

# SABPP FACT SHEET

NUMBER 3: March 2013

## SOUTH AFRICA'S NATIONAL DEVELOPMENT PLAN "OUR FUTURE – MAKE IT WORK"

### Introduction

The National Development Plan (NDP), endorsed by Cabinet in November 2012 as the strategic framework for future government planning, is the product of the National Planning Commission, a multi-stakeholder body set up by the State President in 2010. The Commissioners include politicians, academics, business people and specialists in technology<sup>1</sup>.

The mandate given to the commission was to take a broad, cross-cutting, independent and critical view of South Africa, to help define the South Africa we seek to achieve in 20 years' time and to map out a path to achieve those objectives. The commission was expected to put forward solid research, sound evidence and clear recommendations for government.

The Plan has been clearly positioned by government as the central point of all government planning in the State of the Nation Address by the State President and the National Budget presented by the Finance Minister, both in February 2013.

**It is emphasised in the NDP that implementation is not for government alone but for all citizens and organisations.**

<sup>1</sup> See Appendix for the list of Commissioners

**"There is a new beacon of hope for SA. The NDP aims to transform the country's economy as well as the living standards of its citizens radically by 2013. However, it requires everyone to put the country's long-term vision ahead of their own short-term goals."**

**Ngao Motsei, Group Strategic HR Executive, MMI Holdings**

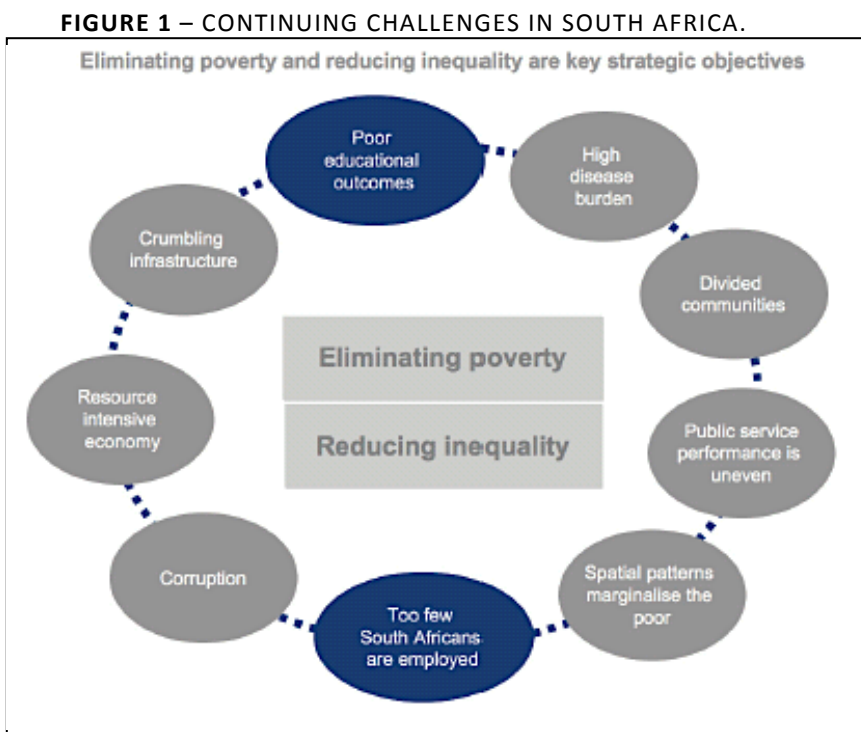
HR professionals need to understand the thrust and content of the NDP in order to be able to consider the implications for their own organisation and to give the management team strategic advice on how to adapt the organisation's people and HR strategies accordingly. HR professionals who are not yet operating at executive levels also need to consider how they can align their daily work to the NDP.

## Drawing up the NDP

The Commission started by developing an inspiring vision for South Africa in 2030, which is elaborated in full on [www.npconline.co.za](http://www.npconline.co.za).

In 2011, the Commission released its Diagnostic Report, which highlighted specific “blockages” to the realisation of this vision, as shown in Figure 1 below.

**“We, the people of South Africa, have journeyed far since the long lines of our first democratic election on 27 April 1994, when we elected a government for us all. Now in 2030 we live in a country which we have remade.”**



Source: Diagnostic Overview of the National Planning Commission (NPC, 2011, p. 7).



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As can be seen, the two blockages highlighted are the poor quality of the education system and the high levels of unemployment.

After the release of this Diagnostic, the NPC consulted widely across the country in public meetings and using modern methods of communication such as a 72 hour on line discussion (the ‘NPC Jam’). Through this process, the diagnostic was confirmed as representing the key issues which had to be addressed in the NDP.

A draft Plan was produced at the end of 2011 and extensive consultations took place with different sectors in society about the content of the plan and to seek inputs. The leaders of political parties represented in Parliament were briefed on a consistent basis. All provinces were visited again during which members of the provincial executive committee, senior government officials, mayors and municipal managers were met. Broader forums were held with labour, business, civil society, youth formations, traditional leaders and religious formations.

The final NDP was then completed by mid-2012, The NCP, through its permanent secretariat, located within the Presidency, is now embarking on a major communication project. Political parties and business organisations have welcomed the NDP and committed to playing their part in implementation.

The NDP in its complete format (16mb) can be downloaded from [www.npconline.co.za](http://www.npconline.co.za) or an Executive Summary can be downloaded from the same address.

## The Plan in Brief<sup>1</sup>

### By 2030

- Eliminate income poverty – Reduce the proportion of households with a monthly income below R419 per month (in 2009 prices) from 39% to zero.
- Reduce inequality – The Gini coefficient should fall from 0.69 to 0.6.

### Enabling milestones

- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.
- Increase the share of national income of the bottom 40% from 6 percent to 10 percent.
- Establish a competitive base of infrastructure, human resources and regulatory frameworks.
- Ensure that skilled, technical, professional and managerial posts better reflect the country’s racial, gender and disability makeup.
- Broaden ownership of assets to historically disadvantaged groups.
- Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write.
- Provide affordable access to quality health care while promoting health and wellbeing.
- Establish effective, safe and affordable public transport.
- Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third.
- Ensure that all South Africans have access to clean running water in their homes.
- Make high-speed broadband Internet universally available at competitive prices.

- Realise a food trade surplus, with one-third produced by small-scale farmers or households.
- Ensure household food and nutrition security.
- Entrench a social security system covering all working people, with social protection for the poor and other groups in need, such as children and people with disabilities.
- Realise a developmental, capable and ethical state that treats citizens with dignity.
- Ensure that all people live safely, with an independent and fair criminal justice system.
- Broaden social cohesion and unity while redressing the inequities of the past.
- Play a leading role in continental development, economic integration and human rights.

**Critical actions:**

1. A social compact to reduce poverty and inequality, and raise employment and investment.
2. A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes.
3. Steps by the state to professionalise the public service, strengthen accountability, improve coordination and prosecute corruption.
4. Boost private investment in labour-intensive areas, competitiveness and exports, with adjustments to lower the risk of hiring younger workers.
5. An education accountability chain, with lines of responsibility from state to classroom.
6. Phase in national health insurance, with a focus on upgrading public health facilities, producing more health professionals and reducing the relative cost of private health care.
7. Public infrastructure investment at 10 percent of gross domestic product (GDP), financed through tariffs, public-private partnerships, taxes and loans and focused on transport, energy and water.
8. Interventions to ensure environmental sustainability and resilience to future shocks.
9. New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading formal settlements and fixing housing market gaps.
10. Reduce crime by strengthening criminal justice and improving community environments.

**The NDP recognises that bringing about the necessary changes will not be easy, and it will not be a linear process.**

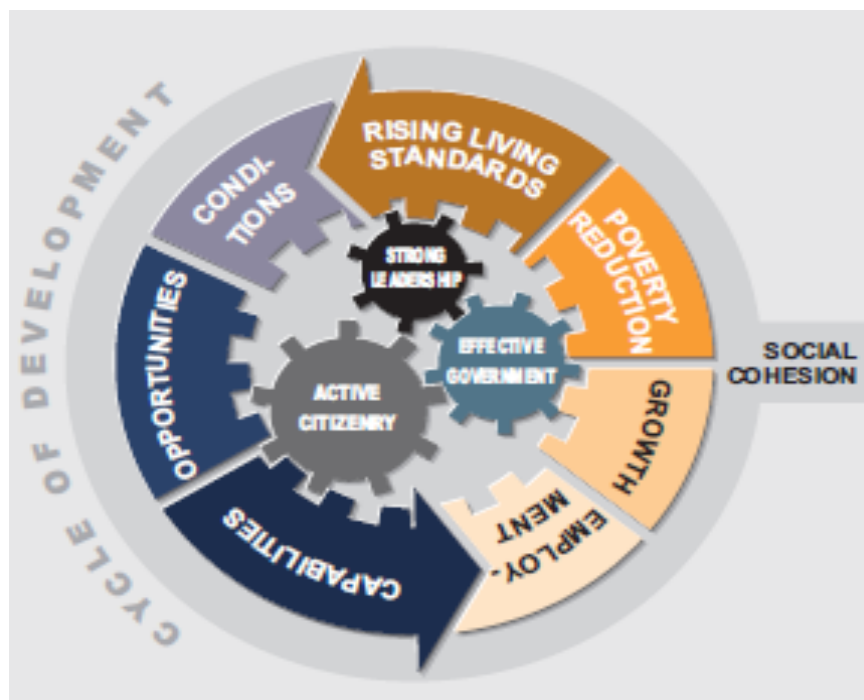
**“We propose a multi-dimensional framework to bring about a virtuous cycle of development, with progress in one area supporting advances in others.”**

The Plan uses the graphic shown on the next page “to demonstrate the close link between capabilities, opportunities and employment on social and living conditions. It shows how leadership, an active citizenry and effective government can help drive development in a socially cohesive environment.”



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FIGURE 2 AN APPROACH TO CHANGE



Source: National Development Plan Executive Summary p. 16

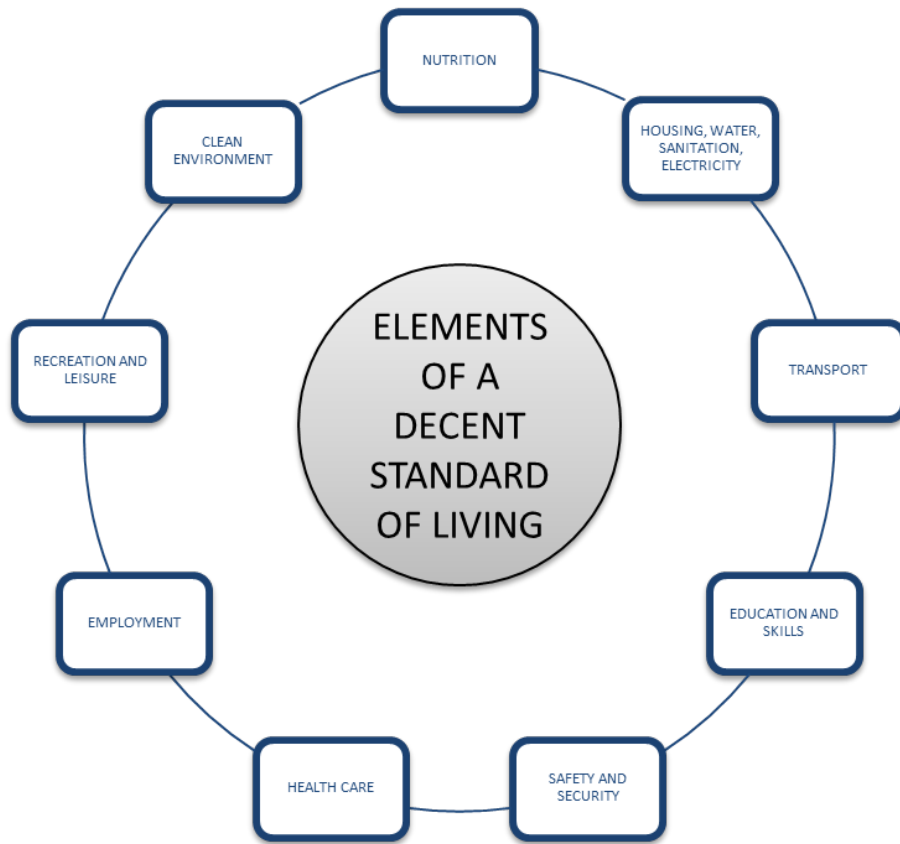
The NDP is essentially about achieving a decent standard of living for everyone in a prosperous country

“Income, through employment or social security, is critical to defining living standards, but human beings need more than income. They need adequate nutrition, they need transport to get to work, and they desire safe communities and clean neighbourhoods. These elements require action either from individuals, government, communities or the private sector. .. In this plan we do not define that minimum standard of living but we do provide a framework for the adoption of a minimum standard of living by society.”

“The approach to defining living standards in a holistic way is consistent with the capabilities approach advanced by the Commission. The approach focuses on the key capabilities that individuals need to live the life that they desire. Of these capabilities, education and skills, and the opportunity to work are the elements where South Africa most needs to make progress.”

[www.sabpp.co.za](http://www.sabpp.co.za)

FIGURE 3 ELEMENTS OF A DECENT STANDARD OF LIVING



Source: National Development Plan Executive Summary p. 28

### Specific actions relevant to HR professionals

In this section we list the actions we have selected from the full list as being of more direct relevant to HR professionals.



## Chapter 3 – Economy and Employment

ACTIONS (Selected from the list)
2 - Develop proposals for an acceptable minimum standard of living and proposals on how to achieve this over time
7 - Offer a tax incentive to employees to reduce the initial cost of hiring young labour market entrants. Facilitate agreements between employers and unions on entry-level wages
8 - Give a subsidy to the placement sector to identify, prepare and place matric graduates into jobs.
9 - Business and labour to develop their own proposals to reduce youth unemployment.
10 - Adopt a more open immigration approach to expand supply of high-level skills
11 - Adopt an approach to handling probationary periods that reflects the intention of the probation.
12 - Simplify dismissal procedures to non-performance or misconduct, especially for smaller firms.
13 - Strengthen dispute resolution mechanisms in the labour market, with a view to reducing tension and violence.

## Chapter 4 – Economic Infrastructure

This chapter covers Coal, Gas, Electricity, Liquid Fuels, Water Resources, Transport and Information and Communications Infrastructure. The detail of this chapter is of interest in terms of the effect on organisations in the various sectors, but only a few of the actions directly impact HR professionals.

ACTIONS (Selected from the list)
28 - Consolidate and selectively expand transport and logistics infrastructure, with key areas being [amongst others]: <ul style="list-style-type: none"><li>• Public transport infrastructure and systems, including the renewal of the commuter rail fleet, supported by enhanced links with road-based services.</li></ul>
29 - Establishing a national, regional and municipal fibre-optic network to provide the backbone for broadband access, driven by private investment, complemented by public funds required to meet social objectives.

## Chapter 5 – Environmental sustainability and resilience

Although HR can certainly contribute towards improving environmental sustainability, there are no specific actions in this chapter with direct relevance.<sup>1</sup>

<sup>1</sup> SABPP has conducted a survey on HR and environmental governance and will issue the report during 2013

## Chapter 6 – Inclusive rural economy

### ACTIONS (Selected from the list)

37. Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, service to small and micro farmers, a review of mining industry commitments to social investment, and tourism investment. (Our emphasis)

## Chapter 7 – South Africa in the region and the world

HR work is affected by expansion from South Africa into Africa, but at this stage the NDP does not list actions of direct relevance to HR.

## Chapter 8 – Transforming human settlements

### ACTIONS (Selected from the list)

43 - Develop a strategy for densification of cities and resource allocation to promote better located housing and settlements.

44 - Substantial investment to ensure safe, reliable and affordable public transport.

45 - Introduce spatial development framework and norms, including improving the balance between location of jobs and people.

46 - Conduct a comprehensive review of the grant and subsidy regime for housing with a view to ensure diversity in product and finance options that would allow for more household choice and great spatial mix and flexibility. This should include a focused strategy on the housing gap market, involving banks, subsidies and employer housing schemes.

## Chapter 9 – Improving education, training and innovation

Because the schooling system is so critical to skills availability and development the actions around improving schooling are listed here in full, even though most of them do not directly impact the work of HR professionals who do not work in the education sector. Many organisations work closely with schools as part of their CSI or outreach programmes and it is important for the future to understand the policy direction that will be taken.

### ACTIONS

#### *Schooling*

54 - The interests of all stakeholders should be aligned to support the common goal of achieving good educational outcomes that are responsive to community needs and economic development.

- Educational institutions should be provided with the capacity to implement policy. Where capacity is lacking, this should be addressed as an urgent priority.
- Teachers should be recognised for their efforts and professionalism. Teaching should be a highly valued profession.



55 - Introduce incentive schemes linked to the annual national assessments to reward schools for consistent improvement.
56 - Top performing schools in the public and private sectors must be recognised as national assets. They should be supported and not saddled with unnecessary burdens.
57 - Strengthen and expand Funza Lushaka and ensure that the graduates of this programme are immediately absorbed into schools. It should not be left to graduates to find placements in schools.
58 - Investigate introducing professional certification. Newly qualified teachers would need to demonstrate certain competencies before they are employed in schools, and after that they would be offered preliminary or probationary certification, to be finalised based on demonstrated competence. The professional certification of all teachers would need to be renewed periodically.
59 - Change the appointment process to ensure that competent individuals are attracted to become school principals. <ul style="list-style-type: none"> <li>• Candidates should undergo a competency assessment to determine their suitability and identify the areas in which they would need development and support</li> <li>• Eliminate union influence in promoting or appointing people. The DBE and provincial departments of education must ensure that <u>human resources management capacity is improved</u> and recruitment undertaken correctly. (Our emphasis)</li> <li>• Implement an entry-level qualification for principals.</li> </ul>

### *Further education and training*

60 - Support the development of specialised programmes in universities focusing on training college lecturers and provide funding for universities to conduct research on the vocational education sector.
61 - Build the capacity of FET institutions to become the preferred institutions for vocational education and training. Learners should be able to choose the vocational pathway before completing Grade 12. Expand the geographical spread of FET institutions.
62 - Build a strong relationship between the college sector and industry. SETAs have a crucial role in building relationships between education institutions and the employers.

### *Higher Education*

63 - Implement a National Programme to develop the Next Generation of Academics for South African Higher Education.
64 - Complete the construction of two new universities in Mpumalanga and the Northern Cape; new medical schools in Limpopo and a number of academic hospitals; expand the infrastructure of existing institutions and allow all universities to use distance education to reach more learners.
65 - Provide an option of a four-year university degree, combined with bridging courses and more support for universities to help students from disadvantaged backgrounds.
66 - Provide all students who qualify for the NSFAS with access to full funding through loans and bursaries to cover the costs of tuition, books, accommodation and other living expenses. Students who do not qualify should have access to bank loans, backed by state securities. Both the NSFAS and bank loans should be recovered through arrangements with SARSA. Service-linked scholarships should be available in areas such as nursing, teaching and social work.
67 - Relax immigration requirements for highly skilled science and mathematics teachers, technicians and researchers. All graduates from foreign countries should be granted 7 year work permits

## Chapter 10 – Health care for all

Health care is also a critical issue for HR professionals, and therefore once again the actions are listed in full.

### ACTIONS

#### *Address the social determinants that affect health and disease*

68 - Promote healthy diets and physical activity.

#### *Strengthen the health system*

69 - Bring in additional capacity and expertise to strengthen health system at the district level; implement a national health information system to ensure that all parts of the system have the required information to effectively achieve their responsibilities; put in place a human resource strategy with national norms and standards for staffing, linked to a package of care; determine minimum qualifications for hospital managers.

#### *Prevent and reduce the disease burden and promote health*

70 - Prevent and control epidemic burdens through deterring and treating HIV/AIDS, new epidemics and alcohol abuse; improve the allocation of resources and the availability of health personnel in the public sector; and improve the quality of care, operational efficiency, health worker morale and leadership and innovation.

#### *Implement National Health Insurance*

71 - Implement the scheme in a phased manner, focusing on:

- Improving quality of care in public facilities
- Reducing the relative cost of private health care
- Increasing the number of medical professionals
- Introducing a patient record system and supporting IT systems

#### *Build human resources in the health sector*

72 - Accelerate the production of community health specialists in the five main specialist areas (medicine, surgery, including anaesthetics, obstetrics, paediatrics and psychiatry) and train more nurses

73 - Recruit, train and deploy 700 000 community health workers to implement community-based primary health care.

## Chapter 11 - Social Protection

### ACTIONS (Selected from the list)

74 - Together with social partners, determine a social floor that can be progressively realised through raising employment, higher earnings and social grants and other aspects of the social wage

77 - Create incentives that encourage a culture of individual saving for risks and loss of income due to old age, illness, injury or loss of work for workers in both the formal and informal sector

79 - Pilot mechanisms and incentives to assist the unemployed to access the labour market

## Chapter 12 – Building Safer Communities

The actions in this chapter are very practical, and are of interest to people in their personal rather than in their professional capacities. Only one action is highlighted as potentially affecting the labour market for law graduates.

### ACTIONS (Selected from the list)

90 - Compulsory community service must be extended to all law graduates to enhance access to justice and provide work opportunities for graduate lawyers.

## Chapter 13 – Building a capable and developmental state

This chapter is fundamental to the achievement of the NDP. There are a very large number of HR professionals working in the public sector, and this chapter will directly affect their work.

### ACTIONS (Selected from the list)

#### *Stabilise the political-administrative interface*

91 - Create an administrative head of the public service with responsibility for managing the career progression of heads of department. Put in place a hybrid approach to appointments that allows for the reconciliation of administrative and political priorities.

92 - Enhance the role of the Public Service Commission to champion and monitor norms and standards to ensure that only competent and suitably experienced people are appointed to senior positions

93 - Amend the Public Services Act to locate responsibility for human resources management with the head of department

#### *Make the public service and local government careers of choice*

94 - Establish a formal graduate recruitment scheme for the public service with provision for mentoring, training and reflection. Formulate long-term skills development strategies for senior managers, technical professionals and local government staff

95 - Use assessment mechanisms such as exams, group exercises and competency tests to build confidence in recruitment systems

96 - Use placements and secondments to enable staff to develop experience of working in other spheres of government

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## Chapter 14 – Fighting corruption

There is one comprehensive objective laid out in this chapter:

The actions are listed here in full.

**“A corruption-free society, a high adherence to ethics throughout society and a government that is accountable to its people.”**

### ACTIONS

101 - The capacity of corruption-fighting agencies should be enhanced and public education should be part of the mandate of the anti-corruption agencies

102 - The National Anti-Corruption Forum should be strengthened and resourced

103 - Expand the scope of whistle-blower protection to include disclosure to bodies other than the Public Protector and the Auditor-General. Strengthen measures to ensure the security of whistle-blowers

104 Centralise oversight of tenders of long duration or over a certain amount

105 An accountability framework should be developed linking the liability of individual public servants to their responsibilities in proportion to their seniority

106 Clear rules restricting business interests of public servants should be developed

107 Corruption in the private sector is reported on and monitored by an agency similar to the Public Protector

108 Restraint-of-trade agreements for senior civil servants and politicians at all levels of government

109 All corrupt officials should be made individually liable for all losses incurred as a result of their corrupt activities.

## Chapter 15 – National Building and Social Cohesion

The objective stated in this chapter is again comprehensive:

### ACTIONS (Selected from the list)

110 - At school assembly the Preamble of the Constitution to be read in language of choice

111 - Bill of responsibilities to be used at schools and prominently displayed in each workplace

112 - Sustained campaigns against racism, sexism, homophobia and xenophobia

113 - The Commission of Gender Equality and the ministry should audit and deal with gaps in legislation and develop joint targets, indicators and timelines for monitoring and evaluating progress towards gender equality

114 - Employment Equity to continue and new models of BEE to be explored to improve the efficacy of the programme. Clear targets should be set for broadening economic participation, enhancing predictability for economic actors

117 - All South Africans to learn at least one indigenous language, business to encourage and reward employees who do so

118 - Promote citizen participation in forums such as Integrated Development Plans, Ward Committees, School Governing Boards and Community Policing Forums

119 - Work towards a social compact for growth, employment and equity.

## Where to from here:

The NPC is currently advising Government on an implementation framework for the Plan. The Plan will be implemented in a series of 5 year planning cycles, starting in 2014. Any actions, which can be viewed as “quick-wins”, will be highlighted for immediate action. Other actions have long lead times and required investment and will be included into the planning cycles. All government departments, provinces and local government will be required to identify alignment of their plans and budget with the Plan.

**“Our vision is a society where opportunity is not determined by race or birthright; where citizens accept that they have both rights and responsibilities. Most critically, we seek a united, prosperous, non-racial, non-sexist and democratic South Africa.”**

High level meetings and further engagements will take place between government and the private sector to discuss the contribution of each sector to the implementation of the NDP, identify blockages and develop a common understanding of how obstacles will be overcome. These stakeholder engagements will be intended to find solutions to specific challenges and construct frameworks that enable stakeholders to hold each other accountable.

Particular attention will be given in the initial stages to the three objectives that the NPC has identified as being especially important for the success of the Plan: (a) improving the quality of learning outcomes, (b) creating jobs and promoting inclusive growth, and (c) strengthening the capacity and developmental commitment of the state.

The SABPP will endeavour to stay close to this process, through its Labour Market Committee, and will update HR professionals on progress and specific contributions that HR can make.

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**COMPILED AT THE SA BOARD OF PEOPLE PRACTICES BY:**

**MARIUS MEYER – CEO**

**PENNY ABBOTT – HEAD OF RESEARCH**

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## APPENDIX 1 The National Development Planning Commissioners

Mr Trevor Manuel (Chair)	Minister in the Presidency for National Planning
Mr Cyril Ramaphosa	Executive Chairman, Shanduka Group
Mr Elias Masilela	CEO, Public Investment Corporation
Mr Bobby Godsell	Chair, Business Leadership South Africa
Ms Noluthando Gosa	Deputy Chair, Broll Property Group
Dr Jennifer Molwanthwa	Hydrologist, Digby Wells Group
Dr Karl von Holdt	Associate Professor and Director, Society Work and Development Institute, Wits University
Dr Miriam Altman	Distinguished Research Fellow, HSRC
Dr Vincent Maphai	Executive Director of Corporate Affairs and Transformation, SAB Miller
Mr Mike Muller	Visiting Adjunct Professor, Graduate School of Public and Development Management, Wits University
Mr Jerry Vilakazi	Chair, Netcare Limited
Mr Joel Netshitenzhe	Executive Director, Mapungubwe Institute for Strategic Reflection
Mr Pascal Moloji	Management Director, Resolve Group
Professor Philip Harrison	Chair, National Research Foundation on Development Planning and Modelling, Wits University
Mr Truman Goba	Executive Chair of Goba (Pty) Ltd
Ms Bridgette Gasas	Managing Director, The Elilox (Pty) Ltd
Ms Tasneem Essop	Head of Climate Advocacy and Strategy, WWF Global Climate and Energy Initiative
Ms Vuyokazi Mahlali	Chair, SA Post Office
Professor Christopher Malikane	Associate Professor of Economics, Wits University
Professor Jerry Coovadia	Director at Doris Duke Medical Research, UKZN
Professor Malegapuru Makgoba	Vice-Chancellor & Principal, UKZN
Professor Malusi Balintulo	Vice-Chancellor & Principal, WSU
Professor Vivian Taylor	Head, Department of Social Development, UCT
Professor Anton Eberhard	Professor of Management, of Infrastructure, Reform and Regulation, GSB, UCT
Professor Mohammed Karaan	Dean, Faculty of Agrisciences, US
Professor Ihron Rensburg	Vice-Chancellor & Principal, UJ