult. This is related to the concern about central government oversight. While the national government is responsible for developing policy and setting basic standards, the manner in which it exercises its monitoring and oversight role can impede the effectiveness of sub-national governments. Owing to lack of support, local government officials may make decisions without fully understanding the larger picture or the vision of the organisation. Heymans and Totemeyer (1988:27) mention that the local units to which power is decentralised must have an adequate revenue base without which implementation would be complicated and difficult.

2.3.4.2 Autonomy

Heymans and Totemeyer (1988:27) argue that decentralisation implies discretionary decision-making at local level. There can be little such autonomy however if the local unit has no or very limited revenue to call its own. Decentralisation to local units lacking
such revenue base is largely meaningless. Exworthy (2010:43) states that autonomy, combined with some form of regulatory oversight, may enable governments to pursue many of the policy objectives attributed to decentralisation. Connerley (2009:7) believes that autonomy provides subnational officials with flexibility to respond more effectively to local conditions and the specific needs of local people.

Ribot (2003:2) believes that the developmentalist logic behind decentralisation is that democratic or empowered and locally accountable local institutions can better discern and are more likely to respond to local needs and aspirations. This occurs because local institutions have better access to information as a result of proximity to the local population by whom they are held accountable. For local people to want to engage these authorities and hold them accountable, any powers conferred on authorities, and the services they deliver, must be relevant. Further, these authorities should have some freedom for sensible decision-making. They should not just have power to implement mandates handed to them from head office but they would require power that is discretionary in nature. Without discretionary power, local authorities may carry out head office directives but to implement local mandates they would need far greater flexibility. Effective decentralisation requires representative authorities with discretionary powers over resources that are meaningful to local people.

2.4 ADVANTAGES AND DISADVANTAGES OF DECENTRALISATION

2.4.1 Advantages

Bergh (2004:781) points out that a number of potential advantages have been claimed for transferring greater responsibilities from central governments to lower levels of governments. Decentralisation is a means of overcoming severe limitations of centrally-controlled national governments by delegating greater authority for development to institution, on the lower levels that are closer to the people and their problems. Decentralisation to regional or local levels allows officials to disaggregate and tailor development plans and programmes to the needs of heterogeneous regions and groups within a state. By decentralising functions and reassigning central government officials
to regional and local levels, their knowledge of and sensitivity to regional and local problems and needs will increase.

According to Heymans and Totemeyer (1988:26) decentralisation of powers is a prerequisite for the realisation of the objectives of government. In a highly centralised system bottlenecks in the information flow both from bottom up and top down and are order of the day. Decentralisation becomes a means of cutting through the enormous amounts of red tape and the highly structured procedures characteristic of national government that result in part from the overconcentration of power, authority and resources at the centre of government. It can be argued that decentralisation can lead to more flexible, innovative, creative and efficient government administration as local units may have greater opportunities to test innovations and to experiment with new policies and programmes in selected areas without having to justify them for the whole country.

Decentralisation allows for greater political and administrative penetration of national government policies into areas remote from the national capital where central government policy and plans are often unknown or ignored by the local people. Hence it is claimed that closer contact between government officials and the population would allow both groups to obtain better information with which to make more realistic and effective policy, plans for government projects and programmes (Raga 2007:27-8). Bergh (2004:781) indicates that it is assumed that, as political representatives get closer to citizens, such proximity will enable better mobilisation and more efficient allocation of resources at the local level. Heymans and Totemeyer (1988:27) write that decentralisation allows for greater visibility thus increasing accountability to local people.

Raga (2007: 28) points out that another advantage of decentralisation is that it would allow greater representation for various political, religious, ethnic and tribal groups in development decision-making that could lead to greater equity in the allocation of government resources and investments. Rondinelli in Bergh (2004: 781) concurs with
this view by pointing out that decentralisation may provide better opportunities for local residents to participate in decision-making. More importantly responsiveness of government is improved because local representatives are best placed to know the exact nature of local needs and how they can be met in a cost effective way. Also decentralisation provides lower level managers with vital experience in making decisions; without such experience they would be ill-prepared to make decisions when promoted into higher level positions.

The efficiency of the central government could be increased through decentralisation by relieving chief officials of routine tasks that could be more effectively performed by regional or local officials. This time-saving from routine administration would enable political and administrative leaders to concentrate on administrative planning and more effectively supervise implementation policies. Top management would be relieved from daily problems and better able to concentrate on strategizing, higher-level decision-making and coordinating activities which should lead to increased cost-efficiency and overall effectiveness (Heymans & Totemeyer 1988: 27).

Alam and Nickson (2006:44) state that decentralisation has been seen by many as the key to improved service delivery at the local level, given the failure of central governments to deliver essential services throughout their countries. Another very important point raised about the advantages of decentralisation is one of training in political leadership. The sub-national levels create a seedbed for prospective political leaders to develop skills in policy making, political party operations and budgeting and result in an enhanced quality of national politicians.

According to Heymans and Totemeyer (1988:28) decentralisation is acknowledged as valuable because it promotes participation in the governmental process and provides a channel for grass roots involvement. This cannot occur, however, if the local unit to which power is decentralised is fundamentally discredited in the eyes of its community.
2.4.2 Disadvantages

According to Schiavo-Campo and Sundaram (2001:162) ‘unless perfectly designed’ decentralisation can entail the loss of scale of economies and generate unnecessary duplication and underemployment of staff and equipment. Decentralisation can create coordination problems and conflict where none exists due to lack of uniformity among autonomous managers. The presumed efficiency gains from decentralisation can be undermined by institutional constraints. Subnational governments in developing countries worldwide generally have very weak administrative capacities, which can affect service-delivery making it less efficient and effective. Bergh (2004:782) echoes this view by pointing out that weak administrative or technical capacity at local levels may result in services being delivered less efficiently and effectively. Decentralisation may allow functions and benefits to be captured by local elites instead of increasing accountability at the local level.

Macro economic policy and fiscal principles limit the extent of decentralisation of powers. The economic role of government is commonly identified as having three aspects; to stabilise, distribute and allocate. Some economists agree that stabilisation and distribution of resources are the competencies of national government. The central government must determine money supply and control foreign exchange for the country as a whole. A central government is expected to set parameters for taxation and expenditure for a country. Because of inevitable inequalities in revenue sources and expenditure requirements from one area to another, local efforts at redistribution of wealth and resources might lead to wealthy taxpayers voting with their feet and thereby the less wealthy in any area might be ignored. Local economies are open with the result that local attempts to control money supply and to introduce redistributive instruments will rapidly dissipate. Effective decentralisation is inevitably constrained by the role of central government in these key spheres of economic policy (Heymans & Totemeyer 1988: 28).
2.5 CONCLUSION

It has been indicated that decentralisation is instrumental in closing gaps when central governments are distantly located, and they are preoccupied with national issues. Central governments thus fall short of adequately and efficiently providing services essentially local in nature. Decentralisation manifests itself in different dimensions and forms. It has been highlighted that the following dimensions that is political, fiscal and administrative and deconcentration, delegation and devolution forms are most popular in conceptualising decentralisation. These conceptual distinctions are important because different contexts require different types of decentralisation, at different speeds, and in different sequences.

There is consensus that the Republic of South Africa’s workforce hold the key to many of its economic and social problems. The challenge now facing the country is to provide people, especially the youth, with solid educational foundation and relevant and marketable skills. Organisations such as SETAs who are tasked to equip the workforce with relevant skills should be encouraged to use decentralisation as a strategy to reach out to communities. It is however critical that any decentralisation embarked on must not be meaningless. The next chapter will give the context of decentralisation of the Sector Education and Training Authorities in South Africa.
CHAPTER 3
THE DECENTRALISATION CONTEXT OF SECTOR EDUCATION AND TRAINING AUTHORITIES IN SOUTH AFRICA

3.1 INTRODUCTION

Human resources development contributes positively to many economic and social problems. Education and training are critical in improving the supply of high quality skills which are more responsive to societal and economic needs. The intent of this chapter is primarily descriptive to provide overview of the impact of the Sector Education and Training Authorities (SETAs) provincial offices on the requisite skills or skill’s needs in the Province of the Eastern Cape.

In this chapter a brief overview of human resources development, the establishment of SETAs, the decentralisation of SETAs to the Province of the Eastern Cape and the role of SETAs in South Africa will be examined.

3.2 OVERVIEW OF THE HUMAN RESOURCES DEVELOPMENT IN SOUTH AFRICA

Nel, Werner, Haasbroek, Poisat, Sono and Schultz (2008:416) state that besides the challenge of bringing about peace and political stability, the South African government has an enormous task of developing policies aimed at promotion of economic growth and social development. Much of the debate in South Africa is about policies and programmes to facilitate job creation, to narrow income differentials and to redress inequalities. The South African government was mandated in 2004 to halve poverty and unemployment by 2014. Devadas (2004:6) mentions that South Africa has used national initiatives in its human resources development in addressing its need of internal and international economic developments having a clearly established National Human Resources Development policy framework. In realising the need for developing the country’s human capital by government and employers alike, in order to compete in the
international market, changes in core laws to eliminate discriminations, taking initiatives in skills development, job creation and quality assurance in education and training must be encouraged. The importance of human resources development as a means of ensuring that organisations achieve their objectives cannot be over-emphasised (Swanepoel, Erasmus, Van Wyk and Schenk 2003:451). Nel, et al. (2008:417) argue that South Africa’s human resources hold the key to many of its economic and social problems. The challenge is to provide people with a solid education foundation and to equip the workforce with relevant and marketable skills.

3.2.1 Human resource development explained

Human resources development refers to formal and explicit activities that will enhance the ability of all individuals to reach their full potential. By enhancing the skills, knowledge and abilities of individuals, human resources development serves to improve the productivity of people in their areas of work - whether these are in formal or informal settings. Increased productivity and improvements to the skills base in a country supports economic development, as well as social development. South Africa’s central national concern is to accelerate development so that there is a match between supply and demand for human resources. Human resources development is about taking purposeful action to increase the aggregate levels of skills in the workforce so that opportunities for individuals are maximised, thereby benefiting society as a whole (Human Resources Development Strategy–South Africa 2010 -2030:7).

According to Meggison, Joy-Matthews and Surtees (2004:6-7) human resources development can be described as integrated and holistic, a conscious and proactive approach to changing work-related knowledge and behaviour, using a range of learning strategies and techniques. These strategies and techniques are intended to help individuals, groups and organisations realise their full potential to work in a way that allows for individuality and yet enhances effectiveness within particular contexts. Swanepoel, et al. (2003:451) believe that the main focus of human resources development is learning and its principal aim is to attain the objectives of both an
organisation and the individual. The chief focus of human resources development is the possibility of performance improvement and/or personal growth.

In South Africa the human resources development strategy has been aligned to the country’s development agenda. Since the inception of democracy, the South African government has identified various policies for the development of adequate human resources to meet the development priorities of the country as a key strategic priority. The Reconstruction and Development Programme (RDP) identified human resources development as one of the five core programmes to drive the implementation of reconstruction and development in South Africa. The Growth Employment and Redistribution Strategy (GEAR) stated that transformation is dependent on enhanced human resource development. According to Chikulo (2003:3) GEAR was designed to achieve high rates of economic growth, to expand the private sector, to improve output and employment, achieve fiscal reform and encourage trade and investment. The Accelerated and Shared Growth Initiative for South Africa (ASGISA), which aimed at giving effect to government’s commitment of halving unemployment and poverty by 2014 - analysis on which ASGISA was based, identified the shortage of suitably-skilled labour as one of six binding constraints to accelerated growth in South Africa. Recently, under the Zuma Administration, the Medium Term Strategic Framework (MTSF) prioritised strengthening the skills and human base (Human Resources Development Strategy –South Africa 2010-2030:11).

South African human resources development strategy is based explicitly on relevant education and training-related strategic frameworks such as the National Skills Development Strategy (NSDS) 2005-2010 (including the Scarce Skills List 2007); the Basic Education Strategic Plans: Early Childhood Development (ECD); schooling; Adult Basic Education and Training (ABET); the Further Education and Training (FET) Strategic Framework; the Higher Education (HE) Strategic Framework and the Human Resources Development Strategy for the Public Sector. The scope and importance of the Human Resources Development Strategy–South Africa for South Africa’s development agenda dictates that for its success it depends on the full contribution of all social partners.
While government, in terms of its mandate and the public resources it holds in trust, has a significant role to play, it cannot perform this role optimally without substantive input from community, labour and business. Among others, structures such as provincial skills development forums of which Sector Education and Training Authorities are members should play an active role in facilitating human resources development activities in the provinces in a manner that supports local growth and development priorities. SETAs together with other relevant structures are expected to play a key role in the development and support the implementation of provincial HRD strategies (Human Resources Development Strategy–South Africa 2010 - 30:24).

3.2.2 Challenges of human resource development

Nel, et al. (2008:432) point out that South Africa has a poor skills profile, as a result of inferior general education for the majority of South Africans; low relevance of publicly-funded training and the low-level investment by companies in training has reinforced the view. Inferior education and lack of skills training inhibit productivity growth in companies, new investment prospects and employability of the young and unemployed. Daniels (2007:5) echoes the same views by arguing that, as a new democratic nation, South Africa found itself having not only to deal with the legacy of Bantu education - and the resultant skills shortages associated with it - but also found itself in a situation where reintegration into the international economy mandated skills-based changes to methods of production. The result was insufficient workers with adequate skills and a labour force unable to match demand.

Planning capacity has grown significantly in South Africa since 1994, although it has not yet reached levels required by the human resources development system for effective implementation of human resources interventions in the country. The SETAs sector skills plans, the higher education and further education and training enrolment planning and the immigration quota list are not informed by a common, credible and consistent modelling of skills supply and demand projections. These problems militate against integration, and confound responsiveness of education and training provision to the
demands of the labour market (Human Resources Development Strategy—South Africa 2010 - 2030:11).

According to Knight (2006:3-4) jobs are a major issue in South Africa. In its 2004 election manifesto the African National Congress (ANC) promised to reduce unemployment by half (50%) by 2014. Partly this will be achieved through an expanded public works programme. The ANC manifesto notes that the government can create some employment in the public service, public works programmes and through encouragement of labour-intensive methods in parts of the economy. But it states that long-term employment depends largely on higher rates of private investment; on strategies for growth in key sectors of the economy; on joint skills development and learnerships in both the public and private sectors to provide work experience.

Developing human resources is at the heart of the government strategy of ending poverty through creation of decent work. A need for coherent policy levers to achieve faster growth, higher employment and reduced levels of poverty include skills development. The needed skills development must assist not only support to formal private sector growth but also labour-intensive industries, infrastructure investment, public service delivery and rural development. Quality education and training is essential at all levels. The role of skills development is central in anticipating what skills will be needed and when. Careful planning is required to support the necessary needs for South Africa’s inspirational growth path. Sector Skills Plans (SSPs) which SETAs must develop are expected to anticipate and promote sectoral economic growth trajectories and constitute best guess at the skills needs of an essentially unknowable future (Framework for NSDS 2011 – 2016, 1st Draft: 2010:6).

3.3 THE ESTABLISHMENT OF SECTOR EDUCATION AND TRAINING AUTHORITIES (SETAs)

The SETAs were established in line with the Skills Development Act, 1998 (Act 57 of 1998) on 20th March 2000 by the Minister of Labour before they were moved to the Department of Higher Education and Training (DHET). These institutions are involved
with education and training. Their responsibilities include implementing the National Skills Development Strategy, and improving the skills of people initially in twenty-five (25) economic sectors which incorporate among others wholesale and retail, mining, construction, agriculture and banking. The SETAs replaced thirty-three (33) Industry Training Boards (ITBs) but have greater powers and responsibilities than their previous counterparts. The SETAs cover every industry and occupation whereas the ITBs covered only some sectors and focused mainly on apprenticeships. Their establishment was informed by research which determined how the different sectors should be defined and what industries should be linked to relevant SETAs.

In accordance with section 11(a-d) of the Skills Development Amended Act, 2008 (Act 37 of 2008) SETAs should have governing bodies constituting an equal number of employer and worker representatives. The governing bodies should also include relevant government departments, professional bodies and bargaining council representatives if the Minister approves in consultation with organised labour and employer representatives of that particular SETA. If a SETA is large enough, or its sector is complex, it can delegate functions to chambers, which deal with skills development in specific sub divisions of the sector. For example, the SETA for Education Training and Development Practices Sector (ETDP) has five chambers namely, Higher Education and Research Chamber, Further Education and Technical Vocational Education and Training Chamber, Early Childhood Development and Adult Basic Education and Training Chamber, Schooling Chamber and Education, Training and Development Practices and Provisioning Chamber.

3.4 DECENTRALISATION OF SETAS IN THE PROVINCE OF THE EASTERN CAPE

SETAs were previously criticised due to their lack of visibility and under-performance in the provinces. Their visibility would ensure that information reaches the communities. They would promote employability and sustainable livelihoods through skills development. Also are expected to assist designated groups, including new entrants to
participate in accredited work, integrated learning and work-based learning programmes to acquire critical skills to enter the labour market and self-employment. The Department of Labour through the National Skills Development Strategy of 2005 - 2010 made it a point that SETAs report on provincial linkages. As a result SETAs have to report annually on their activities in their respective provinces.

In terms NSDS 2005-2010 framework, SETAs are required to report annually to the DHET since they were moved from the Department of Labour, and one of the key responsibility areas that they have to address is key responsibility area five (KRA 5) which calls for SETAs to report on their activities linked to provinces. SETAs are expected to provide with evidence that shows they are visible and are active participants in Provincial Skills Development Forums coordinated by representatives from Premiers offices and other relevant provincial based skills development initiatives.

As part of government decentralisation strategy SETAs opened offices in the provinces, including the Province of the Eastern Cape. In 2006 the Education Training and Development Practices SETA (ETDP) opened regional offices in the Province of the Eastern Cape. Some SETAs such as ISETT, Services and MERSETA were opened before the introduction of the NSDS 2005-2010.

It can be summarised that the purpose of these SETAs provincial offices is to ensure that there is local delivery, regional focus and trusted points of call. In terms of local delivery the provincial offices are expected to receive and process workplace skills plans and annual training reports from constituent member companies. Another function of the SETAs provincial offices is to initiate, implement and monitor skills development programmes which include learnerships, skills programmes and internships. Also these provincial offices are expected to facilitate provincial functions such as advocacy campaigns and workshops. In terms of regional focus the SETAs provincial offices ought to build partnerships with provincial stakeholders. Lastly these provincial offices are expected to receive and disseminate information to communities, be able to give advice on better solutions to skills development challenges and be visible and contactable to the public.
3.5 THE SECTOR EDUCATION AND TRAINING AUTHORITIES IN THE EASTERN CAPE

At present, there are eight SETAs in the Province of the Eastern Cape (EC). They are:

- Construction SETA (CETA);
- Wholesale and Retail SETA (W&R);
- Services SETA;
- Manufacturing and Engineering SETA (MERSETA);
- Local Government SETA (LG);
- Information Systems, Electronics and Telecommunication Technologies SETA (ISSETT);
- Education Training and Development Practices SETA (ETDP); and
- Health and Welfare SETA (H&W).

Their role is to implement skills development projects. The National Skills Development Strategy 2005–2010 requires SETAs to report annually on their activities within provinces to the Director General of Department of Higher Education and Training.

3.5.1 Representation in the SETAs

Given the geographical spread of the constituencies and stakeholders that SETAs serve, regional representation becomes critical to the realisation of skills development objectives. Provincial stakeholder forums are in place to strengthen the provincial skills development efforts. SETAs attend the provincial skills development forums, strategic and advisory body for skills and human resources development matters coordinated by representatives from the Premier’s offices. The major stakeholders in the skills development forum are SETAs, provincial government departments, district municipalities and human resources development councils. They meet at least once quarterly. PSDF is mainly expected to play a very important role in addressing the Provincial Growth Development Plan (PGDP). The PGDP is a critical tool to guide and coordinate the allocation of national, provincial and local resources and private sector investment to achieve sustainable development outcomes (Provincial Growth and Development Strategy Guidelines 2005:1).
When PGDP was launched in the Province of the Eastern Cape in 2004 the following points were identified as specific challenges within the human resource development pillar:

- An extremely low skills base;
- Under-investment in skills development;
- Rising unemployment;
- Poor alignment of training programmes with social and economic development strategies; and
- Mismatch between training outputs and skills requirements.

The Eastern Cape Joint Initiative on Priority Skills Acquisition (JIPSA) at a Provincial Skills Indaba held on 26 and 27 of February 2009 reaffirmed some of these challenges when the report stated that the following were critical in addressing the skills development challenges in the Province of the Eastern Cape:

- Skill’s needs analysis - focus on identified provincial needs
- Do skills audit
- Provide relevant skills development
- Identify skills gap and establish appropriate training
- Research community needs
- Skills development plan for EC


Given the SETAs role in the provinces, particularly in the Province of the Eastern Cape, it remains to be seen whether the SETAs have been able to make the necessary impact in so far as skills development is concerned. The report by Eastern Cape JIPSA on the recent Eastern Cape JIPSA Provincial Skills Indaba suggests that there is still much to be done to improve people's lives. According to Kraak (2009:24) the current ‘one-size-fits-all’ skills development policy of government, particularly in the form of the National Skills Development Strategy, is inappropriate given South Africa’s highly differentiated economy and labour market structure. She further argues that in order to address the one-size-fits-all policy there has to be greater alignment between sectoral conditions
and skills development policy. The numerical targets set for each category in the NSDS 2000-2005 and NDSDS 2005-2010, which were cascaded down to each SETA through their Service Level Agreements (SLA), have been criticised for being too rigid and technical, with too little attention being paid to the economic conditions operating in different sectors (Framework for NSDS 2011 – 2016, 1st Draft 2010:10).

**3.6 THE ROLE OF SETAs IN SOUTH AFRICA**

In terms of the National Skills Development Strategy 2000-2010 SETAs were established in order to equip South Africa with the skills to succeed in the global market and to offer opportunities to individuals and communities for self advancement to enable them to play a productive role in society. When these SETAs were established in 2000 it was estimated that there were people who needed to learn new skills and to improve their skills. Each year a number of young people finish school and look for jobs. There are those who are unemployed and they all need skills and training. There are those who want to run their own businesses, people with disabilities and those whose current skills provide them with barely enough money to survive.

SETAs have to assist by raising skills levels to those who are employed, or those who want to be employed in a particular sector. They are suppose to match skills programmes with the needs of employers and communities, understanding that it does not make economic sense to train people if they cannot put the acquired skills to good use. SETAs therefore act as intermediaries between provision of training and what is needed by the labour market. They are also expected to contribute to the achievement of the country’s economic growth and social development goals (Framework for NSDS 2011 – 2016, 1st Draft 2010:7).

Roodt (2002:1) states that SETAs were established to manage the many skills development needs that exist. Each SETA coordinates skills development in its particular sector. For the purposes of planning and managing delivery of training the economy was divided into twenty-five (25) sectors each of which has its own SETA which were later reduced to twenty-three (23). In accordance with section 11(a-d) of the
Skills Development Amended Act, 2008 (Act 37 of 2008) the Minister may, in the prescribed manner, establish a sector education and training authority with a constitution for any national economic sector. In determining the sector, among others, the Minister must take into account the following factors:

- the education and training needs of employers and employees that use similar materials, processes and technologies;
- make similar products; or
- render similar services.

As a result of section 9 of the Skills Development Amended Act, 2008 (Act 37 of 2008) SETAs became responsible for the following economic sectors:

- finance and accounting;
- banking;
- chemical industries;
- education, training and development;
- food and beverage;
- health and welfare;
- insurance;
- mining;
- agriculture;
- services;
- transport;
- public service;
- construction industry;
- engineering industry;
- clothing and textile;
- forestry;
- information technology;
- media and advertising;
- energy;
• local government;
• wholesale and retail industries;
• safety and security, and
• tourism.

The functions and responsibilities of SETAs are set out in section 10 of the Skills Development Amended Act, 2008 (Act 37 of 2008). Their main function is to contribute to raising skills, to bring skills to the employed or to those wanting to be employed in their sector. This has to be done by ensuring that people learn skills that are needed by employers and communities. Training must be to agreed standards, within a national framework wherever possible. All training, wherever it is provided, should be subject to quality control, and where appropriate should compare to the best international standards.

Swanepoel, et al. (2003:440) point out that in order to achieve the objectives of skills development policies, SETAs are expected to achieve the following, these points will be discussed more fully and explained in subsequent paragraphs:

• Develop a sector skills plans within the framework of the national skills development strategy.
• Implement the sector skills plans.
• Develop and administer learnerships.
• Support the implementation of the National Qualification Framework.
• Undertake quality assurance.
• Disburse levies collected from employers in their sector.
• Report to the Minister and to the South African Qualifications Authority.
• The Skills Development Act also gives powers to SETAs to take appropriate actions to enable them to undertake these various functions.
3.6.1 Developing the Sector Skills Plan

In accordance with section 10(1)(a) of the Skills Development Amended Act, 2008 (Act 37 of 2008) each Sector Education and Training Authority (SETA) is required to develop a Sector Skills Plan (SSP) within the framework of the National Skills Development Strategy. Sector Skills Plans are five-year Sector Education and Training Skills Development reports prepared by SETAs, aimed at identifying the skills’ needs of industry or economic sectors. They have to provide with scarce skills, skills gaps and skills supply based on the standard industrial classification codes allocated to each individual SETA by the Minister in the SETA establishment and re-certification process. Sector Skills Plans also identify the possibilities and constraints in the effective utilisation and development of skills in relation to government’s priorities and the objectives of the Human Resources Development Strategy (HRDS), the National Skills Development Strategy (NSDS), Provincial Growth and Development Strategies (PGDS) including major projects and relevant industry or economic strategies.

There are four key elements that must be looked at when Sector Skills Plans are developed and reviewed:

1. The environment in which the SETA operates and national policies, for instance National Skills Development Strategy and government policies for the sector, for example teacher development in the education sector. The SETA should also consider any international experience about sector developments that might be relevant.

2. The SETA must know about its sector in terms of how many employers there are in their sector; what the age and gender profile of those people are; is there a skills shortage and are there any difficulties to fill vacancies. How is the sector likely to develop and are there opportunities for small businesses.

3. The SETA must know what short and long-term levels of skills employers and communities require.

4. Lastly, the SETA must know about training being provided and what programmes universities and colleges are offering for young people and older workers.
The Sector Skills Plans are important in making decisions about priorities for skills development. It becomes important for the SETA since it provides the framework and background for its actions. The Sector Skills Plans are also important to employers and workers by helping them to better understand the sectors in which they are working. It is also important to all education and training providers since it should provide valuable signals about developments and future skills needs.

3.6.2 Implementing Skills Plans

In accordance with section 10(1) (a) of the Skills Development Amended Act, 2008 (Act 37 of 2008) each SETA must encourage and help employers to prepare workplace skills plans and annual training plans. They will pay a grant to employers who prepare and submit workplace skills plans. The SETAs will monitor these plans and their implementation. A workplace skills plan matches strategies and activities in the workplace to the skills that workers require. The plan is important in identifying training requirements. Every employer should designate at least one person to act as a skills development facilitator. SETAs will liaise with the skills development facilitator so that each employer knows about skills development. The facilitator will be the point of contact between an employer and SETA. The SETAs will also give guidance about training and preparing skills development facilitators for their role.

SETAs are also expected to be involved in the implementation of the National Skills Development Strategy. Each SETA will agree with the contribution its sector will make to the achievement of the national targets. A SETA will need to be actively encouraging employers to ensure that these targets will be met. For example, success indicator 3.1 of the National Skills Development Strategy 2005-10 stated that by March 2010, at least 450 000 unemployed people should have been trained. This training should incrementally be quality-assured and by March 2010 no less than 25% of the people trained should have undergone accredited training. Of those trained at least 70% should be placed in employment, self-employment or social development programmes including Expanded Public Works Programme (EPWP), or should be engaged in further studies. Placement categories of each to be defined, measured, reported and
sustainable-assessed. To achieve this target each SETA was expected to have encouraged the employers in their sector to apply for discretionary funding where they could fund programmes for unemployed - such as learnerships, internships, skills programmes and bursaries.

3.6.3 Developing and Administering Learnerships

According to Swanepoel, et al. (2003: 440) SETAs may establish a learnership if: firstly, the learnership consists of a structured learning component; secondly, the learnership included practical work experience of a specified nature and duration’ and thirdly the learnership would lead to a qualification registered by the South African Qualifications Authority and related to an occupation and lastly, the intended learnership is registered with the Director General in the prescribed manner. A person who completes a learnership will be able to demonstrate the practical application of skills and will also have learnt why things are done in a particular manner. A community health worker should be able to turn a bed-ridden patient but also understand why this is necessary and that unless it is done the patient might develop bed sores.

Learnerships can be developed in any area identified in the Sector Skills Plan as a need. The development and implementation of learnerships is a major feature of the National Skills Development Strategy. Objective four (4) of the National Skills Development Strategy 2005-2010, success indicator 4.1, notes for instance that by March 2010 at least 125 000 unemployed people must have been assisted to enter and at least approximately 50% successfully completed programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Once learners have completed their learnerships, they receive certificates from the SETAs as evidence of their qualification which forms part of the National Qualification Framework of South Africa.

In accordance with section (16) Skills Development Amended Act, 2008 (Act 37 of 2008) learnerships are a new way of training. It is the work of the SETAs to encourage employers, workers and training providers to design new learnership programmes;
recommend new learnerships to SETAs and SAQA so that they can be satisfied the learnership programmes are sufficient train people in skills that are needed and that the learnership programme has the right mix of practical training and theory. In addition SETAs are expected to administer the learnership agreement between an employer, a learner and education and training provider. SETAs are also expected to assist in the identification of on-the-job and off-the-job education and training and to promote core skills such as literacy and numeracy, team working and problem solving. The SETAs are mandated to promote learnerships to employers, workers, young people and their parents to build support of these new programmes. SETAs are also to monitor the implementation of learnerships and spread examples of good practice and issue certificates to people who complete learnerships successfully.

3.6.4 Support for implementation of a National Qualification Framework

The new National Qualifications Framework (NQF), 2009, is the framework based on ten levels, on which any qualification or learning outcome can be registered. The NQF is developed under the guidance and oversight of the South African Qualifications Authority (SAQA). SETAs do not set standards or provide education or training programmes but support the NQF in various ways.

SETAs must support the Standards Generating Bodies (SGBs); a SAQA approved working groups that develop standards and qualifications to be registered with the NQF. SETAs may initiate the process of setting up SGBs under SAQA. SETAs must give out information about standards and give employers, workers and trainers advice on how to implement the NQF. In accordance with National Qualifications Framework the standard generating bodies shall be responsible for the following functions in line with South African Qualifications Authority requirements:

- Generate standards and qualifications
- Update and review standards
- Recommend standards and qualifications to National Standards Bodies
- Recommend criteria for the registration of assessors and moderators or moderating bodies; and
• Perform such other functions as may from time to time be delegated by its National Standards Body (Swanepoel, et al. 2003:437).

3.6.5 Assuring Quality

Each SETA, once established, has to apply to the SAQA to seek recognition as an Education and Training Quality Assurer (ETQA). Therefore, each SETA must make sure that all its training programmes and qualifications are of the same high standard. SETAs must ensure that providers are competent to deliver good courses. They must also look at the ways learners are assessed and that assessments are carried out properly. This practice ensures uniformity in service delivery regardless of the geographic location of a SETA. At the end of each training period SETA issues out certificates to participants who have completed their training. (Section 10(e) of the Skills Development Amended Act 2008 No. 37 of 2008).

In promoting quality provision SETAs will accredit education and training providers, monitor provision to ensure that programmes are being followed, register assessor and moderators, collaborate with other education and training quality assurers. In most sectors SETAs will not be the only quality assurers. For example, in the mining sector, in addition to the SETA, there are professional bodies responsible for assuring the quality of the education and training of professional engineers. Each SETA will need to reach agreement with other ETQAs about the exact qualifications and standards for which each will be responsible. SETAs are also expected to report to the South African Qualifications Authority on how they fulfil the ETQA role (Regulations R1127, SAQA Act of 1995).

3.6.6 Administering the Levy Grant System

Swanepoel, et al. (2003:441) indicate that according to section 3 of the Skills Development Levies, 1999 (Act 9 of 1999) every employer must pay a skills development levy and the South African Revenue Services will be the national collection agency. Every employer must pay a levy at a rate of 1% of an employee’s total remuneration. The amended Skills Development Levies Act promulgated that the
R250 000 payroll per annum threshold for the 1% Skills Development Levy (SDL) exemption be increased to R500 000. This 1% is payable monthly to South African Revenue Services (SARs), 80% goes to SETAs and 20% to the National Skills Fund.

The SETAs use 10% of this money to cover their administrative costs. The rest of the money is used as grants. There are two types of grants; mandatory and discretionary. In terms of the Skills Development Grant Regulations No 22398 of June 2001, a mandatory grant is a grant payable to levy-paying companies upon submission, by 30 June each year, of a Workplace Skills Plan and Annual Training Report. The SETA is required to pay 50% of the total levies paid back to the employer upon approval of the Workplace Skills Plan and Annual Training Report. Payments for mandatory grants shall be made quarterly and any mandatory grants not claimed in one year will be transferred to the discretionary fund reserve. In terms of the Skills Development Regulations, 2001, a discretionary grant is a grant paid to applicants, at the discretion of the SETA, for skills development projects linked to scarce and critical skills in the sector.

Source: ETDP SETA Corporate Brochure (2008:14)


3.6.7 Reporting and Liaison

SETAs exist to provide services to their sectors. They are accountable and report to their respective sectors which are made up of economic activities that are linked and related. SETAs are expected to forge links with different bodies in their sectors, including employers, trade unions, professional bodies and associations, education and training providers and with stakeholders. SETAs are statutory bodies established by an Act of Parliament and they are given clear responsibilities to be discharged in the public interest. The levy collected from employers is public money (Department of Labour Document, SETAs, 2001:14-15).

The Director General of the Department of Higher Education and Training is the accounting officer. SETAs must therefore expenditure reports to the Director-General. They are also governed by the Public Finance Management Act, (Act No. 29 of 1999) the provisions of which are designed to ensure that public bodies operate in a manner that is not wasteful or irresponsible. In order for the SETAs to be accountable for their activities, they are given full responsibilities and scope to organise their work and they are required to enter into a service level agreement with the Department of Higher Education and Training. This agreement sets out the SETA’s performance of its functions in terms of Skills Development Act and the National Skills Development Strategy. Each SETA must have an annual business plan which is submitted to the Director General who in turn provides assistance when necessary (Department of Labour Document, SETAs, 2001:14-15).

3.7 CONCLUSION

It can be concluded that the main function of a SETA is to contribute to the raising of skills, to bring skills to the employed, or those wanting to be employed in their sector. They do this by helping to implement the National Skills Development Strategy and ensuring that people learn skills that are needed by employers and communities. SETAs implemented a decentralisation strategy aiming at reaching out and delivering skills development to the local people.
A report by Eastern Cape JIPSA on the recent Eastern Cape JIPSA Provincial Skills Indaba held in 2009 implies that if SETAs are really up to task with regards to skills development they do need to adapt to new ways of doing things. The next chapter will provide the research methodology, the manner in which data was collected and its interpretation.
CHAPTER 4

RESEARCH METHODOLOGY, DATA COLLECTION, INTERPRETATION AND RESULTS

4.1 INTRODUCTION

The main aim of this study was to analyse the challenges facing decentralisation of Sector Education and Training Authorities in the Province of the Eastern Cape. This chapter focuses on the research methodology. The first part of the chapter looks at the research design, the population, sampling instruments used in collecting data, ethical considerations and the latter part provide an interpretation and results of analysis.

According to Kumar (2005:2) research is undertaken by most professions. More than a set of skills, research is a way of encouraging thought, examining critically the various aspects of day-to-day professional work; understanding and formulating guiding principles that govern a particular procedure and developing and testing new theories for the enhancement of practice. This chapter gives an outline of the plan of action and the research methods followed in the study. As indicated in the above paragraph it also provides two sections on the interpretation of results. The first section provides an overview of the demographic profile of eight participants who were respondents to the questionnaire. In the second component, decentralisation of SETAs in the Province of Eastern Cape was assessed to obtain insight into the impact, strengths and weaknesses of Eastern Cape based SETA provincial offices.

4.2 QUALITATIVE RESEARCH METHOD

According to Beiske (2002:1) it is important for the researcher to determine the most appropriate methodology to carry out the study. The Dictionary of Sociology (1998) defines methodology as the methods and general approach to empirical research of a particular discipline. It is implied that various methods exist to approach a particular research problem, and the researcher should give his or her own set of methods considerable thought. Wilmot (2005:1) states that qualitative research aims to provide
in-depth understanding of the world as seen through the eyes of the people being studied. It aims not to impose preordained concepts; hypotheses and theory are generated during the course of conducting the research as the meaning emerges from the data. Statistical inference is not the objective, although within governments, the results are used to inform policy and therefore some form of generalisation or transferability is implicit.

This study uses a qualitative approach. Leedy and Ormrod (2001:101) state that qualitative research is typically used to answer questions about the complex nature of phenomena with the purpose of describing and understanding the phenomena from the participants’ point of view. The strength of qualitative research is its ability to provide complex textual descriptions of how people experience a given research issue. Neuman (2006:1-2) states that regardless of whether we are aware of it, we are surrounded by social research. Research is a way of finding answers to questions. Although much research on decentralisation has previously taken place, no research has until now been conducted on the challenges facing decentralisation of the SETAs. In order to analyse the challenges facing decentralisation of Sector Education and Training Authorities in the Province of the Eastern Cape, the following questions were the main ones asked:

- To what extent do the SETA provincial offices experience challenges in their skills development role in the Province of the Eastern Cape?
- Why is it important for the SETAs to carry their functions efficiently and effectively?
- Is decentralisation of SETAs an appropriate strategy to bring services to the people?
- What measures are appropriate to remedy the problems in the SETA provincial offices?

To achieve the aims set out below, the researcher used the qualitative method. The aims of the study are:
• To analyse the challenges of decentralisation by SETAs in the Province of the Eastern Cape.
• To provide an overview of the impact of the SETAs provincial offices on the requisite skills in the province.
• To investigate the advantages and disadvantages of decentralising SETAs in the provinces.

According to Sanchez (2006: 55) qualitative research explores attitudes, behaviour and experiences through such methods as interviews or focus groups.

It attempts to get an in-depth opinion from participants. The following are regarded as the main features of qualitative research:

• Qualitative research is concerned with the opinions, experiences and feelings of individuals producing subjective data.
• Qualitative research describes social phenomena as they occur naturally. No attempt has been made to manipulate the situation under the study as is the case with experimental quantitative research.
• Understanding a situation is gained through a holistic perspective.
• Data is used to develop concepts and theories that help to understand the social world. This is an inductive approach to the development of theory.
• Qualitative data are collected through direct encounters with individuals, through one-to-one interviews or group interviews or by observation. However data collection is time-consuming.
• The intensive and time-consuming nature of data collection necessitates the use of small samples.
• Qualitative sampling techniques are concerned with seeking information from specific groups and subgroups in the population.
• Criteria used to assess reliability and validity differs from those used in quantitative research (Hancock 2002:2).
According to Key (1997:1) descriptive research is used to obtain information concerning the current status of the phenomena to describe what exists with respect to variables or conditions in a situation. The methods involved range from the survey which describes the status quo, the correlation study which investigates the relationship between variables, to developmental studies which seek to determine changes over time. Babbie (2007:87-90) identifies exploration, description and explanation as the three purposes of social science research. Descriptive research classifies phenomena and generally precedes explanatory research.

Owing to the fact that the aims were to analyse the challenges of decentralisation by SETAs in the Province of the Eastern Cape, to provide an overview of the impact of the SETA provincial offices on the requisite skills in the province of the Eastern Cape and to investigate the advantages and disadvantages of decentralising SETAs in the provinces a descriptive approach was deemed to be ideal as questions who, what, where, when and how are critical for the purposes of this study.

4.2.1 Research Design

Research design provides the overall structure for the procedures that the researcher follows, the data that the researcher collects, and the data analyses that the researcher conducts (Leedy and Ormrod 2001:91). Tripodi in Grinnell (1988: 210) defines research design as a logical strategy that plans research procedures and provides evidence for the development of knowledge. This study uses responses from the sampled SETA provincial managers and provincial board members to questions on the challenges of decentralisation of SETAs in the Province of the Eastern Cape. Robson (2002:80-81) argues that research design concerns various things which should be thought about and kept in mind when carrying out a research project. He suggests that the following should be borne in mind during research:

- Purpose: what is this study trying to achieve? Why is it being done? Is the researcher seeking to describe something, or to explain and understand something? Is one trying to assess the effectiveness of something? Is it in
response to some problem or issue for which solutions are sought? Is it hoped to change something as a result of the study?

- **Theory:** what theory would guide or inform a study? How is the researcher going to understand findings? What conceptual framework links the phenomena being studied?

- **Research questions:** to what questions is the research geared to providing answers? What would one need to know to achieve the purpose of the study? What is feasible to ask given the time and resources that are available?

- **Methods:** what specific techniques are to be used to collect data? For example, semi-structured interviews, participant observation will you use to collect data? How will the data be analysed? How does one or the researcher show that the data are trustworthy?

- **Sampling strategy:** from whom should data be sought? Where meaning an appropriate location such as office, factory, clinic, inner city or rural and when would be best or most convenient day or time of day? How would one balance selectivity with the need collect all the data required?

Given the above components it was critical for the study to address each of the mentioned aspects. For purposes of this study the decentralisation strategy adopted by SETAs nationally is assessed. With regards to theory, the literature says decentralisation allows for greater political and administrative penetration of national government policies into areas remote from the national capital where central government policy and plans are often unknown or ignored by the local people. This study wanted to address the challenges facing decentralisation of SETAs. A case study design was used which involved four SETAs in the Province of the Eastern Cape.

### 4.2.2 Unit of Analysis

According to Fox and Bayat (2007:31) the population includes all units of analysis regarding the conclusions the researcher wishes to reach. Babbie (2007:94) mentions
that social researchers tend to choose individuals as their units of analysis. In this study, the focus is on governance members and the managers in the SETAs offices based in the Province of the Eastern Cape. The intention was to make an inquiry to all SETA provincial offices that are in the Province of the Eastern Cape. However only the following SETAs formed part of this study, Manufacturing Engineering and Related Services SETA (MERSETA), Construction SETA (CETA), Local Government (LG) and Information Systems, Electronics and Telecommunications Technologies (ISETT). Also the governance member (board member) from each SETA was targeted.

4.2.3 Research Sample

Korlik, Bartlett and Higgins (2001:43) state that a common goal of survey research is to collect data representative of a population. The researcher uses information gathered from the survey to generalize findings from a drawn sample back to a population, within the limits of random error. A sample is a subset of a population usually chosen in such way that it can be taken to represent the population. Babbie (2007:184) states that sometimes it is appropriate to select a sample on the basis of knowledge of a population, its elements and the purpose of the study. The provincial managers and governance members of each of the SETA provincial offices were identified in this study as key respondents and hence purposive or judgmental sampling was chosen as the appropriate sampling method.

According to Mason (2002:120) sampling is a principle and a procedure to identify, choose and gain access to relevant data sources from which the researcher can generate data using a chosen method. Qualitative research employs non-probability sampling as it does not aim to produce statistically representative samples or draw statistical inferences. Indeed, a phenomenon needs to appear once in the sample. Purposive sampling is one technique often employed in qualitative investigation. With a purposive non-random sample the number of people interviewed is less important than the criteria used to select them. The characteristics of individuals are used as the basis of selection (Wilmot 2005:3). For the purposes of this study, the non-probability sampling method (purposive) is used to select SETA provincial offices based in the Province of the Eastern Cape. The SETA provincial managers were preferred because
of their knowledge and experience of decentralisation strategy implemented their principals. The governance members were selected because of their advisory role. It would have been preferred to collect data from all eight SETAs based in the Province of the Eastern Cape especially given the limited number of SETAs. Four SETAs, did not participate for the following reasons:

- One was excluded because it is the researcher’s workplace
- Another indicated its unwillingness to participate
- For ethical reasons, related to this study, a third office agreed to be excluded
- Research had to be abandoned in another office because they opened their doors after commencement of the study

Therefore, the collection of data is from four remaining SETAs. According to Wilmot (2005:4) a feature of sampling is the fact that the number of cases sampled is often small. This is because a phenomenon only needs to appear once to be of value. In addition she states that however the small scale approach only works if the researcher has a strong sampling strategy.

4.2.4 Data collection instrument

There are various instruments that can be used to collect empirical data. These include surveys, questionnaires, observations and, interviews. These are briefly explained in the following paragraphs. A survey can be anything from a short paper-and-pencil feedback form to an intensive one-on-one in-depth interview. According to Robson (2002:230) survey typical central features are:

- The use of a fixed, quantitative design.
- The collection of a small amount of data in standardised form from a relatively a large number of individuals.
- The selection of representative samples of individuals from known populations.

Babbie (2007:245) points out that surveys include the use of a questionnaire, an instrument specifically designed to elicit information that will be useful for analysis. Beiske (2002:4) also highlights that a questionnaire is essentially a structured technique
for collecting primary data. According to Babbie (2007:244) questionnaires are best suited in studies that have individual people as a unit of analysis. Woods (2006:4) contends that the main methods employed in qualitative research are observation, interviews, and documentary analysis. Questionnaires are not among the most prominent methods in qualitative research, because they commonly require subjects to respond to a stimulus, and thus they are not acting naturally. However, they have their uses, especially as a means of collecting information from a wider sample than can be reached by personal interview. Though the information is necessarily more limited, it can still be very useful. Neuman (2006:299) states that the strengths linked to the questionnaires, among others, are: quick turnaround and it can be conducted by a single researcher. Also the respondent can complete the questionnaire when it is convenient as perceived anonymity by respondents may be high.

On the basis of the abovementioned strengths of the questionnaire, the researcher felt strongly that this particular qualitative method would suit this study. The qualitative method is suitable for this study because this study is conducted by a single researcher and allows for quick feedback within a short period of time. The questionnaires were created in such a manner as to enable easy completion by participants. With respect to participants the questionnaire was convenient as participants could complete the questionnaire when convenient to them. There are however disadvantages associated with this type of questionnaire. A major disadvantage is that a small group of individuals who participate may not be taken as representative of a population. Hancock (2002:3) states that the results of a study may not be generalisable to a larger population because the sample group was small and the subjects were not chosen randomly. Also, a researcher cannot control the conditions under which a mail questionnaire is completed (Neuman 2006:299).

In this study, the questionnaire method was chosen as the data collection instrument because it offers a feasible solution to the problem of distance between respondents and researcher. Self-administered questionnaires were a preferred method because of the convenience that it provides to the participants. It was also geared to quick turn-
around. The questions in the questionnaire were drawn in order to elicit more information from the respondents about their perceptions on decentralisation, the effectiveness of SETAs in the Province of the Eastern Cape and how best these provincial-based SETAs could improve on their mandate. Lastly this study was clear about its aims and from whom data was to be sought.

As was indicated in chapter one secondary information would also be obtained from sources such as internet documents, textbooks, journals, legislation and, official documents. According to Woods (2006:8) documents are a useful source of data in qualitative research, but they have to be treated with care. The most widely used are official documents, personal documents, and questionnaires. Documents can help reconstruct events and give information about social relationships. In this study a number of official documents such Skills Development policies were consulted and books were studied in order to understand the decentralisation concept.

4.2.5 Reliability and Validity

Golafshani (2003:603) points out that if the validity or trustworthiness can be maximised or tested then more credible and defensible results may lead to generalisability which is one the requirements for both doing and documenting high quality qualitative research. Reliability is concerned with the consistency of measures. An instrument which produces different scores every time it is used to measure an unchanging value has low reliability (Bless and Higson-Smith 2000:126). Validity is the degree to which a study actually measures what it purports to measure (Bless and Higson-Smith 2000:157). The researcher used a questionnaire to ensure reliability and validity of information.

4.2.6 Analysis of data

The data analysis in this study was guided by the fact that the research is qualitative in nature. Babbie (2007:378) states that qualitative research methods involve a continuing interplay between data collection and theory. In a qualitative research, data collection analysis and theory are more intimately intertwined. The researcher adopted the cross-case analysis which is an analysis that aims to understand a particular case or several
cases by looking closely at the details of each (Babbie 2007:379). According to Khan and Van Wynsberghe (2007:2) cross-case analysis is a research method that facilitates the comparison of commonalities and difference in the events, activities, and processes that are the units of analyses in case studies. This particular method also allows the researcher to compare cases from one or more settings, communities, or groups. This provides opportunities to learn from different cases and gather critical evidence to modify policy. In this instance the responses from different provincial SETA managers and governance members are to be closely observed.

4.3 ETHICAL CONSIDERATIONS

Resnik (2010:2) points out that there are several reasons why it is important to adhere to ethical norms in research. Firstly, norms promote the aims of the research, such as knowledge, truth and avoidance of error. Secondly, since research often involves a great deal of cooperation and coordination among many different people in different disciplines and institutions, ethical standards promote the values that are essential to collaborative work, such as trust, accountability, mutual respect and fairness. Thirdly, many of the ethical norms help to ensure that researchers can be held accountable to the public. Fourthly, ethical norms in research also help to build public support for research. People are more likely to fund a research project if they can trust the quality and integrity of research. Finally many of the norms of research promote a variety of other important moral and social values, such as social responsibility, human rights, animal welfare, compliance with the law and health and safety.

In keeping with the above important reasons to adhere to ethical norms in research, this study will not reveal the identity of the participants in any discussion, description or scientific publication by the researcher and hence confidentiality will be upheld throughout the research process. Participation of respondents will be voluntary and that decision whether or not to participate will in no way affect their present or future dealings with the researcher. Lastly permission to all selected respondents and their principals was sought in writing. Permission to conduct research has been obtained from the SETAs and letters of permission are attached as appendixes B, C, D and E.
4.4 PRESENTATION OF THE RESEARCH QUESTIONNAIRE

In this section interpretations and findings of the study are discussed as follow: demographic profile of participants; perceptions on decentralisation; perceptions on decentralisation of SETAs and findings.

4.4.1 Demographic Profile of Participants

4.4.1.1 Gender

Figure 4.1: Gender

Source: Compiled by the research, L. N. Gazi, 2010

Figure 4.1 indicates the overall gender distribution for the sampled participants. The majority (75%) of respondents are males and (25%) females.
4.4.1.2 Race

Source: Compiled by the research, L. N. Gazi, 2010

Figure 4.2 indicates that the majority of respondents are blacks at 62%; whites 25% and coloureds are in the minority at 13%. No other groups were represented in the sample.

4.4.1.3 Age

Source: Compiled by the research, L. N. Gazi, 2010
Figure 4.3 shows that the participants’ ages were distributed between two age categories. Seventy-five percent were between 36 and 49 years of age whereas 25% were over 50 years of age.

4.4.1.4 SETA Experience

Figure 4.4: Years with the SETA

Source: Compiled by the research, L. N. Gazi, 2010

Figure 4.4 indicates participants’ experience and shows that 75% have been with the SETAs for more than five years compared to 25% who have been with the SETA for between two to five years and for less than one year.
4.4.1.5 Role in the SETAs

Figure 4.5: Role in the Provincial SETA offices set-up

![SETA Representation Chart]

Source: Compiled by the research, L. N. Gazi, 2010

Figure 4.5 indicates the role of respondents in the Province of the Eastern Cape SETAs. There are 50% of respondents for both management and governance structures of the SETA provincial offices.

4.4.2 Perception on Decentralisation

4.4.2.1 Efficiency in an Organisation

Participants were asked if decentralisation increases efficiency in an organisation. The response (see Figure 4.6 below) indicates that the majority 75% strongly agree; 13% agree and 12% remained indicated neutral.

When the participants were asked if decentralisation is a vehicle through which services are rendered efficiently and effectively, the majority (75%) of the respondents “strongly agreed” compared to 25% agreed. In line with the argument as noted in chapter two made by Heymans and Totemeyer (1988:26) that decentralisation can lead to more flexible, innovative, creative and efficient government, it can therefore be safely concluded that decentralisation promotes efficiency in the organisation.
4.4.2.2 Unnecessary Delays

Participants were asked whether unnecessary delays at the point of service delivery could be avoided through decentralisation of functions. Figure 4.7 below shows that the majority, 75% “strongly agree”; 13% “agree” whereas 12% “disagree”.

Source: Compiled by the research, L. N. Gazi, 2010
Participants were asked to respond about delays in the implementation of the provincial operational plans as a result of certain centralised functions. Their responses were similar to the responses provided when participants were asked about unnecessary delays. The majority, 50%, indicated that they “strongly agree” that the implementation of the provincial operational plans are delayed as a result of certain centralised functions, 38% “agreed” and 12% “disagreed”. These results concur with some of the arguments highlighted in chapter two under the advantages of decentralisation. Heymans and Totemeyer (1988:26) pointed out that in a highly centralised system bottlenecks in the information flow both from bottom up and top down are order of the day and decentralisation becomes means of cutting through enormous amounts of red tape.

4.4.2.3 Interference

Participants were asked to respond if there should be minimum interference by head office on the affairs of the provincial offices. Figure 4.8 below indicates that 38% “strongly agree”, another 38% “agree”, 12% “disagree” and another (12%) remained neutral.

Figure 4.8: Interference

Source: Compiled by the research, L. N. Gazi, 2010
4.4.2.4 Equal treatment of decentralised offices and head office counterparts

Participants were asked whether officials in various decentralised offices are treated on an equal basis with their counterparts in head offices. Figure 4.9 below reveals that 25% indicated that they “disagree”; 25% indicated that they “agree”, another 25% were neutral, whereas 13% “strongly agree” and 12% “strongly disagree”. This indicates mixed feelings about treatment of staff in decentralised offices compared to treatment of staff in head offices.

Figure 4.9: Decentralised offices treated on equal basis

Source: Compiled by the research, L. N. Gazi, 2010

4.4.2.5 Type of decentralisation appropriate for SETAs in the Province of EC

Participants were asked which type of decentralisation would be most appropriate for the SETAs in the Province of the Eastern Cape. Figure 4.10 below shows that 62% of participants indicated that “geographical” would be the most appropriate for them, whilst 25% opted for “functional”. Thirteen percent (13%) on the other hand chose both options namely “geographical” and “functional” as most appropriate.
4.4.3 Perceptions on Decentralisation of SETAs

4.4.3.1 Challenges with the decentralisation of SETAs

Participants were asked if challenges exist with the decentralisation of SETAs. Table 1 below shows that the majority, or 75%, of respondents indicated “yes” and 25% “no”. Those who indicated “no” are governance members which suggests that because of this they are less involved with day-to-day operations of the offices. As a result, they may not know the extent of the challenges being faced by these offices.

Table 1: Challenges with decentralisation of SETAs

<table>
<thead>
<tr>
<th>Challenges Exist</th>
<th>SETA Officials</th>
<th>Governance Members</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>75%</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Compiled by the research, L. N. Gazi, 2010
Figure 4.11 reflects that 75% of the respondents felt that there are challenges with decentralisation of SETAs, and 25% indicated that there are no challenges in this respect. Respondents were further asked to indicate any three main challenges faced by the provincial-based SETAs. They gave the following reasons:

- lack of true commitment to ensure that these decentralised offices function at optimum;
- lack of strategic intent in the establishment of these provincial offices;
- lack of communication;
- lack of capacity;
- lack of financial autonomy;
- lack of authority;
- a greater risk for corruption to take place;
- head office inefficiencies;
- lack of understanding of regional stakeholder’s needs by head office; and
- very long turn around time by head offices for some of the services that are still centralised.
4.4.3.2 Objectives of the SETA provincial offices as per NSDS

When participants were asked if they understood the objectives of decentralisation of SETAs to provinces as provided for in the National Skills Development Strategy. Chart 12 below indicates that all participants, that is 100%, indicated that they understood these objectives.

Figure 4.12: Objectives of Provincial Offices

![Chart showing 100% response: Yes]

Source: Compiled by the research, L. N. Gazi, 2010

According to the responses from the sampled participants it can be deduced that the SETA provincial offices are quite aware of the objectives of decentralising SETAs to the provinces.

4.4.3.3 Centralised decision-making

Participants were asked whether they perceived that the provincial offices are structurally decentralised but for decision-making authority that they are centralised. Figure 4.13 below shows that a majority of 50% “strongly agree”, 12% indicated that they “disagree” and 38% “agreed” with the questions posed.
Based on the responses from the participants it can be concluded that SETA provincial offices are structurally decentralised but as far as decision-making authority they are centralised.

4.4.3.4 Discretionary powers to take decisions

When participants were asked if officials in the provincial offices are given discretionary powers to take decisions on the operation of the provincial offices. Figure 4.14 indicates varied responses. A minority of 12% “strongly disagreed”; 37% “disagreed”; 38% were “neutral” and 13% “strongly agreed”. About half of the respondents felt that SETA provincial offices do not have powers to make decisions on operations as reflected by the below figure.

Source: Compiled by the research, L. N. Gazi, 2010
4.4.3.5 Accessibility of SETA services

Participants were asked whether the SETAs services are easily accessible to local people throughout the provincial office. Figure 4.15 below shows that, of the sampled participants, 12% indicated that they “disagree”, 38% indicated that they “agree” and a majority of 50% said they “strongly agree”. Based on these results it can safely be claimed that the services of the provincial offices are easily accessible to local people. This concurs with the statements highlighted in chapter two where it was pointed out that decentralisation allows for greater political and administrative penetration of national government policies into areas remote for the national capital where central government policy and plans are often unknown or ignored by local people (Raga 2007:27-28).
Figure 4.15: Services easily accessible

Source: Compiled by the research, L. N. Gazi, 2010

4.4.3.6 Needs of local stakeholders

Participants were asked whether the needs of local people or stakeholders are better addressed by the provincial SETA office than by the head office. The majority, 75% of the sample participants, indicated that they “strongly agree”, 13% “agreed” and 12% indicated a “neutral” response.

Figure 4.16: Needs of local people

Source: Compiled by the research, L. N. Gazi, 2010

Figure 4.16 above indicates that the majority of 75% of the sample participants “strongly agree”. About 13% “agree” that needs, of local people and/or stakeholders, are better
addressed by the provincial SETA office than by the head office. Only 12% of the respondents were “neutral”. It can be concluded therefore that decentralisation allows greater visibility thus increasing accountability to local people as stated in chapter two (Heymans and Totemeyer 1988:27).

**4.5 RESULTS OF ANALYSIS**

The results of this study clearly show that decentralisation promotes efficiency, as it speeds up operational decisions in organisations. Decentralisation results in approaches that are more consistent with the local needs of stakeholders and in turn high levels of utilisation of services. Despite the fact that some SETAs took a decentralisation strategy in order to improve service delivery there is still a perception that SETAs are overly bureaucratic and largely ineffective. This is in fact contrary to the literature as indicated in Chapter 2 of this study. The manner in which these SETA provincial offices are managed by their head offices downplays the importance of decentralisation.

Although the establishment of SETA provincial offices in the Province of the Eastern Cape was a noble development among skills development stakeholders, the constant referral of matters to head offices for decisions and instruction, before any action can be taken, defeats the purpose of decentralisation. It has become obvious to SETA stakeholders that structurally the SETAs are decentralised but decision-making is still centralised.

In the literature review some authors like, Niksic (2004:354), state that decentralisation is a way to reduce ‘red tape’, achieve greater performance, improve efficiency, foster innovations in administration, improve economies of scale or cost effective and enhance administrative capability. Literature relating to this study acknowledges limits posed by deconcentration. It states that it is the weakest form of decentralisation, as it only seeks to transfer attributions or competencies to dependent bodies of the central administration. The literature review also claims that decentralisation implies discretionary decision-making at local level. There can be little such autonomy however
if the local unit has no or very limited revenue to call its own (Heymans & Totemeyer 1988:27).

Two key findings of this study are: firstly, that decentralisation promotes efficiency; secondly, there are challenges of decentralisation in the Province of the Eastern Cape. These findings are to be discussed more fully in the following paragraphs.

4.5.1 Decentralisation promotes efficiency

Based on the evidence presented, it can be concluded that indeed decentralisation promotes efficiency in organisations and results in approaches that are more consistent with the local needs of stakeholders and, in turn, higher levels of utilisation of services. Also, unnecessary delays at the point of implementation can be avoided through decentralisation of functions.

Generally it can be concluded that SETA provincial offices are quite aware of the objectives of decentralising to the provinces. The presented evidence also shows that the needs of the local people or stakeholders are better addressed by the provincial SETAs than by head office administration and that services are easily accessible to the local people or stakeholders due to these SETA provincial offices.

4.5.2 Challenges of decentralisation in the Province of the Eastern Cape

According to the presented evidence, the manner in which decentralisation has been implemented by SETAs in the Province of the Eastern Cape poses challenges in the delivery of needed skills development interventions. For instance, there is a view based on the responses from the participants that due to certain centralised functions the implementation of SETA provincial plans are delayed. SETA provincial offices are not granted discretionary powers which is important for improved decentralisation strategy. Also as indicated in the interpretation of responses there is an overwhelming conviction that structurally SETAs are decentralised but for decision-making it remains centralised.
4.6 CONCLUSION

Chapter 4 has described how data was collected. Given the nature of the study qualitative research methodology was chosen as the best method to provide an in-depth understanding of SETA provincial offices in the Province of the Eastern Cape as seen through the eyes of the people being studied. In formulating the research design, the purpose, theory, research questions, methods and sampling strategy were taken into account. The unit of analysis, namely individual people, was described in terms of the aims of this study. A questionnaire, as an instrument suited for this study, was also described. Analysis of data, reliability and validity and ethical considerations were also highlighted.

The interpretation of data yielded some claims which are to be discussed more comprehensively in chapter 5. In this chapter the proposed strategies to address challenges in the Province of the Eastern Cape SETAs will be explored.
CHAPTER 5

PROPOSED STRATEGIES OF ADDRESSING CHALLENGES ARISING IN THE PROVINCIAL SETAs

5.1 INTRODUCTION

It was stated in chapter 2 that decentralisation is a means of overcoming the severe limitations of centrally-controlled national governments. This is achieved by delegating greater authority for development to institutions on lower levels that are closer to the people and their problems. Decentralisation has a unique potential to improve provision of public services and tailor development and programmes to the needs of local people within a state. Whilst the Sector Education and Training Authorities (SETAs), in the second term of the National Skills Development Strategy (NSDS) 2005-2010, have become more visible to the provinces, they are criticised for being overly bureaucratic and largely ineffective.

In this chapter, strategies for obtaining efficiency and effectiveness in the SETAs will be described. These strategies should provide possible solutions to the challenges faced by the SETAs when carrying out their decentralised functions.

5.2 STRATEGIES FOR OBTAINING EFFICIENCY AND EFFECTIVENESS IN THE SETAs

In order for SETAs to carry out their skills’ development mandate in the Province of the Eastern Cape, the following strategies should be in place:

- Clear strategic intent about SETA provincial offices;
- Sector Skills Plans (SSP) to reflect provincial focus;
- Provincial offices to exercise some discretionary powers;
- Adequate financial resources; and
- Skilled workforce.
5.2.1 Clear strategic intent of SETAs Provincial Offices

SETAs require effective strategic management processes to be in place. This means that SETAs should be organised and run according to rules which:

- set goals that match duly considered stakeholder expectations;
- work out feasible strategy to achieve that goal;
- put in place an organisation which can carry out this strategy and attain the goal;
- set up a control and reporting function to allow management to drive the organisation effectively and make necessary adjustments to the strategy or even the goal (Applied Corporate Governance 2009:1).

The existence of the SETAs provincial offices should not only justify their existence, in order to comply with an annual performance scorecard set up by the NSDS but the SETAs should go beyond this mandate and ensure that the broader objectives are attained. These objectives are more fully outlined in chapter 1 of this document (see 1.3 statement of the problem page 4). Amongst the many challenges these provincial SETA offices may encounter, at present, is that it is almost impossible to know where to focus their energies. Since there are no clear goals ambiguity exists around scope and intent and may create hesitancy and confusion in the short term. Wells (2010:5) points out that it is the responsibility of senior leadership to strategically manage the organisation and to provide it with a clear and well-understood vision of the organisation.

When an organisation has a clear understanding of its goals and strategic intent it frees up the questions and difficult decision-making in gray areas and leaves more time for thinking and decisive actions. Hence chief officials of organisations can actually be relieved from routine administration and rather concentrate more on strategic issues of the organisation. Some small organisations may place all their hopes on one big idea for a product or service. Achieving success based on such limitations could force a more productive ethic which could lead to certain success. Larger organisations, on the other hand, that offer a wide range of products and service, may be more challenged to
gain a share of the market; as a result, they may experience internal, conflicting goals. A larger workforce may also have the effect of diluting their message, intent and brand. In such instances thinking and decision-making may become clouded (Phillips 2008:1).

Hence Ciarniene, Sakalas and Vienazindiene (2005:761) state that strategic and high performance government organisations will have its vision, mission and goal directed with continuous performance measurement as a central value and where decision making is dispersed rather than centralised.

5.2.2 Sector Skills Plan to reflect provincial focus

In accordance with section 10 of the Skills Development Amendment Act, 2008 (Act 37 of 2008) the Sector Education and Training Authorities (SETAs) are required to develop Sector Skills Plans (SSP) within the framework of the National Skills Development Strategy (NSDS). Sector Skills Plans are five year Sector Education and Training Skills Development reports prepared by SETAs, aimed at identifying:

- The skills needs of industry/economic sectors (skills shortages, skills gaps and skills supply) based on the standard industrial classification codes allocated to each individual SETA by the Minister of the Department of Higher Education and Training in the SETA establishment and re-certification process;
- Possibilities and constraints in the effective utilisation and development of skills in relation to government’s priorities and the objectives of the Human Resources Development Strategy (HRDS), the NSDS, Provincial Growth and Development Strategies (including major projects) and relevant industry or economic strategies.

The NSDS is the overarching strategic instrument for skills development and guides sector planning.

The sector skills plans are critical documents which inform the National Skills Development Strategy. Both NSDS 2000-2005 and NSDS 2005-2010 have been criticised for a lack of relevance to the South African economy. Kraak (2009:3) points out:
• the existence of high levels of unevenness between sectors of the South African economy and the very different demands these sectors place on the education and training system;
• that, during the process of developing the sector skills plan, it is important to look at labour markets because they play the leading role in meeting the differentiated demand for skills across divergent sectors;
• the need for greater alignment between skills development and industrial policies in South Africa;
• the necessity to establish an alignment that will help overcome the limitations of a one-size-fits-all policy logic which dominates current skills development-thinking in South Africa.

In recent times there has been an attempt by the Department of Higher Education and Training to ensure that SETAs do proper consultations with all relevant stakeholders and relevant government policy documents in developing their sector skills plans which will adhere to NSDS 2011-2016 standards. The SSPs should focus on an analysis by each of the SETAs of its sector and associated skills requirements. Analysis of economic development and employment trends includes a consideration of national and sector growth and development strategies, particularly those related to the national economic and development strategy, the National Human Resources Development Strategy and those related to the Industrial Policy Framework, innovation and technology and Rural Development. In accordance with the requirements of the Skills Development Act, 2008 (Act 37 of 2008), the SSPs must reflect provincial growth and development strategies - particularly the skills demand and supply issues identified through provincial skills development forums as required (Framework for NSDS 2011 – 2016, 1st Draft: 2010: 5-6).

Once SETAs have proper NSDS in place they should be able to respond to relevant skills needs of respective provinces. This would allow provincial-based SETAs to have a better and meaningful role in the development of human capital needed by both the economy and society.
5.2.3 Provincial offices to exercise discretionary powers

In exercising its discretionary powers, the SETAs appear to have followed a deconcentration. According to Katorobo (2004:3) deconcentration concerns the transfer of administrative functions, roles and responsibilities within public administration networks from national to lower levels. As stated in 2.3.3.1 of this document, that although deconcentration as one of the forms of decentralisation is often considered the weakest type since it does not involve any transfer of real power. Gildenhuys (2007:100) maintains that the most important reason for this type of decentralisation is the practical need for more efficient and effective governance, management and administration.

The transfer of administrative functions, roles and responsibilities are possible through the delegation of discretionary powers. Discretionary powers are permissive and not mandatory. It is however argued that the demands that are being made on the modern state means that discretion rather than rules are the better mechanism for ensuring effectiveness and efficiency in the public sector. First, the state is called upon to intervene in many areas of social life. It is expected to solve problems in such diverse areas as employment, education, health care, environment and transport etc. The differences in these areas of concern means that the state has to take a flexible and non-rule approach to handling these issues. It cannot be assumed, for example, that methods which solve problems in health care can be used in to handle issues in education. Secondly, within an area of concern, the issues that have to be grappled with are inherently complex as it is with the case of skills development in South Africa (Mensah 1998:123).

It is argued that discretionary powers should be exercised by public officials in accordance with any applicable legal requirements - reasonably, impartially and avoiding oppression or unnecessary injury. The following principles should be followed in pursuit of these aims:

- good faith and for a proper purpose
• decisions should be based on logically probative issues/guidelines etcetera
• only relevant considerations should be taken into account
• adequate weight should be given only to matters of great importance;
• exercise discretion independently and not act under dictation of, or at the behest of, any third person or body;
• proper, genuine and realistic consideration to the merits of a particular case should be given, and not to apply policies inflexibly, and
• observe the basic rules of procedural fairness. (NSW Ombudsman:2004:1)

Given this brief description about discretionary powers appears that, as a result of the current *modus operandi* of the SETAs provincial offices constantly referring local issues to their head offices for decision-making effectiveness and efficiency, discretionary powers within the SETAs provincial offices would seem never to be realised - until such time as certain powers are delegated to them. Failing such delegation, delays in decision-making will always occur.

### 5.2.4 Adequate Financial Resources

Nath (2000:1) mentions that in cases of deconcentration, resources such as civil service positions or budgetary funds are reallocated from central government to a lower administrative unit while the decision-making authority remains with the central government and local staff answer to their upstream superiors. For local units to which power is decentralised to be able to function optimally they should have an adequate revenue base without which it would make decentralisation complicated and difficult to implement (Heymans and Totemeyer 1988:27).

Gregersen, Contreras-Hermosilla, White and Phillips (2004:9) point out that adequate financial resources are a requirement for ensuring that decentralisation is effective and efficient. This was a key finding from the experience of a decentralised forest governance. In this location, effective and efficient governance appeared to depend more on the capacities and capabilities of individuals managing the entity than it did on any particular form or degree of decentralisation or centralisation of management
functions. This therefore suggests that decentralised services should be matched with adequate financial resources for decentralisation to function optimally.

5.2.5 Skilled Workforce for the SETAs provincial offices

According to Bandt and Haines (2002:1) often organisations fail to develop an overall systematic approach that strategically aligns and attunes human resources practices with organisational objectives. Ensuring the alignment and linkages of all human resources practices to a company’s business strategies and stakeholder-needs is critical to the achievement of an organisation’s vision. Therefore, the SETAs strategies should inform what staffing needs these provincial offices require. Once needs have been established, a process to fulfil them is required. This process includes recruiting, training, high performers, and performance management. It is also necessary to ensure that personnel and management practices should conform to regulations.

In order to ensure that the SETAs provincial offices are efficient and effective they need to have a capable workforce that will bring about change and make a difference in the lives of South Africans through skills development. Ciarniene, Sakalas and Vienazindiene (2005:761) argue that in a high-performance government organisation preference is given to multi-skilled workers, rather than to those whose expertise is more limited. In this way their tasks are enriched; they have greater latitude and more discretion is given to employees. The SETAs have to follow the above guidelines if they envisage making a difference and achieving their objectives. The Skill Development Amendment Act, 2008 (Act 37 of 2008) gives powers to SETAs to take appropriate actions to enable them to undertake their functions.

5.3 CONCLUSION

This chapter has proposed strategies that may provide possible solutions to the challenges faced by the SETAs when carrying out their functions. It has suggested that the SETAs need to have a clear strategic intent about decentralisation in order to ensure that there is no ambiguity about the SETA provincial office role. The Sector
Skills Plans that the SETAs develop need to reflect provincial job opportunities in order to skill people for jobs. In order to deal with some of the limitations of the provincial-based SETAs, discretionary powers and adequate financial resources should be delegated to the provincial SETAs. Lastly it was pointed out that capable workforce is required to ensure that the provincial SETA offices carry out their functions effectively and efficiently. The next chapter will give the findings and recommendations of this study.
CHAPTER 6
FINDINGS AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter will focus on the findings and recommendations of the study that has been done. As participants of the study have given their views, conclusions will be drawn about the study. The researcher’s recommendations will be given and based on this study; these recommendations are taken from the views provided by the participants in this study.

6.3 RECOMMENDATIONS

The following recommendations are made on the basis of the findings of this study.

6.3.1 Recommendation for the establishment of provincial offices

Establishment of the SETAs provincial offices to ensure that SETAs objectives are achieved is a welcomed and noble initiative. Subsequently, other SETAs who have stakeholder bases in the Province of the Eastern Cape need to be encouraged to benchmark even more so now that it is felt that this study has shown that the needs of stakeholders are better serviced by local offices than by national-based offices. The study shows that services are more accessible through locally-based offices.

6.3.2 Recommendation for elimination of red tape between the head office and the provincial offices

For SETAs to urgently respond to scarce and critical skills in the Province of the Eastern Cape’s respective sectors, any red tape, that exists between provincially-based offices and their head offices, needs to be removed from the system. It has become quite clear from this study that the SETA national offices should grant their provincial offices discretionary powers thus ensuring that constant referral of matters to head offices for decisions and instructions - before any action is taken - is eliminated.
6.3.3 Recommendation for a separate budget for provincial offices

Considering the responses of the participants, by and large they have indicated that over and above decision-making authority, the provincial offices need to operate their own budget. Such autonomy would influence spending in the province. Otherwise as it is has been stated there can be little such influence however if the provincial offices have no or very limited budget to call its own.

6.3.4 Recommendation for capacitating staff of the provincial offices

In order to achieve professional capacity, including competent and additional staff, the SETAs provincial offices need to control their own budgets and make proper decisions. This would better enable them to deal with and manage all operational issues occurring at local level. Once provincial offices are well staffed, unnecessary constraints (red tape) should be reduced; the effect should be greater performance and efficiency. Such enhanced administrative capability to the SETAs provincial offices would mean improved economies of scale and create an atmosphere for innovations to occur.

6.4 CONCLUSION

In the Republic of South Africa there is consensus that South Africa’s workforce holds the key to many of its economic and social problems. A crucial challenge is to provide people with a solid educational foundation and skills which are relevant and marketable. The organisations such as the SETAs who are tasked to equip the workforce with relevant skills should be encouraged to use decentralisation as a strategy to reach out to communities. It is critical, however, that, once embarked upon, decentralisation should not become meaningless.

As was indicated in chapter 3 of this document the report by Eastern Cape JIPSA on the Eastern Cape JIPSA Provincial Skills Indaba held in 2009 implies that SETAs must adapt to new ways of operating in order to deal efficiently with skills development. Although structural decentralisation to the Province of the Eastern Cape has occurred,
and is a great improvement, there is concern that the SETAs head office retains decision-making powers.

To assist SETAs adapt to new ways of doing things in order to ensure that the decentralisation strategy become more efficient and effective the following approaches based on the findings of the study were recommended. Nationally SETAs should have a clear strategic intent and the role that these branches should play in order to avoid ambiguity. Further it was suggested that the sector skills plan, the blueprint of the SETAs, should highlight provincial needs in order for the SETAs to be able to respond and become more relevant. It has arisen strongly from this study that SETA provincial offices should be granted discretionary powers and adequate resources - including financial and human resources - to be able to deal with all operational issues.

It is envisaged that once all these challenges are addressed SETAs will become more efficient and effective. Delays in implementation of operational plans and constant referral of matters to head offices for decisions and instruction will be reduced. Also greater performance and creativity among competent staff will be achieved.
REFERENCES


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APPENDICES

APPENDIX A: QUESTIONNAIRE

APPENDIX B: LETTER OF APPROVAL FROM CETA

APPENDIX C: LETTER OF APPROVAL FROM ISETT SETA

APPENDIX D: LETTER OF APPROVAL FROM MERSETA

APPENDIX E: LETTER OF APPROVAL FROM LG SETA

APPENDIX F: LETTER FROM LANGUAGE EDITOR
APPENDIX: A

QUESTIONNAIRE

TITLE:
An analysis of challenges facing decentralisation of Sector Education and Training Authorities in the Province of the Eastern Cape

RESEARCHER: Luvo Ndileka Gazi

OBJECTIVES OF THE STUDY

- Analyse the challenges of decentralised SETAs in the Province of the Eastern Cape.

- To what extent do these SETA provincial offices experience challenges in their skills development role in the Eastern Cape Province.

- Investigate the advantages and disadvantages of decentralising SETAs to provinces

CONFIDENTIALITY
Identity of participants will not be revealed in any discussion, description or scientific publication by the researcher and hence confidentiality will be upheld throughout the research process.
SECTION A: BIOGRAPHIC DETAILS

1. Please indicate your gender

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<th>Male</th>
<th>Female</th>
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2. Please indicate your race

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<tr>
<th>Black</th>
<th>White</th>
<th>Indian</th>
<th>Coloured</th>
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3. Please indicate your age

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<th>21 - 35</th>
<th>36 - 49</th>
<th>50+</th>
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4. How long have you been involved with the Eastern Cape Provincial SETA?

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<tr>
<th>0-1 year</th>
<th>2 - 5 years</th>
<th>6- 10 years</th>
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5. Please indicate your role in the SETA

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<th>Manager</th>
<th>Governance member</th>
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6. Please indicate your SETA

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<tr>
<th>CETA</th>
<th>LG SETA</th>
<th>SERVICES</th>
<th>MERSETA</th>
<th>ISETT SETA</th>
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SECTION B:-PERCEPTIONS ON DECENTRALIZATION
In a five point Likert Scale 1 to 5 where 1 stands for strongly disagree and 5 stands for strongly agree; indicate your experience and opinion on the following:

**Decentralisation generally:**

1. Decentralisation is aimed at increasing efficiency in an organisation:
   - Strongly Disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly Agree

2. Decentralisation results in approaches that are more consistent with the local needs of stakeholders and in turn higher levels of utilisation of services.
   - Strongly Disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly Agree

3. Unnecessary delays at the point of implementation can be avoided through decentralisation of functions.
   - Strongly Disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly Agree

4. There should be minimum interference by head office on the affairs of the provincial office.
   - Strongly Disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly Agree

5. Officials who are in various decentralised offices are treated on an equal basis with their counterparts in the head office.
   - Strongly Disagree
   - Disagree
   - Neutral
   - Agree
6. Indicate with X the type of decentralisation would be most appropriate for the SETAs in the Province of the Eastern Cape:

Geographical decentralisation (implies that an institution or a department establishes structures over the whole territory in order to render services as near to the client as possible)

Functional Decentralisation (implies that decentralisation takes place according the a specific function)
SECTION C: Decentralisation of SETAs:

1. Do you think challenges exist with the decentralisation of SETA’s?
   
   Yes [ ]
   No [ ]

   If yes, please list what you would consider the three main challenges faced by the decentralised provincial SETAs:
   ……………………………………………………………………………………………………………………………………….
   ……………………………………………………………………………………………………………………………………….
   ……………………………………………………………………………………………………………………………………….

2. Do you think the decentralisation of SETAs to provinces promotes efficient rendering of services?
   
   Yes [ ]
   No [ ]

   If no, what do you think should be done to improve the efficiency of the provincial office?
   ……………………………………………………………………………………………………………………………………….
   ……………………………………………………………………………………………………………………………………….
   ……………………………………………………………………………………………………………………………………….
   ……………………………………………………………………………………………………………………………………….

3. As a stakeholder in the provincial SETA, I understand the objectives of the decentralisation SETAs to provinces as provided in National Skills Development Strategy 2005 - 2010
   
   Yes [ ]
   No [ ]

4. As an official in the SETA in the Province of the Eastern Cape, I am happy with the current arrangement of provincial SETAs.
   
   Strongly Disagree [ ]
   Disagree [ ]
   Neutral [ ]
   Agree [ ]
   Strongly Agree [ ]

5. The Provincial SETAs are structurally decentralised but as far as decision making authority they are centralised.
6. Officials in the provincial offices are given discretionary powers to take decisions on the operation of the provincial office

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<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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7. The services of the SETA are easily accessible to the local people through the provincial office

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<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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8. The needs of local people/stakeholders are better addressed by the provincial office than the head office

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<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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9. The provincial office contributes to the achievements of the National Skills Development Strategy objectives

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<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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10. Decentralisation is a vehicle through which service are rendered efficiently and effectively.

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<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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11. The implementation of the provincial operational plan gets delayed as a result of certain centralised functions

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<tr>
<th>Strongly Agree</th>
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<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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12. Decentralisation of SETAs to provinces facilitates better performance of provincial official to the benefit of local stakeholders.

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<tr>
<th>Strongly Agree</th>
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<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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13. The provincial offices at the provincial sphere of government should act independently of the head office at the national sphere of government.

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<th>Strongly Agree</th>
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<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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THANK YOU
APPENDIX: B

27 November 2009

Mr. Luvo Gazi
Nelson Mandela Metropolitan University
P O Box 77000
Port Elizabeth

Dear Mr. Gazi

RE: REQUEST TO CONDUCT RESEARCH AT CETA

The Construction Education and Training Authority (CETA) value your profound request of conducting research to the construction sector. Our research activities have driven the implementation of our Sector Skills Plan as well as our NSDS strategy on the basis of which we report our progress to the Department of Labour.

Subsequent to the thorough screening and evaluation of your request (including the undertaking you made), the CETA is delighted to inform you that your request to conduct research has been approved.

We envisage putting more emphasis on the implementation of research output to inform and improve practice and indeed look forward to work together with you.

For more information in terms of our strategic operations, you are most welcome to contact Mr. Lance Ledingham (Eastern Cape Regional Manager) or Mr. Tau Malatji (Researcher).

Yours sincerely,

Francis Lamola
Skills Development and Learnership Manager

CONSTRUCTION EDUCATION AND TRAINING AUTHORITY
HEAD OFFICE
1st Floor, Suite No.5, Midrand Business Park, Old Pretoria Road, Midrand
P O Box 1965, Halfway House, 1685
Tel: +27 11 265 5900  Fax: +27 11 265 5925
E-mail: skillsmanager@ceta.co.za    website: www.ceta.org.za
06 October 2009

Dear Mr Gazi

YOUR REQUEST TO CONDUCT A RESEARCH AT OUR ORGANIZATION

Kindly be advised that the ISETT SETA has considered your request for a permission to conduct a research at our organization. The ISETTSETA Eastern Cape regional Office is delighted to inform you that your request has been granted.

We would, however, appreciate it if you could furnish us in advance the times and number of people you would like to interview as well as any other matters that will need our attention prior to your start. This we believe is critical in ensuring that you get the support you would require from our side.

We would never-the-less like to take this opportunity to wish you success in your research project.

Yours sincerely

Sipho Duma
Regional Advisor Eastern Cape
The Manager
ETDP-Seta
EAST LONDON

Dear Sir

CONCENT RE- RESEARCH TO BE CONDUCTED IN MERSETA

I hereby give consent to your request to conduct research for your Master Public Administration qualification using Merseta scope and stakeholders and role players who are active in skills development. I look forward to you forwarding your plan to assist me to prepare.

Yours sincerely

Z. NGYEKA
Client Relations Manager (Merseta EC)
05/10/2009

To: Mr. Luvo Gazi
NMMU
Port Elizabeth
6001

Dear Sir,

Subject: Request for permission to conduct research in LGSETA Eastern Cape

Your letter dated 21 September 2009 bears reference. The LGSETA Eastern Cape is pleased to inform you that your request to conduct research in our SETA is duly approved. We have also found that the research topic chosen will also assist the LGSETA to do the introspection immediately you finalise your research.

We will make everybody, that you would want to have access to, from our side available. We will communicate on other logistics regarding this activity. Our contact details can be accessed from the letterhead or cell phone number 0714913359. and my email address is patrickn@lgseta.co.za.

Regards,

[Signature]

M.P Nini
Provincial Manager
Eastern Cape

*To be the first among the best in skills development for a better life for all*
APPENDIX: F

Mr Luvo Gazi  
Provincial Coordination:  
Eastern Cape  
ETDP-SETA  
77 Oxford Street, 4th  
Floor Standard Bank  
Building  
East London  
Private Bag X9070, East  
London 5200  

(Nelson Mandela  
Metropolitan University)  
Summerstrand  
Port Elizabeth  
6001  

Office: 043 722 0234  
Mobile: 083 651 6893  
Email address: luvo@etdpsela.org.za  
Website address: www.etdpsela.org.za

25 January 2011  

Dear Mr Luvo Gazi  

I take this opportunity to thank you again for asking me to proofread your document, and I confirm that I have done so.  

You asked me to proofread your abstract consisting of four pages. I was also expected to proofread from Chapter 1 to the end of your treatise – including references.  

The importance of your undertaking is admirable. I wish you and your colleagues every success in your continued efforts to improve this, our country.  

May I encourage you to continue preparing your treatise to a high standard for binding by the publishers, as you have planned.  

Yours sincerely  

Daphne Greyling  

Mrs D J Greyling  

10 Fifth Avenue  
Newton Park  
6045  
Port Elizabeth  

Mobile: 079 841 5956  
Landline: 041 365 2881  
Email address: daphnegreyling@telkomsa.net