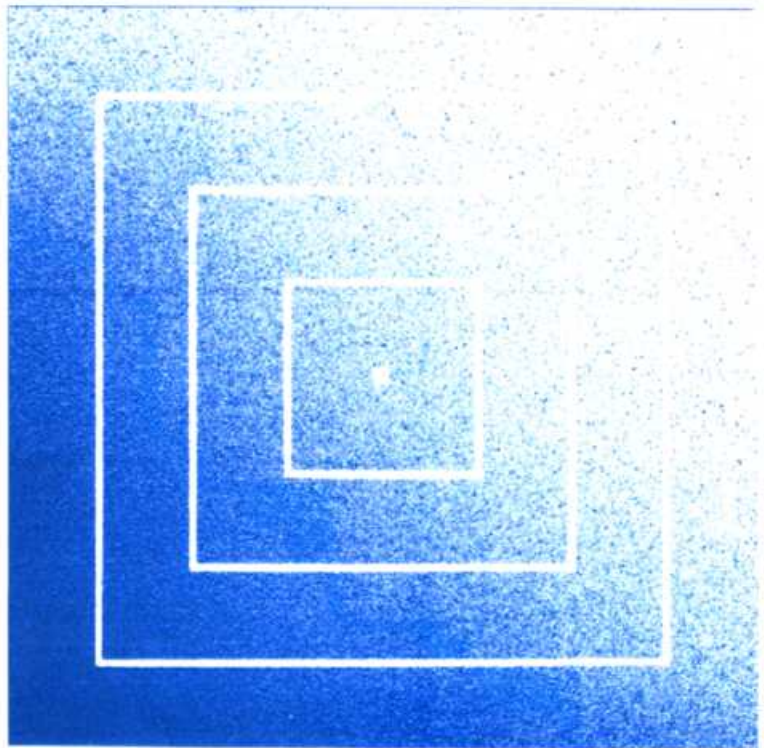


# The financing and management of vocational education and training in Eastern and Southern Africa

Report of a sub-regional workshop

Edited by  
David Atchoarena

Mauritius  
18-21 March 1996



UNESCO: International Institute for Educational Planning (IIEP)  
Industrial and Vocational Training Board (IVTB), Mauritius

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# Introduction

# Introduction

Significant amounts of public, but also private, financial resources are allocated to technical and vocational education and training (TVET). In spite of relatively heavy expenditures, clear evidence of the returns on such investments is often lacking. Excessive rigidity, poor teaching quality, isolation from industry and low external efficiency have progressively become some of the characteristics of many TVET systems in developing countries, Eastern and Southern Africa included. During the past decade, this overall background has been aggravated by the measures and effects of adjustment policies. Shrinking government budgets have resulted in a marked deterioration of the training system, while privatization and the restructuring of large portions of industry have increased unemployment and pushed a growing part of the urban labour force towards the informal sector. In view of the scarcity of financial resources and low market demand, TVET is often accused of being overexpanded and too costly. However, a massive unsatisfied training demand remains from groups such as the informal sector workforce and other disadvantaged categories.

In this critical but challenging context, it is increasingly felt that the reform of the financing and management of TVET could be helpful in addressing important issues. These key aspects include the collection of additional resources, but also the promotion of the concept of joint responsibility as the guiding principle for the revision and management of TVET systems, as well as for the reformulation of the overall TVET policy towards a more market-driven approach. Addressing these issues implies taking into consideration three interrelated aspects: the sources of financing, the financial mechanisms and the institutional framework established to raise, manage and allocate funds. Indeed, financing policies do not only involve raising sufficient funds, their concern is also to ensure that government money is being spent in a cost-effective manner. In this respect, the debate over the various options available for the channelling of existing resources is as important as reviewing alternative or complementary financial contributions.

It was within this context that the participants of the Mauritius workshop were invited to review the situation of the financing and governance of technical and vocational education and training systems in Eastern and Southern Africa, and to discuss possible options to improve their cost/efficiency and relevance.

This report reflects some of the views and experiences that were discussed by participants. In addition to offering some comparative perspective, it endeavours to provide an up-to-date picture of the transformation currently taking place in each of the participating countries.

*Part I* of the report contains five contributions. The first one sets out some key issues in the financing and management of TVET and summarizes workshop discussions. The next paper provides a comparative review of financing systems in Southern Africa. The remaining contributions are country specific. Within a broad and open framework the paper on the ongoing process of reform in South Africa documents the dynamics that are currently reshaping the entire training system. In so doing, the analysis provides thoughtful information on a unique process where partnership is conceived as a key approach to reform not only in training but in the entire educational and labour market environment. Another paper gives an analysis of the Mauritian experience in establishing a National Training Board, and the Industrial and Vocational Training

Board, describes what is becoming at the international level a significant trend: The institutionalizing of partnership to plan, manage and finance training. Finally, the contribution on financing training for the informal sector in Kenya illustrates a relatively new approach in which the concepts of financing mechanisms and institutions are reshaped to address the needs of the micro-entrepreneurs, within the framework of an innovative participatory approach.

The second part of the report includes extracts of the country reports that were presented and discussed at the workshop. They tend to follow a similar pattern, analyzing five major aspects, namely: organization of the technical and vocational education and training system, financing of the system, partnership at the central level, functioning of the system at the institution level, organizing and financing training for disadvantaged groups. The presentation of the overall background included in each report indicates that, in spite of many common features, there are also important differences between the countries considered in this document and the way they govern and finance their training system. This diversity very much affects the possibility to identify best practice models to manage and finance training. It recalls that beyond the value of certain formula, government intervention in training remains very much subject to country-specific factors such as the size of the country, the health and dimension of the private sector, the structures of educational provision, the state of industrial relations, or the patterns of administration.



Part I. Issues and review of specific experiences

## *Chapter I*

# Issues addressed and synthesis of the discussions

by David Atchoarena and Françoise Caillods, IIEP

### **1. Financing training: what sources and mechanisms?**

This is the first question that may arise when dealing with the financing of TVET. A brief review of international data reveals that the government budget is a major source of TVET financing. It has sometimes been argued in recent literature that TVET finance, unlike that of basic education, should increasingly become a private sector responsibility. Such a view is supported by the fact that TVET aims at producing work-related skills, benefiting primarily individuals and firms. According to some authors, State intervention should therefore be restricted to facilitating both training and retraining, through high quality basic education, and to establishing and regulating a 'training market'.

According to others, the involvement of the State in financing TVET is justified for a number of reasons, including the perception of an under-investment in human capital by the private sector (enterprises and individuals), a concern for equity, the need to address the question of marginal youth and, last but not least, the absence of either a strong private industry or a structured training market in the least developed economies. In addition to such economic variables, the role of government in financing and providing training is also determined by historical/cultural factors, such as the way the State and the social partners perceive their respective responsibilities in this particular sector.

Relying on just private financing is risky: international experience has shown that employers are mostly willing to invest in training when employment is relatively stable. In a context of high labour mobility due to unfavourable and erratic economic conditions, employers tend to prefer 'poaching' skilled workers from other enterprises.

In formulating a cost-effective funding policy, governments are facing a relatively limited range of options: better management of resources, increased cost-sharing and diversified financing sources. Instead of financing expenditures out of the general tax revenue, many countries have established a training levy providing earmarked resources to finance the TVET system. This levy usually takes the form of a payroll tax applied to all or specific categories of enterprises. Originally, this model was developed to finance pre-employment training provided by a quasi-independent institution. Within the framework of diversified and dense economic structures, it proved to be an interesting scheme which secured stable resources in the medium-term, both for pre-employment and lifelong training. The income generated by accumulated savings can significantly contribute to the sustainability of the model. International experience has shown that the major shortcomings originate in the misuse or diversion of resources, as a result of unequal conflicts between the Ministry of Finance and the Training Fund, or due to mismanagement practices such as the over-accumulation of savings or the misallocation of resources. The negative impact of the payroll tax on employment represents another potential problem, although difficult to evaluate. It probably depends on the existing level of taxation.

Other types of payroll tax are aimed at encouraging in-plant provision of training in cases where employers' investment in their workforce is considered insufficient. Such schemes include payroll levy exemption for enterprises investing in training and/or levy-grants and training cost reimbursement by the fund. In some countries, tax exemptions are also open to enterprises supporting technical and vocational schools. Potentially productive, such schemes often require heavy and costly administrative procedures. Although less frequent, income tax rebate constitutes another form of incentive. Under such schemes training expenditures are deducted from taxable income or from the income tax bill. By definition, this option is limited to profit-making enterprises, restricting therefore its overall impact.

In addition to general public revenue and training levies, the introduction of fees is an attractive option. Indeed, it entails that those who benefit most directly from training support its costs. It is also felt that this formula can contribute to a self-controlled mechanism for quality control: individuals will only be prepared to pay for training programmes leading to relatively high returns through job and salary prospects. Considered useful for TVET the concept of cost-sharing is, in many countries, already implemented in other types and levels of education, including basic education. Therefore there seems to be an overall coherence in applying it also to training.

Among the countries of the sub-region present at the workshop almost all have either already established a training levy (Kenya, Mauritius, Nigeria, Tanzania, Zimbabwe) or are considering doing so (Botswana, South Africa, Zambia). This trend reflects that the participation of employers in the financing of training is increasingly considered important. While some levies are primarily meant to generate income for the training system (revenue-raising schemes), others are conceived as incentives which, through fiscal deductions (tax rebate schemes) and reimbursement (grant schemes), encourage employers to provide training to their employees. A comparative assessment of the different schemes is difficult to conduct considering the fact that they correspond to different objectives. In reality, in several countries of the sub-region, the levy system incorporates elements of different options in order to finance both pre-service and in-service training (Mauritius, Nigeria, Zimbabwe).

A major concern related to the relevance and feasibility of the payroll system is its capacity to meet the needs of low-income countries, where the business sector is small and employers often reluctant to pay an additional tax, felt as a handicap to their development (Mozambique). A similar concern was expressed by countries experiencing the shock of structural adjustment programmes, where the drop in private sector employment can jeopardize the sustainability of a payroll tax system (Tanzania, Zimbabwe).

In all represented countries, included those where a training levy has been in existence for a significant period of time, the participation of the State in the financing of training is considered vital. Government contribution is seen as the only way to sustain finance, to maintain quality and to guarantee access to disadvantaged groups. Consequently, governments finance from their budget the technical and vocational education and training system and also, often, non-formal programmes. State involvement is also viewed as a key element in regulating the training market, where employers and trainees pay fees directly to training institutions.

In several countries, the participation of the beneficiaries in the financing of training is already a fact. In these cases, cost-sharing is not a new concept, since the introduction of user fees in technical and vocational education and training is part of a broader government policy to diversify sources of finance for education. However, the debate over this issue revealed that often students pay only a token fee to public institutions. Furthermore, taking into account the

worsening of the poverty issue in some countries, a concern was expressed for equity. It was felt that where families, or trainees, are unable to pay fees, governments should consider providing instruments of equity such as targeted stipends or loans. Most participants agreed that although fees can be an interesting instrument for short-term, job-specific training, they remain problematic to finance long-term pre-employment vocational education.

Several countries of the sub-region are paying increasing attention to the prospects offered by loan schemes (Kenya, Zimbabwe). Although they are quite common in higher education, those programmes remain rare for vocational education, especially in developing countries. The experience gained by higher education shows that an effective collection mechanism is a prerequisite for a successful student loan scheme. It was also indicated that governments, because of limited institutional and staff capabilities, often proved unable to achieve a satisfactory recovery rate. The implementation of loan programmes in vocational education faces an additional handicap due to the modest earning prospects associated with low-level occupations. Therefore, loan schemes are not likely to attract most technical and vocational education and training students, especially those coming from less affluent and disadvantaged categories.

In most countries represented in the workshop there is a strong tradition of income generating activities in training institutions as a means of complementing government financial allocations (cf. Botswana Brigades). In most cases, this option takes the form of combining training with production rather than establishing separate production units. However, training with production proved unable to provide a significant supplement to government money. It remains in most cases a marginal income. Furthermore, it was generally agreed that a school could hardly cover a large share of its costs while continuing to carry on its training activities in a satisfactory manner.

Innovation in financing training was reflected in the introduction of vouchers. This scheme is currently implemented in Mauritius to encourage training in small enterprises. Approved training institutions are refunded by the Industrial and Vocational Training Board at the end of the course. Another approach is being followed in Kenya, where a voucher system recently introduced gives micro-entrepreneurs the possibility of buying training. Vouchers can be used for short-term training in public and private institutions. Following course completion, they are cashed by approved training providers. Apart from contributing to skill upgrading in the micro-enterprise and informal sectors, this scheme is meant to contribute to the establishment and regulation of a market for training. As is only recent, the implementation of such voucher schemes, both in Mauritius and Kenya, it is difficult to make any assessment of their impact. Nevertheless, analyzing such experiences could be particularly useful in improving policies and instruments targeted at groups such as micro-enterprises and informal sector entrepreneurs for which training may be an alien concept.

## **2. Managing the resources and the training system: the institutional framework**

The Training Funds established to manage the resources generated by the payroll tax can play a very active role in improving the efficiency of the TVET system. Such institutions are usually established as autonomous bodies often involving the State, the employers and trade unions. Hence, their impact is not limited to financial aspects, but includes co-ordinating functions, especially when the Fund is linked to a National Training Board or Agency.

In this framework, employers' participation is considered as a factor ensuring that the allocation of funds is conducted in a cost-efficient way. It also promotes the concept of co-financing and materializes the partnership between the public and private sectors for the

formulation and implementation of training policies.

The discussion on the institutional framework within which training is financed and provided, reflected two major concerns: co-ordination and partnership. All represented countries expressed a need for greater co-ordination, including within the public sector. In addition, it was widely felt that the reform and management of technical and vocational education and training requires greater involvement of all interested groups. Participants expressed converging views regarding the potential of partnership for:

- facilitating co-ordination;
- avoiding duplication and wastage;
- sharing the cost of training;
- introducing new dimensions in the policy debate;
- reforming curricula and managing the examination system;
- disseminating information on training;
- fostering a sense of ownership.

Many countries of the sub-region are facing an institutional context where several central bodies – ministries, authorities, boards – are involved in technical and vocational education and training. Lack of co-operation between government agencies results in duplication and eventually wastage of resources. In this context, several countries are searching an adequate mechanism for co-ordination. The diversity of pattern shows that many approaches have been tried in the sub-region, although none seems to be considered entirely successful. While choosing one particular ministry to take over the co-ordination function is often considered by the others as interference, ad hoc councils for training have not always enjoyed the authority and recognition required to adequately perform their co-ordinating role. Considering the impossibility of settling this matter within the framework of the meeting, participants were left with many question such as: Should the ministry in charge of co-ordination be a training provider? How to articulate and perform co-ordination at the central, regional and sectoral levels? How to legitimate the role of a council for training? What should be its composition?

The current situation regarding partnership in the represented countries showed that most of them have established, besides the ministries, an institution involving several stakeholders interested in technical and vocational education and training. The comparison of national systems revealed three dimensions specifying the scope and intensity of partnership:

- The functions being performed by the institution: a distinction was made between five major functions (policy formulation, financing, delivering training, curriculum development and certification).
- The capacity of the institution: decision making or advisory/consultative.
- The categories of partners involved: government, employers, employees, representatives of the civil society. The basic formula involves the state and the employers (bipartism) but many institutions include labour representatives (tripartism) and some also involve other partners (multipartism). Taking into account the very peculiar nature of power distribution in any society, the analysis of the advantages and limitations of each option did not lead to any definite statement. However, identifying the categories of partners involved is not sufficient. The extent of their participation depends on the actual sharing of responsibility between each of them.

- The concept of parity: genuine partnership requires that all stakeholders be equal in decision making.

Taking into account these various aspects, the review of existing examples of institutionalized partnership in the represented countries failed to reveal pure examples of tripartite bodies where all members have equal power. This result indicated that the management of technical and vocational education and training in the sub-region relies more on participation and collaboration among the various stakeholders than on partnership. However, this observation is not an indication regarding the performance of these different institutional set-ups.

A number of factors explain those variations and the options selected by each country, including:

- The political context: the South African case illustrates a unique situation where partnership is conceived as a key process in policy formulation and in shaping a new and common vision. In Tanzania, partnership takes place within a broader context of transition to a market economy.
- The structure and the level of development of the modern sector: partners do not always exist. In situations where the economy is dominated by the public and the informal sectors, no good alternative to state control may exist.
- The capacity of the partners: partnership has to be seen as a learning process. As such, it requires time and cannot be promulgated by government.
- The culture in which it takes place: countries with a long tradition of collective bargaining, where social partners are already involved in other areas of decision making, are more likely to embark with success upon partnership (Mauritius).
- The willingness to collaborate: in order to take place, partnership requires that stakeholders perceive a common interest and share a minimum level of trust. If compulsory instruments are sometimes useful in consolidating participation, they cannot, unlike incentives, generate motivation.

Among the represented countries, partnership mechanisms and structures include inter-ministerial committees, councils, boards, collective bargaining and 'transparent lobbying' (South Africa). While recognizing the importance of the autonomy granted to those institutions or processes, participants insisted on the need for the state to retain sufficient control to ensure consistency and overall coherence.

Furthermore, in spite of their appreciation of the potential merits of partnership, participants underlined some of its major limitations:

- It makes the decision process very slow and complex (South Africa). In extreme cases it then becomes impossible to reach a consensus and consequently to take action.
- There is no model to follow, therefore it is difficult to appreciate the relevance of a particular formula without knowing the environment in which it takes place.

- Finally, the lack of empirical evidence does not justify giving preference to a particular option. Hence, although the establishment of Training Funds and Boards seems to be expanding in the sub-region, this policy relies very much on reasoned assumptions rather than on evidence that it works. The need to monitor such trends was therefore recognized.

It should be noted that, although the topic was not initially focused upon, the debate on partnership revealed a strong interest, among most participants, in the institutional problems related to assessment and certification. Following a presentation of the current South African experience, the development of a system of qualifications and certification based on skills and managed by a multi-partite Qualifications Authority attracted a lot of attention. Under the system being currently implemented in South Africa, qualifications consist of packages of credits leading to two levels. This output-based and modular approach should facilitate access and provide a common quality control for all learning environments. Above and beyond the South African case, the discussion on assessment and certification raised a number of complex and sensitive questions such as: Can all 'skills' be divided into a collection of competencies? To what extent does such an approach apply to the body of abstract knowledge required to ensure flexibility? Does this system equally reflect the concerns and needs of all parties, including educational institutions, individuals and government? To what extent is it designed to suit the expectations of industrial groups and the requirements of company-based training?

### **3. Functioning of the system at the institution level**

In addition to government intervention in employer training, another possible and promising approach is to establish and/or consolidate a training market. Allowing institutions to sell their services to individuals and enterprises represents a challenging option both to ensure the relevance of skills provided and to promote cost-recovery.

A step forward towards strengthening the role of market forces is to reform the channelling of funds to public institutions, partly substituting training vouchers for the traditional, historical budget allocations. In such a scheme, public funds are directed towards individuals who are free to choose the school and the type of training they prefer. As a result, performing institutions and profitable skills are supposed to flourish, while less successful schools and irrelevant curricula would progressively perish.

Although the theory supporting this model may seem attractive due to its simplicity, the long-term cost-effectiveness of such a market-oriented approach remains questionable, especially in developing countries where information is lacking and the needs of the economy unstable. Performance-based financing may be considered as a possible alternative, especially for out-of-school education and private training.

A different or combined strategy leaves an increasing portion of TVET provision to the private sector, which is supposed to be more dynamic and flexible in its response to the demands of the economy. The major shortcoming of private provision of TVET is that it tends to concentrate on 'cheap-to-teach' subjects, leaving the expensive investment in heavy or sophisticated technology to the State. This is one of the reasons why the provision of TVET is never left to market forces alone. The role of the State then evolves towards providing training incentives, via subsidies or tax exemptions, to individuals and firms, and possibly basic funding to TVET providers. Government also has a role to play in improving and disseminating information on the private training market. Ensuring that public resources are rightly used then requires some sort of control through standard setting and outcome assessment, performed either

by a State agency or an institution involving all interested partners, such as employers' associations and trade unions.

Autonomy of institutions and the establishment of a market for training appeared to be important issues in most of the represented countries.

Kenya recently took steps to allow institutions to retain collected or generated funds. Money coming from government and self-generated resources are kept in separate accounts. Furthermore, schools are ruled by boards of governors representing the various parties concerned.

The Mauritian Ministry of Education chose an innovative option by establishing a para-statal body responsible for technical schools (the Management Trust Fund). Dissociating the technical sub-sector from the rest of the education sector, and therefore escaping the rules of the public sector, was seen as a way of giving autonomy to the institutions and flexibility to the system.

In Tanzania, it is expected that the newly established Vocational Training Authority will eventually withdraw from delivering training and concentrate its activity on monitoring, financing and setting standards. In this framework, training centres will be responsible for hiring and firing trainers, while decentralized curricula should allow for adaptation to the needs of the particular regions. However, it is felt that the granting of autonomy will be a slow process.

Zambian delegates made reference to an Act currently being prepared to give autonomy to institutions. In this framework, management boards enjoying a fund-raising capacity will be established. However, this policy is being formulated in a difficult budgetary environment, where funds are shrinking and disbursed in an erratic way, while self-generated income is deducted from government allocations. Developing autonomy in such a context appears problematic.

Contrasting with those trends and policies, Nigeria follows a more conservative approach towards autonomy. It is the intention of the central power to keep most responsibilities, both in technical schools and training centres, in view of maintaining unity, relevance and overall coherence.

Besides public institutions, the development of a private sector for training represents a major trend in the sub-region. All represented countries recognized its value to improve the flexibility and responsiveness of training and reduce public budget expenditures. However, it is considered as a complementary sector rather than as an alternative to public provision, and requires state monitoring.

Some countries, like Nigeria and Zimbabwe, underlined that the term 'private sector training' does not reflect a clear notion. Indeed, rather than a sector, it is an aggregate of a wide diversity of institutions including industry training centres, profit-making institutions, NGOs and confessional organizations.

Several participants also indicated that most of the private institutions provide short-term training in areas that do not require heavy capital investment. Furthermore, in many cases public and private institutions do not cater for the same public. These remarks concerning the segmentation of the market for training indicate some of the limits of policies encouraging public and private institutions to provide training on a competitive basis. However, some participants considered that introducing competition over access to resources can be a powerful tool for injecting change into public institutions.



In most represented countries, the development of a market for training goes together with the establishment of procedures to register institutions, accredit training programmes and trainers and to certify courses (Nigeria, Mauritius, Tanzania, Zimbabwe). Without questioning the need for such measures, experience showed in several countries that this form of regulation can be a disincentive when it involves a heavy and slow bureaucratic process.

Supportive measures in favour of the private sector include:

- Allocating resources to the users. This option is already used in a few countries for individuals (vouchers in Kenya and Mauritius, loans in Zimbabwe).
- Providing training for trainers (Mauritius).
- Establishing contract training schemes. Such schemes are meant to encourage public and private institutions to provide training on a demand-driven and competitive basis. In South Africa, performance agreements are being developed as a form of contract-based output-oriented system;
- Providing information on training provision. The Mauritian Directory of Registered Training Institutions and Trainers, but also the Zimbabwe experience, offer examples of what is being done in several countries of the sub-region to assess quality of inputs, monitor the training market and promote transparency.

Finally, the experience of Mauritius and Zimbabwe reflected the great potential of tax rebate and grant schemes to develop a market for training.

#### **4. Organizing and financing training for disadvantaged groups**

The contribution of technical and vocational education and training to poverty alleviation is attracting increasing interest in all countries of the sub-region. Although the term 'disadvantaged groups' covers a wide range of categories such as informal sector workers, peasant farmers, ethnic minorities, refugees, disabled, etc.

In order to focus the discussion, and considering the particular concern of the workshop for training in relation to labour market issues, the topic was centred on the informal sector. Indeed, due to the inability of the modern economy to absorb a rapidly growing workforce, the majority of the economically active population of the sub-region works either in traditional agriculture or in the urban informal sector.

The benefits of the urban informal sector for reducing poverty are twofold. First, it provides a large share of the goods and services accessible to the lower income categories. Second, it employs most of the labour surplus and therefore generates income for the poorer segment of the population.

For most informal sector workers, skill acquisition takes place on the job, sometimes within the framework of a traditional apprenticeship scheme. The contribution of public and private institutions is often limited. Wishing to increase labour productivity in the informal sector and recognizing the need to enlarge its absorptive capacity, governments are increasingly designing special training policies and programmes. They often try to support traditional apprenticeship and also to encourage public and private training providers to address the needs of the informal sector. These training strategies are usually part of broader interventions including

access to credit, land, infrastructures and provision of technical assistance.

Taking into account the contrasted results that informal sector support has shown at large, the Kenyan experience deserves particular attention. It is interesting to recall that the term *informal sector* was first used in Kenya by ILO in 1972. As a result of long experience, the recent establishment of a Micro and Small Enterprise Training Fund represents an interesting innovation to provide incentives for skill upgrading in the informal sector and adapt the public and private sectors' training capacity to its needs. Although already experienced in other environments, the introduction of voucher programmes and contract schemes does not usually apply to the informal sector. Monitoring the results of this new approach will be of great interest for future informal-sector training strategies.

Besides its financial mechanisms, the Kenyan project features interesting institutional design. Indeed, its implementation relies on a close partnership between government and informal-sector associations (the JA Kali). This institutional capacity-building component illustrates a new approach towards informal-sector support policies. Although broadening stakeholders' participation may be subject to specific cultural or political limitations, such policies may represent a significant shift towards a government/informal-sector relationship and development work at large.

## **5. The policy challenge: selecting the appropriate options**

Having considered such a wide range of options and strategies, choosing a mode of financing and an institutional pattern to manage training represents a challenging item on governments' policy agenda. International and sub-regional comparisons show that 'pure' models do not exist; countries rather combine different approaches and instruments according to their specific environment. Apart from the prevailing socio-economic conditions, the mixture of policy measures depends very much in each case on the structure of the TVET system (respective share of public schools, training centres, private institutions, in-plant training) as well as the objectives pursued. Raising funds to finance TVET institutions, establishing a market for training or promoting employers' investment in training, including in the informal sector, require the use of different tools for intervention. Although a consensus cannot be reached about the mode of training to be privileged, and on the goals of TVET systems, the dominant philosophy seems to focus on the incentive structures, compulsory measures being considered either transitional or subsidiary. This trend also reflects the new role which is being devolved to the State, where policy formulation and implementation, financing and training are shared with other actors of society, including informal-sector representatives.

It is still too early to assess the impact of the changes that are taking place in the sub-region on the relevance and quality of TVET. A great interest will certainly be taken in reviewing their effects in a few years-time. Such an exercise would contribute to a better understanding of the ability of the current reforms to serve the needs of the labour market and their contribution towards supporting the economic recovery that now seems under way.

## Chapter II

# Financing vocational education and training in some Southern African countries: trends and options

by Torkel Alfthan, ILO, Harare, Zimbabwe

### 1. Introduction

Many countries in Southern Africa are facing the familiar problem of raising resources to finance their vocational training systems. Particularly in those countries that are undergoing structural adjustment programmes – Zimbabwe and Zambia are salient examples – vocational education and training have come under increasing fire, forcing governments to reduce their spending on this vital segment of human resources development. In Zimbabwe, where the majority of vocational training programmes continue to be run by the government, allocations for vocational training have declined sharply in real terms since the start of the Economic Structural Adjustment Programme, the second phase of which is about to commence. The picture is similar in Zambia.

Predictably, adjustment programmes have negatively affected the quality of education and training. Shortage of lectures has led to under-utilization of physical facilities, worsened by the continuing decline in lecturers' real salaries and widening gaps between their pay and private-sector pay for technicians and engineers. Quality has been further compromised by obsolete equipment, lack of books and training materials, and an inability of many training institutions to keep abreast with technological developments in industry. Opportunities for retraining and upgrading the knowledge of teaching staff have also diminished. Finally, structural adjustment has raised the issue of the *relevance* of education and training as the economy adjusts: i.e. whether the system is flexible enough and able to adapt to new skill and knowledge demands that the adjustment process is bringing forth.

The situation in certain other countries, such as Namibia and South Africa, is somewhat different. Starting also from a situation of under-investment in human resources development programmes, their economic situation has in recent years allowed them to invest new and additional resources into education and training programme expansion in order to correct the inequities inherited from the past. But, for example, in Namibia, public resources for expanding education and training may not be forthcoming in the future.

Irrespective of their economic situation and although the magnitude of their task differs, the countries of the region face the same challenge: to find the will and means to invest more resources into vocational education and training. This paper will highlight options pursued by some of the countries to expand the resource base for vocational education and training.

## 2. Alternatives to finance VET

The basic alternatives available to training authorities and other stakeholders to ensure adequate financial resources for education and training are the following, to:

- expand revenues from traditional sources;
- expand revenues from new, non-traditional sources;
- make better use of existing resources.

The first option is often not a realistic one. In today's climate of economic downturns, structural adjustment and governments' reassessments of priorities among competing alternatives, VET programmes have often suffered budget shortfalls. Enterprises in difficulties often make training one of the first budget categories to cut. What remains is to expand revenues from new, non-traditional sources and make better use of existing resources.

But one must remember that pouring more money - raised through whatever means - into already inefficient systems does not help. It just means that inefficiencies are carried out on a larger scale. The first policy decision is therefore to make better use of existing resources. With that observation, there follows a discussion on how some of the countries in the region are attempting to raise revenues from new, non-traditional sources.

## 3. Prerequisites for broadening financial support

Any policies and programmes to broaden the sources of finance for VET must depart from the premise that those who are potential new (and old) contributors are also integral partners in the process of defining and implementing VET policies. Working from this premise, a devolution of authority and responsibility is a must in the context of political, policy and administrative reform. Policy developments must nourish macro-economic conditions that result in employers benefiting from the training. Lower levels of government, community organizations and training partners must have a say in defining VET policy and in managing resources. The National Training Strategy Initiative in South Africa illustrates perfectly these considerations. There the initiative is an all-embracing effort, involving all stakeholders in training: government, unions, employers, industrial training boards, companies, training institutions, NGOs and individuals, in a programme of reform to recreate the education and training system so that it meets the economic and social needs of the country and the development needs of the individual. In the context of the TEVET Review in Zambia, efforts are also made to involve all present and potential partners in VET in formulating and implementing a new TEVET policy.

### 3.1 Rationale and weaknesses of publicly financed training

Although according to some "there is no blanket case for governments either to provide or to finance training"<sup>1</sup>, governments in the countries of the region continue to play an important role both in running and financing training. In addition to the benefits to the individual and firm of improved skills (which alone would justify purely private financing) there are *external benefits* of training in the form of a better-educated work-force, that accrue to society at large. This is one reason why governments finance training programmes. Another reason is *market imperfections*, whereby the market does not provide sufficient incentives for enterprises and individuals to invest in training; consequently governments intervene to compensate for these market imperfections.

1. Middleton, Ziderman, van Adams. *Skills for productivity: Vocational education and training in developing countries*, The World Bank, Washington D.C., 1993.

A third reason for government intervention is the consideration of equity: government typically finances training to meet the needs of underprivileged groups of society, which without public intervention could not avail themselves of training opportunities.

An allusion has already been made to inherent weaknesses in public-sector financing of training. This segment of training tends to suffer from *under financing*, the lower-income countries in the region relying primarily on duties and excise taxes for revenues, whereas middle-income countries often have inefficient tax-collection systems. What the public system receives is often not sufficient to maintain reasonable standards. Another weakness is *instability* as government budgets for VET tend to fluctuate with variations in the business cycle and natural calamities. In times of financial shortages, although public training programmes continue, inputs that are essential for maintaining adequate quality are invariably cut: for example, the cuts in equipment maintenance, training materials and allowances already mentioned. Finance may be forthcoming for attractive capital projects but their maintenance is under supported. Finally, public control means generally centralized control, with its inherent high administrative costs and lack of flexibility to adapt training programmes to changing market and training needs.

### 3.2 *Private financing of training*

Since more public resources cannot be expected to be forthcoming for VET, many countries are looking for more money from private sources. This also conforms with the benefit principle: the beneficiaries are primarily the enterprise and the individual and therefore these should pay for training. The main sources of private financing are: enterprise financing, individual/worker financing and direct income generation through various forms of production activities by training institutions. All these means are being deployed by countries in the region.

## 4. **Enterprise training**

### 4.1 *In-company training*

The classic example of massive in-company initial (apprenticeship) and continuous training of workers is, of course, Germany. But also in the sub-region, many large utility companies, parastatals and large private companies invest, voluntarily and irrespective of any public incentive to train, considerable amounts into employee training. Training includes on-the-job instruction, formal training in spaces assigned for such purposes within the firm, and formal training outside the firm, even outside the country. In Namibia, for example, typically large enterprises implement career schemes on their own for their staff, according to in-company skills requirements, which as yet are outside the country's nascent framework of recognized occupational qualifications. Affiliated to their mostly South African mother companies, these firms send many of their employees for further training to South Africa, spending vast amounts in the process<sup>2</sup>.

In the present context, an important issue for the Namibian training authorities is to integrate this type of company training, which may resemble any apprenticeship scheme, into the Namibian vocational training system and ensure that it is formally approved and recognized. The process of recognizing company-based or otherwise privately provided training programmes is now under way, as suggested by the imminent accreditation of 65 private training institutions that provide training in the commercial trades.

2. Jutta Franz. *Financing the Namibian Vocational Training System*, The Namibian Economic Policy Research Unit (NEPRU), Research Report No. 11, Windhoek, 1995.

## 4.2 Levies

In the interest of ensuring stable and adequate financing of training, many developing countries have instituted levies especially earmarked for vocational training. One such levy is the *output-based levy*. Under Kenya's Industrial Training Act of 1973, 12 sectoral training committees are permitted to impose their own levies for training. For example, the training committee for building and construction imposes a levy on all quarterly turnover, while the sugar industry committee bases the levy on the tonnage of sugar produced<sup>3</sup>. This production levy has generated additional funds for training, but has not been widely emulated elsewhere, perhaps because "the levels of income of training institutions based mainly on obtaining resources through the withholding of production earnings are closely associated with the ups and downs of economic evolution of the sector in question". "The mechanism imposes severe restrictions on the possibility of generating a solid and workable infrastructure"<sup>4</sup>.

A more common practice in many countries has been to institute a *payroll levy* to finance training. "Payroll taxes are the most widely spread alternative to government budgetary allocations for vocational training and used in some 30 developing countries as well as in some Western countries"<sup>5</sup>. These taxes serve either of two different purposes: to generate revenues for use in training or to stimulate training within the firm by offering enterprises various *financial incentives* in the form of rebates of their training costs. There are also examples of mixed models. In Central and Southern Africa, Botswana, Mauritius, Nigeria, and Zimbabwe have rebate schemes which operate at varying levels of efficiency. Generally speaking the countries which use payroll tax schemes are middle-income countries, whereas in low-income countries, because of their small industrial sectors and inadequate infrastructure for collecting and administering the revenues, such schemes are less suitable. Established after independence to encourage company-based training, *Zimbabwe's payroll tax* provides an instructive case of some of the issues and problems of running such a scheme efficiently.

The Zimbabwe Manpower Development Fund (ZIMDEF) is potentially an important institution that could be instrumental in promoting increased training supply through enterprise-based, in-service training. A levy of 1 per cent was introduced for all formal enterprises. The intention was to reimburse those enterprises that provided approved in-service training to their employees.

It seems<sup>6</sup> that there are some difficulties in the relationship that prevails between the government and some sections of the private-sector over the functioning of ZIMDEF, as well as other training mechanisms in the country; the apprenticeship system and tripartite collaboration on training issues. A formula has to be found to increase private sector support and enthusiasm for partnership. Government regulations and interventions need to be reviewed. Well-designed incentives are likely to prove more effective than regulation and administrative interventions.

3. Middleton, et al., p. 120.

4. Maria Angelica Ducci. *Financing of vocational training in Latin America*, ILO, Geneva, 1991.

5. Middleton, p. 120.

6. ILO. *Structural change and adjustment in Zimbabwe*, Geneva, 1993.

A change of attitude of the private sector towards the training system will help institutions like the National Manpower Council (NAMACO) (a national tripartite forum advising the government on training matters) and the college advisory boards to respond accurately to market demand for skilled labour.

In *Namibia*, there is a lively debate on how resources can best be mobilized to increase training activities in the private sector. Much of the debate centres on the use of a training levy. In accordance with the recently promulgated National Vocational Training Act (NVTA), a National Training Fund (NTF) has been established. It is to be financed primarily by moneys received through any training levy which is imposed by the Minister (of Higher Education, Vocational Training and Science and Technology), government funds, interest etc. generated from the fund and any other money accruing from other sources, e.g. donor money. Again according to NVTA, the fund will reimburse all expenses (fees, instruction costs, equipment, training materials) and provide grants or loans to any provider of training courses or training facilities.

Out of the three main options for generating additional resources for the fund – from the general public through the central budget; foreign donors; and employers – most additional funds can be expected from employers, the assumption being that those who benefit from training in terms of higher productivity should also pay a larger share of the costs.

Many employers in *Namibia* perceive that any further burdening of the production costs of formal-sector enterprises by means of a payroll tax would raise production costs and thus affect the international competitiveness of the businesses. A payroll levy would increase labour costs which are already perceived to be quite high. It could either keep wages low or reduce employment, or both, or stimulate unregistered employment. Based on experience from other types of payroll taxes in developed countries, it has been argued that labour would bear the burden in the form of lower wages. Hence a tax on the employer would in fact be a tax on employees. In view of the relative weakness of trade unions in *Namibia*, the likely loser from higher labour costs would therefore be labour.

Reference was already made to the considerable amount of training, albeit unrecognized, which already goes on in *Namibian* formal, large-scale enterprises. These will train anyway, irrespective of any incentives. At the same time, there is a need to offer training incentives to the large group of small- to medium-sized enterprises which are willing to train or are already doing so.

Neither a revenue-raising payroll tax nor a rebate scheme appear to be appropriate for expanding training supply in *Namibia*. The straight levy system would probably generate substantial amounts of income but would also tend to create severe disincentives for the private sector to train. It would therefore run counter to its perceived objective: to increase training supply. On the other hand, in view of the substantial amount of training already taking place in enterprises, a pure rebate scheme would not raise any additional funds to finance further training activities. Therefore a mixed system has been advocated that would partly reimburse the costs of training in approved trades<sup>7</sup>. Since the approved trades at present are rather few (20), some interim measures are advocated to ensure that those firms which provide training in not yet approved trades, are not encouraged to: (a) refuse to pay the levy as they are not able to deduct their training costs and/or (b) try to avoid paying a net levy by concentrating on training only in those trades that are apprenticeable, and so create distortions in the training supply in the labour market.

7. Franz, *idem*.

Since much valuable training, albeit not (yet) approved, goes on in the private sector, it appears care must be exercised not to create disincentives for these sources of supply. International experience suggests that countries that have a flexible supply of training in terms of duration, supplier, organization etc. are better able to quickly adapt to changing economic and labour market conditions.

Another issue at stake in Namibia is how the collection of the levy should be organized. One possible solution is to link the collection to the newly established social security system. A similar link is being contemplated in Mozambique.

In *Zambia*, a comprehensive Review of the VET system is under way at present, necessitated by the structural changes in the economy and the labour market. While the bulk of jobs today is in the informal sector, the education and training systems continue to churn out graduates to meet the assumed requirements of the public service, modern industry and commerce. Weaned to expect formal-sector jobs, but equipped with skills and work attitudes that are ill-adapted to actually available job opportunities, VET graduates often end up unemployed. The country must therefore reconstruct its education and training system so that it prepares Zambians for identifiable job opportunities and helps them venture into jobs on their own account. Entrepreneurial training will loom importantly in this new training strategy.

Skills training in Zambia is presently heavily subsidized by the government and fees charged by public institutions are very low. In a climate of economic stagnation, maintaining quality and training standards has become very difficult as infrastructure has deteriorated, teaching staff has left and there is acute shortage of training materials. In government institutions, resources have often been diverted to non-productive activities like maintaining a bloated administrative staff and expensive boarding facilities.

As in Namibia, a training fund is being contemplated in Zambia on a sectoral and/or central basis while ensuring that the range of recipients of training funds is expanded to cover any providers of training (formal or informal) that meet acceptable standards. According to the terms of reference of a recently commissioned study on financing training, and undertaken in the context of the TEVET Review, the new financing scheme for Zambia would also incorporate a levy or some alternative system for financing VET, consideration of incentive schemes to encourage industry-based training through grants, subsidies, tax exemptions; introduction of user charges and trainee loans. The new financing system should explicitly support the broad objectives of TEVET reform, namely: increasing the efficiency and competitiveness of TEVET while ensuring equity of access to training by poorer segments of the population – women, rural populations, handicapped and others. It should reduce the burden of financing VET that is at present falling on the government; encourage private training markets in TEVET provision; and promote the growth of a business culture among TEVET providers.

This study is one of nine being prepared under the TEVET Review programme. The studies, some of which have already been finalized, involve work by local and international consultants, extensive consultation with the social partners – employers and trade unions – and also other stakeholders in education and training. The investigative work culminates in workshops that are expected to produce concrete ideas on how to implement the proposals and strategies pertaining to each topic of the study.



## **5. Individual and worker financing of VET**

As suggested by the scope of the Zambian study on financing VET, individuals and workers are another source that can be tapped to increase the resources available for funding VET. In the context of structural adjustment, many countries have introduced school fees as a means to compensate, albeit partially, for the loss of funding triggered by budget cuts. In some cases, for example in the case of proprietary (private) training institutions, fees tend to pay for all costs, whereas in others, they contribute only a minor part, the bulk being covered by other sources: government, enterprises, etc.

To compensate for the drop in funding, *cost recovery methods* have been introduced in Zimbabwe. In 1992 school *fees*, which had been abolished at independence in 1980, were reintroduced across the education and training system. To protect the poor, a Social Dimensions Fund (SDF) was created to ensure exemption for vulnerable groups from cost recovery. However, the SDF has not operated satisfactorily. It is estimated that the component of SDF that assisted those who cannot pay school fees covered only one eighth of the students eligible for exemption. Cost-recovery measures have definitely had a negative impact on the equality of access to training. Primary and secondary school drop-out rates have increased. Proposals to raise tuition fees dramatically and reduce subsidies in public vocational training would effectively exclude large numbers of people from gaining access to such training.

At the same time, fee-paying private short-term courses have been mushrooming in Zimbabwe, as the public system of training has faced difficulties. Driven by increasingly high levels of general education and traditions of self-improvement through education and training, a vibrant private training market has burgeoned, financed primarily by fees paid by students, but also by having fees reimbursed by ZIMDEF and by employers. Even the government (Harare) polytechnic has entered the private market, providing technical and engineering courses in the evenings for a fee.

To sum up, it seems that fees are most effective in financing short-term training with good job prospects. Fees can mobilize additional resources and can also help regulate supply and demand for training, i.e. through charging higher fees to control excess demand. Individuals and workers are more selective in choosing training programmes that will lead to jobs and promotion. Institutions that rely on fees tend to respond to the interests of the students and therefore supply training that is related to the job market.

Fees introduced for basic non-work-related education and for pre-service training often have serious negative equity effects. Individuals and workers are less likely to pay for extensive training that may lead to inconclusive results. When competitive training markets exist, one policy would be to set fees at market levels and cushion their negative equity effects by scholarships based on means tests, establish training loan schemes, adjust fees to income levels and ensure that tuition fee policies are applied consistently to all types of education and training<sup>8</sup>.

In discussing financing of training by the worker/individual, mention should finally be made of *traditional apprenticeship*. The basic idea behind apprenticeship is that the worker/apprentice pays for the training which the entrepreneur provides at the workplace by receiving reduced wages during the training period. Since the artisans cannot be sure to retain the apprentice after the training period, they cannot be expected to pay for the costs of the training.

8. Richard Johnson. *Diversifying sources of vocational training finance: A set of training modules*, ILO, Geneva, 1995.

This type of training, common particularly in West-African countries, is now also being solicited to increase the supply of skill training in the sub-region.

In the Zambia, the opportunities to tap, and improve upon, the quality of the informal type of training are being investigated in the study on financing TEVET, mentioned earlier. In Mozambique, a large programme (assisted by the ILO) is under way to reintegrate demobilized soldiers into civilian society, incorporating employment and training and rehabilitation. In this context, proposals have also been put forward to tap the potential of informal apprenticeship. Production incomes are low in Mozambique, and the idea is to subsidize part (or all) of the artisans' training costs, primarily through donor money. Simple formulas are being developed for selecting suitable artisans that have the aptitude/capacity to provide training; ensuring that training provision does not result in market saturation of particular skills; and devising contractual arrangements that give the training provider/artisan adequate incentives to provide training that meets specified objectives.

## 6. Training-cum-production

In VET programmes there is usually a direct link between studies and work. Hence there seems to be a strong case for having time spent on production to help strengthen performance capabilities in a particular occupational field. Many primary, secondary and VET schools in the sub-region have introduced production activities as a means of providing additional income to finance education/training. The proportion of recurrent expenditures that can be recovered by income from production activities varies considerably. In Swaziland, for example, up to 80 per cent of recurrent costs is covered by production income. In institutions where income from production covers the bulk of recurrent costs, production per se is the main activity, while training plays a secondary role. As the amount of formal instruction increases, the income-generating potential through production tends to decrease. A school cannot expect to cover a high percentage of costs through productive activities while continuing to be an examination-driven training institution<sup>9</sup>.

Recently, technical colleges in Zimbabwe were advised to recover part of their cost of training, e.g. through introducing production activities and fees and by providing consultancy services. However, given the problems of meeting adequate standards of training quality, referred to earlier, the new strategy to expand the resource base may in fact divert from, instead of consolidating and improving the performance of, their core training function.

In contrast to formal training institutions, many NGOs have proven highly effective in financing training activities by integrating them with production for profit. They offer greater flexibility, and a more balanced relationship between practical work activities and theoretical studies. These programmes tend to target special populations. Instruction is low cost, student expectations are realistic, instruction focuses primarily on production, there are few institutional constraints and staff is recruited on the basis of its production skills<sup>10</sup>.

9. Dennis R. Herschbach. *Financing vocational education and training in developing countries*, Training Discussion Paper No. 111, ILO, Geneva, 1993.

10. Herschbach, idem.

## **7. Conclusion**

This paper provides an overview, albeit impressionistic, of some of the issues associated with governments' and other stakeholders' attempts to diversify and broaden the sources of finance for vocational education and training. Judging from the initiatives under way there is much movement on this front. The result over the medium longer term will largely hinge on whether all the stakeholders can be mobilized in a joint effort and whether the political and policy prerequisites for reforming the system of financing VET are present.

# Partnership for the reform of technical, vocational education and training: the South African experience

by Adrienne Bird, Lindsay Falkov, Ray Johnson, Sam Morotoba

## I. Introduction

The establishment of a democratic government in South Africa has been accompanied by massive social and economic challenges. Reconstruction and development must address large-scale poverty and social backlogs in the availability of basic social services to the black community. Alongside this there is a need to substantially increase the rate of economic growth and the labour absorption capacity of the economy.

These challenges take place within a totally new political dispensation. This is characterized by a Government of National Unity and a commitment by the new government to include other powerful interest groups (business and labour in particular) in major decisions over new social and economic policies.

Education and training is currently viewed as a critical ingredient in the social and economic reconstruction of the country by all major stakeholders. The reconstruction and development programme (RDP), the Growth and Development Strategy of the government, as well as policy statements by organized labour and business, all emphasize the importance of a strong human resource development programme.

The highly segmented character of South Africa's labour market, massive social demands and critical need to substantially raise the rate of economic growth on a sustainable basis, all place large and diverse pressures on the training system.

These political, social and economic pressures on the training system have strongly influenced the process towards, and substance of, new education and training policies. Previous policies have resulted in serious internal weaknesses in both the education and training systems, which must be addressed. This paper covers the nature of these contextual issues impacting on education and training, the weaknesses internal to the education and training system, and broadly outlines the new policy vision for reconstructing the system. The *substance* of the new governance and finance policies for training and the *process* for arriving at these decisions are the two themes which thread their way throughout the paper.

## II. The political reality

The foundations of a new political dispensation were laid in 1990, when the major violently opposed political parties in the South African conflict entered into a process to negotiate a peaceful political settlement. An interim constitution was negotiated which established the basis for democratic elections and a new Government of National Unity. The major political players accepted that this approach to a democratic settlement required compromises and a constant search for consensus. The writing of a new constitution for South Africa has been through a similar process, and is in the final stages of development.

The new government has extended this inclusive approach to governing into the socio-economic arena. This is reflected in its commitment to transparent and consultative governance which has enabled powerful interest groups to participate directly in the reconstruction and development effort of the country. It is expected that interested parties, including the poor and powerless, have a direct input into the policy-making process of government departments, completely altering the relationship between government and its constituency that prevailed under apartheid.

This participatory governance model has recently been formalized through the establishment of the National Economic Development and Labour Council. This Council consists of a top structure including the top representatives of business, labour and government ministers. It presides over four chambers dealing with labour market, public finance, trade and industry, and development issues. All legislation related to these chambers must pass through them before going to parliament.

Significantly, the Education and Training sector was a leader in this partnership-based approach to the development of new frameworks and policies for the sector. The National Training Board (NTB) facilitated such a process, culminating in the publication of a new integrated education and training strategy for the country. The details of the process and strategy are addressed in Section IV.1.1 below.

In sum, the process of developing new policies for the education and training sector has been as important as the substance of these policies, and both interact with each other in important ways. Reflecting on this democratic governance process reveals that it is a goal in itself. But it also contributes to a much richer policy debate and input, as well as the possibility for more effective governance, since the parties understand and are given the opportunity to buy into the policy. At the same time, this process can lead to inefficiencies due to delays in policy decisions, and, taken to extremes, can render government impotent. While the broader approach is still too new for a definitive assessment, the NTB process has been successful.

### **III. Towards a new education and training system**

The key implications for the design of a new education and training system are set out below:

1. There is pressure on the training system to respond to diverse and large demands.
2. The new system must be developed within a highly constrained fiscal environment.
3. An inclusive policy-making process is required.
4. Responsiveness, quality and evaluation are poor in many areas of the system.
5. South Africa has a unique training system in terms of its structure and financing. This must be taken into account when developing new policies.
6. Given the diverse demands on the training system, a range of funding approaches are required. These must be tailored to meet the demands of different segments of the labour market.

## IV. A new education and training vision

### 1. Process

#### 1.1 *The National Training Strategy Initiative*

The National Training Board (NTB), a tripartite policy advisory body to the Minister of Labour, was established in 1981. During the 1980s the focus of its work was on the apprenticeship system, and this work resulted in an amendment to the Manpower Training Act in 1990. In 1991, in a climate of political change, the then Minister of Labour appointed to the NTB representatives of the black and democratic trade union movement for the first time. These representatives rejected work previously done towards a National Training Strategy and a new, more representative, Task Team was established to begin work anew. Eight working groups were established, each with quadripartite representation: employer, trade union, provider and state. The working groups covered the following areas: environmental scan, new qualification structures, training the trainer, adult basic education, labour market programmes, legislation, international comparators and financing. The negotiations continued throughout 1993, and were frequently heated and conflictual. However, a consensus report was published in April 1994, known as the *National Training Strategy Initiative*. This report put forward the following vision statement:

*“A human resources development system in which there is an integrated approach to education and training and which meets the economic and social needs of the country and the development needs of the individual”.*

One of its key recommendations included a National Qualifications Framework. This recommendation, based on an integrated approach to education and training, was taken forward to legislation jointly by the Ministers of Labour and Education in 1995. Pilot projects were initiated by a number of industrial sectors to develop standards and qualifications in terms of the new framework, under the umbrella of the NTB.

#### 1.2 *A new funding mechanism for training*

The NTSI final report recognized the need for a more detailed study into the financing of training. In 1994, with the assistance of the World Bank, a proposal for research into a new funding mechanism for training was drawn up. The studies were examined by government, labour and business representatives who had been part of the financing group in the NTSI process. This group was consolidated into a Counterpart Group (CG) of the newly formed NEDLAC, which was charged with the responsibility for managing Japanese Grant Fund money to finance the project, for supervising the studies, and for making recommendations on a new funding mechanism to the NEDLAC Trade and Industry Chamber. These recommendations will be discussed by the Chamber and finally fed into the legislative process through the rewriting of the Manpower Training Act in October 1996.

At this point it became apparent that the process was moving too fast and that critical pieces of information were lacking. One of the problems with the process is the difficulty experienced in keeping key negotiators in business, labour and government up to date with these kinds of processes. It often happens that the end product of these studies, in this case the policy proposals, get presented without having had the opportunity to present the rich accompanying materials from the studies. The policy options are then not properly contextualized and one has to spend time revisiting basic assumptions and research findings which motivated the policy option.

### *1.3 Policy development for other elements of the new training system*

One further process has been initiated by the Department of Labour, which is addressing a range of issues not dealt with in the other processes. These include research and development on the establishment of a new information system for training; a re-examination of the training contract; new strategies for training in job-creation and SME schemes, as well as for the retraining of retrenched workers. The Department has incorporated industrial training boards and other government departments into the process.

All three processes specified above came together through the writing of the draft White Paper by the National Training Board in July 1996.

## **2. Substance of the new education and training vision**

### *2.1 Overview*

The new strategy for human resource development is still in the process of elaboration. Some components of the strategy have been subjected to detailed research and development, while others are still highly undeveloped. It is believed that this conference will offer valuable input into the further development of the strategy.

Recognizing that the traditional approach to training would simply perpetuate the problems of the past, the NTSI calls for a paradigm shift in the way one thinks about education and training. This involves an integrated approach to education and training based on the concept of lifelong learning.

### *2.2 Principles guiding the new strategy*

The basic principles identified to guide the development of the strategy included:

- An *integrated approach* to education and training such that they form part of a system of human resource development which is expressed in terms of nationally acceptable qualifications.
- Education and training which is *relevant* to individual, economic and development needs.
- Education and training which has *international credibility* as well as for industry, providers and learners.
- The education and training system must be *coherent and flexible*. This is to be achieved through a *coherent framework* of principles and certification, but must also permit *flexibility* of interpretation, required to meet the needs of stakeholders in the system.
- *Standards* for education and training should be expressed in terms of a nationally agreed framework and nationally and internationally accepted outcomes, each of which must be separately defined.
- Education and training planning and co-ordination must find *legitimacy* with all stakeholders through their participation in these processes.

- *Access* to appropriate levels of education should be provided for all prospective learners in a manner which facilitates progression.
- The education and training system must be *articulated* so as to allow learners, on successful completion of accredited prerequisites, to move between components of the delivery system.
- *Progression* through the qualifications framework must be ensured for individuals via different appropriate combinations of the components of the delivery system.
- *Portability* allowing learners to transfer their credits or qualifications from one learning institution and/or employer to another, must be ensured.
- There must be mechanisms for *recognizing prior learning*.
- There must be adequate mechanisms for the *guidance of learners*.

The foundations for the strategy are laid down by the National Qualifications Framework (NQF), to be implemented by the newly created South African Qualifications Authority. The NQF is based on a system of credits for learning outcomes achieved. The emphasis on learning outcomes is aimed at achieving much more systematic curriculum development and assessment procedures for education and training. A learning outcome is a capability developed in the learner reflecting an integration of knowledge and skill which can be understood, applied and transferred to different contexts. The attainment of credits goes towards the achievement of eight levels of nationally recognized qualifications, incorporating both education and training. Credits towards nationally recognized qualifications can be achieved by full-time, part-time or distance learning, by work-based learning or by a combination of these, together with the assessment of prior learning and experience.

The emphasis on learning outcomes and their assessment introduces a critical quality benchmarking mechanism for the education and training system. The creation of a single national qualifications framework facilitates the recognition of all learning, articulation between the education and training system, the portability of credits across education and training delivery sites and progression to higher levels of learning, regardless of the site in which credits were previously attained.

The framework of levels was designed to facilitate access from any starting point - thereby addressing the equity imperatives of the new strategy. Included are levels which address adult learners who enter the system without a basic general education.

The other elements of the strategy relate to the institutional framework required to develop an effective education and training system, including governance, finance and incentive structure, and the delivery system.

### 2.3 *The institutional framework*

This is still in the formative stages of development, but there is a growing consensus over the following elements:



### *2.3.1 Decentralization and flexibility*

There is a strong commitment to a decentralized and flexible training system. The institutional framework developed must link the training system with the labour market, ensuring that skill enhancement feeds through to increases in labour productivity. This is captured by the idea of a demand-led training system which is responsive to the skill needs of a rapidly changing economic and technological environment. In South Africa the need for flexibility is particularly acute in a context of uncompetitive industry and large-scale structural adjustment.

South Africa, however, does not even approximate a full-employment economy and also has a massive development programme. This requires the extension of the definition of demand-led training to incorporate the system's responsiveness to the skill needs of micro-enterprise and informal-sector operators and to the skills required to deliver the huge number of social services under the reconstruction and development programme.

Training must be relevant, responsive to the demands of industry and social development. This is most easily achieved through training for those in employment. Given the size of the EAP not in formal employment, it is essential that effective programmes for the rest are developed. These programmes will have to be targeted and the major condition must be that training is directly related to actual skill requirements of jobs in growing sectors of the economy. These programmes must also be part of broader policy packages required to support increased employment opportunities.

Demand-led training forces a continual assessment of the benefits that can be derived from training, and in a country like South Africa, reduces the risk of simply throwing training at the massive economic and social problems.

At the same time, demand-led training must also be qualified. There is a need for a strong institutional training capacity to provide the large investments in training infrastructure required by a flexible training system. This will not be achieved by a provider system that is required to constantly and rapidly adjust to changing market conditions. A protected segment of the training system is required which means that it receives stable funding, reducing the degree of responsiveness to industry and social development needs.

### *2.3.2 An appropriate enabling environment*

Decentralization on its own is not a sufficient basis upon which to build a responsive training system. The government is required to establish an appropriate supporting environment within which effective localized training decisions can be taken and in order to address market failures. These interventions might include:

- The development of an effective information system and analytical capability to track changing skill requirements and develop responsive training strategies.
- The establishment of co-ordinating mechanisms for the training system.
- The need to address externalities arising out of training, support the development of an adequate training capacity, and address social problems through training as well as the large inequities in training.

### 2.3.3 High-quality and cost-effective training

The NQF provides the most important quality assurance mechanism for the new education and training system. This however must be supported by appropriate incentives and funding mechanisms for the provider market.

Similarly, effective evaluation mechanisms and benchmarking of training outcomes are essential to responsive and high-quality training provision.

## 3. The governance of training

This question must be addressed at both the system and institutional level.

### 3.1 System-level governance

#### 3.1.1 Overview

At the system level the current training system has a unique governance structure characterized by *a voluntary industry training board system*. These boards are responsible for the collection and disbursement of levy revenues in their industries and the organization of training for member companies. Linked to this are companies that have in-house human resource departments which organize their own training. The Department of Labour has been responsible for the organization and funding of limited unemployment training schemes, and the Department of Education has jurisdiction of the technical colleges and technikons.

This structure has lacked adequate national co-ordination and has failed to address the non-formal segments of the labour market in any meaningful way. In addition, there is currently a debate over the need to extend the coverage of industrial training boards to all sectors of the economy. Finally, the commitment to an integrated education and training system requires the development of corresponding governance structures to realize the implementation of the NQF.

#### 3.1.2 Governance for the NQF

The governance structures required to implement the NQF are at an advanced stage of development. These include:

- An inter-ministerial working committee made up of the Departments of Education and Labour, plus employer and trade union representatives.
- The South African Qualifications Authority - a multipartite board appointed by the Ministers of Education and Labour.
- Subordinate bodies responsible for setting standards, defining qualifications and ensuring quality.

These structures are fundamentally responsible for the implementation of the National Qualifications Framework and integrating education and training. While the NQF goes a long way to realizing the new vision, additional governance structures are required to secure a coherent and effective training system.

### *3.1.3 Structures for a new training system*

First, is the need for national co-ordination. There is general agreement amongst all stakeholders on the need for national coherence to be effected through a national training structure. This structure is required to give strategic national direction to human resource development in South Africa. It therefore has a distinctly different role to the Qualifications Authority, although it will have to relate to it. There is no agreement on the precise powers and functions of such a national body. Two broad proposals are currently before the NEDLAC Counterpart Group. These are a *National Co-ordinating Council* and a *National Training Authority*.

#### *3.1.3.1 A National Co-ordinating Council (NCC)*

The NCC is a weak form of national intervention in the training system. Its primary functions will be to develop a high-level information, research and development capacity to facilitate the development of national and sectoral training strategies; to co-ordinate interactions between industrial training boards; to advise and support ITBs; and to facilitate the development of training strategies for non-formal sector workers, including youth programmes, SME training, the unemployed and other target groups such as women in rural areas and disabled people.

The National Co-ordinating Council will be accompanied by either a voluntary or compulsory system of ITBs, which will retain responsibility for the collection and disbursement of training revenues and the organization of training for member companies.

The Department of Labour has built on this by proposing that industry training boards should expand their scope of responsibility for training beyond their traditional focus on formal-sector employees. Rather than establishing a small business training institute or the Department of Labour addressing the training needs of small/micro business, the unemployed and youth, in isolation from the primary training expertise in the country, the proposal argues that each training board should examine the training needs of all segments of the labour market within their particular industry. This has the value of building on the existing sectoral nature of the training system. The primary rationale is that the training needs of these groups are better addressed in terms of specific types of economic activities rather than as independent cross-cutting entities.

The proposal goes further by arguing for public/private partnerships on a sectoral economic basis. Many government departments have failed to address the human resource needs of their social programmes and this offers a means for public and private training experts to link up in electrification, construction, transport and other sectors to jointly identify the economic and social skill requirements in their sectors, and to co-ordinate programmes to deliver these skills.

These proposals are currently in a policy development stage and will be tabled for discussion later this year (1996).

#### *3.1.3.2 A National Training Authority (NTA)*

The second proposal for a national training authority involves a strong form of national intervention. The proposal is based on the introduction of a national levy grant or exemption scheme and a national training fund over which the NTA would preside.

Many developing economies have followed this route in order to mobilize additional resources for training, to establish a protected fund for training purposes, to develop training capacity and to give strategic direction to their training systems. All these are motivating factors for such an option to be implemented in South Africa.

In a context of limited amounts of training, weak national co-ordination, and limited strategic planning for training purposes, this option offers distinct benefits over the former system. This option will enable a national authority to exert much stronger national leverage over the nature of training undertaken by enterprises. This would be done via national disbursement policies which specify the criteria that companies need to meet in order to access their levy grants. Other important reasons for proposing this option are addressed under the funding section.

One consequence of such an option may be the removal of industry training boards or a reduction of their powers, since they would no longer collect and disburse training levy revenues.

Whichever option is eventually chosen, the authority and control over these institutions will be tripartite (possibly multipartite) in nature. The industrial training boards are already controlled by bipartite boards.

It is important to note that both proposals are formed on the principle of decentralization of training decisions to the institutional level. The introduction of a levy-grant or exemption scheme does not transgress this principle, although employers and employees might have to make their training decisions within broad guidelines set down by the national training authority.

### *3.2 Information and strategic training plans*

The Department of Labour is in the process of developing a proposal for the establishment of a comprehensive information system to support a responsive and decentralized training system. To date there has been limited emphasis on tracking key economic and labour market trends for the purpose of identifying changes in the demand and supply of labour in the economy. Information drawn from a range of primary data collection agencies will be centralized in a national R&D competency, organized and national trends identified. Relevant data and the trend analysis would then be disbursed to ITBs, whose task it would be to conduct more detailed industrial skill-trend analyses and broad skill-forecasting exercises, as well as to design two- to three-year strategic training plans for the industry.

The overall objective is not to engage in detailed manpower forecasting exercises, but to identify broad trends in the demand and supply of skills in order to support more effective training decisions by employers, workers and individuals. The information and analysis will also be a basis for enhancing the effectiveness of the career guidance network of the Department of Labour. The possibility is also being explored of conducting regional skill profiles and trend analysis through the Department of Labour's regional offices, in support of unemployment and other target group training.

### *3.3 Institutional governance*

#### *3.3.1 The governance of public training institutions*

The effective operation of these institutions is critical to the development of higher-level skills in the economy. These institutions need to be treated as the primary supply-side capacity of the training system. All training systems require large investments in support of trainer

development, curriculum development capacity, materials and equipment. In addition, these institutions should be the primary innovators in teaching technology and should work alongside companies in assessing the skill implications of longer-term technological innovations in the workplace. These activities require large investments and require that the institutions work on longer time horizons. All these investments are essential to support a more flexible and responsible private-provider system.

One important implication of this is that these institutions will require a greater level of protected or stable funding. At the same time, new mechanisms are needed to raise the performance of these institutions. Currently, the NEDLAC Counterpart Group has commissioned a study into the effectiveness of financing and governance arrangements in technical colleges and technikons. This study will assess the performance of these institutions in terms of the responsiveness, quality, cost-effectiveness and accessibility of their training outcomes. The study must make proposals for new finance and governance arrangements to enhance institutional performance.

These might include arrangements aimed at creating a more effective structural link between the institutions and industry, new public finance accountability and disbursement procedures, altering the proportions of protected versus competitive funding in total institutional revenues, examining mechanisms for enhancing the flexibility of curriculum development procedures, examining the need for new staffing profiles, student selection procedures, student profiles and support mechanisms for disadvantaged students.

### *3.3.2 The provider market*

The relatively competitive training market in South Africa needs to be protected and developed. A number of weaknesses also need to be addressed. First, the users of training need better information on training providers, including indicators of their performance. Second, basic minimum standards for registration and course approval need to be instituted. This will be introduced through the NQF, which will require all training outcomes offered within the Framework to be registered with SAQA. Third, the Department of Labour is re-examining the basic contract which regulates the relationship between trainees, employers, ITBs and providers, as well as the contract regulating the provision of training on behalf of the department.

The first aims to expand the current narrow focus on apprenticeship training to incorporate a much wider range of training from unemployed youth programmes and entry-level training to the upgrading of skills and retraining. The second examines the nature of contracts involving public money. Here a balance needs to be found between a more competitive tender procedure for determining the provision of subsidized training, while at the same time providing reasonably secure funding in order to allow training providers to plan effectively.

## **4. The financing of training**

### *4.1 Overview*

There are four basic categories of funding for training in South Africa. The first is the normal public grants for technikons and technical colleges, disbursed by the Department of Education. The second involves public subsidization of training for the unemployed, SMEs and other target groups. The third is the financing of industry-based training and, finally, there is private fee payments for courses in the private college sector.

The first two have already been touched on above. This section focuses on the financing of industry-based training.

Apart from company expenditure on training and private financing of education and training by employees, South Africa has a record of funding interventions aimed at raising the level of enterprise training.

#### *4.2 The tax incentive scheme*

The first tax incentive scheme was introduced in 1974, revised in 1984 under the Manpower Training Act, and scrapped in 1990. Apart from normal deductions for expenditure on employee training, this scheme allowed employers to deduct 100 per cent of training expenses from taxable income up to 1984 and 50 per cent of training expenses thereafter. This effectively reduced the cost of training to employers by 50 per cent and 25 per cent respectively on a corporate tax of 0.5. In the economic development areas, a cash rebate scheme was run by the Department of Labour on the same formula, with an additional allowance of 25 per cent, reducing the training cost to employers in these areas by 37.5 per cent.

A major report in the late 1980s on South Africa's tax system, the Margo Commission Report, proposed that tax incentives be removed as far as possible. The report argued that efficiency was better served by a unified tax collection procedure accompanied by grants. This allows for more targeted use of government funds according to changing priorities. In addition, the impact of grants can be more easily measured and if necessary withdrawn and redirected. Along with the abuse of tax incentives this was the primary reason behind the scrapping of the tax incentive scheme for training in 1990.

The training incentive was widely abused in South Africa due to the very wide definition of training expenses eligible for exemption and a complete lack of monitoring and supervision of training done under the scheme. The incentive also introduced inefficiencies due to companies claiming allowances for training that would have been undertaken by them anyway. Finally, the tax incentive failed to address large numbers of companies, outside of the economic development area, whose profit levels were too low to benefit from the scheme.

#### *4.3 The industry levy scheme*

The tax incentive for training was effectively replaced with new legislation allowing for the abolishment of Industrial Training Boards with the power to introduce industry levy schemes on the recommendation of member companies.

The voluntary industry training board levy scheme remains in place today. There are 28 training boards currently in operation, only two of which have not introduced a levy scheme or related funding mechanism. The voluntary nature of the scheme has led to a variety of different levy schemes, formulae and rates being introduced across industries. (See Country Report).

On the basis of a perceived under-investment in training in South Africa, and inefficiencies resulting from the voluntary levy system, the Counterpart Group undertook the research and development project for a new funding mechanism described in Section IV.1.2 above. The main conclusions from an integration of international and local study findings were that:

1. South Africa's voluntaristic and industry-based levy scheme is unique in the international context. Countries which have introduced levy schemes have done so on a national and compulsory basis.
2. South Africa under-invests in training and incentives are required to raise additional revenues for training. There is no consensus on this point and business representatives proposed that an additional study is required to comprehensively assess the level of company expenditure on training to better inform the process of deciding on a new funding mechanism.
3. All countries examined have a range of funding instruments to address different segments of the labour market. Given the profile of South Africa's labour market, a single funding mechanism to cover all forms of industry and non-formal sector training is inappropriate.
4. The current voluntary levy scheme has a number of problems. These include:
  - a lack of national co-ordination;
  - no revenue for the development of national capacity;
  - inadequate coverage of the formal-sector work-force;
  - inefficient revenue collection and a reluctance on the part of some ITBs to police the levy collection process;
  - low firm compliance in a number of industries;
  - an inability to target revenues for training under conditions of large-scale structural adjustment;
  - the duplication of some functions across ITBs;
  - a failure of the scheme to facilitate training in small businesses.

On the other hand, the voluntarism and flexibility of the current arrangement is a strength which has been incorporated into the debate over a new funding mechanism.

#### *4.4 New financing options for training*

On the basis of these inputs, a set of policy options was developed for discussion by the Counterpart Group. The proposals recognized the importance of assessing and revising current funding arrangements for small businesses, the informal sector and target groups. However, it was agreed that further research and development was required before funding for these segments could be addressed. Therefore, the focus of the proposals is on a new scheme for industry-based training.

The proposals did not presume that South Africa's current industry-based scheme is inappropriate. On the contrary, there are potential strengths with this type of scheme in the South African context. The proposals therefore fell into two categories and four options.

*Category 1* presents two options which are based on the prevailing structure and financing of industry-based training:

*Option 1 – a voluntary sectoral option:*

This is effectively a status quo benchmark option. It allows for the continuation of a voluntary training incentive scheme run by industrial training boards, and is a serious option on the presumption that the current weaknesses within the scheme can be effectively addressed.

*Option 2 – A qualified compulsory sectoral scheme*

This scheme introduces a degree of compulsion into the current system and overlays a National Co-ordinating Council on the current ITB structure. It would involve the compulsory establishment of ITBs in all sectors/industries and a compulsory levy scheme. An escape clause is provided for entire industries who train above a certain pre-determined level, for example, an average expenditure for the industry of 4 per cent or 5 per cent payroll.

Industry training boards would be responsible for the collection and disbursement of levy revenue. The NCC would be funded either by calling up funds from the ITBs or from government grants. The powers and functions of the NCC were addressed in section IV.3.1 above.

*Category 2* involves two options which propose the creation of a new nationally based funding and governance structure for training.

*Option 3 – A national training fund*

This option proposes the introduction of a national levy grant or exemption scheme. A national levy scheme and fund would allow a national training authority to exert much stronger influence over the development and direction of the training system. Under this option the national authority would collect and disburse levy revenue and monitor training done under the scheme. It could develop a national strategy in consultation with key stakeholders and set eligibility criteria for firms to access grant money in accordance with the strategy.

This scheme also allows for the redirection of a proportion of levy revenues across economic sectors or industries and segments of the labour market. This redistributive rationale of the scheme is, however, controversial.

*Option 4 – A national tax incentive scheme*

Despite the failure of the tax incentive in South Africa, it was felt that this scheme needed to be re-examined, in particular to assess in more detail the basis of its success in a country like Chile. What is clear is that a tax incentive would be given serious consideration only if a competent national training authority is established to supervise the scheme. This is the basis of the success of the tax incentive scheme for training in Chile, and a primary reason for its failure in South Africa and Brazil. However, many of the other reasons for its previous removal would not be addressed by such a competence and it therefore remains a rather weak option in its present form.

In conclusion, it is important to note that the basic principles of a decentralized training system are by no means disregarded in this focus on levy schemes. The key is to introduce such



schemes in a way that protects the benefit tax nature of such schemes and that ensures workers and employers remain in control of the actual training programmes and decisions undertaken.

These are also not stand-alone options. There are a range of variations on the above themes which will be developed and debated.

## **V. Linking new training policies to the broader policy environment**

In conclusion, while the focus of this paper has been on the vocational education and training system, it should not be seen in isolation from broader economic and social restructuring. The Government of National Unity's Growth and Development Strategy emphasizes the need for policy coherence towards nationally agreed priorities. To achieve such coherence, the interface between education and training with industrial policy and labour market policy is extremely important. In particular, the relationship between training and collective bargaining has been repeatedly emphasized in NEDLAC, as well as at industry level. New approaches to grading and pay increasingly emphasize skill and career paths. Skill and retrenchment are being linked by the trade union movement, in both the public and private sectors, in attempting to alleviate the social effects of economic restructuring. Productivity enhancement through investing in skills is emerging as one of the central issues in South Africa.

Institutional reform is also required to align policies. Pressure is mounting for an alignment of industry training boards and collective bargaining councils and wage-setting boards. The National Training Board has been asked by the Minister of Labour to more carefully address its relationship to NEDLAC.

South Africa is attempting to marshal its human resources to address the dual imperatives of poverty alleviation and economic growth. Since these problems go beyond its borders, it is committed to working with its neighbours to raise the entire region's skills' profile in the pursuit of a new era of prosperity for all.

## *Chapter IV*

# Partnership in the management and co-ordination of training: The Mauritian experience

by Suresh Munbodh, IVTB, Mauritius

## **1. Rationale**

Training has been considered as the poor relation of education. Education, unlike training, is a sphere which has traditionally been looked after by the public sector and financed by public funds. Vocational training was left to people who were diagnosed as slow learners or to those who could not afford to bear the costs of secondary education: it was considered as the last alternative.

Until recently, training was left to the private sector with no formal organization or planning. Vocational training was provided through apprenticeship in areas such as horticulture, mechanical engineering and needle-work. Employers managed to recruit their own helpers as and when the need was felt. These helpers learned the required techniques and skills on the job, by giving a helping hand to the more experienced employees. The need to plan training was then not felt, since employers could identify their skill need and provide for it themselves.

During the 1960s, there was a rapidly growing need for trained manpower in order to accelerate and diversify the industrialization process in the country. The need was felt to have a skilled, disciplined, and adaptable workforce to face the economic and technological challenges of the future. In the fast-changing and fast-moving world, Mauritius had to be very adequately equipped to compete effectively, efficiently and successfully with other countries in order to take up and meet the challenges and requirements of economic development.

No organization was directly responsible for planning, monitoring, co-ordinating and evaluating the needs for training, for administering training schemes both for school leavers and for those in employment, and for regulating training in the private sector. No focal point existed for the co-ordination of technical and vocational training and to help bridge the gap between the education system and the world of work.

## **2. Legal and institutional framework**

Training was conducted by several ministries, private centres, religious and civic organizations, local authorities, consulting firms, and industries, but was not co-ordinated. The setting up of the Industrial and Vocational Training Board (IVTB) in 1988 by an Act of parliament brought order to the situation. The Prime Minister assumed responsibility for training because of its importance to the socio-economic development of the country.

### *2.1 Responsibilities of the Board*

The Board, which is a corporate body, has the following responsibilities:

- (a) to advise the Minister on matters relating to training;

- (b) to monitor training needs in consultation with relevant authorities;
- (c) to administer, control and operate training schemes;
- (d) to provide for, promote, assist in and regulate the training or apprenticeship of persons who are or will be employed in commercial, technical and vocational fields.

## *2.2 Composition of the Council*

The IVTB is administered and controlled by a Council, which consists of seven members from the public sector and seven members from the private sector. The Council is composed of:

- (a) a Chairman, appointed by the Prime Minister;
- (b) a Vice-Chairman, appointed by the Minister in consultation with the Mauritius Employers' Federation;
- (c) a representative of the Ministry of Manpower Resources, and Vocational and Technical Training;
- (d) a representative of the Prime Minister's Office;
- (e) a representative of the Ministry of Economic Planning and Development;
- (f) a representative of the Ministry of Education and Science;
- (g) a representative of the Ministry of Industry and Industrial Technology;
- (h) a representative of the Ministry for Civil Service Affairs and Employment;
- (i) six representatives of the private sector appointed by the Minister.

Members of the Council normally hold office for a period of two years and are eligible for re-appointment. The Council may, with the approval of the Minister, co-opt a maximum of five other persons to be members of the Council; the co-opted members do not have the right to vote.

## **3. Management structures and mechanisms**

As specified in the IVT Act 1988, the Board is managed and controlled by the Council, which is the policy-making body. The quorum for Council meetings is seven. The management structure and monitoring mechanisms are considered below.

### *3.1 Policy and decision making*

The main objective behind the setting up of the Council of IVTB was to minimize bureaucratic procedures and ensure rapid decision making and its implementation. The autonomy enjoyed by the Council in this sense has contributed largely towards this goal. The decisions are therefore taken at Council level, where representatives of the different ministries, including the Ministry of Employment, Manpower Resources and Training, are present. Furthermore, such decisions taken by Council normally have the prior approval of the various parties concerned, including the relevant Training Advisory Committees (TACs) and other sub-committees. This process ensures that there is consultation at the different levels. To activate decision taking, the Council of the IVTB has delegated some of its authority to a small sub-committee. This allows certain urgent decisions to be made, with covering approval of the Council obtained afterwards. Such a practice has allowed rapid decisions to be taken on various issues and has largely contributed to making the Board more efficient. Once these decisions are taken by Council, they are implemented by the Board.

### 3.2 *Distribution of power within the Council*

According to the IVT Act 1988, and subsequent amendments in 1991, the Council is composed of 14 members – seven from the private, and seven from the public, sector. Each member commands one vote and the private and public sector representatives are, therefore, equal in terms of voting rights and power. The co-opted members do not have any voting rights.

It is, however, interesting to note that so far, the Council has never had to call for a vote as all decisions have been approved unanimously by all members present. This highlights the sense of collaboration and the private-public sector partnership that exists at the level of the Council. Decisions taken by Council can, therefore, be on a consensus basis, a majority vote basis or on the basis of unanimity.

### 3.3 *Delegation of responsibility to the Director*

As specified in the IVT Act 1988, and subsequent amendments in 1991, the Director is the Chief Executive Officer of the Board and he is appointed, with the approval of the Minister, by the Council.

The Director is responsible for the execution of the policy and the control and management of the day-to-day business of the Board.

The Director attends every meeting of the Council and he may take part in its top deliberations, but he is not entitled to vote on any issue before the Council. The Council has delegated some of its powers to the Director, i.e. he is authorized to approve any item up to a limit of Rs100,000. A Training Centre Manager has financial authority up to a limit of Rs10,000 per item. Council approval is required for all items exceeding Rs100,000.

## **IVTB Organigram**

### **Council**

### **Executive Director**

#### *Front Office*

- Policy making
- Public relations – Liaison with private sector
- Internal audit
- Networking
- Co-ordination
- Preparation of mission
- Manpower planning and training needs
- Liaison with parent ministry

**Divisional Director  
(Operations)**

**Division Director  
(Administration)**

*Projects and Programmes Division*

- Needs assessment
- Project development
- Evaluation
- Government relations
- Project monitoring
- Space planning

*Training Development Division*

- Curriculum development
- Curriculum evaluation
- Resource Centre
- Technical training
- Interface with technical education

*Industry-based Training Division*

- Training industry
- Distance training
- Apprenticeship
- Approval of courses for grant payment

*Institutional Training Division*

- IVTB schools
- PVT centres
- ITTCs
- Vo-Tech centres

*Administration Division*

- Co-ordination of divisions
- Servicing of council and committee meetings
- Procurement
- Contract documents
- Legal matters

*Finance Division*

- Income
- Expenditure
- Budgets
- Accounts

- Grants
- Payments

*Quality Assurance Division*

- Standards
- Registration
- Trade test
- Quality control

**Internal monitoring**

*Human Resources Division*

- Recruitment
- Personnel administration
- Internal training
- Support staff
- Staff Development Programme

**4. Co-ordination and concertation functions of the Board**

Training is costly and it requires the commitment of all social partners to be successful. As mentioned earlier, the Council is composed of members from both the public and private sectors, so as to ensure that all sectors of the economy contribute to the planning and implementation of training. The IVTB works in collaboration with different ministries, but especially with the Ministry of Employment, Manpower Resources and Training.

*4.1 Relationship with the Ministry of Employment, Manpower Resources and Training*

The setting up of the Ministry of Manpower Resources and Vocational and Technical Training in 1991 further helped the planning of training. The Ministry has as its mission: to co-ordinate the provision of appropriate manpower to support the economic and social development needs of the country. An extract of the objectives of the Ministry of Manpower Resources and Vocational and Technical Training is given below:

- (a) to ensure the strategic integration of government's manpower resources, vocational and technical training policies and programmes;
- (b) to ensure that skills training remains abreast of new technology;
- (c) to match industry, business and individual clients' needs with relevant quality training programmes;
- (d) the periodic review of projected manpower needs versus current manpower resources;
- (e) to ensure that infrastructural and other facilities are available and suitable for training purposes;

- (f) to encourage private-sector participation in the provision of training;
- (g) to facilitate/co-ordinate manpower training and development programmes for government, private enterprises, and other national and international bodies;
- (h) to provide a career information and business consultancy service.

The IVTB considers input from the Ministry in the planning of training.

As from 1995, responsibility for training has been entrusted to the Ministry of Employment, Manpower Resources and Training.

#### *4.2 Relationship with the Ministry of Education*

Collaboration between the Ministry of Education and the IVTB is ensured since the above-mentioned Ministry is represented on the Council of the IVTB. The latter, therefore, participates in all policy and strategy formulation as well as in the decision-making process.

Vocational education is planned by the Ministry of Education and Science and is implemented in schools under the responsibility of the Management Trust Fund. The Management Trust Fund was set up in 1990 under the Technical School (Management Trust Fund) Act 1990, with the objectives to:

- (i) manage technical education centres operating under its responsibility;
- (ii) organize and run technical education courses at the centres;
- (iii) promote technical education;
- (iv) advise the Minister on short- and long-term plans for technical education and on the need for appropriate research in the field of technical education.

The Management Trust Fund operates under the aegis of the Ministry of Education and the IVTB is represented on the Board. The Management Trust Fund and the IVTB collaborate to avoid duplication of training provision.

The relationship between the IVTB and the Ministry of Education is further enhanced through the Mauritius Examinations Syndicate (MES). All IVTB examinations are conducted in close collaboration with the MES.

#### *4.3 Relationship with private training providers*

According to the IVT Act of 1988, all private training institutions should be registered with the IVTB. In order to be registered, training institutions must satisfy the requirements of the Board in terms of training personnel, workshop facilities and training programmes, to be able to conduct courses at specific levels for various trades/fields.

IVTB ensures that quality standards in training are maintained by keeping a register of all training institutions as well as trainers. IVTB has a specific division, which is responsible for maintaining constant and regular contacts with private training institutions. Furthermore, the Division makes sure that the criteria needed for registration are satisfied. It is responsible for

monitoring training and arranges visits to the institutions, private and public, to ensure the maintenance of quality.

The IVTB is responsible for providing, promoting, assisting in, monitoring and regulating training in the country. In this context, it has already registered more than 76 private institutions in various fields and approved 900 training programmes. Besides monitoring training courses dispensed by such private institutions, the IVTB also operates several training institutions. The IVTB avoids duplication of training provision and ensures proper co-ordination amongst the different partners.

#### *4.4 Curriculum development*

Systematic curriculum development is a relatively new concept. The quality of a training programme depends largely on the proper design of its curriculum.

The Programmes and Projects Division identifies the training needs which are used as the basis for the design and development of the curriculum. The curriculum is the very heart of a training programme, in the sense that all the resources and activities required to conduct a training programme emerge from the curriculum. Formerly, curriculum development for training was almost non-existent; syllabuses from overseas were used as a guideline for the different examinations. At the outset, IVTB has realized the importance of having a properly structured division to cater for the dynamic and continuous development of curricula for the vocational, technical and professional courses. The curriculum is designed and developed in collaboration with all the partners concerned and approved by the Training Advisory Committees (TACs), which are composed of professionals with the required expertise belonging to either the public or private sector. This further enhances the sense of partnership between the two sectors of the economy in the planning and provision of training.

#### *4.5 Role and performance of the TACs*

One of the main tasks undertaken by the IVTB at the very outset was the identification of training needs in the existing and priority sectors. This was done in collaboration with the industrial sector. The IVTB Council approved the setting up of Training Advisory Committees (TACs) with the following Terms of Reference:

- (a) To serve as an avenue of communication and feedback by liaising between commerce and industry and the Board.
- (b) To examine and review the programmes and facilities for training provided by the Board and by commerce and industry and to advise on how training of persons for vocational and skill employment in commerce and industry can be provided for, promoted and improved to meet the requirements of the economy.
- (c) To advise on the development of curricula at different levels for the various training programmes.

Each TAC is made up of professionals from the relevant organization in the private and public sectors and its main objectives are to help in:

- identification of training needs;
- course design; and



- certification and evaluation of training programmes.

To date, 21 TACs have been set up in the following fields: agriculture/sugar production, automation, banking and insurance, beauty care and hairdressing, building construction, civil works, design, electronics, footwear and leather-craft, furniture-making, heavy-vehicle driving, hotel and catering, industry information technology, jewellery, management, office skills, plastics, precision engineering and machining, pre-vocational training, printing and textiles.

At the very conception of any project, the collaboration and professional advice of the relevant TAC is sought by the IVTB.

## **5. Critical issues**

Certain critical issues, for example the bipartite versus tripartite Council, mixture of power between the private and public sectors, dual accountability, and degree of autonomy of training centres, are considered below.

### *5.1 Bipartite versus tripartite Council*

The IVTB has a bipartite Council with equal representatives from the public and private sectors.

Both the partners contribute to the financing of training based on the following formula:

Fifty per cent of recurrent expenditure and 85 per cent of capital expenditure are met by the government, whilst 50 per cent of the recurrent expenditure and 15 per cent of the capital expenditure are obtained from the 1 per cent levy on the wage bill collected from the employers.

At one time, the Council decided to co-opt a member to represent the Federation of Trade Unions. There are four Federations of Trade Unions, but no nomination was made, thus the Council is still bipartite.

The representatives of trade unions participate in advising the Council at different levels as they form part of the several training advisory committees, as well as the National trade certificate and apprenticeship committees.

This particular structure, whilst being bipartite at the policy-making level, is tripartite at the advisory and implementation levels. Such a collaboration has worked to the advantage of the organization and has helped the speedy implementation of several projects.

### *5.2 Mixture of power between the private and public sectors*

The IVTB promotes training and strongly believes that the private sector should take care of its own needs. The private sector has provided some training in industry, established training facilities in some firms, and set up a large number of training institutions where little equipment and investment is required. The IVTB has intervened in fields where either quality training is not available, or where investment in the facilities is very high.

IVTB monitors all training provisions and ensures that quality is maintained. It has the power to de-register a training institution or firm if it should deviate from the criteria.

Employers sponsoring workers who follow training courses approved by the IVTB benefit from:

- (1) a grant from the IVTB;
- (2) tax concessions.

Private training centres registered with the IVTB benefit from:

- (1) facilities on equipment used for training;
- (2) concessionary loans from the Development Bank of Mauritius.

### 5.3 *Dual accountability*

IVTB, being a partnership, is accountable to the private and public sectors. As mentioned earlier, all necessary steps are taken so that the interest of the country prevails during any discussions.

All decisions are taken on a consensus basis and IVTB enjoys autonomy within the prescribed framework in the implementation of the training schemes.

### 5.4 *Degree of autonomy of training centres*

The training centres are gradually becoming more and more autonomous. The budget is approved by the IVTB and the centres may incur expenditure in accordance with the approved budget, but within the legal framework which is approved by the Council. For expenditure of up to Rs10,000, the Manager may take the decision and give his approval.

At the same time, the centres may charge fees, sell their services and provide consultancies. The revenue yielded by the centres for the financial year 1994-1995 amounted to Rs8.4 million. In some cases, certain programmes were self-financed.

As far as the recurrent expenditures are concerned, the centres are encouraged to maintain regular contact with industries for the attachment of their trainees. In several cases, e.g. electronics, regular attachment of the trainees to industries takes place.

## *Chapter V*

# Financing training for the informal sector: The Kenyan experience

by Peter Okaka, Ministry of Research,  
Technical Training and Technology, Kenya

### **1. Introduction and background information**

The informal sector in Kenya refers to a broad spectrum of small enterprises, sometimes defined on the basis of the legality of activities, and at times by the number of employees, assets, capital outlays or size of the enterprises. However, the officially assumed working definition, defines the small-scale enterprises on the basis of the size of the establishment measured by the number of employees. Accordingly, this working definition has been adopted to cover micro and small enterprises hiring less than 50 employees. It should perhaps be pointed out that in Kenya, the small-scale enterprises sector is also referred to as 'Jua Kali' (Hot Sun).

Briefly, the small-scale enterprises sector (SSE) has within it various sub-sectors that specialize in metal fabrication and metal working, textile products, wood products and provision of business-related services, plumbing and repair of electronic appliances and installations, among others. The undertakings of the entrepreneurs involved in the SSE sector, thus, traverse beyond one sector and therefore may be said to be multi-faceted.

The informal sector (SSE) in Kenya existed even during the pre-independence period. During this period, the small-scale enterprises were unevenly distributed and were not easily identifiable; however, this period shall not be covered in this paper. The post-independent Government of Kenya recognized the importance of this sector due to its vast potential for offering solutions not only to job and employment creation problems, but also for uplifting living standards and alleviating poverty. This is a factor that was underscored by the ILO report of 1972 on unemployment.

The importance that the Government of Kenya places on this sector is best demonstrated by the vast resources that the government has continued to commit towards its growth and development. In its various development plans and official policy papers, the government has not only highlighted the importance of this sector, but has also identified the appropriate mechanisms and course of action for its sustained growth and development. For instance, the Sessional Paper No.1 of 1986 greatly emphasized the importance of the sector and highlighted the envisaged mechanism for its development with regard to skills training and upgrading. Subsequent government policy papers have given much prominence to the sustained development of this sector.

The government, in conjunction with NGOs and donor agencies, whose initiatives are aimed at promoting this sector, has invested heavily in training of entrepreneurs involved in this sector, provision of the necessary infrastructural facilities, provision of credit facilities and in the provision of other relevant supportive services. These efforts have yielded dividends in the form of job and employment creation, poverty alleviation through increased levels of income, uplifting

of the standards of living and, to some extent, earning of foreign exchange through the export of the products of this sector to some member PTA countries.

Regarding employment, in 1990 the sector numbered 877,000, which increased to 1,240,000 in 1993 and is projected to be 1,739,000 this year (1996). This marks an increase of 499,000 from 1993. This figure comprises an aggregate of small-scale entrepreneurs involved in enterprises in the various sub-sectors within the broad informal sector.

The increase in the number of people involved in this sector may be attributed to rapid population growth, dwindling job opportunities in the formal sector for high school, college and university leavers, limited job opportunities in the agricultural sector, slow economic growth and staff retrenchment programmes both within the public and private sectors. Therefore, the small enterprises sector offers employment to the surplus labour force on a self-employment basis or on a hire basis and through clustering trends common within this sector.

## **2. Organization of the informal sector**

The informal sector in Kenya consists of a broad range of small enterprises involved in business activities in the various sub-sectors. These enterprises are loosely organized as separate entities and have different numbers of employees and capitalization levels. Some of these enterprises operate from well-established infrastructural facilities, while others operate from the 'open sun' (hence the name Jua Kali).

However, the Ministry of Research, Technical Training and Technology, which is detailed to handle initiatives aimed at developing the small-scale enterprises sector on a sustainable basis, has encouraged the entrepreneurs in this sector to form associations countrywide with a view to facilitating the easy flow of support, and minimizing problems hindering the co-ordination of activities in this sector.

The associations are registered with the Registrar General. Each duly registered association recruits its own members on a voluntary basis. The membership of these associations varies but, on average, each association has 100 to 500 members. In total, there are 400 associations countrywide, with more seeking registration.

Due to the large number of the associations, it was found necessary to have the duly registered associations form a representative, nationally based, umbrella body. Thus, in 1992 the Kenya National Federation for Jua Kali Associations was formed. This was intended to facilitate the interactive initiatives between the various players involved in promoting the development of this sector. It was envisaged that the Kenya National Federation for Jua Kali Associations would bring together and co-ordinate the diverse interests and efforts so as to ensure harmony and continuity in promoting this sector. At its inception, the Federation was thought to be the best forum to articulate the interests of the informal sector.

However the Federation, after a short period of relative calm and tranquillity, was soon locked in internal wrangles which greatly hampered its effectiveness in articulating the interests of the informal sector. The Ministry of Research, Technical Training and Technology spared no effort in resolving the disagreements in the Federation and, to this end, the Ministry facilitated reconciliatory meetings between the rival groups. At present, harmony has been restored in the Federation. Optimism is very high now that the Federation will succeed in delivering its pre-conceived services to this sector and will be adaptable to change.

The Federation, like the country-wide associations, is registered with the office of the Registrar General. The offices of the Federation are elective offices and include those of National Chairman, the National Vice-Chairman, the National Assistant Secretary, the National Treasurer and 16 provincial representatives, two from each province.

The elected office bearers constitute the Board of Directors and are elected at the members' representative meeting held every five years. The Board meets twice a year. In addition to the Board, there is an Executive Committee, consisting of the Chairman, Vice-Chairman, the Secretary, the Treasurer, the Organizing Secretary, the Executive Director and the Trustees of the Federation.

All the property of the Federation is vested in well-identified trustees, who number not less than three and not more than five. The day-to-day running of the internal affairs of the Federation is governed by an elaborate Constitution and Articles of Association.

The government, in liaison with NGOs such as the National Council of Churches of Kenya, Kenya Management Assistance Programme, Kenya Women Finance Trust, Kenya Rural Enterprises Programme, to mention just a few; and donor agencies such as DANIDA, JICA, and USAID, among others, have undertaken mutually reinforcing programmes aimed at developing the small-scale enterprises sector. Concerted collaborative efforts in promoting this sector between the government and well-established private enterprises, such as banking and manufacturing enterprises, have also helped in the development of this sector. These efforts entail addressing matters on any one of the many facets of the small enterprises sector, which involve training, provision of working sites, provision of credit facilities, business advisory services, etc.

### **3. Training needs**

To fully appreciate the training needs or skills requirements for the informal sector, the government and other key players involved in the development of this sector have undertaken relevant training needs assessment studies. Emanating from these studies, suitable vocational, entrepreneurial, technical and business managerial courses for this sector have been designed.

The training needs assessment made, categorized the sector into three sub-sectors, namely, the manufacturing *sub-sector*, the *service/repair sub-sector* and the *trade sub-sector*. The assessments proceeded to identify the training needs appropriate to each of the sub-sectors. Some of the courses identified include: costing and financial management courses, business management and entrepreneurial courses, marketing and sales promotion courses, technical courses, such as welding and metal fabrication, machine repair and maintenance courses, electrical and electronic-related courses. The list is long, but these few areas demonstrate the enormity of the task of skills training.

During the post-independence period, the Government of Kenya has invested heavily in skills-providing institutions. In this regard, the government, through budgetary allocations, has built, equipped and continued to meet the maintenance of skills-providing institutions. These are broadly categorized into Polytechnics, Technical Training Institutes and Institutes of Technology.

The skills-providing institutions within the public sector are placed under the supervision of the Ministry of Research, Technical Training and Technology. Within the Ministry, the institutions are placed under two fully fledged directorates. These are the Directorate of Technical Training and the Directorate of Applied Technology.

These two directorates develop the skills-training curriculum for the public sector skills-providers and formulate the relevant curriculum for the micro- and small-scale enterprises sector.

The curriculum is broad, offering scope for the provision of vocational courses such as carpentry and joinery, masonry, plumbing and auto-mechanics, to more technical courses, such as engineering at diploma level, electrical and electronics courses, business management and entrepreneurship courses, among others.

To keep the curriculum in tune with the changes in skills demand, the curriculum is constantly reviewed and updated. Skills-upgrading courses are also designed to cater for people who are already involved in undertakings within the informal sector. Towards this end, the Centre for Research and Technology (CRT) conducts short skills-training upgrading courses, tailor-made to meet evolving skills-training demands. Along with these, courses are organized for trainers, through Training of Trainers courses (TOTs), with a view to equipping them with appropriate training skills.

Although the government remains the major contributor to skills training for the micro- and small-enterprise sector, private-sector skills providers cannot be ignored. Church organizations such as the National Council of Churches of Kenya (NCCCK), Young Men/Womens' Christian Association (YMCA/YWCA), and NGOs such as the Kenya Women Finance Trust, and the Kenya Management Assistance Programme, among others, have continued to play a commendable role in the provision of vocational, technical, and entrepreneurial financial management and skills-upgrading courses. The programmes undertaken by private-sector skills-trainers and those undertaken by the public-sector institutions are mutually reinforcing. However, one may observe that in their endeavours to provide skills for this sector, the private-sector skills-providers invariably have their own individual strategies, sometimes overlapping in both clients and services.

Donors, through agencies such as the Japanese International Co-operation Agencies, Danish International Development Agency, CIDA, GTZ, UNDP, UNIDO and the World Bank, have been very supportive to the government in the setting up, equipping and furnishing of some of the skills-providing institutions. For instance, through JICA assistance, the government established the Jomo Kenyatta University of Agriculture and Technology. UNIDO funded the establishment of the Kariobangi and Ziwani National Demonstration and Training centres for motor mechanics in Nairobi.

Another avenue for skills training is through on-the-job training. This arises in a situation where would-be artisans attach themselves to a master craftsman, who teaches them skills through the on-the-job arrangements. Most common skills training through this method can be seen in the auto-mechanics, carpentry and textile fields.

#### **4. Government policy for financing vocational education and skills training**

The government has adopted a combination of different strategies and instruments for the financing of vocational education and skills training. Initially, the government used to finance much of the vocational education and skills training through hefty government budgetary allocations and subsidies. Through this approach, the government would finance the construction of training institutions, their maintenance, purchase of equipment, and payment of salaries for the trainers and support staff of these institutions.

However, due to government budgetary constraints, this approach could not raise adequate finances for vocational education and skills training. To redress this problem, a cost-sharing mechanism was put in place. This mechanism entails the charging of training fees and also user charges to the students undertaking training in the public vocational education and skills-providing institutions. Through this method, the government has been able to realize budgetary savings which are later re-invested in provision of equipment, training materials and facilities. Another aspect of cost-sharing in financing vocational education and skills training involves fund raising at the community level to support the construction of vocational training centres, procurement of equipment and facilities, and payment of salaries for the support staff.

## **5. The Industrial Training Levy Fund**

Owing to the government recognition of the need for relevant skills for the country's industrial development, and being fully aware of the enormity of the task of financing, the government approved the formation of a National Skills Training Board. Along with this, the government formed the Industrial Training Levy Fund.

The Fund is a private source of financing craft and technical training, established in 1971 under the Industrial Training Act. The Act makes provision for the regulation of the training of persons engaged in industry with a view to improving the quality and efficiency of manpower engaged in industry and to ensure adequate supply of properly trained manpower at all levels of industry.

The employers are required by law to register with the Directorate of Industrial Training (DIT) and pay an industrial training levy in accordance with their industry training levy order classifications, as set out in the Act. When setting up the Fund, consideration was given to the skills and technological demands for each industrial sector. Each industry determines the basis on which it should be levied, depending on the nature of the business.

The funds raised through the Industrial Training Levy Fund are utilized for training in the form of reimbursements to employers for the cost of training, and wages paid to employees while undertaking training. The DIT, acting on the advice of the Council, makes payments out of the fund for various costs involved in the training acquisition scheme which are reimbursable.

The training schemes which are currently reimbursable fall into the following categories: management and supervisory courses (overseas and locally obtained), technical and craft courses in various trades, in-plant indentured learner and skills-upgrading courses. Most of these schemes are conducted at various public and private institutions.

Although the Fund has recorded tremendous success in skills and skills upgrading through the National Industrial and Vocational Training Centres, as well as support to private sector skills-providers, the Fund has encountered a few problems related to slow collection and disbursement of funds, as well as manual record keeping which delays access to data.

## **6. Major problems in improving access to and participation in training**

The major problem in improving access to, and participation in, training for the information sector entrepreneurs and employees, include lack of adequate funding for skills-upgrading courses due to government budget constraints. On their part, the entrepreneurs are not equipped with vast financial resources to meaningfully access and participate in training.

The skills-training facilities are few and unevenly distributed. This limits the participation of the informal sector entrepreneurs in skills acquisition, more so when the facilities are located at some distance from their enterprises. Technological changes, obsolete technology, wear and tear of training equipment and facilities, have also acted as a hindrance to access and participation in training by the informal sector entrepreneurs and employees. Technological changes and obsolete technology render the equipment inappropriate for training, while the wear and tear reduces the equipment and facilities available for training purposes.

The rapid population growth in the country, coupled with the spill-over effects of the structural adjustment programmes, such as the staff retrenchment programmes both within the public and private sector, have also posed a problem with regard to the access to, and participation in, training by informal sector entrepreneurs and employees. This is due to increased demand for skills and training acquisition versus limited skills- and training-providers.

There have been a few problems related to the co-ordination and harmonization of the diverse skills and training initiatives of the various players involved in skills and training provision. These may have hindered the access to, and participation in, training by informal-sector clientele, in that they do not have the guidance as to who the best and appropriate skills and training providers are.

## **7. The Micro- and Small-Enterprise Training Fund**

The establishment of the Fund is in process, following cabinet approval. The Fund has been set up as a result of there being limited skills-upgrading initiatives, inadequacies in the on-the-job training approach, and access to appropriate technology in the sector. The majority of the public training institutions are not flexible enough to provide skills-upgrading courses for the informal sector. However, it is important to note that these public training institutions, alongside private training providers, could provide the appropriate required training if assisted in the development of the courses.

The Fund's establishment is as a result of the current training and skills-provision system inadequacies and financial unsustainability. Thus, the Training Fund aims at establishing a financial system through which provision of relevant and equitable skills-upgrading programmes to the micro and small enterprises can be made, as well as the promotion of equal access of women to the informal manufacturing sector.

The Fund is expected to utilize existing services and programmes offered by public and private training institutions and, additionally, to develop enterprise-based (demand-driven) training and thereby enhance cost-sharing for the different training and technology courses in order to make the system more relevant and financially sustainable.

The Fund serves as a mechanism for channelling public funds on a competitive basis to training providers that link both technical and managerial skills upgrading, access to information and appropriate technology. The Fund caters for and encourages enterprise-based skills upgrading. By matching informal-sector clients' skills demands with the training institutions, the Fund provides an incentive for developing private and public skills-providers to customer tailor-made courses.



## **8. Fund management**

The fund is governed by a Board of Governors that functions under the authority of the Ministry of Research, Technical Training and Technology and consists of 10 members who are appointed to a three-year term by the Minister for Research, Technical Training and Technology.

The Board membership includes three directors from the Ministry of Research, Technical Training and Technology directorates of Industrial Training, Technical Training and Applied Technology, three representatives of the Jua Kali Federation/Associations and four representatives from organizations undertaking initiatives aimed at developing the informal sector. This broad arrangement is intended to ensure that the interests of the various players in the informal sector are harmonized. The Permanent Secretary of the Ministry of Research, Technical Training and Technology is the Chairman of the Board and has full voting rights. The chairmanship is subject to review beyond the project life, this is aimed at ensuring sustainability and consistency in the planned undertakings.

The functions of the Board include: establishing policies and regulations of the Fund, approving voucher and contract training, financing proposals according to established criteria, approving annual budgets for the Fund, approving annual financial reports and working out modalities for the sustainability of the Fund.

## **9. Funding mechanisms – Voucher Training Programme and Contract Training Scheme**

The voucher scheme aims at giving the trainees choice to purchase the skills and training they require. At the same time, the contract scheme aims at encouraging public and private skills providers/institutions to offer relevant training for informal-sector needs on a competitive basis.

The Training Voucher Scheme has a value of US\$6.1 million. This amount will be used to pay for short-term skills-upgrading courses and enterprise-based training attachments beneficial to the entrepreneurs and workers. The trainees will select skills and training courses depending on their skills needs, from pre-qualified skills-providers. To facilitate the implementation of this scheme, there is a training needs assessment to provide the trainees with names of training providers available, courses offered and the costs involved. The training needs assessment will also facilitate the identification of the training needs of the informal-sector entrepreneurs. The voucher scheme intends to distribute 30,000 vouchers at a unit cost of US\$150 for management training, and US\$200 for technical courses for the entire project period.

## **10. The Contract Training Scheme**

This scheme has a value of US\$5.4 million. This will be used to finance supply-sided training contracts to approved public- and private-sector training providers on a competitive basis.

The basis for the contract scheme is that the training providers should be able to respond to the relevant skills requirements of Jua Kali operators, both managerial and technical skills.

The scheme also incorporates a component on capacity building of contractors, such as the skills and training providers.

The employers who will provide on-site skills upgrading will receive up to 100 per cent reimbursement for skills, training and technology upgrading equipment procured.

It is envisaged that the scheme will award up to 1,500 training contracts for various courses and services on a competitive basis. It is anticipated that the fund will receive 300 proposals annually for enterprise-based skills upgrading, leading to advanced tailor-made courses. Group-based training will comprise a maximum of 15 trainees each for technical training and a maximum of 25 trainees per group for both technical and management training. It is projected that the contract scheme will benefit 30,000 entrepreneurs.

## **11. Implementation**

The International Development Agency Credit, under which this project is financed, became effective in November, 1994 and that paved the way to the preliminary project implementation process.

Currently, the Ministry is in the process of signing contracts with three consultants hired to work in the Project Co-ordination Office (PCO). The PCO staff also include seconded staff from the Ministry who are deputy co-ordinators for the training fund, staff development, and monitoring and evaluation components. Along with this, the Ministry has counterparts from relevant directorates and units within the Ministry. The PCO office is already equipped and commenced its activities during March, 1996.

The hiring of consulting firms to give technical assistance to the project in establishing modalities for the Training Fund, monitoring and evaluation, and staff development, is in process. Initially, the interested firms were invited for prequalification through advertisements, both in the local and international press. A short list of firms, six firms for each component, was made from those firms that responded to the advertisements. The short-listed firms were invited to submit technical proposals and price estimates by a determined deadline. The firms were expected to be in place by June, 1996.

While awaiting the recruitment of the consulting firms, the Ministry is in the process of implementing a pilot voucher programme in Nairobi and one rural market centre. The pilot project is expected to provide lessons and experiences which will then be incorporated in the improvement and enrichment of the voucher system in general during the actual implementation phase.

The design of the activities to operate under the voucher system commenced in November, 1995, with consultations between the Ministry, beneficiaries, training providers, NGOs and donor agencies involved in the small micro-enterprises sector. The design activities were expected to be completed by July, 1996 and the training was to start in August, 1996.

Therefore, there is much to be done on the actual training and the use of voucher and contract training schemes. In this regard, there is little, in terms of lessons, that may be drawn from the project implementation at this point in time. However, it is quite certain that once the project implementation commences, valuable lessons will be learned from it.

Part II. Country Reports  
(Extracts)

## *Chapter I*

# Botswana

Report prepared by  
I.M. Nganunu, Ministry of Education, Botswana

## **1. Background**

### *1.1 Socio-economic context*

Botswana has undergone a remarkable economic transformation since its Independence 30 years ago. The discovery of diamonds led to rapid economic growth and from being one of the least-developed nations in Africa, the GDP per capita rose to P 7267 or US\$2,800 per annum by 1994<sup>1</sup> – one of the highest in Africa. This economic success has contributed to significant social developments. Major achievements include improved communication and near universal access to clean water, basic health facilities and nine years of basic education. Lower child mortality rates, higher life expectancy and urbanization have followed. From being a rural economy with agriculture as the main form of livelihood, an urban modern sector is rapidly emerging. Apart from agriculture, major economic activities include mining, tourism, and construction. The service and manufacturing sectors are also on the increase and will be given further emphasis in the country's next National Development Plan.

### *1.2 Education sector*

The country offers open access to nine years of basic education. There is, however, still a small percentage of what are referred to as the 'missing children', who for logistical reasons do not have access to schooling. These are children in very remote and sparsely populated areas of the country and new solutions have to be found to address this problem. Basic education consists of seven years of primary school followed by two years of junior secondary school. In a recent policy review it was decided to increase the junior secondary school to three years, making the total duration of the basic education programme 10 years. This programme is now being implemented and the first group completing the 10-year programme will complete in 1998.

The senior secondary schools are at present able to absorb about 30 per cent of the output from the junior secondary schools of which, again, only a small portion is able to proceed to tertiary education. The total vocational training system absorbs about 9 per cent of the school leavers; this includes both those with 9 years and those with 12 years of general education.

All schooling is free, i.e. primary education, secondary education, and all full-time vocational education in government or government-aided institutions. Students in tertiary education qualify for a grant/loan scheme. There are also a number of private secondary and vocational schools which charge fees.

1. Stockbrokers Botswana Ltd., 1966, Investment opportunities in Botswana, Botswana Research, Gaborone.

### 1.3 Labour market issues

These socio-economic developments have also led to a new set of challenges for the government. The high dependence on diamond mining as opposed to a more labour-intensive manufacturing sector, coupled with a very high population growth, has resulted in a labour force that far exceeds the jobs available. Of particular concern is the growing youth unemployment. The rate of unemployment amongst the 15-19 years age group rose from 31 per cent in 1991 to 51 per cent in 1994 and amongst the 20-24 years age group from 22 per cent to 36 per cent<sup>2</sup>. Subsistence farming, which until recently was the main form of livelihood in Botswana, is no longer an option for young people. Botswana is now a cash economy and large numbers of school leavers each year join the queue of job seekers in an economy that is still relatively undeveloped and which presently has entered into a slow growth period from the fast growth of the previous years. Opportunities for employment in the formal sector are not likely to grow significantly. The informal sector is not well developed in Botswana. Opportunities for further education and training are also limited.

In other words, Botswana has now joined the league of nations for which “in the foreseeable future the economic and technological development of the modern sector will be nowhere near able to provide adequate employment opportunities for all those willing to work” and for which “*the informal sector will continue to grow in terms of both the number of people*” and “*its economic and social relevance for the further development of those countries*”<sup>3</sup>. The Botswana Government is preparing to face this challenge and recent policy documents indicate that government intends to step up its information and extension services relating to starting up small- and medium-size enterprises and its provision of training for the informal sector and, in particular, for self-employment.

## 2. Organization of the technical and vocational education and training system

### 2.1 Institutional framework and organization of the system

The Ministry of Education and the Ministry of Labour and Home Affairs share the responsibility to oversee the provision of craft training, while technician training falls under various relevant ministries, often in co-operation with the University of Botswana.

At the level of craft training the apprenticeship scheme, which is modelled on the German dual system, is an important programme in terms of organization and quality training. The training takes four years and leads to a National Craft Certificate. Seventy-five per cent of the training is conducted on-the-job, a large proportion in private companies, and 25 per cent in government-funded Vocational Training Centres (VTC). The training so far has covered metal, construction, electrical, auto and hotel and catering trades.

The problem, however, is that the scheme needs a stronger industrial base than is available in Botswana. A potential trainee first has to find an employer who is prepared to sponsor the training before he/she can embark on the training.

2. Republic of Botswana, 1996 Annual Economic Report, Gaborone.

3. Lohmar-Kuhnle, C., 1994, Occupation-oriented training and education for target groups from the informal sector, Baden-Baden, Germany, p. 13.

Only about 400 students get sponsorship for this scheme annually and, at times when the economic conditions are unfavourable, these figures decline. It is therefore necessary to complement this scheme with alternative training opportunities.

There are six Vocational Training Centres (VTC), the Auto Trades Training School being one of them. Because of the low enrolment in the apprenticeship scheme, and in order to better utilize available training facilities, the VTCs also run two-year full-time courses to cover the first two years of the apprenticeship scheme, after which the trainees need to find an employer to proceed. It should be noted that those with a two-year start in the VTC are more attractive to the employers than those coming straight from junior secondary school. In addition to the above courses, the VTCs now offer an increasing number of short-term, part-time and evening courses in entrepreneurial skills, commerce, administration and computing.

Parallel to the apprenticeship programme, the government also runs a programme for trade testing. The Botswana Brigades offer two-three year courses leading to trade tests, but also offer a range of other courses, e.g. for commercial occupations. The brigades are community-initiated and run NGOs offering for youth vocational training with production. There are 36 brigades spread all over Botswana. With a training capacity now exceeding the VTCs, the brigades play a very significant role in the Vocational Education and Training (VET) system.

Brigade graduates, after completing the second trade test and provided they can find a sponsoring employer, can join the apprenticeship scheme for two years to obtain a National Craft Certificate.

The opportunities for continuing training need to be further developed, but some schemes are already in place. For example, the trade testing system provides an opportunity for already employed and experienced workers to take trade test examinations and also to take a practical test without having to sit for the theoretical examination. The Ministry of Labour, in co-operation with the VTCs, run regular six-week skills-upgrading courses for this target group to prepare them for examinations.

Recent government policy recommends that vocational curricula be modularized and competency-based. In developing this, the opportunity will present itself to develop a more flexible system for both pre-service and in-service training and for linking the two, i.e. the same modules can be made available both as components of full-time pre-service programmes and as single modules in evening and part-time courses for adults. The award system will be equally flexible and will be based on a certain number of modules completed. This will increase opportunities for those already in employment both to complete unfinished course work and to carry out further and more advanced training after taking up employment.

Technical training at certificate/diploma and degree level for civil, mechanical and electrical engineering has been offered at the Botswana Polytechnic, an institution under the Ministry of Education, until January this year (1996), when the Polytechnic was incorporated into the University of Botswana as the Faculty of Engineering and Technology. The future location, expansion and co-ordination of technical technician training is still being discussed, as keeping it within the University is likely to be too costly a solution. There are some specialized institutions in the country such as the Botswana College of Agriculture, National Health Institute, Botswana Institute of Administration and Commerce, the Police College, etc. run by the appropriate Ministry departments.

Opportunities for proceeding from craft-level training to technician training is, in practice, limited to the approximately 30 per cent of NCC holders who also hold a Cambridge O-level Certificate. The Ministry of Education is looking into the possibility to increase the opportunity for VTC/brigade trainees to upgrade their academic qualifications parallel to their skills training, e.g. through a joint venture with an adjacent secondary school.

There is now also a growing number of private vocational schools – run as commercial projects – in particular in the area of computing and business administration, offering a proliferation of awards of varying standards, value and degree of recognition.

## *2.2 Major policies and objectives*

In 1994 the Botswana Government approved a Revised National Policy on Education, which has fundamental importance for technical and vocational education. The policy states that a National Training Policy should be formulated in conjunction with employers and unions, and that a comprehensive National Training Act should be enacted as soon as possible, providing for all aspects of the skills training system. The policy also states that a Botswana Training Authority should be established as a body corporate, by merging the functions presently divided between the Ministries of Education and Labour, to unify the training system and to provide a more co-ordinated approach to training<sup>4</sup>.

The structures are now in place for the formulation of the Training Policy, the Training Act and to prepare for the establishment of the Botswana Training Authority. The next stage will be to decide on a strategy on how to go about the task, and for this Botswana is trying to learn from the experience in neighbouring countries.

The revised education policy has access and equity as one of its main themes. In Botswana, as in many other African countries, vocational education and training was not given the same attention and resources as general education. The result was that the output from the VET system did not keep pace with the faster-than-expected economic growth. This, coupled with inadequate manpower planning, has forced employers to recruit trained manpower from neighbouring countries – not only expatriate engineers and other high-level professional staff, but also artisans and technicians. The government is now trying to address this situation both through better utilization and expansion of existing training facilities, and through the provision of new ones. The question still remains, how many to train, just enough for the formal sector or also for the informal sector? And how big is the informal sector? A target of 20 per cent of the school leavers has been suggested, but then the question is: what does one do for the school leavers that are left out? Does one also address the social demand?

On the issue of financing the costs of vocational education and training, the policy states:

- (i) The Botswana Training Authority and the technician training institutions should charge cost-recovery fees for services requested by, and provided to employers.
- (ii) The principle of training with production to generate income should be applied wherever practicable.
- (iii) Vocational training should remain free to school-leavers, but the principle of at least partial cost-recovery should be applied to continuing education and training.

4. Republic of Botswana, 1994, The Revised National Policy on Education, Government Paper No.2 of 1994, Gaborone.

- (iv) Appropriate incentives should be provided to stimulate private-sector investment in training.
- (v) A training levy system should be introduced.
- (vi) A feasibility study should be carried out on the establishment of a 'Skills Development Endowment Fund'.
- (vii) The financing strategy for vocational and technical training should be included in the National Training Policy, following tripartite consultations<sup>5</sup>.

All these issues have to be addressed over the next couple of months and a financing strategy must be developed for inclusion in the National Training Policy. In view of this, the timing of this IIEP workshop could not have been better and the intention is to learn from it.

Some action has already been taken with regard to item (ii) above, Training with Production (TWP). The Botswana Brigades have a lot of experience with TWP and, in a recent Conference, this experience was shared with policy-makers, other training providers, as well as some colleagues from the Southern Africa region. Once the report is out, a meeting will be arranged with top-level officials to analyze the recommendations of the workshop and to consider the possibilities of extending the idea of TWP also to government institutions.

### **3. Financing of the system**

At present the government provides most of the funding for VET.

The Vocational Training Centres are state-run institutions. The Brigades get support from the Ministry of Education in the form of financial grants covering almost 100 per cent of the development costs and 80 per cent of the recurrent costs. The balance is covered by income from production activities. Government and the brigades also receive external support in the form of volunteer teachers, technical assistance as well as direct financial support (grants/loans) for buildings and equipment. The size of this component is more difficult to estimate as brigades negotiate directly with donor organizations.

Industry/the private sector – because of its limited size and capacity – still plays a relatively small part in the financing of VET. The apprenticeship scheme, for example, only attracts larger employers. In this scheme the employer is expected to pay a salary to the trainee during the four years of training. There are also a few private schools. The diamond mining company runs its own vocational training school in close co-operation with government. The banks and many of the parastatal organizations also run some in-house training.

The idea of a training levy has only been piloted on a small scale in Botswana. During the construction boom in Botswana in the late 1980s, the country had to rely heavily on imported skills. This led to the idea of setting up a project for crash training of construction workers. A Trust Fund was set up to finance this programme. Apart from some seed money provided by government, the Fund relies on a levy of 0.25 per cent on all construction contracts awarded by the Central Tender Board, which are matched by government by an equal amount.

5. Republic of Botswana, 1994, The Revised National Policy on Education, Government Paper No.2 of 1994, Gaborone.



The project is run by the Ministry of Labour and Home Affairs in co-operation with the Construction Industry. The programme aims at turning untrained already-employed construction workers into semi-skilled workers. The training covers all construction trades, i.e. bricklaying/plastering/tiling, carpentry, plumbing, civil construction as well as productivity improvement. The training follows the competency-based individualized modular training system, which ensures that trainees perform at their own pace within set criteria of quality and productivity. The training is basically skills based. After successful completion of a module, which may take about six weeks, the trainee can progress to a new module.

Since this was meant as an emergency measure at the time, the future role of this project is being discussed.

#### **4. Partnership at the central level**

There is, at present, no overall co-ordination of VET. There are acts, regulations and structures in place for some programmes but not others. The different roles and responsibilities of the two key Ministries involved in VET, namely the Ministry of Labour and the Ministry of Education, are not clearly defined and can at times cause misunderstandings and duplication of efforts. All these issues, however, are being addressed by the recently developed National Training Policy and a National Training Act which includes the establishment of a Botswana Training Authority.

The most structured and legislated programme is the Apprenticeship Scheme, introduced in 1988, which is guided by an Act and which is implemented and monitored with the assistance of a tripartite board, the National Advisory Board for Apprenticeship and Industrial Training (NABAIT). The main partners on the Board are the Ministries of Labour and Education, representatives of employers and employees. Trade Advisory Committees, with similar composition and which report to NABAIT, have been set up for all trade areas to co-ordinate curricula and examinations.

Each brigade is managed by a Board of Trustees. The members include elected community representatives, representatives of district and tribal authorities, and two members appointed by the Minister of Education. The Brigade Movement is co-ordinated through a national committee, the National Brigades Co-ordinating Committee (NBCC), which has representation from all brigade boards and representatives from relevant government departments and which is chaired by the Co-ordinator for Rural Development in the Ministry of Finance and Development Planning. Through this Committee and its many professional sub-committees, the brigades advise government on matters of policy, development planning and training matters.

All private schools are also required to set up boards. The effectiveness of these boards varies and, at present, the inspection and monitoring of these schools is inadequate.

#### **5. Organizing and financing training for disadvantaged groups**

The Ministry of Labour and Home Affairs, in co-operation with the GTZ (German Agency for technical cooperation), has recently piloted a small training project to assist unemployed graduates from the VET system to start up their own business. The conceptual basis for this programme, referred to as EASE – the Entrepreneurship and Self-Employment Programme was developed by GTZ and used in other parts of the world. This project has trained 76 trainees in groups of 10-12 for about six weeks per group. The pilot phase was sponsored by GTZ. Trainees were required to pay a small nominal fee.

A recent pre-evaluation of the programme indicated a high success rate: about 30 per cent of the trainees had been able to start a business and another 10 per cent were in the process of doing so. The government plans to carry out a further evaluation of the programme before considering a larger national project. The initial reaction is that such a programme would be useful not only for unemployed youth, but also to strengthen those already in business. The need for an EASE awareness programme within VET curricula was also stressed.

## **6. Conclusions**

One of the main themes in the new policy in education is the issue of cost-sharing in the financing of education and training. Already education is taking the largest slice of the government budget. It will not be possible to substantially increase opportunities in VET and, at the same time, provide high-quality training, unless all partners contribute, i.e. industry, communities, parents, trainees and government. The major role for government should be to construct the framework within which a variety of VET programmes can be provided.

## *Chapter II*

# Kenya

Ministry of Research, Technical Training and Technology

## **1. Background**

### *1.1 Population*

The Kenya Government has pursued a consistent active population policy which has registered remarkable success in reducing fertility over the past decade from a peak growth rate of 3.88 per cent to a still high rate of 3 per cent per annum. More than 50 per cent of the population comprises youth under the age of 15 years, which therefore gives rise to high demands for education, training and employment. Reducing unemployment is a major challenge.

Kenya's population is currently about 26 million people, with a female population of slightly over 51 per cent. The country's projected population will be more than 32 million people by the year 2000 if fertility and mortality rates remain the same.

### *1.2 Economic conditions*

After the attainment of political independence in 1963, Kenya registered a very impressive average economic growth of over 6 per cent up to 1990, except for a decline to a low of 3.1 per cent during the 1973-1976 oil crisis. From 1990 to 1992 the country experienced a drastic decline in socio-economic growth due to adverse effects of world economic recession. Other contributory factors to this situation were drought, refugee influx from neighbouring countries and the external debt burden.

However, since mid-1993, through tightening fiscal and monetary policies, the government has stabilized the economy and revived growth. Gross Domestic Product grew by 3 per cent in 1994 and by an estimated 5 per cent in 1995. Some of the measures taken by the government in its efforts to revive the economy included tax reforms, elimination of exchange controls, strengthening the financial system, civil service reform, privatization of non-strategic public enterprises, etc.

In spite of economic hardships, the government has continued to give clear priority to education, which takes over 38 per cent of the government's annual recurrent expenditure.

### *1.3 Human resource development*

The government has always considered human resources as the most critical input in the mobilization to meet national development needs.

To summarize, to date there are 5.5 million pupils in primary schools, 620,000 pupils in secondary schools, 64,200 students in vocational and technical training institutes, 20,000 in

teachers colleges and 40,000 in national universities. In 1995, of 400,000 pupils who took the Kenya Certificate of Primary Education, only 45 per cent proceeded to secondary schools; and of the 140,000 who took the Kenya Certificate of Secondary Education, only 6.6 per cent will attend the national universities. There is therefore an urgent need to train and absorb the large numbers of both primary and secondary school leavers in productive economic activities.

Since the informal sector is expected to play a major role in economic activities, it follows that a good proportion of the products of technical training institutes will be absorbed by the sector. The actual absorptive capacity of the sector has not been determined, but it is estimated that the sector will create about 100,000 jobs per year.

#### *1.4 Labour market issues*

Kenya, like other developing countries, is faced with a complex employment problem. First is the problem of *open unemployment*, characterized by people without work who are either seen idling around, or actively looking for work. This problem is mostly prevalent in the urban areas and the majority of the openly unemployed are young and relatively well educated.

Second is the problem of *under-employment* and *low productivity*, which is most prevalent in the rural agriculture and the urban informal sectors. Under-employment and low productivity are characterized by people who work for long hours, yet the income from their work is not enough to meet their basic needs, and/or people who would be better deployed doing something else. Third is the *youth employment* problem, which is widespread in both the urban and rural areas. The youth employment problem is characterized by a mismatch between demand and supply in the labour market. Whereas the majority of the youth lack technical and vocational skills, many of the jobs in the labour market require such skills.

It is estimated that about 25 per cent of the labour force is currently openly unemployed. It is further projected that the labour force will increase from 11.5 million in 1996 to 14.6 million in the year 2000. The task of providing enough jobs for the 492,000 persons who will be entering the labour force every year between 1996 and the year 2000 is not an easy one. In order to provide full employment for this rapidly growing labour force, it is projected that employment must grow at a rate of 4.3 per cent annually between 1996 and the year 2010, or 492,000 jobs annually, reaching a total of 6.4 million jobs over the period 1996-2010.

About 59.9 per cent of all new jobs between 1996 and the year 2010 is expected to be created in the traditional agriculture and the rural non-farm sector, and traditional agriculture alone is expected to create about 46 per cent of all new jobs over the period. The second largest share of new jobs is expected to be created in the urban informal sector, accounting for 23.5 per cent, followed by the modern sector, which is expected to create 17.4 per cent of all new jobs between 1996 and the year 2010.

## **2. Technical and vocational education and training system**

### *2.1 Introduction*

Since independence, there has been tremendous growth and development of technical and vocational education and training as a result of direct government involvement and community participation.

Technical and vocational training has come through many phases and patterns, and now it is no longer regarded as exclusively for the second- and third-rate student; but is a very important and integral part of Kenya's education system.

## *2.2 Objectives of technical and vocational education and training*

Kenya's main aim in its Technical and Vocational Education and Training policy is to improve the quality of training at all levels so that the trained manpower can enhance and sustain a high level of economic development which would, in turn, improve the quality of life by raising the standards of living.

The technical and vocational education and training programmes are designed to achieve the following national aims:

- (i) To provide increased training opportunities for the increasing number of school leavers, to enable them to be self-supporting.
- (ii) To develop practical skills and attitudes which will lead to income-generating activities in the urban and rural areas through self-employment.
- (iii) To provide practical education and training skills which are responsive and relevant to Kenya's agricultural, industrial, commercial and economic needs.
- (iv) To provide the technical knowledge and vocational skills necessary to enhance the pace of this nation's development.
- (v) To encourage self-employment while, at the same time, producing skilled artisans, technicians and technologists for both formal and informal sectors at the ratio of one technologist to five technicians to 30 craftsmen/artisans (1:5:30).

The courses are developed with reasonable flexibility to allow for horizontal and vertical mobility in terms of training linkages and in relation to the world of work.

## *2.3 Structure of the system*

### *2.3.1 Skills improvement courses*

These are short courses in a variety of trades to provide primary school leavers or employees in industry with proficiency skills. The training is practical rather than theoretical, to enable trainees to engage in self- and salaried employment.

### *2.3.2 Artisan-level courses*

There are two-year courses of various trades primarily for primary school leavers. The curricula comprise 90 per cent trade area and 10 per cent supportive subjects. Due credit is given to holders of trade test certificates or equivalent qualifications. The courses are designed to provide the youth with skills to enable them to earn a livelihood in either urban or rural areas. The small-scale entrepreneurs also employ these youth polytechnic graduates, as they can afford to pay them as compared to craft-level graduates.

These courses are offered in Youth Polytechnics (YPs), and National Youth Service Training Schools, to some 40,000 primary and secondary school leavers. Other training institutions include Christian Industrial Training Centres and Rehabilitation Centres (industrial rehabilitation centres and sheltered workshops for mainly disabled persons), Private and NGO-managed institutions.

### *2.3.3 Craft-level courses*

These are three-year courses for various trades for graduates of artisan programmes and secondary school leavers. The curricula comprise 80 per cent trade area and 20 per cent supportive subjects. Due credit will be given to those who have performed well in the appropriate trade subjects in secondary education or related training.

These courses are being offered to some 17,600 trainees in Institutes of Technology (ITs) (4,600 trainees in 1989), Technical Training Institutes (TTIs) (8,000 trainees), National Youth Service Training Institute, Kenya Industrial Training Institute, government ministries such as Agriculture (400 trainees in 1991), Ministry of Co-operative Development (60 trainees), Utalii College (173 trainees in 1991).

The trained graduates enter the labour market through salaried employment or self-employment. The government ministries absorb some of the graduates, since employment is no longer guaranteed.

### *2.3.4 Technician (Diploma)-level courses*

These are three-year courses in various fields of study for graduates of craft programmes, and secondary school leavers with the Kenya Certificate of Secondary Education. The curricula comprise 60 per cent trade area and 40 per cent supportive subjects. The courses are offered to some 5,700 trainees in national polytechnics, institutes of technology and other government and parastatal training institutes, such as Utalii College and Kenya Water Institute.

The graduates enter the private or public sector for employment. As for the craft graduates, the Diploma graduates mainly enter for employment but eventually some revert to self-employment. Observations indicate that the elite 'Jua Kali' entrepreneurs were previously employed.

### *2.3.5 Advanced levels*

Courses are also offered at the technologist (Bachelor) and advanced technologist (Master) levels.

## *2.4 Technical and vocational education institutions offering training*

### *2.4.1 Youth polytechnics*

Over 600 youth polytechnics have been established by local communities throughout the country. The main function has been to train primary school leavers in vocational skills. Basic technical craft skills such as masonry, carpentry and joinery, metalwork, plumbing, tailoring, etc. are taught. On completion of the initial training, students sit for government Grade Test III.

Youth polytechnics have been developed as training institutions that are work oriented.

An attempt has been made to provide curricula that are relevant to the varying needs of different local communities and emphasis is on training for self-employment.

Since 'self-help' is the key factor, the degree of success of a particular youth polytechnic depends very much on local leadership and local conditions. As a result there is a marked imbalance in developing and running such institutions from one locality to another.

The Youth Polytechnics system is by far the largest vocational training programme in Kenya today in terms of enrolment and number of institutions involved.

Out of 600 youth polytechnics in Kenya, about 350 are government supported in terms of grants, salary for instructors and provision of equipment. The rest are supported by local communities, religious organizations and other non-governmental organizations. The enrolment in youth polytechnics is approximately 40,000 students. The trainees are normally recruited from the institution's immediate communities. On completion of their courses a large number of trainees join the 'Jua Kali' sector.

To encourage the youth polytechnic graduates to venture into the informal sector, the government has established youth training support programmes which aim at employment creation for the youth of Kenya. Further, the government has established the Kenya Youth Training and Employment Creation Project (KYTEC) to provide credit facilities for youth polytechnic graduates venturing into the informal sector.

#### *2.4.2 Technical training institutes*

Technical training institutes have a dual post-primary and post-secondary training role. The post-school training programmes take the form of specialized instruction in technical and commercial fields.

At present, some technical training institutes offer two-year post-primary artisan courses in various trades; three-year post-secondary craft courses and three-year ordinary diploma courses.

The technical training programmes are meant to equip the students with marketable skills which will enable them either to enter directly into wage employment, or to start and manage their own enterprises. To this end, the curricula have been expanded to include entrepreneurship education to facilitate entry into self-employment.

There are 19 technical training institutes, with a total enrolment of 7,891 students (1992 figures).

#### *2.4.3 Institutes of technology*

The institutes of technology, formerly known as Harambee institutes of technology, were established at the beginning of the 1970s by local communities on a harambee basis, in response to the social demands on the training needs for secondary school leavers. The institutes of technology therefore aim at providing secondary school leavers with relevant skills at craft or diploma level which can enable them to become employed or engage in self-employment activities.

Presently, there are 17 institutes of technology in the country, with a total enrolment of 5,281 students.

At the initial stages of the development of institutes of technology, government support was limited to that of advising and supervising construction works to ensure that standards were maintained in buildings and other facilities. Gradually, government assistance has been given in the form of trained teachers and financial support.

Over the years the institutes have developed and expanded their objectives. They have established production units which, apart from generating income to off-set the running costs of their activities, provide real working situations which serve as industrial attachment while, at the same time, providing the relevant exposure and experience to those who aspire to become self-employed in future.

The institutes of technology, which started as small localized community training institutions, have grown in size, scope and in number, to the extent that they now form part of Kenya's national system of technical and vocational education and training.

#### *2.4.4 National polytechnics*

The national polytechnics are institutes of higher learning whose main function is to produce skilled middle- and high-level manpower for Kenya's various sectors of the economy, and for the provision of further training opportunities in technical education.

National polytechnics offer diversified curricula at diploma and higher national diploma levels.

At present there are three national polytechnics. The total student enrolment is 9,031 students, undertaking various courses in building and civil engineering, surveying and mapping, applied sciences, business education, chemical engineering, etc.

#### *2.4.5 Other training institutions*

The Kenya Technical Teachers College was established to meet the need for teachers in technical and business education. Government ministries other than the Ministry of Research, Technical Training and Technology, have their own training institutions which offer specific training to suit their needs, for example, the Railways Training Institute, Co-operative College of Kenya, Kenya College of Telecommunications Technology, Water Institute, etc.

### **3. Financing of the system**

#### *3.1 Sources of financing*

Financing of technical and vocational education and training programmes has always been shared amongst government, local communities, beneficiaries, religious and private organizations, donors and private businesses.



### 3.1.1 State budgets

It is considered necessary for the government to continue spending public funds in technical and vocational training for the following reasons:

- Job-specific training is an obvious extension of the general education for which government is largely responsible.
- Government can use its financial power and leverage to initiate and undertake large-scale sectoral and technological changes in industry, or to establish special employment programmes, or undertake measures to create flexibility in conditions of structural adjustment in circumstances where employer training capacity is considered to be weak.
- Public funding is also widely perceived as having the power to create equal training opportunities for individuals and employers, and in many cases to assist those who experience difficulties.
- Public TVET institutions can focus their training objectives and strategies towards the attainment of equal distribution of services among the various economic sectors, employers and individual training investments.
- Government is the prevailing source of funding, especially in conditions of market imperfections and distortions of incentives for employers and individual training investments.
- It is thought that even in imperfect markets, public funding in training is often not wasted, especially when results-oriented investment policies are developed, since the benefits ultimately accrue to society.

Taking into account the above reasons, it is thought that the role played by government in financing TVET becomes all the more necessary and can never be fully replaced by contributions from other social partners or by market forces.

The combined government and private cost per student at the National Polytechnic in 1989 was KShs.14,000 per student and, out of this, the government cost as a proportion of the total financing was 85 per cent. In other institutions, the government contributions were as follows:

- |                                 |   |             |
|---------------------------------|---|-------------|
| • Harambee institutes           | – | 20 per cent |
| • Youth polytechnics            | – | 42 per cent |
| • Technical training institutes | – | 57 per cent |

The current development plan, 1994-1996, reiterates government's commitment to support vocational and technical training. The plan states that "the government will endeavour to increase technical assistance to these institutions which is required to strengthen curriculum development, staff development and equipment/buildings and certification, increase the range and improve the quality, validity and relevance of the courses offered".

The plan further states that "Cost sharing and self-sustainability will be promoted while raising the standards of training by making it more efficient and cost effective". However, it was

discovered that the present government funding of technical training is quite inadequate, particularly in respect of the youth polytechnics (42 per cent).

It was observed that only one youth polytechnic obtained between 80-100 per cent of its financing from government, and only seven reported that they obtained between 40-80 per cent of the financing from government. The majority (32 per cent) of the youth polytechnics obtained not more than 40 per cent of their income from government.

### *3.1.2 International aid*

Donor agencies have contributed significantly to the development of funding of technical and vocational training in Kenya. The funds are either disbursed through government, non-government agencies or directly to the training institutions. The funds, just as in the case for government, are used for development purposes especially in the area of buildings, machinery and equipment as well as for running costs of the institutions.

The apparent lack of sustainability of the donor-started programmes is a serious problem that needs to be addressed. It was thought that donor agencies and institutions should conveniently build sustainability financing components in the programmes so that when the donor withdraws the funding of programmes and projects, they should still be able to expand and to maintain the standards in a self-sustainable manner either through fees, multi-purpose production unit or other sustainable forms of fund-raising.

### *3.1.3 Employers' funding*

There are several reasons why an employer as a social partner should contribute to Technical and Vocational Education and Training (TVET). The following are some of the reasons:

- Employee training benefits employers through greater productivity, lower production costs and increased profits.
- It is a social demand also that employers share training investments with employees, who will achieve greater productivity at lower production costs.
- The labour market pressure dictates that some of the benefits should pass to employees to ensure motivation and lifelong employment cultures.
- One of the ways employers can motivate workers is through providing training and other staff development programmes.
- A satisfied workforce is more productive, has less turnover and continually improves the company's competitiveness.

### *3.1.4 Training Levy Fund*

Employer funding of training is provided for under the Industrial Training Act, Cap 237. The Act provides for the collection of the Industrial Training Fund through a mandatory levy scheme for all employers of more than four people and currently applies to 11 industrial sectors.

A separate account is maintained for each sector and no cross subsidization is permitted. These are commercial, bank, food, motor vehicles, saw milling, building, chemical textiles, printing, engineering and plantation sectors.

### *3.1.5 Beneficiaries' contribution*

The beneficiaries pay funds in the form of fees to subsidize their training. The argument often put forward is that, in principle, trainees should finance the full cost of their training, since they are the major direct beneficiaries and, given the increasing post-training value of their skills, they can expect higher earnings. However, this argument may hold only for those whose parents/relatives can afford to subsidize them; and taking into account the increasing unemployment situation in the country, no one would like to guarantee wage employment. Hence, industrial training must be focused to achieve the ultimate objectives of self-reliance and job creation.

In practice, individuals have financed their training through various ways, including accepting reduced wages during training (e.g. the 20 per cent of salary cost sharing in the Civil Service), and the use of family savings or borrowing of money from other sources to pay training fees. Indeed, as stated earlier, the current government policy is to encourage cost sharing in the financing of all aspects of education and training. Self-sponsorship was allowed in approved technical training institutions in 1988. This change in policy can partly be attributed to the following factors:

- The growing number of qualified people as compared to the available jobs has acted as a disincentive for employers to train in some areas, as the skills they require are readily available in the labour market, at least in the short-term perspective.
- The growing private demand for education and training, including TVET, has resulted in a phenomenal increase in enrolment levels.

This has exerted pressure on the existing physical facilities and other resources and, since the government can no longer meet the full cost of infrastructural facilities due to financial constraints, there has been need for cost sharing. In this regard, therefore, the policy of cost sharing has been at the top of the agenda in the current development plan in line with structural adjustment programmes. The majority of students in the technical training institutions are currently self-sponsored. To promote equity in the access to education and training, it is noted that the government has stated that the current student's loan scheme for university students will be extended to students in other institutions, such as the national polytechnics. It is thought that this is a commendable move by the government and that the scheme should be conveniently extended to cover other levels of institutions, particularly the institutes of technology and other approved specialized industrial training centres and institutions. In this way, industrial training will be sufficiently geared towards meeting the professional/technical manpower required for sustainable industrialization in the country.

### *3.1.6 Other sources of funding*

It is thought that increased support from industry in the form of grants, e.g. donations of used equipment or purchase of goods produced by the institutional production units, could go a long way in strengthening the financial and technical base for promoting industrial training in the country.

#### **4. Partnership at the central level**

The main stakeholders/actors in the financing and management of vocational education and training are the government, enterprises (employers), employees through the workers' organizations, non-governmental organizations and the households.

In a number of instances, legal and administrative structures are already in place which govern partnerships such as:

- (a) The regulation of the training of persons engaged in industry is governed by the Industrial Training Act of 1971. The Act is governed by a tripartite council (the National Industrial Training Council), consisting of a Chairman, six representatives from employers, six representatives from employees and not less than six members to represent other interests such as government, teachers, etc. This is a typical case of formalized partnership amongst state, enterprises and employees.
- (b) The technical training institutions are managed by Boards of Governors appointed under the Education Act of 1968 by the Minister. The Law ensures that all interested parties such as industry, universities etc. are represented. This entails partnership amongst government, industry, religious bodies, professional associations etc. The Board of Governors is responsible for the management of the institutions on behalf of the Minister.
- (c) The Minister for Education delegates the running of education and training institutions within the municipalities to local government.
- (d) Private training institutions provide similar training programmes to those offered in public institutions. They are allowed to operate so long as the government approves the curriculum, physical facilities and level of teaching staff.
- (e) The government, the industry, employees, and universities comprise the membership of the Kenya Institute of Education Academic Board, which approves all the syllabi for all national programmes except the University.
- (f) Policy formulation, training provision, control, definition of qualifications, certification and curriculum development take place at various levels in the above structures.

Although these structures for partnership exist, there are still instances where the outputs are not acceptable to all interested parties. The main problem has been the mismatch between the training programmes and the skill needs of industry. The main achievement has been the successful harmonization of curricula, examinations and certification.

#### **5. Functioning of the system at the institution level**

The main objective of public institutions is to produce manpower for the industry. These institutions are therefore expected to meet the skill needs of the industry. A close relationship between the two to ensure that the training programmes meet the skill needs is crucial for their survival as partners.

### *5.1 Intensity and scope of co-operation between public institutions and industry*

The main areas of co-operation between public institutions and industry include the following:

- planning and development of training programmes;
- industrial visits and attachment;
- provision of physical facilities, tools, equipment and training materials;
- staff development and training;
- research and consultancy;
- management of institutions.

### *5.2 Planning and development of training programmes*

The Kenya Institute of Education is responsible for developing all the national curricula. Relevant industries are involved at every stage of curriculum development.

### *5.3 Industrial visits and attachment*

It is mandatory for all students undertaking technical and vocational programmes to be attached to a relevant industry before completion of studies.

### *5.4 Provision of physical facilities, tools, equipment and training materials*

Participation of industry in this area is minimal.

### *5.5 Staff development and training*

Although it is usually acknowledged by both public institutions and industry that free mobility of personnel between industry and public institutions is professionally desirable, it does not actually take place on a staff exchange or sabbatical basis. Industries, however, sponsor their employees to public institutions for skill acquisition and upgrading.

### *5.6 Research and consultancy*

Although there is a very high potential for co-operation in this area, very little is actually taking place currently.

### *5.7 Management of public institutions*

All public institutions are managed by Boards appointed by the Minister. The composition of the boards are such that relevant industries is members.

Since the institutions are managed by a board of governors outside the civil service, they have reasonable operational autonomy and flexibility to enter into fruitful co-operation with enterprises.

## 5.8 *Incentives*

The public institutions are allowed to retain finances gained from such co-operation. Staff from the institutions are also allowed to share the profits made from such co-operation with the institution.

## 5.9 *Problems*

- (a) Industrial visits and attachment:
  - (i) increased number of trainees in relation to industrial capacity for in-plant training;
  - (ii) lack of clear policy guidelines relating to industrial attachment and, in particular, with insurance cover during attachment;
  - (iii) lack of an effective co-ordinating body for liaising between industry and institutions.
- (b) Planning and development of training programmes:
  - (i) consultation in development of training policies both in process and representation, is lacking;
  - (ii) curriculum is too broad and not based on specific industrial training needs;
  - (iii) policy guidelines on curriculum are too rigid to accommodate innovations;
  - (iv) lack of adequate personnel to conduct needs assessment and evaluation.
- (c) Provision for physical facilities, training materials, tools and equipment:
  - (i) industries donating obsolete equipment which may not be useful for current training;
  - (ii) some equipment is specialized according to the industry donating it;
  - (iii) there is lack of information in regard to the required facilities by training institutions;
  - (iv) there is lack of information regarding the capabilities of institutions, for sub-contracting transactions.
- (d) Staff development:
  - (i) the industry seems unwilling to disclose its knowledge to an outsider, and hence does not entertain staff-exchange programmes;
  - (ii) there is lack of collaborative meetings for effective communication between industry and institutions;

- (iii) for job analysis and classification, no outsider is entrusted with this task for the private sector;
  - (iv) there is lack of effective training needs assessment.
- (e) Research and consultancy:
- (i) industries have little confidence in institutions' capability of conducting research;
  - (ii) institutions' staff lack wide industrial experience to carry out research;
  - (iii) institutions lack funds for research;
  - (iv) lack of adequate information between institutions and industry for research purposes.

#### *5.10 Private training sector*

So far, the private training sector has been limited to individual industries running their own schools to impart specific skills relevant to their specific areas of operation, to their own employees. The government has, however, adopted a programmed approach to private sector training, and this has encouraged entrepreneurs to start some technical institutions similar to the government institutions.

## **6. Organizing and financing training for disadvantaged groups**

### *6.1 Non-formal programmes*

These include a full range of educationally specific activities which fall outside the hierarchically structured, chronologically graded education system running from primary through to institutions of higher learning and other nationally certificated post-school training institutions. Programmes within this category include non-formal basic education and vocational training programmes, as well as skill proficiency/improvement courses offered by the Directorate of Industrial Training (DIT) and other private institutions.

#### *(a) Non-formal Basic Education Programmes (NFBE)*

Basic education programmes are offered by the Undugu Society for street and poor children and by religious bodies and local authorities for children who fail to gain entry into standard one, through community schools. The Undugu Basic Education Programme (UBEP) prepares children for apprenticeship in the informal sector, while other programmes prepare children for the Kenya Certificate of Primary Education.

#### *(b) Non-formal vocational training programmes*

The major programme in this category is co-ordinated by the DIT and prepares entrants for the Trade Testing examinations. The trade testing system is intended to test skill proficiency at three levels: the basic, the intermediate and the advanced level for employment purposes. The examination is open to anybody with practical skills learned either on the job or formally. Due to the large number of unemployed school leavers, many technical and vocational schools offer DIT curriculum to prepare youth for Trade Test examinations. On completion, these become self-

employed, forming the backbone of the Jua Kali industry. Many adults learn skills on the job and enrol for trade testing for remuneration purposes. Trade Test certificates are well recognized by employers.

The range of courses offered within the system is limited, hence there are many courses offered and certificated internally by the various vocational schools. Institutions which offer non-formal vocational training include national industrial and vocational training centres, YMCA vocational training centres, youth polytechnics and Don Bosco training centres, among others.

(c) *Skill proficiency/Improvement courses*

There are short courses of varied duration to provide trainees with proficiency skills in some specific identified types of jobs. The curricula for these courses are tailor-made to suit a specific demand. Many technical and vocational training institutions offer skill proficiency courses in the evenings and, during vacations, various management consultancies also offer skill proficiency courses.

The government also organizes and conducts skill upgrading and business management courses for practising Jua Kali artisans. The Centre for Research and Technology and the recently introduced National Jua Kali demonstration and training centre, have been set aside for the purpose.

6.2 *Financing*

Financing of the programme is by the Government of Kenya, the National Industrial Training Council and donor agencies through NGOs.

**7. Conclusions**

The various sources of funding to TVET in Kenya are: government grants, donor funds, students' fees and the training levy. The government has played a leading role in the financing of education and training since Independence. However, due to increasing demand, budgetary constraints and the on-going budget rationalization and structural adjustment programmes, the current government policy is to encourage cost sharing in the provision of education and training, including TVET. In this respect, other methods for financing training have to be encouraged. These include: community participation and donor funding, employer funding through the training levy scheme, grants and donations from industry and well-wishers, and beneficiaries' contributions.

Experience from within the country and from other countries, both developed and developing, show that the system of co-financing TVET from various sources is considered the most promising option, provided that the social partners involved regard the benefits they receive as commensurate with their contributions.

The concept of co-financing from various sources is less exposed to economic fluctuations. It also functions best in a situation where the training system is labour market-demand driven.

It is thought that all the social partners would be willing to pay if they were assured of the benefits they would receive from contributing to such a scheme. The employer would be interested to contribute to get the right kind of skills he requires to improve his productivity,



while the beneficiary would be ready to contribute towards the type of training that would provide him/her with a productive job to improve his/her social and economic status. The government, on the other hand, would be solving the social problems of unemployment through increased training opportunities that generate employable skills.

There are many problems that face the financing of training in the country. These include: budgetary constraints on government resources for the financing of TVET, lack of sustainability of the donor-funded programmes, an inefficient training levy scheme, and inability of some families to meet the cost of training, to mention just the major ones.

In order to address these problems it is recommended that:

- The system of cost sharing in the financing of TVET should be continued and, in this respect, the training should as much as possible be demand driven.
- Elements of sustainability should be built into donor-funded programmes to ensure continuity after the withdrawal of donor funds. Such elements should include the use of such donor funds to develop viable Production Units that would not only serve as sources of income to the institutions, but also as a place for students' practical attachments.
- The training levy collection and disbursement systems should be improved.
- The students loan scheme currently provided to university students should be urgently expanded to include those in national polytechnics, institutes of technology and other related institutions, such as the approved specialized technical training centres and private institutions. This is necessary because the majority of Kenyan families can no longer afford the current exorbitant fees charged by these institutions.
- Increased support from industry should be encouraged especially in the form of grants, e.g. donations of used equipment, student sponsorship through awarding merit scholarships, etc. and/or purchase of saleable goods produced by the institutional production units, with a view to strengthening the financial and technical base for promoting industrial training in the country.
- At university and national polytechnic levels, where industry support and collaboration becomes even more critical, closer co-operation should be sought between industry and training institutions at these levels, especially in the field of Research and Development.

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## *Chapter III*

# Mauritius

## Industrial and Vocational Training Board

### 1. Background

#### *1.1 Socio-economic context*

Mauritius, an island in the Indian Ocean, has a democratic system of government based on the British pattern and a system of education which has also developed from the British model. The island is of volcanic origin, lying at latitude 20° South and longitude 57° East. Its area is 1,864 square kilometres (720 square miles). The first school was started around 1767 and today more than 97 per cent of the primary school-age population is at school. The 1980s was a period of rapid development, when the mass of unemployed was absorbed by the economy. The changing social and economic structure has put a lot of pressure on the education system and has prompted a review of the whole system. A Master Plan for the development of education to the end of the century was published in 1991 and is presently being reviewed.

The Mauritian economy has grown at a comfortable rate, averaging more than 5 per cent over the past few years. Gross Domestic Product at market price was Rs62.2 billion in 1994, representing a GNP per capita of Rs56,794. The good performance of the Mauritian economy is the result of growth in the various sectors, in particular in the manufacturing (5.1 per cent), tourism (8 per cent) and financial and business (8 per cent) sectors. Agriculture, however, showed a negative growth rate of 6.8 per cent, owing to adverse climatic conditions.

The population of Mauritius, which stood at 969,000 in 1983, increased at an annual rate of 1 per cent to reach 1,077,000 in 1994. A near full-employment situation prevails in Mauritius since the late 1980s; in 1994 unemployment was 1.6 per cent. The participation rate of the male labour force was about 82 per cent in 1994; the corresponding rate for females was about 40 per cent. Total employment was slightly less than half a million in 1994.

#### *1.2 Education sector*

Responsibility for the provision of education is vested with the Ministry of Education, Science and Technology. Primary education is provided free in Mauritius but the Education Act allows private operators to provide education services right from pre-primary to vocational and tertiary levels. Government extended free education to the secondary level in 1977 and to the tertiary level in 1988.

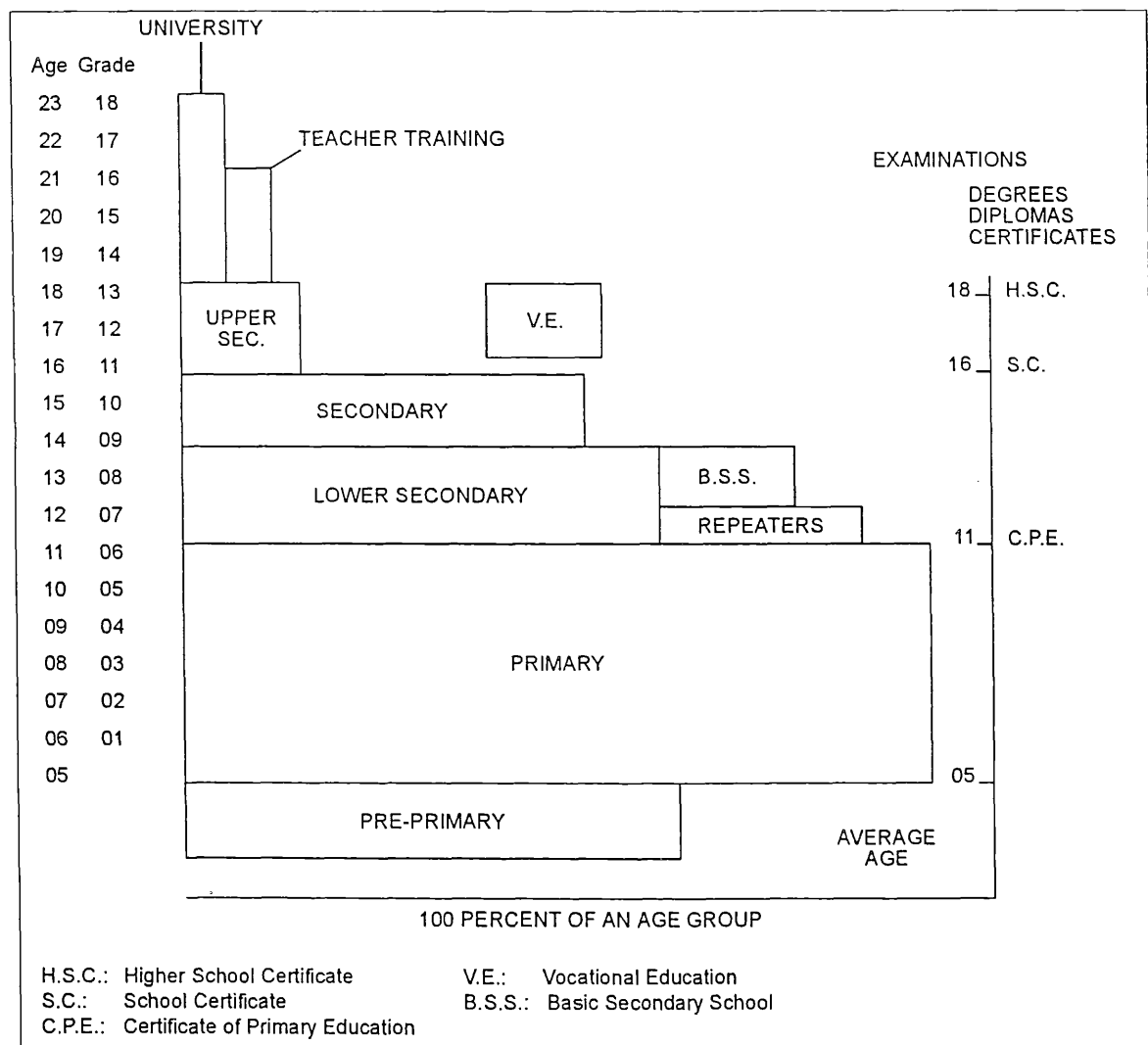
Mauritius has a 6+5+2 education system, where there are six years of primary education followed by five years of secondary schooling. Children who read for the Higher School Certificate/GCE 'A' level stay two more years in secondary schools. The enrolment ratio in 1994 was around 96 per cent at primary level, and 50 per cent at the secondary level.

In 1991, an Education Sector Master Plan was prepared to modernize the education system and make it more efficient and adaptable to future needs. The objectives of the plan are, inter alia, to bring education in line with the development needs of the country, provide access to nine years of quality basic education for all, promote intellectual, scientific, technical and cultural creativity and bring about greater equality of facilities in all schools. In 1995, the Master Plan was reviewed to take into consideration new developments in the sector.

As from 1996, in line with the recommendations for nine years of basic education, the Ministry of Education, Science and Technology has introduced the three-year basic secondary schools (BSS) to replace pre-vocational training centres which were under the responsibility of the IVTB. The BSS cater for CPE failures who wish to pursue a non-academic stream.

The new structure of the education sector is shown in *Figure 1*:

Figure 1. New structure of education sector



The curricula at both primary and secondary levels will be extensively reviewed to introduce subjects such as design technology, computer education and information technology, and also to lay emphasis on science subjects and mathematics. A teacher-training programme is being implemented for the training and retraining of teachers so as to facilitate the curriculum reforms under way.

The Ministry of Education, Science and Technology is also responsible for technical education. In this connection, the Management Trust Fund was set up in 1990 under the Technical School (Management Trust Fund) Act 1990, to manage technical education centres, organize and run technical education courses in these centres, and promote technical education generally.

The strategy for educational development is to provide access to enhanced possibilities and to improve organization and management. The main features of the proposed educational reform are universal access to quality basic education, enhanced possibilities of further education, and improved organization and management of the education system.

### *1.3 Labour market issues*

Mauritius has over the past decade witnessed a dramatic change on the employment front, with the unemployment rate declining from 20 per cent in 1983 to 1.7 per cent in 1995. This change took place in the context of rising participation rates, especially among females, with the latter increasing from 28.0 per cent in 1983 to 42.0 per cent in 1995. The labour force was estimated at 515,000 in 1995, comprising 335,000 males and 180,000 females, as compared to 365,000 in 1983. Total employment which was 293,000 in 1983 grew to 479,500 in 1993, that is, an increase of almost 64 per cent over the decade. As shown in *Table 1*, in 1983, one out of four jobs was in agriculture and fishing, with sugar plantations playing the key role. In 1993, it dropped to one out of seven.

Table 1. Mauritius – Labour force and employment trends

	1983	1993
Total labour force	365,000	489,700
Total employment	293,000	481,000
• Agriculture	78,400 (26.8%)	71,300 (14.8%)
• Industry	86,800 (29.6%)	172,800 (35.9%)
• Services	127,800 (43.6%)	236,900 (49.3%)
Unemployment (%)	20	1.8

*Source:* Mauritius Country Economic Memorandum, World Bank (1995).

The largest job creation has been in manufacturing (other than sugar milling) where employment increased by almost 150 per cent over the period 1983-1993; the next largest increase was in tourism and related activities, where it roughly doubled.

### *1.4 Imported labour*

In order to overcome labour shortages partly created by the statutory fixed wage rate, which is estimated to be higher than the market clearing rate, recourse has been made to imported labour. In 1995, there were about 9,800 imported workers, compared to 2,291 in 1991.

Most of the foreign workers came from India and China and are employed in the textile and construction sectors, mainly as managers, supervisors or skilled workers.

Imported labour provides relief in a labour-scarce situation in the short run. However, it hampers the modernization process and the upgrading into capital-intensive techniques of production.

### *1.5 Labour cost*

Full employment over the past eight years has been associated with significant increases in real wages. The increase over the period 1988-1993 ranged from 20 per cent, in the case of monthly wages, to more than 60 per cent in the case of daily wages. These increases exceed the corresponding improvement in the average productivity of labour, which rose by 15 per cent.

### *1.6 Labour market institutions*

There are two systems – centralized and decentralized – for adjustments in wages and salaries. Under the centralized tripartite mechanism, adjustments in wages and salaries take place on a yearly basis, across the board, and are mandatory. These adjustments are determined by indexation to the change in consumer's price index over the preceding 12 months. The adjustment percentage is a decreasing function at the wage level.

Under the decentralized mechanism, wage adjustments for public sector workers are decided by the government, based on the recommendation of the Pay Research Bureau (PRB). For the private sector, minimum wages by sector and labour category are set by the government, based on the recommendations at the National Remuneration Board (NRB) and after discussion with employer's associations and labour unions. The factors taken into consideration are labour force, sectoral profitability, external competitiveness, the cost of living, relative wages, etc. The reference to profitability and external competitiveness implicitly brings sectoral productivity gains into the wage mechanism. However, the NRB recommendations applied to some sectors only.

### *1.7 Issues*

There are few obstacles to labour mobility or blanket restrictions on job termination. The exception is the sugar sector, whereby planters with more than 10 hectares are required to provide job security to all workers hired before 1988 (formerly, 1967), even during the intercrop season. These plantations are not allowed to reduce their labour force through attrition either, since they are obliged to hire additional workers to make up for any difference between the current employment and their 1988 (formerly, 1967) labour force. Moreover, plantations with more than 40 hectares are forced to retain 20 per cent of their new seasonal workers. It is generally argued that the overstaffing in the sugar sector is due to these legal dispositions.

It is widely felt that the public service (both central government and the broader public service) is overstaffed. Mauritius' central government had five employees per 100 inhabitants, which is deemed to be high in comparison with OECD countries and developing countries, which have 3.1 and 2.4 per 100, respectively. The government is fully conscious of the need to boost productivity and efficiency in the public sector. A programme of privatization is under way. In parallel, there has been a computerization programme within the public sector. Training of public officers through the newly established Mauritius Institute of Public Administration and Management (MIPAM), is receiving priority attention by government.

Government considers the following issues require immediate attention:

- (i) the rigidities within the labour market which hamper the free flow of labour to sectors of highest returns to labour and to the national economy;
- (ii) the lack of basic child-care and other facilities which deter women from entering the labour market;
- (iii) the lack of flexibility in the labour market;
- (iv) human resources planning in the public sector and the sugar sector, both of which would appear to be overmanned; and
- (v) the development of a national policy on foreign labour.

## **2. Organization of the technical and vocational education and training system**

### *2.1 Institutional framework*

The Industrial and Vocational Training Board (IVTB) was set up by an Act of the Legislative Assembly in 1988. It was given the role of the lead agency of the government to promote, assist in and provide training at all levels. Since its coming into operation, IVTB has promoted the training of more than 86,000 people, put into place a National Trade Certification System, developed 33 curricula, and registered 71 training institutions and 670 trainers over the past five years.

IVTB provides a necessary regulatory framework which guides the activities of private training institutions. Private training institutions are required to register with the IVTB and, for this purpose, they have to satisfy various criteria set out by the IVTB Council relating to training programmes, training personnel, workshop facilities, etc.

Apart from IVTB and the 71 private training institutions registered with the IVTB, training is also provided by ministries, industry, non-governmental organizations and other institutions on a regular, but principally on an ad hoc, basis. These include the Ministry of Women, Family Welfare and Child Development, the Ministry of Labour and Industrial Relations, Mauritius Alliance of Women, the Société pour la Promotion des Entreprises Spécialisées (SPES), etc.

The Ministry of Manpower Resources and Vocational and Technical Training was set up in late 1991 to co-ordinate the provision of appropriate manpower to support the economic and social development needs of Mauritius. Specifically its objectives are, inter alia, to oversee the strategic integration of the government's manpower resources, vocational and technical training policies and programmes, to ensure that skills training remains abreast of new technology, encourage private sector participation and to co-ordinate and monitor manpower needs and development.

It is the ministry responsible for the formulation of human resource development policy. The ministry sketches the broad policy framework and the IVTB, as the government's lead training agency, translates this into concrete training programmes. Besides the ministry, which is responsible for manpower planning and development at national level, the IVTB is also responsible for advising on training policy. To a much lesser extent, the Training Advisory

Committees (TACs), specialist committees in different trades, are an important mechanism which influence decisions to mount and run training programmes.

## 2.2 Organization of the system

Vocational education, under the responsibility of the Ministry of Education, Science and Technology, did not figure prominently on its agenda until the 1970s, with the setting up of central schools, senior primary, junior technical, and junior secondary schools. The creation of the first proper technical education school was in 1982. Moreover, from 1988, children had the option to choose subjects from among the academic stream, technical or business streams at the school certificate level. The evolution of enrolment at School Certificate level over the decade ending 1995, shows that there has been a positive change of attitude in favour of vocational education and technical subjects such as fashion and fabrics, food studies, geometrical and mechanical drawing, geometrical and building drawing, woodwork, metalwork, design and technology and design and communication. Vocational education programmes are therefore conducted in a large number of secondary schools.

Vocational education programmes are also run at post-secondary levels in the existing two vocational education Lycées. The Management Trust Fund under which the lycées operate, was set up under the Technical School Act of 1990 to manage, organize, run and promote technical education. A third lycée will become operational shortly in order to cope with the increasing demand for vocational education. As from 1996, the Fund has assumed the responsibility for basic secondary schooling which was conducted by the IVTB as pre-vocational training.

The IVTB, which was set up in 1988 to promote, assist in and provide training at all levels, became operational in 1989. To date IVTB operates 15 Vocational Training Centres, including a multipurpose training centre in Rodrigues. Training is provided in a variety of trades ranging from automotive, building construction, to precision engineering, jewellery and electronics. Prior to 1988 no organizational structure for training existed. With the advent of the IVTB in 1989, training has been given a new dimension. See *Organigram 1* for the IVTB structure, which is one organized along functional lines

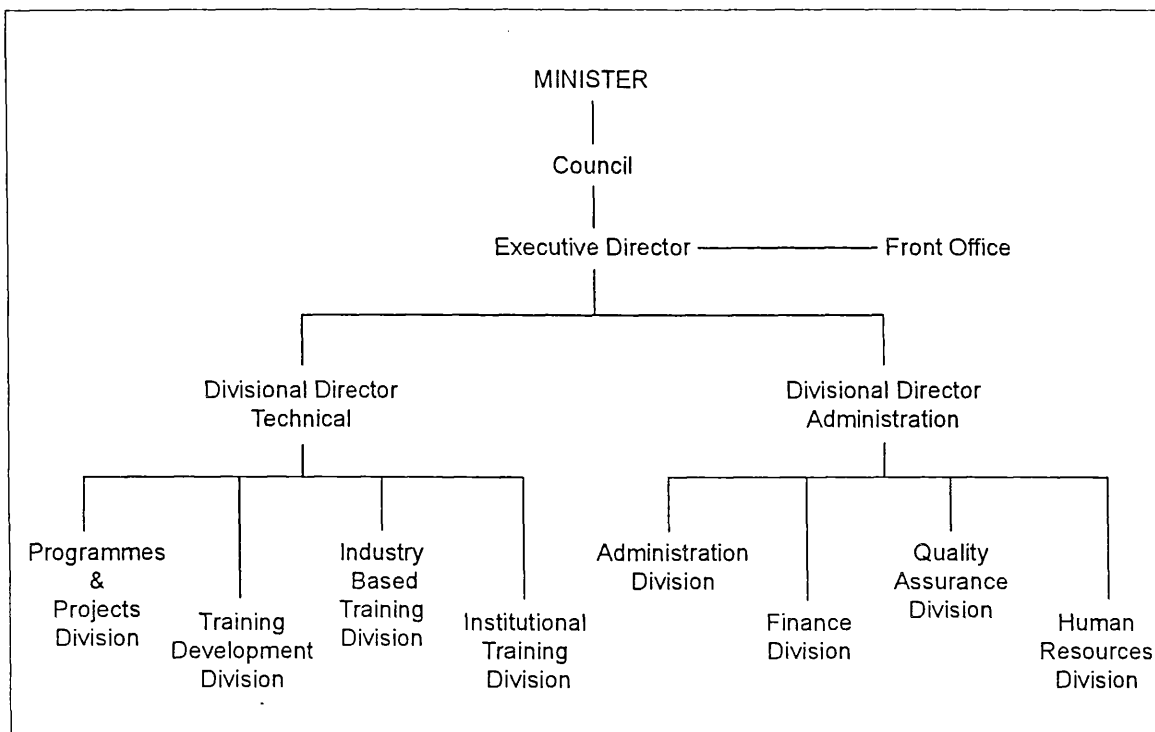
The IVTB, in accordance with the Act of 1988, helps the other providers of training, that is, the training institutions as well as the firms, to organize themselves and regulate the market. Each approved training institution has a manager, and a director of studies, who are registered by the IVTB. In addition, all the training centres are required to provide the proper equipment and infrastructural facilities and to obtain clearances from the local authorities, health and fire services before they are considered for registration.

The IVTB encourages the development of progressive industries where managers also act as trainers for the subordinates. In practice this rarely happens and consequently IVTB encourages industries to invest in in-house training programmes to meet their specific training needs. By December 1995 some 483 in-house courses were run in industry.

Employers also sponsor their workers to attend training in registered training institutions. The full-time courses which are primarily aimed at school leavers, are also attended by some sponsored workers. The part-time courses offered after normal working hours, are more appealing to the employers and are attended mainly by sponsored workers.



Organigram 1.



To further foster the industry-IVTB link and promote on-the-job learning, IVTB has introduced, since 1995, the Apprenticeship System based on the German dual model under which the apprentice spends one-and-a-half days per week in a training institution and he is coached by a tutor in his enterprise for the rest of the week.

IVTB also promotes training through the distance-learning mode. Four courses, namely technical drafting, effective supervision, automotive mechanics and basic information technology are available under this mode.

### 2.3 *The education and training system*

The education sector combines with the training sector to form a coherent education and training system. Under the nine-year basic schooling system, students, after six years of primary schooling, can either opt to continue with the academic stream and proceed to the lower secondary schools, or proceed with vocational education and training through the basic secondary schools (BSS).

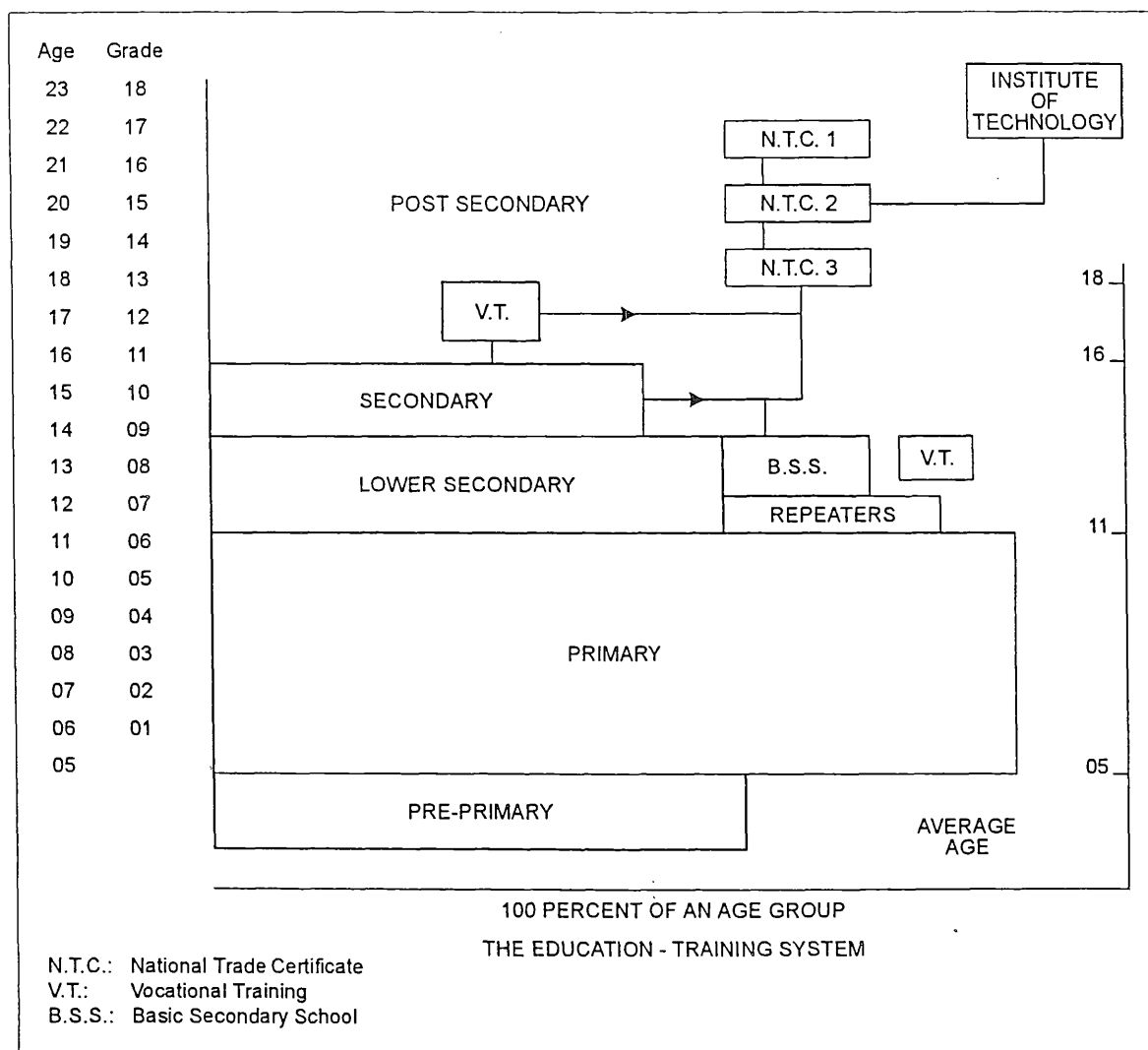
After nine-year basic schooling in the education system, students normally qualify for entry into the formal training system either in IVTB training centres or other private training institutions. The formal training structure consists of the IVTB and private training institutions. The entry requirements for admission to these vocational training courses are a minimum of three years of secondary schooling and an age of 16 years and above. Vocational training is also

provided at post-secondary level. In the IVTB centres, trainees who successfully complete one year of full-time training are awarded a National Trade Certificate, level 3. They can proceed to NTC 2. IVTB is proposing to attract talented learners by providing learning/training opportunities which lead to tertiary-level qualifications through the setting up of an Institute of Technology. Admission to the Institute is meant for holders of at least a NTC 2 or equivalent. Movement from the education system to the training system is horizontal for those who have completed nine years of basic schooling and are 16 years old.

The private training institutions provide training leading presently to the award of internationally recognized certificates/diplomas, from institutions such as the City and Guilds of the London Institute, the Pitman Institute, Chartered Institute of Transport, the Institute of Marketing, etc.

Within the education system, those students who study for five or seven years of secondary schooling have the opportunity to study vocational education at the Lycée Droopnath Ramphul or the Lycée Sir Guy Forget.

The education and training structure in *Figure 2* shows the overall flow of students between the education and training systems:



## *2.4 Major policies and objectives*

The education and training system is an essential ingredient for the country to achieve high and sustained economic growth. However, although the need for vocational education was felt from the early 1970s, through the various plan proposals of the government, it was only a decade afterwards that such a training institution was set up. The Central Training Office, which was set up in 1981, was not successful and it was disbanded in 1984. Between 1986 and 1988, the responsibility for training was entrusted to the Ministry of Economic Planning and Development, which started off a few training projects by contracting them out to consulting firms on a turnkey basis. The IVTB, which came into operation in 1989, really spearheaded training on all fronts at the national level.

The education and training system can logically be regarded as a whole entity, but in Mauritius, historically, the system has been divided and operates under the responsibilities of the Ministry of Education, on the one hand, and various other ministries, on the other.

In line with government policy of promoting technical and vocational education, three options have been offered by the Mauritius Examinations Syndicate since 1988: SC Academic, SC Business and SC Technical. The creation of the Management Trust Fund in 1990 provided a central point for the co-ordination and monitoring of technical and vocational education.

The Technical School (Management Trust Fund) Act of 1990 was set up with the objectives to:

- manage technical education centres operating under its responsibility;
- organize and run technical education courses at the centres;
- promote technical education;
- advise the minister on short- and long-term plans for technical education and on the need for appropriate research in the field of technical education.

The Management Trust Fund is currently organizing and running courses at the Lycée Sir Guy Forget, Lycée Droopnath Ramphul and various Basic secondary schools. Courses at the vocational education lycées are in automotive mechanics, mechanical production, electronics, building construction and programming and systems analysis and business administration. The three-year basic secondary schools provide basic literacy and numeracy programmes and an initiation in different trades to less able students after the terminal primary cycle.

The mission statement of the IVTB is:

“As the lead organization in the promotion and development of training, IVTB’s commitment is to ensure the provision of quality and value training at all levels, to meet the challenges of Mauritius within the global economy”.

Given the wide gap between the need for training and the facilities available for such training, IVTB has developed a three-pronged training strategy based on the following considerations:

- (i) promoting employer training through fiscal and financial incentives;
- (ii) setting up new training facilities, while ensuring that there is no duplication;
- (iii) facilitating private training institutions to respond more effectively to the needs for training, while ensuring an improvement in the quality of training provided.

The policy of the IVTB is largely influenced by the need to upgrade the quality of the workforce either through in-service or institutional training by encouraging the participation of private operators. Training institutions and trainers who satisfy the strict minimum standards set by the IVTB are registered for training. IVTB policy is also guided by the need to decentralize its services and increase their accessibility to the public. IVTB has recently introduced a training voucher scheme in order to provide for more equity in the system.

## *Chapter IV*

# Mozambique

## Ministry of Education

### **I. Background**

Mozambique is a Portuguese-speaking country situated in Southern Africa and has common borders with South Africa, Zimbabwe, Zambia, Malawi, Tanzania and Swaziland. Its population is estimated at about 16 million, with a GDP per capita of about US\$86.00.

#### **1. Education sector**

A combination of factors such as adverse world economic events, inappropriate economic policies and 16 years of war, has seriously affected the education sector and has caused a reduction of the gross enrolment rates (from 75.5 per cent in 1981 to 43.9 per cent in 1992). More than 50 per cent of the school network was destroyed during the war.

##### *1.1 National Education Policy*

At present, and according to the National Policy for Education adopted by the government in 1995, expansion as well as improving the quality of basic education (primary) are the top priorities of the education sector. This also includes training sufficient teachers to respond to the foreseen 'boom' of primary school children.

Technical and vocational education and training is another priority for the sector, as it has to address the increasing training needs (both quantitative and qualitative) of the economic sectors. In this connection a partnership between the government, the enterprises and workers (trade unions) has to be established and developed.

### **II. Organization of the technical and vocational education and training system**

#### **1. Institutional framework**

Responsibility for training qualified personnel is with two ministries, namely the Ministry of Education, which is responsible for initial long-term training for youngsters within the formal education system, and the Ministry of Labour, which is responsible for short-term training of adults who are already employed, or those seeking employment but who are outside the formal education system.

Other ministries are responsible for training personnel for specific posts, such as the Ministry of Health, which has under its administration several training institutions both for initial and in-service training.

## 2. Organization of the system

Technical education, which comes under the Ministry of Education, trains students in agriculture, industry and commerce at three levels:

- (a) *Elementary*: which includes arts and crafts schools as well as elementary agricultural schools. Trainees for these courses must have completed the 5th grade of primary education.
- (b) *Basic*: at this level students are trained in different trades and candidates must have completed the 7th grade of primary education.
- (c) *Medium(intermediate)*: prepares intermediate professionals for different sectors and candidates must have completed the 10th grade of education or equivalent (basic-level courses).

## 3. Major policies and objectives

Instead of expanding the technical schools network, the major policy for this sub-sector of the education system is to rationalize the existing capacity for technical education. The rehabilitation and re-equipping of schools is one of the main objectives to be achieved.

Curriculum development with the involvement of the employers and trade unions is considered to be one way of ensuring that training is directed towards addressing labour market needs.

## III. Financing of the system

### 1. Sources of financing

The state budget is the main source of financing both for technical education and vocational training, and is subject to rules for allocating financial resources to state institutions.

The priority given to social sectors, particularly to education, brought an increase of about 22 per cent in the state budget for education in 1995. About 8.8 per cent of total expenditures within the education sector, in 1995, was for technical education. For 1996, it is expected that about 6.6 per cent of the budget for education will be allocated to technical education. The apparent decrease in the budget for technical education is due to the fact that a considerable amount of the total budget for the sector will be used for recruiting more teachers for primary education.

It is important to note that, although an increase in the budget for education occurred, salaries are still the most important part of it, representing more than 70 per cent of the total amount.

Due to the limited capacity of the state budget to meet all education costs, donors are still covering a considerable part of the capital and recurrent costs of the sector. This includes donations as well as credits to the government. Sweden, Finland, Denmark, Portugal, the World Bank and other United Nations agencies (UNICEF, UNDP, WFP) are some of the most important sources of external funding for education.

Financing of training by the enterprises is insignificant, no mechanism existing for them to cover part of the training costs. Discussions are still taking place on how employers should share training costs with the state. The creation of a Training Fund is being considered, although problems may occur because industries consider that they are already paying high taxes to the government.

However, students themselves only pay symbolic training fees which merely cover about 0.3 per cent (medium-level schools) to 0.53 per cent (basic-level schools) of the unit training costs.

School production is considered to be one of the future sources of financing for technical education and schools are encouraged to undertake finance-generating activities to cover part of the training expenditures.

#### **IV. Partnership at the central level**

The institution of a tripartite forum involving the central government, employers and trade unions is under consideration. The objective is to have a counselling organism at the central level which will be responsible for designing the major policies for technical and vocational training, as well as giving advice to the government on issues related to manpower development.

#### **V. Functioning of the system at the institutional level**

Although co-operation between technical schools and the enterprises is desirable and is considered to be crucial, lack of initiative from those who are responsible for the management of the schools at local level, as well as the common understanding that training is an exclusive responsibility of the school, has made it difficult to establish this co-operation.

In order to change this situation, schools have been encouraged to start co-operation procedures with the enterprises and already some schools are succeeding in this objective.

Although not significant, because of the high cost of establishing a training institution, there are some private initiatives to establish private technical schools. Recognizing its limited capacity to address training needs, the government has opened to the private sector the possibility of establishing and running technical schools.

The Ministry of Education assists private schools in curriculum development and establishes rules to be followed in order to recognize the levels acquired in private technical schools.

#### **VI. Organizing and financing training for disadvantaged groups**

Women, demobilized soldiers, street children, rural populations, and informal-sector workers are considered to be among the disadvantaged groups.

To address the needs of the above-mentioned groups, training activities such as specific training for demobilized soldiers, which is organized by the Ministry of Labour, in co-operation with South Africa, Italy and Portugal, as well as the International Organization for Migration (IOM), have benefited about 8,000 former soldiers in the country.

Arts and crafts schools are being re-implanted in the rural areas in order to address specific needs for youngsters who have left school, giving them an opportunity to develop practical skills that allow them to perform a professional activity.

Girls and women are receiving particular attention in order to ensure that they enrol and stay in the education system and attend literacy classes.

## **VII. Conclusions**

Financing of technical and vocational education and training is one of the major problems faced by the Government of Mozambique. Viable alternatives to address this issue are being considered.

The introduction of real training fees seems to be one of the measures to be seriously considered and, in the medium term, a Training Fund must be created. The mechanisms must be carefully considered and discussed together with the employers and trade unions.

School production is considered to be one very possible alternative to cover part of the training costs.



## *Chapter V*

# Nigeria

## Federal Ministry of Education

### **1. Nigeria's socio-economic context**

Nigeria emerged in 1960 from over half a century of British colonial rule and is now a federation of 30 states with a federal Capital, Abuja. It has altogether 593 local governments. Its population is about 88.5 million. Nigeria's fast-growing agro-industrial sector tends towards a free-market economy, dominated by small- and medium-scale enterprises. However, it is largely a mono-export multi-import economy: petroleum crude oil constitutes about 90 per cent of its exports, and Nigeria maintains its position as the sixth largest world producer of petroleum crude oil.

### **2. The formal education system**

Nigeria operates a 6-3-3-4 access-dominant structure of formal education which implies six years of primary education, three years of junior secondary, three years of senior secondary, and four years of tertiary (university) education.

From 1992, a nine-year basic education scheme was introduced. In this scheme, every child is expected to complete junior secondary education for the purpose of acquiring basic life competencies – literacy, expression, numeracy, problem-solving and general technical versatility. For this purpose, therefore, the curricula at both primary and junior secondary levels are spirally designed, incorporating elements of general and vocational education in an increasing order of complexity, intensity and scope. The vocationalization of secondary education aims at 'educating' rather than 'training' an individual to perform needed skills in a vocational field in the employment market. At the same time, it makes for individual empowerment in respect of acquisition of life skills as well as national economic empowerment in respect of raising potential youths for future technological manpower development.

Junior secondary education provides only two options to further formal education: senior secondary school and technical college. The curricular at senior secondary level is both academic and vocational in design and is oriented to provide further general education and pre-exposure to professional studies, although without significant involvement in practical experience.

The specific function of Technical College is to train for vocational skills for direct employment. However, it is important to note that the technical college option is apparently insignificant in the general scheme of education by number of colleges and by enrolment. There are about 120 technical colleges nationwide, with an enrolment of about 48,000, while secondary schools number over 6,000, with an enrolment figure well over 4 million. That is, technical college education makes up less than 2 per cent of overall secondary education in Nigeria. This poor percentage apparently diminishes the significance of formal vocational education in the

competitive education market and means that the nation suffers economically, lacking the necessary skilled manpower for economic development, while the rate of youth unemployment rises, creating social problems. The federal government, in response to this situation, embarked on establishing more technical colleges as well as regulatory and promotional agencies to boost the strength of the training market.

Accurate statistics from training and employment markets are difficult to obtain due to the sheer size and complexity of the markets, particularly in the unorganized (informal sector) of the economy. However, the phenomenon of skilled labour demand is observable: skilled workers are scarce in the *unemployment market* statistics, as they are in either self- or paid employment. Employers require skilled labour but, since the output of good-quality workers from the formal training market is insufficient, employers tend to train their skilled labour in their in-plant schools. In addition, the informal sector of the economy accounts more for vocational training through traditional apprenticeship. In real terms, it could be said that the non-formal mode of vocational training in the organized and informal sectors of the economy, accounts more for the size and strength of the vocational training market in Nigeria.

### 3. Organization of the technical and vocational education system

In Nigeria, vocational education refers to the education of the skilled worker – the craftsman and artisan, while technical education refers to the education of the technician and technologist. These two forms of education are distinguished by their purposes, institutions, clientele and system of management. The institutions involved in manpower formation are hierarchically set in the education system as follows:

Table 1. Hierarchy of institutions involved in manpower formation

Education level	Institution type	Occupational manpower production role
Tertiary	University	Professionals (higher-level manpower)
	Polytechnics/Mono-technics/Colleges of education	Technologist/Technician (Middle-level manpower)
Secondary	Technical Colleges/Vocational centres	Craftsmen/Artisans (low-level manpower)
Primary	Primary schools	Basic education

The responsibilities for establishing, managing or controlling educational institutions, fall, by constitutional provision, on the three tiers of government – federal, state and local. However, at present, the federal government is not practically involved in establishing primary schools, but it participates in establishing secondary and tertiary institutions. Vocational training, unlike technical and professional training, is more a function of the organized and informal sectors of the economy and, as such, is not strictly under governmental control. The federal government, however, has two agencies for the control of standards in the organized vocational training market. These are: the National Board for Technical Education (NBTE), responsible for curriculum development, policy formulation and accreditation, and the National Business and Technical Examinations Board (NABTEB), responsible for examination and certification in the vocational education sector. The federal government established these quality control agencies in pursuit of its constitutional responsibility to establish and maintain the standard of formal

education at all levels. The federal government also established Industrial Development Centres (IDCs) to assist small and medium-scale industries in manpower development, and the Industrial Training Fund (ITF) to stimulate training function in the organized sector of the economy in general. Furthermore, in order to control the level of youth unemployment, the federal government also established the National Directorate of Employment (NDE), with responsibility for providing opportunities for skill formation and employment (self or hired) for the unemployed youth. In effect, the NDE stands for poverty alleviation through youth employment. In 1993, the NDE provided training opportunities for about 173,000 youth nationwide.

The Federal Ministry of Education, under the federal government, is the leading national agency for policy-making and control of education. The State Ministries of Education perform similar functions in their states. Some states have a separate or single-school Management Board as their agency to supervise the development and management of secondary schools and technical colleges. The National Board for Technical Education (NBTE) requires all states in the Federation to have a separate management board for their technical colleges. This is with a view to attracting adequate attention of government to the development and funding of technical colleges.

#### **4. Financing of vocational education and training in Nigeria**

For some years now, education has come to be rated second only to defence in government (public) spending. But how much of this spending goes into vocational education and training cannot be precisely determined, as there is no separate budget for vocational education and training as such. On account of this, accurate funding statistics are difficult to generate. Similarly, it is difficult to obtain accurate statistics on the funding of vocational education and training activities in the organized and informal sectors of the economy. But these two sectors constitute the major vocational training market, as already noted. It is important to note that national spending on vocational education and training is not a function of ministries of education only, a good number of other ministries and their agencies are also involved, but without the control of federal or state ministries of education. Even in the ministries of education, the programme budgeting system in use does not allow fine distinctions between sub-sectors, except where agencies like school boards or other parastatals are involved. However, the sources of financing vocational education and training are definite, namely: state budget, donations, external aid, foreign loans, education tax, user fees and training contracting in the traditional apprenticeship scheme. Where a vocational training activity takes place outside the public education system, both the provider and the user invariably pay for it.

The implication of the foregoing is that governments in the Federation fund formal vocational education and training as an integral part of their entire education funding, but non-formal vocational training is funded in a variety of ways by its proprietors. That is, the various forms of education do not have distinct budgets except where parastatals are involved in government budgeting.

The federal government funds industrial training in particular through the mechanisms of the Industrial Training Fund (ITF). The three categories of training activities in the ITF operations are:

- (i) in-plant training whereby contributing employers are reimbursed 60 per cent of the 12 per cent of payroll imposed as training levy for every employer having a minimum of 25 employees;

- (ii) students industrial work experience scheme (SIWES) for technology education students in tertiary institutions; and
- (iii) training organized by the ITF itself.

The federal government directly funds the students industrial work experience scheme (SIWES). For instance, in 1992, 109 tertiary institutions, with 39,987 students, participated in the scheme, in which the ITF paid out a total of N7,840,440.00 in allowances to students. In the same year, ITF collected total revenue of N74,148,997.00 from 2,148 registered employers, numbering approximately 3,640. Altogether, about 120 employers have in-plant training schools. Both the Industrial Training Fund and Industrial Development Centres are under the supervision of the Federal Ministry of Industries, while the National Directorate of Employment is under the supervision of the Federal Ministry of Labour.

## **5. Partnership at the central level**

As already highlighted, the Federal Ministry of Education is the lead agency of the federal government for policy formulation and policy implementation supervision and control in respect of formal vocational education and training. It carries out much of its activities through the mandates of the National Council on Education, which comprises the Federal Minister of Education and the State Commissioners for Education, as well as allied national agencies and professional associations. Various forms of foreign partnerships, principally through loans, are encouraged in vocational education at the state level, in which the Federal Ministry of Education has no control in accordance with the constitutional status of education. Partnership with non-governmental organizations and private individuals in establishing and running vocational training institutions are allowed and indeed actively encouraged, by governments in the Federation, leaving them with a free hand to run their institutions as enterprises in the free market economy. However, where such enterprises desire to participate in the national examination and certification scheme, they must necessarily conform to the standards set by both the National Board for Technical Education (NBTE) for accreditation, and the National Business and Technical Examinations Board (NABTEB), for examination and certification. The resultant effect of the freedom in the non-formal sector is that vocational training thrives more in this sector and constitutes the greater part of the total opportunities available for skill training. Funding partnership exists between large industries and some training institutions on a rather ad hoc basis.

## **6. The mode of operation of vocational training institutions**

Formal vocational training institutions belong invariably to government and operate as units of the ministries of education under government bureaucratic procedures. Such institutions therefore entertain no profit motive: they keep their operations within budgetary provisions. For private and in-plant training institutions, their autonomy and operation are as their proprietors allow. However, in-plant institutions tend to be exclusive and non-profit making, being set up as training units for the industry or group of industries that need the training for survival. Private institutions are by nature entrepreneurial, but operate within the boundaries of business ethics. For government institutions, co-operative education is not a well-established practice. There is scarcely operational linkage between industry and the institutions, for the simple reason that formal institutions do not train strictly to satisfy the special needs of particular industries or group of industries.

## **7. Vocational training for the disadvantaged group**

The definable disadvantaged group in Nigeria is the physically handicapped. Government and non-governmental organizations recognize this and have special vocational training schools for the physically handicapped. There are special vocational schools for the blind and the deformed; the deaf are admitted into normal schools where provision is made for the use of sign language. As a matter of policy, both the federal and state governments make provisions for the physically handicapped under their special education policy. Equal opportunities and indeed egalitarianism abound in the Nigerian education system. Women are actively encouraged to participate in all types of vocational training. Indeed, the federal government has one technical college for girls only; there is no such provision for boys.

## **8. Conclusion**

There is no doubt that Nigeria is making significant progress in the provision of vocational education and training. However, much still remains to be done. The historical discriminatory influence of liberal education against vocational education is still a problem to contend with. Moreover, because of the comparatively high cost of vocational training, governments in the Federation find it difficult to greatly expand the scope of formal vocational education and training. The weakness of public vocational education and training also weakens organized private sector intervention. This is the current area of concern and within the foreseeable future, much progress should be made to expand the scope of government intervention in the organization and control of the formal vocational education and training system.

What would need to be more regularized and encouraged in the future by governments in the Federation would be non-formal public vocational training and traditional apprenticeships. Plans are already under way to popularize and inject quality into these sectors. This is essential, as the two aspects of training constitute the foundation for grass-roots stimulation of the economy. Already trade guilds and associations are being encouraged for this purpose.

There is hope for the future of vocational education and training in Nigeria, as a national economic imperative.

## *Chapter VI*

# South Africa

Country report prepared by the Department of Labour

### **1. Background**

South Africa is a country in political and economic transition. This transition is impacting on all areas of life in the country. Hope and optimism swept through the country on 27 April 1994, following the country's first democratic elections. But this hope has to be seen against the legacy of economic crisis, poverty and racial discrimination which was inherited from the past and continues to characterize the society.

The society is also characterized by a high degree of political and civil society organization evidenced in the extent of trade unionism, employer organization, women's groups, as well as political groupings from the fascist right through liberalism to African nationalism and communism.

The Government of National Unity, formed under the leadership of President Nelson Mandela, was faced with the challenge of bridging these divides. The government adopted the Reconstruction and Development Programme (RDP) which set broad parameters for a new social consensus. The RDP has recently been updated into the Growth and Development Strategy, which seeks to translate the broad objectives of poverty alleviation and economic growth into co-ordinated and implementable programmes with measurable targets and time-frames. The Growth and Development Strategy has organized these programmes under six broad headings: employment, investing in people, infrastructure, reducing crime, social security, and democratic governance.

All flavours of political and economic opinion agree that 'Investing in People' is an absolute priority. Indeed it is one of the few issues around which there is such agreement. This represents a commitment to raising the competence of the society to deal with the problems it faces. These problems include an African adult illiteracy rate in the order of 60 per cent and an overall unemployment rate of 33 per cent, of whom a majority are African. Fifty per cent of all economically active African women and 41 per cent of economically active African males are unemployed. The young and those living in rural areas are the worst affected.

The estimated size of the population in October 1995 was 40.6 million.

#### *1.1 Socio-economic context*

The backbone of South Africa's economy has traditionally been the gold mining industry, funded principally by Anglo-American interests. The country's labour market policies were developed specifically to support this industry. From the 1920s manufacturing began to develop around the mining industry.

Large state parastatals were established to provide steel and electricity as well as services such as posts and telecommunications. These parastatals became instruments for labour market policy – including trade training opportunities for ‘poor whites’.

Economic growth during the 1960s led to a standard of living for whites which was amongst the highest in the world. Increasing political, and later economic isolation caused the state to invest increasingly heavily in strategic industries such as oil-from-coal and armaments. Increasing support for large, capital-intensive projects skewed the economy away from labour-absorbing activities. This resulted in an extremely low level of labour absorption, during the period 1991 to 1993 there was a net loss of jobs in the society, while the level of new entrants grew significantly.

The combination of commodity export dependency, high tariffs and high levels of capital intensity – associated with low labour absorption and high unemployment – were the central features of the South African economy inherited by the new government. Interwoven throughout this economic fabric were racial and gender inequalities, which has meant poverty is principally a black phenomenon.

### *1.2 Education profile*

Inferior education for black South Africans has taken a heavy toll. It is estimated that approximately 60 per cent of black adults are illiterate. The education system is still characterized by poor quality, limited accessibility and inequality. The cycle of overcrowding, repetition rates and ultimately of students dropping out of the system due to poor learning conditions, lack of economic resources and shortages of staff have been identified by government as key priorities.

Table 1. Education level of the population aged 20 years or older

None	13%
Grade 1 - Std 1 (3 years)	4%
Standard 2 (year 4)	4%
Standard 3 (year 5)	5%
Standard 4 (year 6)	6%
Standard 5 (year 7)	8%
Standard 6 (year 8)	7%
Standard 7 (year 9)	7%
Standard 8 (year 10)	12%
Standard 9 (year 11)	7%
Standard 10 (year 12)	18%
Diploma lower than Std 10	5%
Diploma higher than Std 10	1%
Degree	3%

Source: Central Statistical Service, Planning Growth and Development in South Africa, February 1996.

The Interim Constitution has given the governance of schooling to the provincial authorities. It has given to national government policy, norms and standards for the system as a whole, and governance of the universities, technikons (technician training institutions) and technical colleges (institutions which give vocational programmes equivalent to years 10 to 15 of the education system). New legislation has been proposed, the Education and Training Policy Bill, which has been contested by the minority political parties on the ground that it gives too much authority to the national Minister of Education. The issue is still under review. The bulk of state revenues to education are transferred to the provincial governments.

### *1.3 Labour market*

The size of the economically active population (EAP) (those available for work including both the employed and the unemployed) is approximately 14.6 million people (35 per cent of the total population).

There have been shifts, but the broad picture of black poverty and white privilege remain. By far the most serious problem in the South African labour market is unemployment. Levels have risen steadily during the 1970s and 1980s, and today are estimated to be 32 per cent of the economically active population – the majority of whom are young and black. Survival for the majority of the unemployed necessitates some form of informal sector activity.

## **2. Organization of the technical and vocational education and training system**

In terms of the Growth and Development Strategy, all government departments have been directed to realign their priorities and allocation of resources to address the new economic and social priorities of the country. This focus is expected to be embedded in all programmes. Addressing poverty and groups in special need are at the heart of this new alignment and is not an afterthought. Issues of affirmative action and capacity building are seen now to be central to all government work – internally as well as externally. A policy lever which is being pulled widely is that of procurement as an inducement to the private sector to meet equity targets as part of their tender.

### *2.1 Key government departments*

#### *2.1.1 Department of Labour*

The Department of Labour is involved with vocational education and training through its Chief Directorate: Human Resources Development and Careers Services – responsible for administering the Manpower Training Act of 1981 and the Guidance and Placement Act, also of 1981.

In terms of the *Manpower Training Act*, the Department of Labour was historically responsible for selection and registration of apprentices and artisans and supervision over their training. These functions have been taken over by Industry Training Boards, following an amendment to the Manpower Training Act in 1990. It is a source of concern that the number of trainees and apprentices enrolled for artisan training declined from 37,000 in 1982 to about 22,200 in 1994.



In addition, the Department sponsored training of unemployed persons by private sector employers and training centres. At present there are:

- Nine autonomous Regional Training Centres with about 62 satellite campuses and about 165 mobile centres. Each centre has an independent governing body. In 1995 a total of 26,506 were trained by regional training centres.
- Private training centres and training centres established by employers number some 1,417. The Department contracts with such organizations to provide certain skills training for the unemployed. These have historically been short courses with limited follow-up support or placement rates. In 1995 a total of 131,790 people were trained under this scheme.

In terms of the *Guidance and Placement Act*, a free careers counselling service was made available to all South African citizens over the age of 15 years. Historically this was mainly used by the white middle-class. However, innovative strategies for community-based careers counselling and life skills programmes have been developed from 1992 onwards and have increased the number of clients reached from approximately 15,000-20,000 per annum in 1990 to around 80,000-90,000 in 1995. African youth now form a majority of these clients. Persons under 16 years of age are regarded to be the responsibility of the Department of Education as far as careers guidance is concerned.

The Department of Labour has recently begun a process of consultation with industry training boards and government departments which aims to result in new HRD legislation in 1997 – to replace both the Manpower Training Act as well as the Guidance and Placement Act.

### 2.1.2 Department of Education

The National Department of Education is responsible for national policy setting. However, actual implementation and provision of education at school level falls under provincial education departments. As in the past, technical colleges, technikons and universities fall directly under the national department, but have parastatal autonomy.

A central function of the National Department of Education has been syllabus design and curriculum development. Work is under way on the curriculum for vocationally oriented theory subjects – including inputs from industry. However, the process continues to be driven by the Education Department.

Table 2. Number of education and training institutions and the number of students/pupils enrolled for 1994

Institution	Number of institutions	Total students/pupils
Technical college	124	65,477
Teacher training college	105	78,190
Pre-primary schools	3,060	286,663
Primary schools	20,428	7,971,770
Secondary schools	5,745	3,523,594
Special education		47,079
Other education		2,960

*Schools.* These offer mainly academic programmes. However, a handful of schools do offer technical training which includes practical workshop work in fields such as woodwork, metalwork, electrical and electronics, motor mechanics and, lately, even bricklaying and plastering. Although few and far between, there are also agricultural schools which offer practical training in, for example, animal husbandry and crop science. Currently the greatest area of concern is the lack of quality mathematics and science teaching across the system. The Education Department has initiated a special programme, SYSTEM, to address this problem.

*Technical colleges.* There are 124 colleges nationwide, providing courses principally to young learners at a senior secondary school or post-school level. Traditionally they have provided the theory component of trade training, although they have moved towards more commercial courses in recent years.

*Technikons.* The 15 technikons countrywide provide vocational training in technical, commercial, arts and general humanities fields at a tertiary level. Many courses, especially those in the technical and scientific fields, are structured so that only the theoretical part is done at the technikon, while there is also a compulsory practical component which must be done with an employer. Technikon student numbers are still far below those of universities, despite years of advocacy of the importance of technical training.

*Universities.* Although graduates in the general humanities still vastly outnumber those in professional/vocational fields such as law, engineering, accountancy, nursing and social work, there is a move towards more applied teaching. In South Africa, the distance education institutions, especially at university level, play an immensely important role in making quality education available to all. Enrolment figures at the open university Unisa, for example, have increased from around 80,000 in 1985 to around 135,000 in 1995 (approximately half the country's total university population and around half of these students are African and more than half, women).

### 2.1.3 Department of Arts, Culture, Science and Technology

This Department is concerned mainly with government support of such parastatal research institutes as the Council for Scientific and Industrial Research (CSIR), the Human Sciences Research Council (HSRC) as well as the Foundation for Research Development (FRD) which is concerned with support of basic research in the natural sciences through bursaries, scholarships and commissioned research. All of these institutions have in the past focused on providing a service to large companies, but in future will be encouraged by public policy to support small and emerging concerns. On the arts and culture side it supports the parastatal performing arts councils of the various provinces and supports training within these organizations.

### 2.1.4 Other departments

Other government departments, such as Health, Agriculture, Transport, Public Works and the like, provide in-service training to their own staff in their particular field of functioning. They are also, increasingly, providing education and training to the communities they serve as part of service delivery. In terms of the Reconstruction and Development Programme, communities need to be involved in the installation of infrastructure as well as in the planning of service delivery. Wherever possible local labour is to be used for these programmes. This has resulted in a somewhat unco-ordinated array of programmes, frequently provided by non-government organizations. The Department of Labour is attempting to facilitate a process of discussion to effect economies of scale, quality and efficiency.

## *2.2 Private and public partnerships*

The new Government of National Unity has identified the lack of public and private sector linkages as a major drawback to effective governance and has taken concrete steps towards establishing new partnerships and more integrated policy-making and implementation. For this purpose certain national initiatives have been started, including the following:

### *2.2.1 National Economic, Development and Labour Council (NEDLAC)*

All legislative changes which impact on the labour market are constitutionally bound to pass through a multi-partite forum which is empowered to recommend changes to the responsible minister before the legislation is tabled to Parliament. The year of 1995 saw this Council cut its teeth on the new Labour Relations Act proposed by the Minister of Labour. The new legislation heralds in an era of social democratic labour relations in the form of workplace consultation forums and industry-wide statutory and bargaining councils. NEDLAC is essentially a mechanism of 'transparent lobbying of government' by powerful interest groups such as employers and trade unionists.

### *2.2.2 Comprehensive Labour Market Commission*

The President has appointed the Comprehensive Labour Market Commission to investigate appropriate policy for labour market regulation. The Commission consists of members drawn from organized business and labour as well as independent university-based specialists. It is due to report in June 1996. The terms of reference for the Commission include the possibility of a country-wide accord between government, business and labour, wage setting, minimum standards, employment equity and labour migration. It will include a section on the interface of education and training with macroeconomic, industry and other labour market policies.

### *2.2.3 South African Qualifications Authority (SAQA)*

The Ministers of Labour and Education jointly steered the SAQA Act through parliament. This Act established a Board consisting of about 30 educationists and training specialists responsible for establishing the National Qualification Framework (NQF). The framework was designed through a multi-partite process which aimed to essentially address three key problems: quality of learning, access to learning from any entry point, and recognition of learning acquired across a wide range of contexts.

The NQF was a qualification framework based on an outcomes-based approach to learning. It was envisaged that learners would earn credits and qualifications at 11 nationally identified levels. It represented an integrated approach to education and training, and it aimed to facilitate more flexible combinations of credits to meet economic, social and individual needs. The framework was designed to facilitate easy access to learning in that learners would enter at their current level and pathways would be available to progress further up and across the levels. This would facilitate movement, with credit, across previously divided institutions. It was hoped that the SAQA Board would be in place by April 1996.

Table 3. National qualification framework

Higher education and training	
Level 8	Doctorates and Further Research degrees
Level 7	Higher degrees and professional qualifications
Level 6	First degrees and Higher diplomas
Level 5	Diplomas, Occupational certificates
Further education and training	
Level 4	School, college, training certificates (mix of units from all)
Level 3	School, college, training certificates (mix of units from all)
Level 2	School, college, training certificates (mix of units from all)
General education and training	
<i>Achieved through schooling by children</i>	<i>Achieved through context-linked learning by adults = Adult Basic Education and Training (ABET)</i>
Senior phase	ABET 4
Intermediate phase	ABET 3
Foundation phase	ABET 2
Pre-school	ABET 1

#### 2.2.4 National Training Board (NTB)

Social consensus seeking in the training world has taken place under the umbrella of the NTB, a research and advisory body accountable to the Minister of Labour. Its members include employers, trade unionists, state representatives, members from civil society as well as the providers of education and training. In the years immediately before the democratic elections, the NTB was a site of intense negotiation between employers, trade unionists and state representatives. This process resulted in a consensus report being published in April 1994, entitled the *National Training Strategy Initiative*. This report laid the basis for the NQF and for broad propositions regarding labour market training.

Arising from the publication of the initial report a number of further research and pilot projects have been launched. These include:

- Development work on the role and function of Education, training and development practitioners. This major study hopes to develop a set of descriptions of learning outcomes for these educators and trainers which can be registered on the NQF.
- Pilot projects on the setting of standards in a range of industries including engineering and manufacturing, information technology, hospitality and tourism, transport as well as managerial and supervisory competencies to be described across sectors.
- Research into the financing of training (described in more detail in the Department of Labour Special Country report.

### *2.2.5 Industry Training Boards*

Following amendments to the Manpower Training Act in 1990, the Department of Labour was empowered to register industry-based bi-partite bodies to govern training in their industries. In general these bodies, known as Industry Training Boards, have focused on apprenticeships.

Table 4 lists the industry training boards currently registered, or about to be registered with the Department. Production and service-sector workers have traditionally been neglected by industry training boards, as have people employed in smaller companies and the public sector. About one in ten workers are currently covered by ITBs. Development work linked to the National Qualification Framework has begun to set standards for learning in previously neglected areas. Discussions on the restructuring and extension of industry training boards to meet these new challenges are currently underway under the auspices of the Department of Labour and NEDLAC.

## **3. Financing of the system**

### *3.1 Sources of financing*

#### *3.1.1 State budget*

##### *3.1.1.1 Through the allocation to the Education Department*

Wednesday, 13 March 1996, was budget day. The Education Department was allocated R35 billion, which represents approximately 22 per cent of the budget. Almost R30 billion of the R35.5 billion allocation goes to provinces for schools and technical colleges. The remaining R5.5 billion will go to subsidies and infrastructure support to universities and technikons. This is an overall increase of 9.42 per cent over last year's allocation. The overall sum includes an amount of R160 million for the development of youth or community colleges. A further R1 billion will be transferred from the RDP fund to address the backlog in school classrooms. Adult basic education was allocated R2.5 million.

##### *3.1.1.2 Through the allocation to the Department of Labour*

An amount of approximately R100 million is allocated to the Department of Labour for training of unemployed people. Additional funds allocated maintain the career guidance and placement services.

##### *3.1.1.3 Through the Department of Trade and Industry*

Discussion is underway in Cabinet regarding the use of funds previously allocated to the General Export Incentive Scheme (GEIS), which assisted companies to penetrate export markets. It is being proposed that these funds be re-allocated to supply side measures including training of workers in these industries. Further allocations have been made to provide support to small, micro, and medium-sized enterprises – again including training.

Table 4. List of Industry Training Boards currently or soon to be registered with the Department of Labour

Industry Training Boards
Agriculture: • Maritime ITB (Fishing section) • Dairy ITB • Grain Co-operative Industry
Mining and Engineering Trade Training Board
Chemical Industry Training Board
• Metal and Engineering Industries E&TB • Auto Manufacturing Industry E&TB • Plastics Industry Training Board* • Sugar Mill and IATB • Motor ITB • Electrical contractors ITB* • Local government artisan ITB • Tyre and Rubber industry**
• Carbonated soft drink ITB
• Textile ITB • Footwear ITB • Clothing ITB
• Local government ITB (e.g. Councillors)
- Security officers industry**
Printing, newspaper and packaging ITB*
Hospitality Industry Training Board*
Transnet Training Board Road transportation ITB** Aerospace ITB Maritime ITB
• Financial institutions and services of ABSA Bank Ltd.**
Retail (under discussion)
Information technology ITB
Building ITB Civil engineering ITB Furniture ITB Timber construction industry**
Eskom and Allied ITB Power construction industry**
Water (investigations have taken place)
Jewellers and goldsmiths
Hairdressing

\* Indicates minimal coverage of scope.

\*\* Indicates not, or not yet, registered with the Department of Labour.

#### *3.1.1.4 Through other government departments*

Allocations have been made to other government departments to enable them to address capacity building of their staff and the communities they draw on – such as the Public Works Department – for job creation and learning schemes. Defence, Correctional Services, Health, and Agriculture are others which are given allocations.

#### *3.1.2 Fees and user charges for full-time learning*

Fees are charged at most institutions beyond basic schooling. The fees vary according to market requirements. In general, fees at tertiary institutions range from R20,000 at universities to about R12,000 at technikons. Technical college fees are generally lower.

#### *3.1.3 Private-sector training*

##### *3.1.3.1 Levy/grant system*

Industry training boards are entitled, under the Manpower Training Act, to levy companies in their industries. The levies charged in practice vary a great deal and support a wide range of different activities. The levy system is currently under review, and the process of review is described in the special country report.

##### *3.1.3.2 Private sector expenditure*

There is an enormous range across industries of the amount invested in human resources development. There is currently no reliable information about these levels, the issue is discussed in the special country report. The average figure is probably less than 1 per cent of the payroll.

## **4. Functioning of the system at the institution level**

South Africa is addressed more extensively in the special country report. But in summary there are widespread discontinuities between the labour market and the provider market, evidenced by poor placement rates and skill shortages in identified areas. There is also a lack of systematic information about the labour market which makes responsiveness particularly difficult for many providers. Fundamental restructuring of the funding and governance system is needed to rectify this failure.

## **5. Conclusion**

The South African vocational education and training system has strengths and weaknesses which are currently the focus of multi-partite review. The government of national unity has identified Investing in People as one of six major priorities for the country – a commitment recently evidenced by the increase of the percentage of the budget allocated to education. However, the vocational education and training system remains the ‘Cinderella’ of the system and fundamental restructuring is required to turn this around. There is a need to remedy the narrow coverage of the vocational or career-oriented system and extend it to meet the individual, economic and social needs of all.

## *Chapter VII*

# Tanzania

## Vocational Education and Training Authority

### **1. Background**

#### *1.1 Socio-economic context*

Tanzania is a republic on the east coast of Africa, a few degrees south of the equator. It attained its independence on 9 December 1961, within the British Commonwealth of Nations, and declared complete independence with republic status in 1962. In 1964, Tanganyika united with the newly formed People's Republic of Zanzibar, an island off the coast of Tanzania Mainland in the Indian Ocean, to form the United Republic of Tanzania.

Tanzania has a surface area of 883,460 square kilometres. It has a population of approximately 25 million, with 80 per cent living in rural areas. It has a population growth rate of 2.8 per cent per year and a fertility rate of 6.5 per cent. About 47 per cent of the population is in the age band of 1-14 years, and approximately 51 per cent of the total population is female.

#### *1.2 The education sector*

##### *1.2.1 Level of development*

For education to be a key for social and economic growth, it must be relevant to the vision of a country and to the global vision. Tanzania, as it moves towards the twenty-first century, is experiencing the inability of the formal sector to generate sufficient wage employment to cater for the growth of the labour force. The shrinking of employment opportunities in the public sector implies that a large number of youth will have to look for employment in the private and informal sector. At present, the state is responsible for promoting entrepreneurship by creating and enabling an economic and social environment capable of sustaining a dynamic and expanding private-sector base.

There is in Tanzania a dramatic shift of the labour market brought about by government liberalization policies. These policies have three implications for the development of the education system in Tanzania:

- education must be designed to meet the demand of an open, dynamic private sector for workers who can readily acquire new skills;
- at tertiary and higher levels, education must be adjusted to produce graduates who are employment creators rather than employment seekers;
- basic education has to improve the quality of basic competencies, stressing science and technology.



### *1.2.2 Structure of the system*

Three ministries are responsible for the management of formal education in Tanzania:

- (i) The Prime Minister's Office (PMO), through the Department of Regional Planning and Local Government, is responsible for the establishment and management of primary schools. Specifically, the PMO is accountable for:
  - planning the expansion of primary education;
  - construction and maintenance of school buildings;
  - teachers' salaries and emoluments;
  - procurement and supply of instructional materials.
- (ii) The Ministry of Education and Culture is responsible for the provision of primary education programmes, curriculum development, development of instructional materials, teacher training, examination and certification, and monitoring the implementation of education programmes.
- (iii) The Ministry of Science, Technology and Higher Education, an offspring of the Ministry of Education and Culture, was established in November 1990. This Ministry is responsible for management and administration of technical colleges, the University of Dar es Salaam, Sokoine University of Agriculture, and the Open University of Tanzania. The Ministry is responsible for:
  - promotion of science, technology and higher education;
  - progressive development of institutions devoted to the provision of science, technology and higher education in the country;
  - ensuring adequate supply of human resources for promotion of science technology and higher education.

The education system is characterized by a 2-7-4-2-3+ year structure. This structure has two years of pre-primary school education, which has recently been formalized under the new Education and Training Policy. The formalized education structure currently in existence is detailed below.

- (a) *Pre-primary education.* While pre-school education exists for children up to the age of six years, it is predominantly an urban service. It is of variable duration and is provided through nursery, day-care centres and kindergarten. Pre-primary education for five-six year-olds has been formalized and integrated into the formal school system.
- (b) *Primary education.* Primary education lasts for seven years. The primary school begins with Standard 1 at the age of seven years on entry, and ends with Standard 7 in the final year.
- (c) *Secondary education.* Secondary education consists of two sequential cycles. The first cycle is four-year Ordinary-level (O-level) secondary education, while the second cycle

is a two-year programme of Advanced-level (A-level) secondary education. The O-level secondary education begins in Form I and ends with Form IV, while the A-level encompasses Forms V and VI.

- (d) *Tertiary and higher education.* This is the third level of education after secondary education. Tertiary and higher education offers academic and professional training and awards certificates, diplomas and degrees. Tertiary institutions train, prepare and produce middle-level professional staff, while higher education institutions produce high-level human resources.

### 1.2.3 Major issues

(i) *Primary education*

Primary education has been compulsory since 1977, when educational authorities, teachers and parents were mobilized to implement the Musoma Resolution on Universal Primary Education (UPE). During the implementation of UPE, expansion of primary education was reflected in terms of construction of new schools and extension of existing ones. Enrolment increased from 486,478 in 1961 to 3,732,942 by 1993. Out of 363,404 primary school leavers, only 13 per cent find places in secondary schools, because secondary education has remained comparatively small since independence in 1961.

(ii) *Secondary education*

The main issue facing secondary education in Tanzania is *access*. The needs of the public workforce determined the expansion rates of this level of education. The manpower-led policy constrained enrolment rates and, for this reason, secondary education in Tanzania has been limited. From the early 1980s, there has been a massive expansion of private secondary schools, known as non-government secondary schools.

In spite of these private efforts, secondary education is still extremely inadequate: the government has to resolve the challenge of expanding secondary education to increase the middle-manpower requirements in the public, private and informal sectors of the economy.

(iii) *Tertiary education*

In comparison with the rate of student enrolment at primary and secondary education levels, and in comparison with the level of popular participation in formal education in other countries, the higher education sub-sector in Tanzania lags far behind. Out of about 400,000 primary school leavers, only about 15 per cent manage to enter into secondary school Form I; out of this cohort 0.7 per cent enter into secondary advanced-level Form V, only about 0.24 per cent make it to university and some 0.3 per cent get into tertiary institutions. This is clearly too steep an educational pyramid to allow the nation to produce the 'critical mass' of trained manpower it requires for a take-off into self-sustaining development.

#### *1.2.4 Current strategy*

Without short-, medium- and long-term strategies for the development and revitalization of the education system in Tanzania, there would be a great risk that the current critical situation discussed above will further deteriorate. Therefore, the future framework for re-directing the education system includes the following priorities and strategies which have been adopted by the Government of Tanzania:

- (i) quality improvement of education;
- (ii) expansion of education – across the board;
- (iii) access to basic education available to all;
- (iv) promotion of science and technology through intensification of technical and vocational education;
- (v) decentralization of the education system;
- (vi) cost sharing in the financing of education.

#### *1.2.5 Labour market issues*

##### *(a) Profile of the labour force*

The population growth rate in Tanzania has been high. For over a decade, until the early 1990s, the growth rate was around 3 per cent per annum, and the current population has reached around 27 million. The population growth rate has led to a skewed distribution of population – children under 15 years constitute about 50 per cent of the country's population.

The working-age population (15-64 years) has been growing at about 3.5 per cent per annum for over a decade and is estimated to be around 14 million at present.

The level of education in the labour force is extremely low – overall 30 per cent of the labour force is uneducated (of whom 40 per cent are women). Less than 5 per cent of the labour force are educated above the primary level. As would be expected, the level of educational attainment is significantly higher in urban areas (14 per cent with at least some secondary education) than in rural areas (1 per cent with some secondary education).

Tanzania is a highly rural country – less than 20 per cent of the population resides in cities and other urban areas. However, due to poor rural employment opportunities and low and seasonally fluctuating agricultural income, rural-urban migration has been increasing. Between 1978 and 1988, the proportion of the working-age population living in urban areas increased from 16 per cent to 21 per cent. Although more recent data are not available, the proportion of the working-age population in urban areas can only have increased since.

If current trends continue, the labour force is expected to reach about 12 million by the turn of the century, with anywhere between 400,000 and 500,000 new entrants expected to join the labour force annually. Simultaneously, the proportion of the labour force residing in urban areas is expected to reach about 30 per cent.

##### *(b) Foreseen trends*

According to the 1991 Labour Force Survey data, unemployment is fairly low (3.6 per cent). These figures are believed to be gross underestimates of the true level of unemployment as the definition of employment is quite liberal. Using a stricter definition of employment,

unemployment is believed to be around 10.5 per cent, a more believable figure. Unemployment rates are much higher among women (12.3 per cent), in urban areas (16.1 per cent) and among youth (16.4 per cent). Among the 15-19 year-old youth, unemployment rates are close to 40 per cent for both men and women in urban areas. The unemployment rate among urban women (24 per cent) is far higher than that among urban men (10 per cent).

Unemployment rates are fairly steady for individuals with lower levels of education – varying between 9 per cent and 11.5 per cent – but decrease sharply for secondary or university graduates. The 1990/91 labour force survey data show unemployment rates of 1.7 per cent and 0 per cent for secondary and tertiary graduates respectively. Similarly, unemployment rates of individuals who have acquired some form of training – either on the job or vocational – are negligible. These are a reflection of the previous policies of the government, according to which graduates from higher education and training institutions were directly hired into the public sector. This policy has now been stopped by the government. Not surprisingly, recent figures published by the government (New Employment Policy 1995) indicate that unemployment is a growing problem in Tanzania. According to this document, in 1993/94 the unemployment rate was around 13 per cent.

The duration of unemployment is also a significant problem. In 1990-91, 36 per cent of all unemployed reported an unemployment duration of more than a year, while 23 per cent reported unemployment durations of more than two years. The duration of unemployment is far worse in urban areas – 60 per cent of the unemployed having been without work for at least a year and 40 per cent for at least two years. Prolonged unemployment is also a significant problem for youth – 25 per cent of those unemployed between the ages of 15-29 had been out of work for more than two years, whereas the comparable figure for individuals in the 40-64 age group was less than 10 per cent.

As stated above, civil service reforms currently being undertaken by the government, which has led to retrenchment of civil servants as well as a sharp decline in new intake, is also likely to exacerbate the problem of unemployment in the short run.

## **2. Organization of technical education and vocational training**

### *2.1 Organization of the system*

Vocational training institutions that train for the national labour market fall into two main categories:

- (a) *Vocational training centres*, operated by the Vocational Training Authority (under the Ministry of Labour) consisting of 19 centres with an annual enrolment of 4,000 students in 34 trades. The VTCs constitute the government's main instrument for training skilled workers and craftsmen.
- (b) *Non-governmental institutions* (Church trade schools and private vocational training centres) consisting of 102 training institutions with an enrolment of 22,600 trainees per year.

The Vocational Education and Training Authority is the co-ordinating body in matters pertaining to policy formulation and implementation.

Technical education falls under the Ministry of Science, Technology and Higher Education. There are three technical colleges, with a combined capacity for the training of 800 technicians per year. There are also six technical secondary schools under the Ministry of Education and Culture, the graduates of which form the nucleus of the intake of the technical colleges. A National Council for Technical Education is in the process of being formed and will act as a co-ordinating body for technical education, particularly in matters related to programme validation, college accreditation, standardization of programmes, awards and the conducting of research.

## *2.2 Major policies: The 1994 Vocational Education and Training Act*

Recent evaluations made of the Vocational Education and Training System revealed that it has been underfunded and needs focusing towards labour market requirements. These shortcomings triggered off the process of creating a new legal framework for vocational education and training, leading to a new Act which was passed by Parliament in 1994, replacing the 1974 Vocational Training Act. The new Act has resulted from a protracted policy development exercise and comes at the end of a 20-year period of growth, during which many problems have been faced and much experience gained. It seeks to make further and better provisions for the regulation of vocational education and training through new legislative provisions, as well as through changes in the structure and administrative style. Central to the Act is the establishment of an autonomous Vocational Education and Training Authority (VETA) financed through a training payroll levy and supervised by a Vocational Education and Training Board. In order to implement the main provisions of the new Act, new institutional arrangements are being put in place, as summarized below.

### *(a) Vocational Education and Training Board*

The new Board replaces the old National Vocational Training Council and has wider terms of reference than the Council. It is composed of 11 members, one of whom is the Chairman, appointed by the President. The other 10 members are appointed by the Minister upon being nominated by their respective organization (employers' association, trade unions, non-governmental organizations and government ministries). The Board is primarily responsible for the performance of the functions and management of the affairs of the Vocational Education and Training Authority, to develop policies on vocational education and training and to supervise their implementation at a national level.

### *(b) Vocational Education and Training Authority (VETA)*

VETA has replaced the old National Vocational Training Division (NVTD) and has assumed day-to-day operational responsibility for the strategic aspects of training provision. A Director-General, appointed by the Board, is the Chief Executive of the authority as well as Secretary to the Board. The strategic aspects of VETA's responsibility include quality control of training provision, development of budget norms, criteria for funds allocation, labour market monitoring as well as gearing training towards meeting the needs of both formal and informal sectors of the economy.

### *(c) The fund*

The fund (into which the 2 per cent payroll levy is paid) has been established and will be used to finance activities of the National Board, VETA Head Office operations, national system of trade testing, vocational training centres, Morogoro Vocational Teachers College and regional

boards. Decisions on the allocation of the income of the fund are taken by the Board and executed by the Director-General on the basis of approved criteria. Grants to other training programmes depend on priorities established by the Board and in accordance with funding criteria.

*(d) The Morogoro Vocational Teachers Training College (MVTTC)*

The MVTTC has national responsibility for vocational teacher training for VETA professional staff. Funded directly by the National Board (through the levy) it is supervised by a Board of Governors consisting of individuals drawn from those parts of the training system which directly use the output of the college.

*(e) Vocational Training and Service Centres*

Existing Vocational Training Centres (VTCs) will be developed into Vocational Training and Service Centres (VTSCs) aiming at serving the training needs of the region. Courses offered will be in accordance with the local market needs for vocational skills. VTSCs will also be encouraged to increase income-generating activities, particularly through short-term and tailor-made courses.

*(f) Regional Boards*

The focus of training policies will be regionalized and gradually the National Board will delegate some of its supervisory responsibilities to Regional Boards. They will oversee training provision in the regions and prepare regional budgets, including training grants to other training institutions, for approval by the Board.

*2.3 The vision and mission for the future*

*(i) The vision*

The vision of the Vocational Education and Training Authority (VETA) is to be a body of excellence in co-ordinating, facilitating and servicing the provision of vocational education and training to meet the emerging and growing requirements for skilled manpower in the formal and informal sectors of the economy which are being subjected to increasing skill intensity and fierce competition due to rapid globalization of production, trade and services as well as technological advancement. In this regard, it must assess the emerging skills requirements which respond to the various development strategies and policies in this period of rapid change, restructuring, industrial renewal and enhanced competitiveness, and facilitate the use of new methods, approaches and technologies which have been developed in recent years for the effective provision of vocational education and training.

*(ii) The mission*

The mission of VETA is to ensure that the skilled manpower requirements of the labour market are met in order to improve production and the productivity of the economy. In order to satisfy these labour market demands, VETA will:

- establish and strengthen the linkage between training providers and the labour market through the active involvement of industrial sectoral associations in curriculum development, trade testing and certification;

- establish a vocational education and training system which meets the needs of both the formal and the informal sectors of the economy;
- ensure that the training system is cost-effective and is gradually decentralized to the regions to ensure maximum utilization of resources and relevance of training programmes;
- promote entrepreneurial values and skills as an integral part of all training programmes;
- secure adequate and stable financing for the vocational education and training system and raise the quality of training provision;
- promote co-operation among technical and vocational training institutions as well as research institutes in such areas as pedagogy, teaching methodologies, learning materials development, distance-learning technologies, etc.;
- promote apprenticeship training as well as skill upgrading and the updating of training;
- reconsider the role of VETA as training provider in the long-term perspective by making arrangements with other providers to assume operational responsibilities of the vocational training centres.

#### *2.4 Tertiary training institutions*

Tertiary training in Tanzania is a fairly large industry, employing 2,521 academic personnel and 2,773 non-academic employees. With 142 institutions and 242 programmes offered, the industry enrolls 13,970 entrants yearly and produces 11,283 graduates annually for the national labour market. The supply side of the sector is characterized by heavy dependence on the government, which finances almost 90 per cent of the institutions.

##### *2.4.1 Institutional variations*

There are big variations between institutions in terms of size, diversity of programmes offered and their certification levels. Nevertheless, they can be arranged into seven groups. The first three groups cut across the sectors. They are:

- (a) Institutions largely devoted to offering professional advanced diploma awards (Ardhi, IFM, IDM and Co-operative College).
- (b) Technical colleges (DSM, Arusha, Mbeya and National Institute of Transport).
- (c) Specialized institutions owned mainly by parastatals (Tanzania Portland Cement Company, Tanzania Posts and Telecommunications Corporation, Tanzania Electric Supply Company, Sugar Development Corporation, etc.).

The other groups are on a sectoral basis. They are:

- (d) Teacher training colleges (TTCs).

- (e) Health training centres.
- (f) Business/management institutes; and
- (g) Agriculture institutions.

Detailed information on each of the seven groups is presented below.

(i) *Institutions largely devoted to advanced diploma*

The student population in the four institutions in this group compares as follows:

IDM is the largest, with 1,107 students, followed by the Co-operative College, with 1,000 students, and IFM – 700 students. The smallest is Ardhi Institute, with 470 students.

In terms of programme diversification, IDM is again the most prominent. It has 16 programmes, half of them devoted to advanced diploma intakes, with the capacity for 240 students. Additionally, 20 places are reserved for master programmes. IFM is second to IDM, with 14 programmes, five of which are devoted to advanced diploma, with 280 places and an additional 100 places for postgraduate programmes. Ardhi Institute follows, with eight programmes, six of which are devoted to advanced diploma, with 150 places and an additional 10 places for graduate diploma. Finally, the Co-operative College, which has five programmes and only one devoted to advanced diploma. However, this one programme has an intake capacity of 200, and there are an additional 20 places for postgraduate programmes.

(ii) *Technical colleges*

The National Institute of Transport (NIT), whilst coming under this heading, differs from the other three technical colleges, Dar es Salaam, Mbeya and Arusha, which are relatively similar. There are, however, differences in size and range of programmes.

Dar es Salaam College is the largest, with 800 students, followed by Arusha, with 420 students, and Mbeya, with 400 students. NIT is the smallest, having 250 students.

Dar es Salaam Technical College is the most diversified. It has nine programmes, three of which are at advanced Diploma level. Annual intake capacity stands at 202 students. Arusha Technical College has five programmes, all at certificate (FTC) level. Annual intake capacity stands at 151 students. Mbeya Technical College has four certificate (FTC) programmes, with an annual intake capacity of 170.

(iii) *Specialized institutions*

Five institutions have been included in this group, namely: TP and TC Staff College, National Sugar Institute (NSI), TANESCO Technical Institute, Railway Training College (RTC) in Tabora, and TRC Institute in Morogoro.

TP and TC is the largest size, with a capacity of 350 students at a time, followed by TANESCO, 175 students, and RTC Tabora, 150 students. The National Sugar Institute (NSI) has a capacity of 100 students. The smallest is TRC in Morogoro, with a capacity of 60 students.

The programmes in all the above-named institutions offer courses leading to certificate



awards only. Entry requirements for the programmes is Form IV or equivalent. Programme duration is one year, except for TANESCO and TRC – Morogoro, where it is three years.

The most diversified is TRC – Tabora, with seven programmes, followed by NSI, with six programmes. TP and TC and TANESCO have four programmes each. TRC Morogoro has just three programmes.

*(iv) Teacher training colleges (TTCs)*

Five teacher training colleges have been considered in this group. They are Dar es Salaam, Morogoro, Marangu, Monduli, and Butimba TTCs.

Among those covered, Morogoro is the largest, with student capacity of 1,000, followed by Dar es Salaam, with 800, then Marangu and Butimba, with 750 students each. The smallest is Monduli, with a capacity of 600 students.

The colleges offer both certificate and diploma courses in education. Entry requirements are Form IV or equivalent for the certificate, and Form VI or equivalent for the diploma. Both certificate and diploma courses last for two years.

*(v) Health training institutions*

Six institutions are considered in this group, and they are KCMC School of Nursing, Mvumi Medical Assistants Training Centre, Bumbuli Medical Assistants Training Centre, Mchame Medical Assistants Training Centre (MATC), School of Pharmacy (MMC) and School of Medical Laboratory Technology (MMC).

These medical centres are relatively small in terms of size. The largest, KCMC Nursing, and the School of Medical Laboratory Technology, have a capacity for 120 students each. The smallest, School of Pharmacy, Dar es Salaam, and Mvumi – MATC, have a capacity for 60 students each.

The Medical Centres are also the least diversified in terms of programmes offered. Without exception, they all offer one programme, ranging from two years (medical assistants) to four years (nursing) in duration. They all offer diploma awards. Entry qualifications are either Form IV, Form VI or equivalent. It should be noted that MATC training takes three years at Machame, while at Bumbuli and Mvumi, the course takes two years for Form VI entrants.

*(vi) Business/management institutions*

After discussing IFM and IDM under the first group, three institutions remain for this sixth group, namely: DSM School of Accountancy, College of Business Education (CBE) and Nyegezi Social Training Institute. The institutions vary both in size and diversification. DSM School of Accountancy is the largest, with a capacity of 910 students, followed by CBE with 720 students, and the smallest is NSTI, with a capacity of 269 students.

CBE leads in programmes diversity, with six courses, four of which are at advanced diploma, one at diploma and another programme at certificate level. NSTI follows with five courses, two in advanced diploma, one diploma and two certificates. The last is DSA, with four programmes, one at advanced diploma level, another at diploma, one certificate, and the last one at technician level. While all three institutions offer accountancy and materials management at

various levels, CBE in addition has specialities in business management and metrology. NSTI covers journalism and hospital administration. Entry requirements are either Form VI, Form IV or equivalent, depending on the award.

(vii) *Agricultural institutions*

Six institutions have been chosen for comparison. They are the College of African Wildlife Management (CAWM), Mbegani Fisheries Development Centre (MFDC), Uyole Agricultural Centre (UAC), Olmotonyi Forestry Training Institute (OFTI), LITI-Tengeru and MATI-IIonga. UAC is the largest, with a capacity for 500 students. LITI-Tengeru comes second, with 400 students, followed by OFTI with 300 students. MATI-IIonga has 216 students, while CAWM has 140. MFDC leads with eight programmes, three in certificate and five in diploma. UAC has just four programmes, one certificate, the rest diploma. CAWM (Mweka) has three programmes, certificate, diploma and postgraduate diploma. Thereafter, three institutions have two programmes each, certificate and diploma. Entry requirement for certificate is Form IV, Form VI for diploma and the postgraduate diploma requires a first degree.

### **3. Financing of the system**

#### *3.1 Financing of vocational education and training*

The whole education and training sector in Tanzania has experienced critical underfunding during the past few years. While the needs of the sector are high, financial resources to satisfy these needs are extremely meagre. Public funding is inadequate:

- (i) to supply essential educational services to meet the current level of demand;
- (ii) to meet the government's own stated targets regarding the quality of education;
- (iii) to sustain existing educational facilities at the operational level for which they were designed.

The 1994 Vocational Education and Training Act, therefore, imposes a vocational education and training levy of 2 per cent on the total gross monthly emoluments payable by the employer (employing four or more people) to all his employees. It is projected that the amount collected each year will be sufficient to cover 60 per cent of the total running costs in the medium term.

The second source of income is through user fees from students on the basic courses, trades tests and evening classes. The existing level of fees has been reviewed and will continue to be reviewed. It is estimated that the user fees will contribute an average of 20 per cent of recurrent costs. The fees remain in the respective centres and are used for meeting part of the operational costs. Charging fees directly to those who benefit from a service rather than directly through the taxation system, is presumed to have at least two benefits: improved accountability and increased resources. Arguably, it shortens the chain of accountability between the providing agencies (predominantly schools) and the users of the service. Parents and students are expected to value schooling more and place direct pressure on schools and teachers to maintain quality.

The third source of financing is through income-generating activities, especially through short courses. Guidelines for managing these courses are being developed and a financial management system designed to show the financial benefits or losses of each centre. It is further

planned that all VTCs will provide services to the regions by undertaking production activities combined with on-the-job training of students both in regular formal long-term courses and in short courses for adults.

In the organization of these services, the aim will be to provide skills to trainees as well as to earn money. It is projected that the activities will contribute an average of 20 per cent of the recurrent costs.

### *3.2 Financing of education in general*

The green light for cost sharing in public schools/institutions was given by the Presidential Commission on Education, which reported in 1992. The report came out at a time when the country had suffered an economic downturn and it was beginning to institute certain survival measures, such as those under the National Economic Survival Programme (NESP). The major recommendations of the Commission were that: government should make arrangements for financing education through student fees and government subvention, an education levy from industries and companies, contribution from urban and rural local authorities, and from external donors. Furthermore, free education at all levels should be interpreted to mean that tuition fees would be met by the government, while other costs, including stationery, accommodation, meals and transportation, should be met by students. It further recommended that students admitted to institutions of higher learning should receive a portion of the costs of meals, accommodation, some equipment and transportation. The report went on to state that those who chose to join the University, or other institutions of higher learning, but who could not afford the costs of their education, should benefit from a mechanism whereby the government would lend to them an amount to cover a portion of such costs, the loans to be paid back immediately on employment being found.

Unfortunately, the political climate was dominated by socialist ideology and the time was not ripe for such drastic change. The first signs of implementation of some of the recommendations appeared in 1985, when secondary schools were allowed to charge a token fee. But no change took place in tertiary institutions and universities. Since then, secondary school fees have gradually been increased. Moreover, the approach to students has become more humane, for example, no student is expelled because of failure to pay fees.

Elements of cost sharing have recently been introduced, including the areas of transportation, accommodation, and personal hygiene facilities. For public tertiary (middle-level) institutions, to date there has not been a formal national policy on cost sharing. Some proposals have been under discussion by senior authorities, but a decision has not yet been made. The proposal is that students in such institutions should contribute 20 per cent of education costs. The policy would be a big step forward because there is a large number of students in this category, about 21,000, and therefore the policy may have a significant impact.

For public higher learning institutions, cost sharing was introduced in 1992. About 8,000 students are covered by this programme. Cost sharing in this sub-sector has been introduced in phases – implementation has now reached Phase II. The two phases have already gone through parliament. Phase I commenced in July, 1992, while Phase II became effective in July, 1994. Phase III is still on the drawing board and, if the proposals are carried, it will cover students in tertiary (middle-level) institutions. For higher institutions, the policy is one of asking students to contribute towards non-instructional expenses such as board/welfare costs, transportation, etc. Tuition fees are paid by the government.

### 3.3 Problems encountered

Problems encountered include the following:

- (a) *Ambiguity of circulars on fees.* The schools complain of lack of transparency in the circulars. The latter do not specify clearly the measures to be taken if the student should fail to pay the school fees. Many students have continued with studies in spite of failure to pay fees.
- (b) *Large arrears of fees.* A large number of students are in arrears with fees.
- (c) *Inability to be self-reliant with regard to transport.* Some students who have to attend school in other regions, find it difficult to raise money for transport. As a consequence, they have to remain in school during vacations at the expense of government.
- (d) *Delay in starting at schools.* The failure of students to meet transport costs leads to late arrival, and three weeks are often lost before studies can begin. Those who arrive early have to be maintained, and for the late arrivals, quality suffers because of the inability to catch up the lost time.

The level of fees charged in the public schools is still quite low, taking into consideration the purchasing power of the shilling. In spite of this, there is a big failure rate regarding payment. Generally, people spend very little on education, as is revealed in the Poverty profile. Less than 1 per cent is spent on education by any income group. This could be a reflection of the past practice of the right to free education. The question arises whether it is possible to push people into changing spending habits, taking into consideration the fact that slightly more than 50 per cent of the people live in poverty.

Discussions with school authorities indicated that fees can be an effective way of providing resources to the schools, provided that the school management is given more powers to decide how much to charge and whom to exempt.

## 4. Partnership at the central level

Partnership at the central level is ensured through the Vocational Education and Training Board, established under section 5 of the 1994 Act, and the actors involved are the state, employers and workers' organizations. The main functions of this tripartite body are:

- To develop policies on vocational education and training and to supervise their implementation at national level.
- To set the policies and procedures for the use of the Vocational Education and Training Fund, including:
  - (i) approval of allocation criteria and budget norms for regional vocational training and service centres and other training providers;
  - (ii) appointment of external auditors to audit the accounts of any receiver of funds from the Vocational Education and Training Fund.

- To issue regulations regarding syllabi, trade testing, certification, registration/inspection of centres, student selection, vocational teacher education, apprenticeship training, and others.

## **5. Functioning of the system at the institutional level**

### *5.1 Co-operation between public training institutions and industry*

One of the weaknesses experienced during the past decade has been the lack of active involvement on the part of employers and workers' representatives in the development of vocational training and, in particular, curriculum development. Centres have tended to exist in isolation from industry and, as a result, curriculum development has not been in harmony with demands from industry. The new strategy will be based on the involvement of all interested parties in the whole development process; the revision of the training structure leading to revised curriculum and, hence, trade testing system. In particular, industrial sectoral representatives, trade advisory committees, and subject panelists will be involved within the framework of the 1994 Vocational Education and Training Act.

### *5.2 Outcome of lack of co-operation*

Due to the weak linkage between vocational training institutions and the labour market, the programmes offered have not been flexible enough to respond to the needs of employers. One of the functions of VETA is to ensure that the system of Vocational Education and Training is based on demand, is cost effective and is gradually decentralized to the regions in order to ensure maximum utilization of resources and relevance of training programmes.

### *5.3 The private training sector*

In 1995, private vocational training centres rated among the largest training providers at craft level in Tanzania. Major training areas are secretarial (23.9 per cent), computer courses (19.5 per cent), commercial (17.3 per cent), tailoring (8.1 per cent), hotel management (4.5 per cent), carpentry/joinery (4.15 per cent). Business and administration courses counted for 65.2 per cent of all courses. Traditional blue-collar trades are under-represented; expensive training infrastructure and non-availability of experienced instructors are major constraints to offering more training places. Private training centres are mainly based in urban areas to attract sufficient clients. Private vocational training institutions have often been overlooked in assessing capacity for skills training. However, these institutions provide a large share of skills training and often in quite dynamic skills markets. The first priority will be to improve the information base on private vocational training institutions in terms of the nature, extent and quality of training offered.

## **6. Training for disadvantaged groups**

### *6.1 Major issues*

Under this category come workers and entrepreneurs of the informal sector and micro-enterprises, school drop-outs and workers of the traditional rural sector. The report will focus on training for the informal sector, which is a burning issue at present in Tanzania.

Training for job-creation is problematic. Many young people are facing difficulties in starting self-employment rather than entering existing employment (e.g. availability of capital,

credit, markets, etc.). Where self-employment opportunities exist and can be expanded, those who have been in the labour market for some time take precedence and have competitive advantages over those emerging from training programmes.

In Tanzania, many of the informal sector operators have a low level of basic and formal education and their training has mainly been through direct apprenticeships within the micro-enterprises. The 1994 Vocational Education and Training Act changes the situation by providing that the Vocational Education and Training system should cater for the needs of both the formal as well as the informal sector of the economy, including training for skills needed for self-employment in the rural and urban areas.

### *6.2 Lessons drawn*

Since entry into self-employment is difficult even for those who are already skilled, due to limited access to inputs and markets, the Vocational Training programme will now be designed to provide both technical as well as business training, including guidance to trainees on how to gain access to credit.

Likewise, Vocational training programmes for the rural sector will have to base their curricular on products and skills requirements of the respective community rather than rely on those designed for the urban wage sector. This will require analysis of opportunities, training in multiple skills, business advice, access to credit and technical support during the initiation period. Skills training alone is unlikely to be effective.

### *6.3 Strategy for the future*

The new training strategy therefore for the informal sector (both rural and urban) is to implement a pilot project (with the assistance of the GTZ) which will address the following:

- (i) the selection of one rural and one urban area;
- (ii) identifying the vocational education and training providers in the selected areas;
- (iii) conducting training needs assessment;
- (iv) developing and implementing appropriate training programmes;
- (v) following up and evaluating the impact;
- (vi) preparing proposals for transfer of experience.

Lessons drawn from the pilot phase, which is planned to last for two years (July 1996 – June 1998), will be used in adjusting current approaches in implementing training programmes for the informal sector.

## Chapter VIII

# Zambia

### Department of Technical Education and Vocational Training

#### 1. Background

Since the advent of multi-party democracy in 1990 which led to a change of government in 1991, Zambia has embarked on an economic policy characterized by privatization of state-owned enterprises and an enhanced liberalization process. The demand for skilled labour in Zambia emanates from the formal and the informal sectors. The informal sector currently employs over 70 per cent of the labour force. The present supply of labour from technical education and vocational training (TEVT) institutions caters largely for the formal sector. The decline in the general economy over the past two decades has reduced the capacity of the formal sector to absorb all the graduates from TEVT institutions. Even then, the needs of the formal sector are not adequately met both in terms of quality and scope.

##### *1.1 Education*

There are three levels of education, namely, primary, secondary and tertiary. Primary education lasts seven years from Grades 1 to 7. The normal entry age for Grade 1 is seven years. At the end of Grade 7 one is required to sit for the Grade 7 leaving examination. Those who pass very well proceed to Grade 8. A major problem at this level is the lack of school places at Grade 8, resulting in about 68 per cent of Grade 7 pupils dropping out of school. There are also a number of pupils (about 4 per cent) who drop out of Grade 4. Participation in primary education is at 92 per 100 of the school-age population.

Secondary education consists of two levels, junior secondary and senior secondary. Junior secondary takes two years from Grade 8 to 9, whereupon one is required to sit for the Junior secondary school leaving examinations. Those who qualify proceed to Grade 10. The drop-out rate at this level is approximately 50 per cent. Senior secondary school takes three years, ending with the Zambia school leaving examinations.

There are both private and public schools, with government schools in the majority. In order to redress the imbalance between Grade 7 and Grade 8 places, some primary schools have been upgraded to basic school status. Basic schools provide education up to Grade 9 level.

Tertiary education consists of technical education colleges, trades training institutes and the universities. There are at the moment 12 public trades institutes, five technical education colleges and two universities. In addition there are specialized public colleges offering training in agriculture, nursing, community development, etc. Most of these offer training to post-secondary school leavers. The institutions are supplemented by private trades institutes and technical education colleges.

The education sector has over the years deteriorated in terms of infrastructure and quality. Resources given to the sector have declined with the declining economy. As a result, the current strategy aims at improving the sector and increasing its resources. The major strategies in this respect are:

- rehabilitation of infrastructure;
- increasing allocation of resources to primary education vis-à-vis secondary and tertiary education;
- increasing resources to the sector by charging user fees to pupils and students.

There is also under way the Education Sector Integrated Programme (ESIP) that seeks to co-ordinate and therefore rationalize resource use by the ministries and other organizations responsible for providing education and training in technical and vocational skills.

## *1.2 Labour force*

The labour force consists of all the economically active population who are either employed or unemployed (i.e. those seeking employment but unable to find it) within a specified age limit.

In the past, the Central Statistical Office (CSO) has defined the economically active population as those aged 12 years and above. In the most recent data on the labour force in the Priority Survey II, 1993, this dropped to seven years to enable the survey to capture the impact of the Structural Adjustment Programme (SAP) on child labour.

The labour force in Zambia has grown from 3.2 million in 1991 to 3.5 million in 1993, giving an average annual growth rate of 4.5 per cent. The growth rate is higher among the female labour force (at 5.6 per cent) compared to the male labour force (3.1 per cent).

### *1.2.1 Unemployment*

It is interesting to note that there has been a decline in the unemployment rate from 22 per cent in 1991 to 19.7 per cent in 1993. On the other hand, the labour force as a percentage of population aged seven years and above has grown from 52 to 56.55 per cent.

Unemployment is higher in the urban areas than in the rural areas. Unemployment is common among females, particularly the urban female. Another factor of unemployment in Zambia is that it is more pronounced in the young age group. Unemployment among the 7-11, 12-19, 20-24 and 25-29 age groups stands at 48, 38, 29 and 16 per cent respectively.

The majority of the unemployed, 54.5 per cent, are of Grades I-VII level of education. Those of junior secondary level of education (Grade VIII to IX) account for 14 per cent, while those with senior secondary education constitute 11.8 per cent. Fourteen per cent of the unemployed have had no schooling at all.

### *1.2.2 Employment*

Employment has risen in Zambia from 78 per cent in 1991 to 80.3 per cent in 1993. The employment rate is higher among males and higher in rural areas. The majority of the employed (73.5 per cent) are engaged in agriculture. The wholesale and retail trade sector and the community, social and personal services employ 7 and 6.7 per cent of the labour force



respectively. The majority of the employed labour force (72 per cent) are employed in the informal sector.

## **2. Organization of the technical education and vocational training system**

### *2.1 Institutional framework*

Technical Education and Vocational Training (TEVT) is provided by various organizations, both public and private. The Ministry of Science, Technology and Vocational Training is responsible for formulating and implementing policies and programmes to foster TEVT. It is also the main provider of TEVT.

Other ministries providing TEVT include the Ministry of Community Development and Social Services, which focuses on non-formal training for those who cannot obtain entry into secondary schools or Trades Training Institutions (TTIs); the Ministry of Sport, Youth and Child Development, which focuses on training youth for self-employment; the Ministry of Local Government and Housing, which provides, through various district councils, training aimed at converting unemployed youth into self-reliant persons as part of poverty alleviation and reduction of anti-social behaviour in the communities; the Ministry of Education, which provides continuing education to Grade 7 and 9 school leavers, including skills training for self-employment. The Ministries of Health and Agriculture provide training primarily for their own skill requirements and employees.

Community-based programmes, mostly with the assistance of donor agencies, are engaged in providing training as part of poverty-alleviation strategies. There are also professionally run TEVT establishments providing high-level skills training for industry. Some of these establishments hold in-house training, while others are commercial private institutions.

TEVT is administered under the Technical Education and Vocational Training Act of 1972. The Act provided for the establishment of the Department of Technical Education and Vocational Training (DTEVT).

The provisions of this Act empower the Department, acting under the authority of the Minister, to regulate all institutions providing vocational skills training within government, the NGOs, parastatal and private sectors. All government technical colleges and trades training institutes fall under the direct responsibility of DTEVT, which also manages the enrolment process, *inspections*, administration of curricula, *monitoring of standards*, and the appointment and development of teaching staff.

### *2.2 Co-ordination*

One of the major weaknesses in TEVT in Zambia is the lack of effective co-ordination and inadequacies in the regulation of training institutions. As a result there has been duplication of roles and, more importantly, the spreading of scarce resources too thinly to achieve meaningful results.

The poor administration is exacerbated by the lack of any central organization charged with co-ordination of training and the lack of a comprehensive policy on training. As a result, some training, such as that offered by the Ministry of Health, is regulated under a separate Act, the Medical Profession Act and is therefore not subject to DTEVT supervision.

Furthermore, the National Council for Technical Education, which is meant to provide co-ordination for training regulated by DTEVT, is not in place.

The inadequate regulatory arrangements have led to a number of training institutions being established without meeting the requirements, thereby producing poor-quality students. In some cases, fictitious institutions have swindled potential students out of money paid for fees.

Under such institutional arrangements it has been difficult to link training to the needs of the labour market. That is, training programmes have not targeted training to identified skills requirements. Most of the institutions run traditional technical courses in secretarial skills, accounts/book-keeping, tailoring, carpentry, auto-mechanics, etc., resulting in over-supply in certain fields.

### 2.3 Policy development

Recognizing the shortcomings of the present institutional arrangements and policy gap, the government set in motion a TEVT policy review process. This is known as the Vocational Education and Entrepreneurship Training (VEET) Policy Review. A new policy on TEVT has been formulated.

The aim of the new policy is to improve technical education and vocational training and link it to the requirements of the employment sector. The new policy is broader in three respects. First, it incorporates entrepreneurship development. For this reason, the Policy is known as the Technical Education, Vocational and Entrepreneurship Training (TEVET) policy. Second, the new policy encompasses all types of technical education and vocational training such as nursing, agriculture, community development and engineering. Third, it covers training being conducted at all levels in both the formal and informal sector.

Second, there is the Education Sector Integrated Programme (ESIP), which seeks to promote policy integration and co-ordination among the four key education and training ministries, namely:

- The Ministry of Education.
- The Ministry of Science, Technology and Vocational Training.
- The Ministry of Community Development and Social Services.
- The Ministry of Sport, Youth and Child Development.

## 3. Financing of the system

Sources of funding vary depending on the type of institutions. Community-based training is largely funded by donors and supplemented by modest fees charged to trainees and production units' activities. The student fees do not bear any relationship to the actual cost of training. Commercial private institutions charge fees related to the cost of training and the profit returns to the owners. Company-owned facilities with primary focus on in-service training are paid for by the company. Where non-company employees are enrolled, commercial rates are applied.

Government TEVT is mainly funded by government through annual budgetary allocations. Until recently, the government provided free education and training to the citizens at primary, secondary and tertiary levels. The government has introduced a cost-sharing system. In TEVT, students are expected to pay 25 per cent of the total fees, with the rest being met by government. The contribution is higher for non-Zambian students and those sponsored by companies and other

organizations. In order to improve availability of funds, institutions are authorized to retain and utilize fees collected by the institution. However, this is deducted from the grant received from the treasury and does not therefore increase resources to institutions.

In view of the worsening economic situation there has been need to reduce the government budget deficit. As a result there has been an effect on the amount of resources available. High inflationary levels have also meant that resources available have declined in real terms. Funding to the TEVT sector has been supplemented by donor assistance, notably from JICA, FINNIDA, ODA, HEDCO, DANIDA and the Netherlands Government.

The major issues that arise are the following:

- Per capita expenditure on education has declined, resulting in poor-quality training, shortage of learning materials and equipment, dilapidated infrastructure, and a high student-trainer ratio.
- The bulk of the funds are mainly expended on personal emoluments and recurrent costs such as salaries, student welfare, etc. Very little is spent on actual training materials and capital projects.
- The total expenditure on education has fluctuated at around 10 per cent of the budgetary allocation.
- The largest share of educational expenditure is taken up by primary and secondary education. The share to technical education has been declining. So have the allocations to the Ministries of Community Development and Youth.

#### **4. Partnership at the central level**

There are a number of areas in which co-operation has taken place between the various stakeholders in TEVT. The stakeholders include industry, employees, training institutions and communities. At the central level and within the DTEVT system, co-operation or partnership is in four areas, namely, the policy review process, curriculum development and industry, DTEVT consultations and examinations.

##### *4.1 The Policy Review Process*

There are, as stated above, two initiatives on the policy front. The VEET policy review process and ESIP. With regard to the VEET policy review, partnership is fostered through a task force composed of representatives of ministries providing TEVT, employee organizations, non-governmental organizations, employer/industry associations and multilateral organizations. The Task Force is responsible for formulating policy on TEVT and designing strategies and programmes for its implementation, it is serviced by a secretariat and operates at two levels. There are the regular task force meetings held quarterly, and the activities of the sub-committee or working groups. The working groups are responsible for selecting consultants, evaluating and assessing consultants' reports for the different areas of concern, which include financing TEVT, management of TEVT, entrepreneurship training, TEVT system and informal-sector training systems.

Policy co-ordination is also being undertaken under ESIP. Two committees and a secretariat have been established. The two committees are:

- the Policy Committee, made up of permanent secretaries in the four ministries and the Permanent Secretary in the National Commission for Development Planning;
- the Technical Committee, comprising 15 members, three from each of the four ministries, and three from the private and voluntary sector.

A result of the improved policy co-ordination between the relevant ministries in the education and training sector, has been that policy objectives within the different ministries will be much more focused towards the same goals, and similar strategies are being adopted to achieve these goals. Also important is the fact that ESIP has helped to precipitate policy development.

#### 4.2 *Industry/DTEVT consultations*

In order to improve the relevance of training to industry an Industry/DTEVT Consultative Committee was established. The Committee, chaired by industry, is composed of representatives of industry and DTEVT. Its major functions are:

1. To work with the Department of Technical Education and Vocational Training in ensuring that proper training is offered to the citizens.
2. To advise the Department on matters pertaining to technical education.
3. To assist materially institutions of higher learning under DTEVT.
4. To explore the possibilities of adoption of certain institutions or programmes by interested companies.
5. To ensure that the importance of technical education in industry is well understood by all concerned.
6. To attend to any matters that might be referred to it by the Department.
7. To ensure that technical education in Zambia moves with the changing times.

#### 4.3 *Curriculum and Standards Advisory Committees (CSAC)*

These are committees that comprise officials from the Department of Technical Education and Vocational Training and officials from Industry/Commerce. The primary objective of these committees is to ensure that whatever is in the curriculum is acceptable to industry and commerce. They advise DTEVT on matters related to curriculum and standards. They used to be very active in the past, but because of financial problems, meetings nowadays are held infrequently.

#### 4.4 *Examinations*

The DTEVT co-operates with the Examinations Council of Zambia, a statutory board, with regard to the conducting of examinations. The Examinations Council of Zambia is in the Ministry of Education. It has a Council as its governing body and a number of committees, such as the Technical Education and Vocational Training Committee, chaired by the Director of the Department of Technical Education and Vocational Training, and a number of examination sub-committees.

The members of the Council and the TEVT Committee come from relevant ministries, organizations and bodies such as the Zambia Association of Chambers of Commerce and Industry, teachers' unions, Zambia Consolidated Copper Mines, etc.

The Chairman of the Council is the Vice-Chancellor of the University of Zambia.

## **5. Functioning of the system at the institutional level**

### *5.1 Co-operation between public institutions and industry*

The intensity and scope of co-operation between training institutions and industry is poor today, unlike in the apprenticeship days. But it is true that there is some co-operation between certain institutions and industry, although it is more or less on a voluntary basis, i.e. nothing binding at all.

Today, institutions have sufficient autonomy to enter into fruitful co-operation with enterprises, although institutions are not themselves autonomous. There is no regulation preventing any institution from entering into useful co-operation with industry.

At some of the institutions, such as the Evelyn Hone College of Applied Arts and Commerce (EHCAAC) and Zambia Air Services Training Institute (ZASTI), there are committees that have been formed of late with industry. At EHCAAC the Department of Business Studies has formed a liaison committee with industry which is doing very well.

At the moment there are no incentives in place to promote such relationships. Because of the absence of these incentives it has been very difficult to interest industry in co-operating with government training institutions.

Plans are however under way to increase co-operation between industry and public institutions. There are proposals to create Management boards at public training institutions. Not only will management boards ensure that public institutions will be autonomous in the day-to-day operations, but also that control will be in the hands of the local communities. It is envisaged that management boards will have a strong representation from industry.

One of the barriers to the efforts made to enhance co-operation with industry is the absence of a legal framework which should compel industry to contribute to the efforts of government. As a result, the government is now contemplating introducing a National Training levy.

### *5.2 Private training sector*

The private training sector is doing well. As all training is co-ordinated by DTEVT, all private training institutions are required by law to obtain a yearly registration certificate if they wish to operate.

It is government policy to encourage the setting up of private training institutions as the government alone cannot cope with the task of giving technical education and vocational training to all Zambians in need of it. What is missing are incentives to such private proprietors. This problem might be a thing of the past when the Education Sector Integrated Programme (ESIP) is in place. This programme calls for incentives for the private sector engaged in training. It is hoped that this new programme will be in place before the end of 1996 or early 1997.

## 6. Organizing and financing training for disadvantaged groups

One of the problems facing TEVT is its inability to absorb the school leavers and disadvantaged groups in its institutions, in particular, the problem of training for Grades 9 and 7 school leavers who are excluded by the entry qualifications to most training programmes. Another problem faced is that TEVT programmes are, in the main, irrelevant to rural development. The training has been targeted to the formal sector, most of which is operating in urban centres.

The present TEVT system under MSTVT does not cater adequately for girls/women and other disadvantaged groups. MSTVT has an obligation to fulfil various kinds of socio-economic demands placed on the TEVT service by providing opportunities to all who can benefit from the knowledge and skills offered.

In order to improve access of girls and women to TEVT it is essential that more positive discriminatory measures are taken by the government, such as creating TTIs exclusively for females - although many women will be against this idea. Special training institutions should also be created for the early school leavers (Grades 7 and 9) to meet their specific needs.

In order to address some of these problems, DTEVT has put in place plans to diversify its training programmes to include the following:

- *Skills training programmes (STP)*

These are short programmes tailored around the needs of the individual and the community in which he/she lives: for example, book-binding, batik tie and dye, shoe making and repairs, soap making and hairdressing. These programmes will be open to retrenched, Grade 7, 9 and 12 school leavers and others who either do not meet the requirements for entry into the pre-employment training programmes, or who just cannot get places due to the non-availability of the same.

- *Competence-based modular training (CBMT)*

The Department is working in conjunction with the building industry in the country and some donors have expressed interest in this pilot programme. Overseas Development Administration (ODA), for example, has already assisted financially and materially and has promised to continue assisting.

CBMT is a kind of training where a student learns, to a mastery level, knowledge and skills in a course which is organized into modules and learning outcomes. This enables the student/trainee to move through each module and course at his/her own pace.

- *Technology transfer programmes (TTP)*

These programmes are intended to produce master-craftsmen who will establish small industries and generate further employment. Under the technology transfer programmes (TTP) small groups of craftsmen with entrepreneurial talent will be identified, trained and helped to establish light-engineering enterprises.

Through this method, a process of grass-roots industrial development can be initiated. In turn, this will create numerous new work places in towns and villages. Through production in the

light-engineering workshops of tools, machines and equipment such as hoes, axes, rakes, maize shellers, ploughs, scotchcarts, etc. needed to upgrade the secondary (non-engineering) industries, and the provision of short training courses in their use, hundreds of new enterprises may come into existence to play a part in stemming urban drift as well as drawing thousands of unemployed youth off the city streets and into the work places.

- *Entrepreneurial training*

An entrepreneurial training module will be incorporated into the curricula under the STP, CBMT, TTP as well as the pre-employment training programmes so that graduates of these programmes can be prepared for self-employment in view of the unavailability of adequate formal sector employment opportunities.

Unfortunately, the lack of adequate resources has meant that only the CBMT is being implemented on a pilot basis for the building industry.

### *6.1 Government policy on training for disadvantaged groups*

Government acknowledges the need to address training needs of disadvantaged groups. The new policy recognizes that the training that is being offered by the different types of technical education and vocational training institutions is not intended for the informal sector and the general development of entrepreneurship in the country. The present system is aimed at specifically meeting the needs of the formal sector. Yet, the ability of the formal sector to take on graduates from training institutions has declined, while the majority of the active labour force is engaged in the informal sector.

Therefore, future TEVET policy aims at creating conditions for the development of an entrepreneurial culture and its related skills in response to the following concerns:

- (i) unexploited business opportunities in the economy;
- (ii) under-employment in the informal sector;
- (iii) unemployment among the youth, women and retrenched;
- (iv) rural-urban migration; and
- (v) poverty.

The government will aim to enhance the ability of the labour force to start and run viable growth-oriented business enterprises as a deliberate career alternative. It is government's intention to strengthen the capacities of the education system, technical education and vocational training institutes. This will be done to enable them to deliver quality training aimed at facilitating the performance of the informal sector and of the graduates from the institutes wishing to engage in self-employment.

Among the target groups for such programmes are out-of-school youth, employees in the informal sector, unemployed, entrepreneurs, women and retrenched. The needs of persons with disabilities will also be taken into account.

There are also in place a number of support policies and programmes that aim at helping disadvantaged groups. These include the youth policy which will, among others, promote the development of the youth enterprise programme, and the Industrial, Trade and Commerce Policy, which seeks to provide an enabling environment for private-sector development, including the informal sector. The Community development policy centres on improving access, quality and equity in education through community-based non-formal education and skills training. The policy on disabled persons seeks to provide training for persons with disabilities.

## **7. Conclusion**

Skills training in the technical education and vocational training system is presently heavily subsidized by the government. The fees that students are charged, particularly in government institutions, are too low to be significant. The government's ability to maintain the momentum of expanding educational establishments has suffered with the general economic decline. As a result, it has been difficult to maintain standards at the government institutions, now characterized by broken-down infrastructure, inadequate teaching aids, poor student services and inability to retain high calibre and motivated teaching and administrative support staff.

In most government institutions resources have been diverted to activities which do not give additional value to the delivery and acquisition of skills. The non-productive activities include boarding facilities and the unchecked numbers of administrative staff. The government intends to minimize boarding facilities and rationalize administration staff and costs.

In order to increase and diversify sources of funding a training fund will be established. More specifically, the government intends to shift the greater portion of the burden of the cost of training to the beneficiaries, including industry, trainees and the informal sector. In so doing, care will be taken to ensure the stability of funding necessary to maintain a sustainable institutional capacity.

The creation of a business culture in the operations of the TEVET system will ensure the development of self-sustaining financing arrangements and efficient use of resources. In ensuring efficiency in the use of funds, the government also intends to explore, among other things, the possibility of rationalizing boarding facilities, instituting a preventive maintenance culture among students and instructors, increasing capacity utilization of training facilities, and granting greater autonomy to the application and sourcing of funds to individual training institutions.

With regard to the demand for training funds, the government recognizes the need to equally widen the range of recipients of training funds. The TEVET policy will ensure that all institutions and persons providing TEVET – whether formal or informal training – will have equal access to training funds provided that they deliver training in an acceptable manner.

The government also recognizes that a shift towards a self-sustaining TEVET financing system will have implications on the ability of the low-income group to have access to training facilities. The government intention in this regard is to create opportunities for students from the low-income groups to have access to training. The TEVET system will consider offering scholarships and a student loan scheme as a way of making sure that there are equal opportunities for all in the society.

DTEVT faces a number of logistical and financial constraints that hinder the Department's efforts to enforce the laid-down registration procedures and regulatory standards. Consequently, this has affected the quality of vocational training offered and has resulted in inadequate



management systems at both private and government institutions providing training. For example, there is a lack of co-ordination among government ministries providing vocational training, thus creating overlaps and misallocation of resources.

The government is reviewing the present organizational and management system of DTEVT and technical education and vocational training institutions with a view to strengthening them to meet the broader training needs. Changes to the system will allow for the technical education and vocational training system to be adaptable and flexible to the dynamics and social needs of society. The changes will also conform to the liberal economic environment and increased private-sector participation in various spheres of the economy. Appropriate legislation will be effected to support a reviewed organizational and management system.

## *Chapter IX*

# Zimbabwe

## Ministry of Higher Education

### **1. Background**

#### *1.1 Economy*

The economy of Zimbabwe is currently experiencing some recovery, which will receive a further boost from the good rainfall season 1995/96. The recovery follows a somewhat indifferent performance since independence. The average annual growth rate of GDP between 1980 and 1990 has been put at 3.2 per cent, but growth has generally fallen below planned targets. The Transitional National Development Plan envisaged a growth rate of 8 per cent annually and the First Five-Year Plan expected a 5.1 per cent growth rate. Neither of these targets was realized. In 1994 and 1995, key sectors grew by between 5 and 10 per cent, and these include agriculture, manufacturing, mining, commerce, transport and construction.

The economy has been characterized as a dual one, albeit the country is essentially agricultural in nature, dependent on agricultural production and the export of primary commodities. A relatively modern industrial sector is facilitated by a relatively well-developed infrastructure. The major contributions to GDP in 1995 were manufacturing (24.9 per cent), agriculture (12.4 per cent) and tourism (11.4 per cent). Zimbabwe has the second largest industrial base in Southern Africa, with an established system of business practices that follows the British model. The balance-of-payments situation has fluctuated over the years as imports have been increased to support manufacturing, while earnings from exports have declined.

The Economic Structural Adjustment Programme (ESAP) has dominated macro-economic policy since 1991. Among its positive effects are some that have a bearing on technical and vocational education. These include the relatively open debate, improved accountability, strategic planning and performance management. On the negative side one could mention a legal institutional framework lagging behind reform, problems of reducing state deficits and declining health and education standards as social services receive budget cuts.

#### *1.2 Population*

According to the 1992 Census, the population of Zimbabwe was 10.4 million, with 47 per cent below the age of 15 years. At the current growth rate of 2.9 per cent per annum, the population should double in the next 20 years.

#### *1.3 General overview of the education sector*

Education in Zimbabwe since independence has been a remarkable success in quantitative terms. Before independence the education system was racially divided and was characterized by restricted access, severe bottle-necks at various stages, enforcement of fees, and strict

meritocracy. European, Asian and coloured students, on the other hand, were offered tuition-free, compulsory education up to the age of 16 years, with unlimited access to secondary education. Tertiary education institutions were similarly racially divided. Within a short period of six years (1980-1986), Zimbabwe's system of education was greatly expanded and transformed into a unitary democratic system. Education became accessible to Zimbabweans as a basic human right, and barriers inhibiting participation by disadvantaged groups were eliminated. The country soon achieved one of the highest participation rates for primary education in Africa, and is well poised to attain 'Basic Education for All' early in the next century.

The main driving force behind such achievements was largely socio-political, based on intense aspirations of the majority black population which had long been denied equitable access. An initial phase of rapid expansion of the system gave way to consolidation and a greater focus on quality. More recently, the concern has been with sustainable financing under ESAP, and how to improve the relevance of education to economic growth and the employment aspirations of the young generation. Over the years, Zimbabwe has benefited from substantial goodwill and financial assistance from the international community. Increasingly, however, the challenge is to generate home-based and sustainable strategies for financing the development of education and training.

#### *1.4 Expansion and democratization of education*

At primary level the number of schools rose from 3,161 in 1980 to 4,297 by 1986, with corresponding enrolments of 1.2 million to 2.2 million respectively in the same period. At secondary level the figures were 197 to 1,276 schools and 74,321 to 537,427 students respectively. Thereafter the enrolments almost stabilized, rising by less dramatic margins.

An important innovation that helped to facilitate expansion and democratization of education was the Zimbabwe Integrated National Teacher Education Course (ZINTEC). In this programme, teachers are trained using a combination of distance education and short intensive face-to-face methods, whilst continuing to serve as full-time teachers in schools.

#### *1.5 The challenge of rapid expansion – quality issues*

The spectacular achievements in expansion and democratization of education were at the expense of quality. It was therefore inevitable that attention would soon focus on consolidation and quality improvement. Once the socio-political imperative for expansion had been accomplished, government could afford to deal more intensively with issues of quality. Three challenges emerged from this.

Firstly, because new teachers could not be trained fast enough to cope with rapid expansion of the system, the pupil-teacher ratio worsened, and the percentage of trained teachers in primary and secondary schools declined over the years. In 1980, 71.8 per cent of primary teachers and 97.0 per cent of secondary teachers were trained. By 1985, these figures had fallen to 40 per cent for primary and 56.1 per cent for secondary.

A second area in which deterioration was experienced was that of learning achievement, as indicated by examination results. For the 'O' – level examinations, the percentage of candidates passing five or more subjects with grade 'C' or higher declined steadily as the system expanded. The pass rate fell from a high of 66.6 per cent in 1980, to a mere 11.4 per cent in 1986, when automatic promotion was introduced throughout the school system up to 'O' level.

Relevance of the curriculum also became a major issue, as the majority of graduates from the expanded system failed to find employment. Although this phenomenon of school-leaver unemployment was to a great extent an economic one, it drew attention to the need for major curriculum reforms to align education more closely with the realities of the labour market.

### *1.6 Attempts at quality improvement*

The many problems which emerged as a consequence of the rapid expansion in education led to a new phase of consolidation and quality improvement in Zimbabwe's educational development. This phase effectively got under way in 1986, when government unveiled the 'New structure and content of Education'. This was essentially designed to promote vocational-orientation in the school curriculum. The thrust of using curriculum reform to promote vocationalization and improve employment prospects has persisted in Zimbabwe to the present. Some of the major actions taken towards this end include the following:

- The practice of 'Education with production' was introduced in schools, and a number of schools were established under the umbrella of ZIMFEP (Zimbabwe Foundation for Education with Production). The idea was that all conventional schools would later follow this pattern, starting with 22 pilot schools. Fifty-eight schools currently follow this approach. Equipping of the schools has proved problematic.
- The concept of Technical High Schools was introduced to promote technical subjects up to 'A' level, which would be linked with appropriate university programmes.
- Two teachers' colleges were designated for the preparation of highly trained technical teachers for the secondary schools.
- Other initiatives and projects were introduced, such as the 'School on the shop floor' and the 'Business and Educational Partnerships Authority of Zimbabwe', but these are still in their infancy.

## **2. Organization of the Technical and Vocational Training System**

### *2.1 Primary and secondary education*

Zimbabwe follows the 7-4-2 structure of education, with seven years of primary school, four years of secondary school (leading to 'O' level) and an additional two years leading to 'A' level for those wishing to proceed to university. The Ordinary level is the standard qualification for training or formal employment. About 80 per cent of the students who enter grade one complete seven years in school (Ministry of Education, 1991). Competition for further education or formal sector employment is severe.

### *2.2 Higher education*

Of the over 3.1 million students in Zimbabwe, about 60,000 are in higher education. Higher education institutions offer education and training at the post-secondary school level. The system is highly differentiated, with several sub-systems that include technical colleges, polytechnics, vocational training centres, two public and two private universities, and another private one on the drawing board. The universities enrolled 13,231 students between them in

1995. Major programmes include agriculture, arts, commerce, engineering, law, medicine, natural sciences, social studies, veterinary medicine, architecture, commerce, communication and information sciences. The two public universities are relatively autonomous institutions.

Other tertiary-level institutions offer training that leads to various diplomas and certificates. These include six agricultural colleges (Ministry of Agriculture); 23 health institutions (Ministry of Health); two institutions for transport, posts and telecommunications (Ministry of Transport); two institutions for tourism and natural resources (Ministry of Environment and Tourism); seven public service training centres, and 15 teacher education colleges and five technical and vocational colleges under the Ministry of Higher Education. There is no co-ordinating body or mechanism to bring together these institutions.

Private higher education is not well developed. Although 149 institutions were registered in 1995, few had enrolments of over 100 students, and most tended to concentrate on those subjects that require small capital outlays. In-service training is offered by companies for their own needs. Private institutions survive on user fees and receive no support from government.

### 2.3 *Technical and vocational education (TVE)*

The legal framework is provided by two acts of Parliament, the National Manpower Planning and Development Act (1995) and the Zimbabwe Manpower Development Fund Act (1991). There are two modes of training, institutional for direct entrants, and the block release for apprentices and semi-skilled workers from industry. The institutional approach has an industrial attachment component. The success of the scheme depends on the co-operation of industry in placing the student and giving the trainee the kind of exposure needed. With the former approach, the trainees start off in industry and come to college for theoretical aspects of their trade.

The sources of funds for TVE are government, industry, donors, user fees and college-generated funds. Government provides the bulk of the funding. Because of the highly centralized administrative arrangements, public funds are administered by several ministries, although bidding for the funds is done through the Ministry of Higher Education. *Table 1* shows the ministries and their responsibilities.

The other source of funds is the Zimbabwe Manpower Development Fund (ZIMDEF). Donor support has been generous since independence, although it is apparently on the wane. This has been in the form of grants, bilateral and multilateral co-operation covering a diversity of projects and programmes. Initially including bricks and mortar, the support now focuses on equipment provision, staff development, technical assistance and seed money for projects.

College-generated funds are minimal, although this potential has not been fully tapped because of regulations that require the bulk of the revenue realized to be surrendered to the treasury.

Table 1. Ministries involved with TVE administration

Ministry	Responsibilities
Higher education	<ul style="list-style-type: none"> <li>• Policy and planning.</li> <li>• Curriculum development.</li> <li>• Equipment provision.</li> <li>• Examinations and trade tests.</li> <li>• Capital developments.</li> <li>• Personnel issues and staff development.</li> <li>• Liaison with international organizations.</li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Funding, capital and recurrent.</li> <li>• Collection of revenue.</li> <li>• Regulations related to finance.</li> <li>• Negotiations with donors.</li> </ul>
Public service	<ul style="list-style-type: none"> <li>• Personnel matters.</li> <li>• Salaries.</li> <li>• Staff development.</li> </ul>
Public construction and national housing	<ul style="list-style-type: none"> <li>• Provision of lecture and office space.</li> <li>• Installation of physical plant.</li> <li>• Maintenance of fixed assets.</li> <li>• Expansion projects.</li> </ul>
Transport	<ul style="list-style-type: none"> <li>• Provision of vehicles.</li> <li>• Maintenance of vehicles.</li> <li>• Staff car loan schemes.</li> </ul>

Source: Mphisa, 1991.

Note: The arrangements in *Table 1* apply to other government ministries that are involved in training. Exceptions are those that run their training through quasi-government institutions.

### 3. Financing of the system

The major sources of funding for TVET are as follows:

- Government.
- Industry (ZIMDEF).
- Donors.
- User fees.
- College-generated resources.

Technical colleges derive over 90 per cent of their recurrent expenditure from government through routine budgetary allocations and the rest from fees. The maximum fees payable as of 1994 were \$141 for tuition at a government institution. Thus government heavily subsidizes training. The course per student of commerce was approximately \$3,000 per year, while that of an engineering student was about \$5,000 at the time. The estimates take into account staff salaries, consumables, books, transport, electricity and water, hence the amounts tend to rise rapidly.

Another major source of funding for technical and vocational education is the Zimbabwe Manpower Development Fund (ZIMDEF). The fund was established to carry out the following functions:

- to finance the training and employment of apprentices in specified industries;
- to finance the cost of any scheme for Manpower Development or other costs in connection with vocational education or training;
- to account for the levy paid by employers;
- to account for apprentices' bonding contributions.

Funds are raised through a mandatory training levy of 1 per cent of a wage bill of \$2,000 or more per annum, unless the enterprise is specifically exempted. The levy is payable every month, and is administered by the Ministry of Higher Education. On average, \$60 million have been raised annually for the past five years. This is a significant contribution and compares favourably with the government allocation for TVE of \$44.2 million in 1993/94 and \$39.9 million in 1992/1993. The National Manpower Advisory Council (NAMACO), which represents the employers, advises government on the utilization of the fund. The levy is used to make payment of apprenticeship expenses such as wages for apprentices attending college courses, pension contributions and medical aid, travel, loans and advances, examination fees, tuition fees, and hostel fees for skilled workers attending courses at vocational training centres.

For the employer, the levy is used to pay rebates to those on approved training schemes such as apprenticeship training, industrial attachment and management training. Grants are also paid to employers if they offer training approved as complementary or equivalent to schemes of training within the national manpower programmes, and to employers who provide training in special areas for which the state has no similar facilities. For administrative purposes, the levy is used to pay expenses, remuneration or allowances of members of the National Manpower Advisory Council and its committees, for promoting and mobilizing support for manpower development programmes such as Careers Day, Trade Fair, Agricultural Show and the Annual Manpower Congress. Recently the fund has been used for capital development projects.

A third major source of funding for technical and vocational education has been donor agencies. Assistance has ranged from funding of capital developments, equipment provision, vehicles, staff development through scholarships for further studies abroad and inside the country, to book donations. Of particular significance has been the provision of foreign currency needed to purchase equipment and for spares and consumables. Expatriate personnel are also in place in different colleges through various bilateral agreements.

Private or non-governmental institutions that provide technical training meet all their expenses from revenue derived from fees. Government does not subsidize them. Most of the institutions are commercially run, except for missionary-run institutions offering courses at craft levels.

#### **4. Partnership at the central level**

The partnerships established at central level are designed to assist the HRD system to address some of its challenges. The education and training system at macro-level has been seen to be unresponsive. The lack of responsiveness has been characterized as follows:

- Inadequate capacity to absorb school drop-outs, including those at primary and secondary school. An average 22 per cent of either group does not complete the cycle for which they enrol.
- Inadequate capacity to absorb qualified applicants for training or employment. These now exceed 100,000 each year.
- Lack of space for apprentices requiring college training in their first year of apprenticeship.
- Inadequate space for candidates who seek upgrade training.
- Programme inelasticity manifested through the pursuit of conventional curricula, with cosmetic modifications.
- A low utilization rate of colleges that includes long holiday breaks.
- A rapid and unresponsive bureaucratic finance and management system.

Collaboration in training is with industry and donors. Industry intervenes through the National Manpower Advisory Council (NAMACO), established by an Act of Parliament. The Council advises, through regular meetings and at the Annual Congress, on issues relating to skill shortage areas, trends on technological change and issues relevant to HRD. Representatives from workers' organizations attend the NAMACO Congress and contribute with their own perspectives. Otherwise their role has been somewhat peripheral.

Partnerships with donors and bilateral organizations have been governed by agreements between different countries or organizations with the Ministry of Finance, which co-ordinates and endorses financial undertakings. At ministry level, steering committees have been used for the monitoring and evaluation of projects.

No major problems with the partnerships have been recorded other than that funding is inadequate. Increasingly, government encourages colleges to generate funds as efforts are under way to relieve pressure on the treasury. The thesis is still that government has the largest responsibility for training.

## **5. Functioning of the system at the institutional level**

The link between industry and the technical colleges has existed as long as the colleges themselves, since industries consume the college product. One interesting area is the secondment of lecturers to industry and vice versa. Individual efforts are being made by colleges to encourage the young and less experienced lecturers to go to industry during holidays. There are two major obstacles relating to the attachment of lecturers to industry, which are:

- (a) accommodation may become a problem if the lecturer is attached to a different city and, even where it is available, the rental may be a difficulty as the college cannot pay for this;
- (b) there is the issue of insurance, both in terms of the lecturer her/himself and the equipment, which belongs to the company.



In the past, individual arrangements have been made and some industries have provided accommodation and food. The lecturer had then to sign an indemnity clause clearing the company in the event of any injury the lecturer might suffer.

Each technical college has an Advisory Council which is composed of a chairman and his deputy. The advisory council of the Harare Polytechnic, which is the largest and the oldest college, is given as a case in point. It is composed of no less than 13 members who are appointed to advise the Principal and the Ministry of Higher Education on the requirements of industry and commerce in relation to manpower needs. The Harare Polytechnic Advisory Council is made up of representatives of the following organizations:

- Zimbabwe National Chamber of Commerce;
- Zimbabwe Institute of Engineers;
- Confederation of Zimbabwe Industries;
- City Council of Harare;
- Zimbabwe Institute of Management;
- University of Zimbabwe;
- Zimbabwe Institute of Public Administration and Management;
- Non-governmental organizations;
- Zimbabwe National Christian Council;
- Zimbabwe Mass Media Trust;
- Zimbabwe Association for Advancement of Applied Science;
- Industrial Development Corporation;
- National Science Council of Zimbabwe;
- Zimbabwe Institute of Development Studies.

All other colleges have advisory councils designed to meet the needs of their fields of competence.

Industry is also involved in curriculum development. The views of industry are given considerable attention so that content is in line with employer expectations. HEXCO sub-committees involve and co-operate with industry in the design and development of syllabi. However, the majority of the members are college lecturers. One problem in this regard is the sheer diversity and number of industrial disciplines, which makes it difficult to tap every source and to satisfy all areas in terms of representation on the curriculum development boards or committees.

The Curriculum and Development Unit feels that greater involvement of industry could be achieved through regular workshops or meetings. Common topics include 'The role of industry in content development' and 'The college's views on the role of industry'. A wider involvement of industrialists may be needed if the desired graduate is to be produced. Such co-operation is seen as essential to facilitate revision of training programmes and to meet new challenges.

Enterprises may inform colleges of their needs through advisory councils. However, there are no arrangements by which the colleges know what openings exist in industry. Industries have tended to keep this information to themselves, recruiting apprentices as they see fit. Institutions are encouraged to co-operate with industry within limits. Further encouragement is on line given the decentralization process recently announced.

The private training sector is largely autonomous as it receives no funding from the state. There are some 150 registered institutions of varying quality, and there has been a tendency to avoid expensive technical courses with heavy equipment outlays. The state encourages these developments, and registers colleges and monitors their operations to protect clients.

## Appendices

*Appendix I*  
**Programme**

***Monday, 18 March 1996***

*Morning*

- 09.00 Registration of participants
- 09.30 Opening ceremony by Dr, the Hon. A.R. Beebeejaun, Minister of Employment, Manpower Resources and Training
- 10.00 Tea break
- 10.30 General presentation (F. Caillods, D. Atchoarena, IIEP)
- 11.00 Presentation and discussion of national reports
- 12.45 Lunch

*Afternoon*

- 13.45 Presentation and discussion (continued)
- 15.30 Break
- 15.45 Presentation and discussion (end)
- 18.00 Cocktail

***Tuesday, 19 March 1996***

*Morning*

- 08.30 **Theme No 1:**  
**The systems for the financing of vocational education and training**
- The present status of financing systems in Southern and Eastern Africa (ILO)
  - The Mauritian experience (IVTB)
  - The Mauritian experience
- Discussion

- 10.30 Break
- 10.45 Other countries' experiences
- 12.30 Lunch

*Afternoon*

14.00 - 18.00 Visit to an IVTB Training centre and a partner company

**Wednesday, 20 March 1996**

*Morning*

- 08.30 **Theme No 2:**  
**The other forms of partnership at central level**
- An experience concerning the institutionalization of partnership: the case of the IVTB
  - The reform of the vocational education and training system: the South African case
- 10.15 Break
- 10.30 Other countries' experiences
- 12.45 Lunch

*Afternoon*

- 14.00 **Theme No 3:**  
**Increasing the flexibility in the provision of training**
- First sub-theme: The functioning of public vocational schools or training centres
- Introduction to the sub-theme (IIEP)
  - The issue of autonomy
  - Examples of the co-operation between vocational schools/companies
- Discussion
- 15.45 Break
- 16.00 Second sub-theme: The role of the private sector
- Introduction to the theme (IIEP)
  - Examples of the promotion and regulation of the private sector (Mauritius, Zimbabwe)
- Discussion

*Thursday, 21 March 1996*

*Morning*

- 08.30      **Theme No 4:**  
**The financing of training for disadvantaged groups and sectors**
- Introduction to the theme (IIEP)
  - The financing of training for the informal sector: the Kenyan example
- Discussion
- 10.15      Break
- 10.30      Other countries' experiences
- 11.45      Overall synthesis (D. Atchoarena, F. Caillods, IIEP)
- 12.15      Closing ceremony

*Afternoon*

- 14.30      Island trip
- 18.30      Cocktail

## Appendice II

### List of participants

#### Participants

##### *Botswana*

Ms Marianne Nganunu  
Director  
Ministry of Education  
Department of Vocational Education and  
Training  
Private Bag 005  
Gaborone

##### *Kenya*

Mr Peter O. Okaka  
Director of Technical Training  
Ministry of Research, Technical Training and  
Technology  
P.O. Box 60209  
Nairobi

##### *Mauritius*

Mr A. K. Gujadhur  
Chairman  
Industrial and Vocational Training Board  
Sir Rampersad Neerunjun Complex  
Ebene, Rose Hill

Mr P. K. Joosery  
Divisional Manager Programmes and Projects  
Industrial and Vocational Training Board  
Sir Rampersad Neerunjun Complex  
Ebene, Rose Hill

Mr. K. Kasenally  
Director  
Management Trust Fund  
Ministry of Education  
Social Security Building  
Moka Road  
Rose Hill

Mr G. Khemraz  
Project Co-ordinator  
Industrial and Vocational Training Board  
Sir Rampersad Neerunjun Complex  
Ebene, Rose Hill

Mr Paul Lam Hung  
Divisional Manager  
Industrial and Vocational Training Board  
Sir Rampersad Neerunjun Complex  
Ebene, Rose Hill

Mr P. Moothien Pillay  
Divisional Manager  
Industrial and Vocational Training Board  
Sir Rampersad Neerunjun Complex  
Ebene, Rose Hill

Mr S. Munbodh  
Director  
Industrial and Vocational Training Board  
Sir Rampersad Neerunjun Complex  
Ebene, Rose Hill

Mrs M. Nathoo  
Assistant Secretary  
Ministry of Finance  
Government House  
Port-Louis

Mr S. Parahoo  
Divisional Manager  
Industrial and Vocational Training Board  
Sir Rampersad Neerunjun Complex  
Ebene, Rose Hill

Mr R. Ragaven  
Divisional Manager  
Industrial and Vocational Training Board  
Sir Rampersad Neerunjun Complex  
Ebene, Rose Hill

Miss A. Ramrooch  
Adviser  
Ministry of Employment  
Manpower Resource and Training  
6th Floor, NPF Building  
Port-Louis

Mr S. Seegolam  
Divisional Adviser  
Industrial and Vocational Training Board  
Sir Rampersad Neerunjun Complex  
Ebene, Rose Hill

T.P. Sooknah  
Divisional Manager  
Industrial and Vocational Training Board  
Sir Rampersad Neerunjun Complex  
Ebene, Rose Hill

Mr C.P. Surajbali  
P.R.O.  
Industrial and Vocational Training Board  
Sir Rampersad Neerunjun Complex  
Ebene, Rose Hill

*Mozambique*

Mrs Telmina Paixão Pereira  
National Director for Technical and Vocational  
Education  
Ministry of Education  
Av. 24 de Julho No 167  
Caixa postal No 34  
Maputo

*Nigeria*

Mr Hassan Ahmed II  
Director General/Chief Executive  
Industrial Training Fund Headquarters  
Corporate Affairs Department  
P.M.B. 2199  
Miango Road  
Jos

Mr E. J. Okon  
Assistant Director for Technical and Vocational  
Education  
Technology and Science Education Division  
Federal Ministry of Education  
Ahmadu Bello Way  
Victoria Island  
Lagos

*South africa*

Ms Adrienne Bird  
Chief Director  
Human Resources Development and Career  
Services  
Department of Labour  
Manpower Building  
215 Schoemau Street  
Private Bag X117  
0001 Pretoria

Mr Sam Morotoba  
Director  
National Training Board  
Continental Building  
Corner Visagie and Bosman Streets  
Private Bag X117  
0001 Pretoria

Mr Lindsey Falkov  
Director  
Human Resources Development  
Department of Labour  
Manpower Building  
215 Schoemau Street  
Private Bag X117  
0001 Pretoria

Mr Ray Johnson  
Business South Africa  
Suite 507, Carlton Tower  
150 Commissioner Street  
Johannesburg

Mr Sandile Mthembu  
Congress of South African Trade Unions  
1-5 Leyds Str.  
Braamfontein  
P.O. Box 1019  
Johannesburg

*Tanzania*

Mr. Bruno Kwelukilwa  
Chairman  
Association of Tanzania Employers  
Dar es Salaam

Mr. Morgan H. Manyanga  
Director  
Vocational Education and Training Authority  
National Training Board  
Ministry of Labour  
P.O. Box 2849  
Dar es Salaam

Mr. William D. Sabaya  
Director  
Tanzania Institute of Education  
c/o Ministry of Education and Culture  
P.O. Box 9121  
Dar es Salaam

*Zambia*

Mr J. Kalunga  
Assistant Director  
Professional Administration  
DTEVT  
Lusaka

Mr S. A. Mupanga  
Director  
Department of Technical Education and  
Vocational Training  
Private bag RW 108  
Birdcage Walk  
15102 Ridgeway  
Lusaka



Mr. J. Shabolyo  
Principal  
Zambia Air Services Training Institute  
Lusaka

*Zimbabwe*

Dr M. N. Mambo  
Secretary for Higher Education  
Ministry of Higher Education  
P.O. Box UA 275  
Union Avenue  
Harare

Mr Harrison T. Mudede  
Consultant  
Project Promotion (PVT) Ltd  
P.O. Box 3376  
Harare

Mr L. Zembe  
Chairman  
National Manpower Advisory Council  
(NAMACO)  
P.O. Box HG 678  
Highlands  
Harare

#### **International organizations**

##### *International Labour Organisation (ILO)*

Mr Torkel Alfthan  
Training Specialist  
International Labour Organisation  
Southern Africa Multi-disciplinary Advisory  
Team  
P. O. Box 210  
Harare  
Zimbabwe

##### *UNESCO International Project on Technical and Vocational Education (UNEVOC)*

Mr Hans Krönner  
Chief, UNEVOC  
Fehrbeilliner Platz 3  
D-10707 Berlin  
Germany

##### *International Institute for Educational Planning (IIEP)*

Mr David Atchoarena  
Programme Specialist  
International Institute for Educational Planning  
7-9, rue Eugène Delacroix  
75116 Paris

Mrs Françoise Caillods  
Senior Programme Specialist  
International Institute for Educational Planning  
7-9, rue Eugène Delacroix  
75116 Paris

## IIEP publications and documents

More than 750 titles on all aspects of educational planning have been published by the International Institute for Educational Planning. A comprehensive catalogue, giving details of their availability, includes research reports, case studies, seminar documents, training materials, occasional papers and reference books in the following subject categories:

*Economics of education, costs and financing.*

*Manpower and employment.*

*Demographic studies.*

*The location of schools (school map) and sub-national planning.*

*Administration and management.*

*Curriculum development and evaluation.*

*Educational technology.*

*Primary, secondary and higher education.*

*Vocational and technical education.*

*Non-formal, out-of-school, adult and rural education.*

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## The International Institute for Educational Planning

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The Institute's aim is to contribute to the development of education throughout the world, by expanding both knowledge and the supply of competent professionals in the field of educational planning. In this endeavour the Institute co-operates with interested training and research organizations in Member States. The Governing Board of the IIEP, which approves the Institute's programme and budget, consists of a maximum of eight elected members and four members designated by the United Nations Organization and certain of its specialized agencies and institutes.

### *Chairman:*

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*Harka Gurung*, Director, Asian and Pacific Development Centre (APDC), Kuala Lumpur.

*Tito Egargo Contado*, Chief, Agricultural Extension and Education Service, Research, Extension and Training Division, Sustainable Development Department, Food and Agriculture Organization (FAO).

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*Teboho Moja* (South Africa), General Manager for Education, South African Broadcasting Corporation, Johannesburg.

*Yolanda M. Rojas* (Costa Rica), Academic Vice-Rector, University of Costa Rica, San José.

*Michel Vernières* (France), Professor of Economic Sciences, University of Paris I, Panthéon-Sorbonne, Paris.

### *Inquiries about the Institute should be addressed to:*

The Office of the Director, International Institute for Educational Planning,  
7-9 rue Eugène-Delacroix, 75116 Paris, France.