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# TVET policy in South Africa: Caught between neo-liberalism and privatisation?

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## ABSTRACT

Technical and vocational education and training (TVET) policy in South Africa since 1994 has stressed the vital importance of this sector in contributing to economic growth and alleviating socio-economic inequities. Twenty years after these policies were first set down and replicated in subsequent legislation, South Africa's TVET sector has not been able to contribute to the key policy priority of reducing unemployment. Moreover, the sector has had a limited impact on achieving the nation's economic goals. From the perspective of developing human capital, significant state investment in this sector has realised very low economic returns. There is extensive literature on the privatisation of education and the effects this has had on education and training policies and systems. This article draws on theoretical approaches that analyse the internal and external changes to public education and training systems as a result of privatisation. Furthermore, the article argues that both public and private TVET providers have been subjected to differing endogenous and exogenous privatisation approaches as defined by Ball and Youdell (2007). These dual approaches have affected the ability of the TVET college sector to respond effectively to South Africa's education and training needs for economic growth, despite the prioritisation of this sector in government policy.

## KEYWORDS

*TVET; TVET colleges; privatisation; education and training*

## **Introduction**

The privatisation of education is a global phenomenon that is taking place across both developed and developing nations. Verger, Fontdevila and Zancajo (2016:7) define the privatisation of education as

a process through which private organisations and individuals participate increasingly and actively in a range of education activities and responsibilities that traditionally have been the remit of the state.

Ball and Youdell (2007) note that vocational education and training (VET) is the most privatised sector in education globally. Technical and occupational training in South Africa has been heavily influenced by its colonial and apartheid past, which has left lasting legacies (Badroodien, 2004; Kraak, 2004). Since the dawn of democracy in 1994, policies for the South African TVET sector have adopted a range of reforms that have sought to transform and modernise the sector in order to adapt it to developmental priorities of the democratic state. These transformative policies have included both endogenous and exogenous privatisation approaches. This article argues that South Africa's adoption of economic neo-liberal reforms has led to a range of privatisation approaches in public education and training systems that affect TVET provision.

In attempting to analyse the extent to which privatisation policies have affected the ability of the TVET sector to respond to South Africa's development priorities, the article outlines the literature on privatisation, with a specific emphasis on privatisation approaches in South Africa's education and training sectors. The article then critiques South Africa's education and training policies for the TVET sector from 1994 to the present.

In adopting a political-economy approach, this article uses privatisation as a lens through which to illuminate the contradictory and countervailing policies for the TVET sector. In the critique of privatisation policies for the South African TVET sector, the article seeks to explain how, 20 years after the first policies were legislated for this sector, the TVET college sector has been subjected to differing stances affecting privatisation that do not enable this sector to align effectively with the economy or provide a platform for promoting the aims of the government's socio-economic policy.

## **Review of the literature on privatisation of public education and training**

Ball and Youdell (2007) point to the emergence of privatisation in state education systems from the late 1980s and the early 1990s. They note that privatisation interventions were focused on the introduction of 'small state-free market' approaches to public services championed by political figures such as Ronald Reagan in the United States and Margaret Thatcher in the United Kingdom (Ball & Youdell, 2007:14). However, countries such as New Zealand and Chile also drew on free-market approaches developed by economists from

the Chicago school of free-market economics. The introduction of privatisation principles and approaches to state public systems is often commonly referred to as 'neo-liberalism'. The concept of public services being viewed as a small state alongside a free-market economy is now a dominant approach to public education globally, regardless of whether political or economic concerns have prompted these changes (Verger et al., 2016).

Privatisation policies have generated significant academic debates. Critiques of human-capital theory approaches and neo-liberalism are well known in South Africa and internationally (Valley & Motala, 2016; Verger et al., 2016). Ball and Youdell's (2007) definition of endogenous and exogenous privatisation in education is acknowledged in the academic literature on privatisation (Verger et al., 2016). Ball and Youdell (2007:16) note:

Privatisation tendencies are at the centre of the shift from education being seen as a public good that serves the whole community, to education being seen as a private good that serves the interest of the educated individual, the employer and the economy.

Key characteristics of endogenous privatisation include the introduction of new public-management approaches from the 1970s that focus on performance management, accountability and performance-related pay and place pressure on public education systems to adopt business reforms in order to be more efficient and productive.

Verger et al. (2016) note two established theories of education policy change – namely the Globally Structured Education Agenda (GSEA) and World Culture Theory – that focus on the external influences affecting changes in education policy. The former sees the global capitalist economy as a key driver of change. This drive is led by institutions such as the World Bank, the International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD), which set targets and standards for education (Dale & Jesson, 1993; Robertson, 2005). Advocates of the World Culture Theory argue that similar education policy approaches are adopted globally on the basis of a common vision of a Westernised modern nation state that exerts pressure on countries, especially developing countries, to show that they are constructing similar modern states. Verger et al. (2016) also note that private providers are increasingly focusing on new education markets funded by public resources.

Streeck (2011) has noted the effects of capitalism on the public sector through underfunding and privatisation. He argues that global shifts of capital markets to tax havens, lower tax regimes and nation states which, from the 1980s, offered tax cuts, have left countries with high public deficits. This has resulted in reduced government expenditure on social security, as well as on investment in physical infrastructure and human capital. He states that privatisation was a key part of this process, which was

carried out regardless of the contribution public investment in productivity and social cohesion might have made to economic growth and social equity (Streeck, 2011:60).

Brown, Lauder and Ashton (2008) have written extensively on the capitalist market-led approach to education and training in the United Kingdom. The approach has been to massify education that is aimed at the production of high-level skills which attract high wages. In following this approach, learners invest in their own education in order to improve their chances of high-level incomes. By focusing on high-level skills, so the approach has held, expertise would be retained in the United Kingdom and lower-level skills development would be left to developing countries.

Brown et al. (2008) note, however, that, with globalisation, knowledge production has shifted away from developed economies such as the United Kingdom, as multinational companies are increasingly focusing on developing their own human capital in developing countries where labour costs are much cheaper. They argue that the market-led focus of education will not result in high-level skills being retained in the United Kingdom, because British graduates will increasingly have to sell their skills globally.

From a southern African perspective, McGrath and Lugg (2012) drew on a case study of the status of TVET in the Southern African Development Community (SADC) in order to critique the notion of an international VET policy toolkit. They argued that national contexts are more important than 'generalisable laws of TVET reform'. Key features of the international VET toolkit included statistical evidence to inform evidence-based policy decisions and the use of policy to drive educational change in a context of governance steering reforms within a neo-liberal framework. They noted further that new public-management policy approaches underpinned the VET policy toolkit, including issues of performativity, decentralisation and marketisation. They asserted that some of these neo-liberal policy reforms were contested, citing as an example South Africa where

a national belief in the need for the state itself to be performative and developmental led to a strong view that decentralisation led to poor policy implementation and, therefore, undermined achievement of developmental goals (McGrath & Lugg, 2012:700).

Following the establishment of national qualification frameworks in Australia, England, Scotland and South Africa, these frameworks are currently being developed in more than 100 countries. Allais (2012:635) argues that 'the "market of qualifications" approach is associated with qualifications reform and qualification frameworks'. She states, further, that outcomes-based qualification frameworks are 'a quintessential neo-liberal type of reform because they are focused on state regulation of service delivery, instead of the state providing public goods' (Allais, 2012:637). Allais notes that liberal market economies have weak vocational training systems and lower levels of entry-level skills training compared with coordinated market economies such as those of Germany and Scandinavia.

In a South African context, Allais (2012) regards South Africa's National Qualifications Framework (NQF) as an example of a market-led intervention that is not responsive to the

needs of the economy or society. In noting that a regulatory state is not a small state, she argues that the South African qualifications framework shows how a

policy which[,] on the one hand[,] is strongly centralizing – in terms of control and accountability mechanisms, andz standards specification – but[,] on the other, strongly decentralizing – in terms of the management and delivery of education and the development of curriculum – has been very damaging to a sector which is extremely diverse and mainly institutionally weak (Allais, 2012:637).

This is corroborated by Marais (2011:339), who asserts:

Constant and considerable state intervention in the economy (and society broadly) is a hallmark of neoliberalism, including in the early wave of pioneering neoliberal states. In fact, what most distinguished them from their predecessors was their aggressive deployment of the state's powers and resources to advance the interests of conglomerate corporations, attack popular social formations and police society.

Kraak (2013) corroborates Allais's (2012) criticism that South Africa is an example of a market-led model of skills development similar to that of the United Kingdom. He asserts that both countries focus excessively on supply-side interventions, where, despite the fact that numbers of students are acquiring vocational qualifications every year, the anticipated increase in skilled personnel who could contribute to increased national productivity has not occurred. Kraak (2013) advocates an employer-led demand intervention for skills through sectoral skills councils as a 'radical departure from the centralised and statist approaches of the UK and South Africa'. This intervention should promote localised entities with a remit to influence firms' 'competitive strategies' directly (Kraak, 2013:5). He notes the lack of employer support for vocational training and the low levels of employment of graduates with vocational qualifications in the United Kingdom and South Africa. He also points to the need for additional policy reforms in the labour market and employment, including industrial and innovation policies.

This brief overview has outlined the significance of privatisation in neo-liberal or market-led education and training systems in South Africa. The following sections set out the conceptual framework and methodology used for this article in order to analyse the impact of privatisation policies on South Africa's TVET sector.

## **Conceptual framework**

The conceptual framework for this article draws extensively on Ball and Youdell's (2007) definitions of privatisation with a view to examining the ways in which privatisation approaches have had an impact on South Africa's TVET sector. Ball and Youdell (2007) use

the terms ‘endogenous privatisation’ to describe the application of business principles in public institutions and ‘exogenous privatisation’ to refer to the outsourcing of public education to private providers. They note that the privatisation of education through the use of consultancies and agencies is becoming increasingly common. Ball and Youdell’s (2007) definitions of privatisation have enabled the present author to show conflicting and countervailing approaches to privatisation adopted by departments responsible for education and training through frequent policy shifts in the TVET sector in South Africa. As opposed to arguing that privatisation approaches in TVET blindly follow the neo-liberal economic stance adopted by democratic South Africa since 1994, this article asserts that endogenous privatisation interventions in the TVET public sector reflect contested policy imperatives in the TVET sector and the state departments responsible for education and training. These contested imperatives lead to the reversal of many of these interventions. The use of exogenous privatisation enables this article to focus on those facets of publicly funded TVET provision that have been externally outsourced to private for-profit providers. It also favours a focus on the way in which the private TVET sector (including the non-profit and for-profit sectors) have been affected by the policy decisions that have been taken.

## **Methodology**

The methodological approach used for this article entails a detailed analysis of South African education and training policy reforms from the late apartheid years and of subsequent reforms undertaken after the inception of democracy. Both the national and the international literature on privatisation is used to analyse a range of education and training policies aimed at South Africa’s public and private TVET sectors with a view to identifying the ways in which Ball and Youdell’s (2007) definitions of privatisation have been applied.

The specific policies drawn on for this analysis start with the Reconstruction and Development Policy (RSA, 1994) to show the initial policy vision for South Africa’s education and training sector after democratic government had been attained. The White Paper on Education and Training (RSA, 1995b) is discussed because this policy formally separated educational institutions from workplace training. South Africa introduced a national qualifications framework (RSA, 1995a), which established the qualification levels for vocational education and training and qualifications for workplace training. Policies affecting the TVET sector included:

- The White Paper 4 (RSA, 1998a) that defined private and public further education and training (FET) colleges (now TVET colleges);
- the FET Colleges Act of 2006 (RSA, 2006a), which established public FET colleges as juristic bodies; and
- The White Paper for Post-School Education and Training (DHET, 2013) that led to TVET colleges being centralised under the national Department of Higher Education and Training (DHET).

Parallel education and training policies that affected privatisation interventions in the TVET provision include the Skills Development Act of 1998 (RSA, 1998b), National Skills Development Strategies (DoL, 2005), and the White Paper for Post-School Education and Training (DHET, 2013) that reoriented skills development training to public TVET colleges.

The suite of predominantly education and training policies is a key focus of this article because these policies effectively illustrate the ways in which endogenous and exogenous privatisation have affected the ability of the TVET sector to contribute to employment and economic development. The following section details South Africa's initial education and training policies in order to illustrate the transition from apartheid education to post-democracy policies. Endogenous privatisation policy approaches were outlined for South Africa's public TVET sector from 1994 to 2009; these were followed by exogenous privatisation policy approaches during a discussion of skills development legislation led by the Department of Labour (DoL) in the same time period. In 2009, there was a fundamental reordering of education and training in South Africa and both the resultant policies and the effects this had on public and private education and training sectors are discussed here.

### **South Africa's initial education and training policies**

In South Africa, the privatisation of education and training was noted as early as the 1980s when, in an attempt to prolong policies instituted under the apartheid government before 1994, the National Party introduced neo-liberal reforms to education and training. At that time, Kallaway stated:

In the era of 'reform' during the eighties the state has itself bought into the rhetoric of equality in educational provision (even if it is still separate but equal), but what has been of the utmost significance for the actual shape of policy and practice has been the desire to link the planning of education more directly to the needs of production and to allow a great deal more scope for the private sector in the field of education and planning (Kallaway, 1989:254).

Kallaway (1989) also showed how the apartheid government sold off key parastatals and privatised key state functions such as housing and health in the late 1980s. Kraak (2004) observes that technical colleges were deracialised only after the collapse of artisan training in South Africa in the 1980s following the global oil crisis and recession experienced from the late 1970s. Black Africans therefore entered into artisan training without the support of parastatals to provide the workplace training necessary to achieve artisan trade-test certification.

The introduction of South Africa's first democratic government in 1994 ushered in a range of new policies aimed at overcoming the legacies of apartheid. Many of these policies were

informed by broad-based, anti-apartheid civil-society movements, including the ANC Policy Framework for Education and Training in January 1994 (CEPD, 1994). From a policy perspective, there was strong support for the introduction of American community college models led by non-profit organisations such as the National Institute for Community Education (NICE) and the Community College Association of South Africa as a way of reforming South Africa's education and training system (Raby & Tarrow, 1996). Both of these initiatives envisaged strong civil-society partnerships with the state, which was supported by one of the first post-1994 policies, the RDP (Reconstruction and Development Programme), in 1995.

A key economic dispensation adopted by the new democratic South African government, the RDP aimed to provide essential infrastructure that would eradicate the socio-economic inequities caused by apartheid. This document noted the severe economic crisis inherited from apartheid and, similarly to Kallaway's argument, it made an important point about the privatisation of the parastatals:

But in recent years, under the cloak of secrecy, the apartheid state privatised or commercialised many agencies in the public sector (such as Transnet, Eskom, Telkom, Iscor, Foskor, SAA, the Post Office, Forestry and others). Often this policy, unilaterally imposed for ideological reasons, harmed basic services to the poor or reduced the ability of the state to mobilise resources for development (Kallaway, 1989:256).

Together with the technical colleges (now TVET colleges), and prior to their privatisation, these parastatals had previously provided the bulk of artisan training during the apartheid years. Lundall (1997) noted the dominance of parastatals such as Iscor in training artisans for the metal and engineering industry. Once privatised, these parastatals ceased training artisans, as training was not a business priority. A Presidency Report noted:

[T]he commercialisation of state-owned enterprises with a greater focus on profit-making in effect compromised training, with many of the training centres being run down (RSA, 2014:11).

The RDP strategy supported the introduction of a qualifications framework together with outcomes- and competency-based education that would cater for all South Africans, an arrangement previously called for by the Congress of South African Trade Unions (COSATU) as a means of overcoming previous discriminatory education legacies. Adult education, special-needs education and early childhood education were identified as key priorities. However, the RDP was phased out in 1996 after it was realised that the programme did not successfully promote sufficient economic growth; in its stead, the neo-liberal Growth, Employment and Redistribution (GEAR) macroeconomic strategy was introduced in 1996 to attract investment in South Africa (Le Roux, 1997).

The White Paper on Education and Training (RSA, 1995b) was one of the first policies to be introduced following South Africa's democratic dispensation in 1994. This policy clearly separated education from training: the Ministry of Education was made responsible for schools, colleges and universities and the Ministry of Labour was responsible for skills development in the workplace. The 1995 White Paper noted the need to work closely with the Ministry of Labour, stating:

The Ministry of Education recognises the Ministry of Labour's essential interest in its active labour market policy, of which the promotion of skills development outside the formal provisioning system for education and training is an integral part (RSA, 1995b:10).

McGrath, Badroodien, Kraak and Unwin (2004) commented on the formation of a National Training Strategy Initiative (1994) led by trade unionists and employers that ultimately culminated in the establishment of South Africa's NQF. This policy process largely excluded education providers, focused as it was primarily on education and training for workers in formal workplaces.

During this reconstruction period, the South African Qualifications Authority (SAQA) Act (RSA, 1995a) led to the implementation of an eight-level NQF that encompassed all education and training in South Africa. Key objectives underpinning the NQF were to redress previous educational inequities and to articulate qualifications across all the education and training bands. South Africa drew heavily on the experiences of New Zealand, Scotland and Australia to develop an NQF for South Africa (Allais, 2012). Ball and Youdell (2007) note that, in New Zealand, the privatisation of education policy was centrally steered by agencies such as the New Zealand Qualifications Authority.

The next section focuses on policy approaches in South Africa's public FET colleges (now TVET colleges), with the emphasis on endogenous privatisation approaches.

### **Policies for public further education and training (FET) colleges, 1998–2009**

With a change in economic focus from the RDP to GEAR, education and training policies were set to regulate South Africa's public vocational education and training system. McGrath (2010) notes that the initial policy process undertaken through the National Commission for Further Education (NCFE) advocated a community-college model based on trade union and civil-society visions of a new education and training dispensation. However, at the time of the development of the Green Paper for Further Education and Training (DoE, 1998), policy advisors were drawn from the National Business Initiative (NBI), a corporate business fund. The Green Paper for FET differed significantly from proposals set out by the NCFE and a more narrow focus was adopted that largely ignored the non-profit sector and civil society in favour of reforming South Africa's state-funded technical colleges. The Green Paper for FET (DoE, 1998) also demonstrated the state's intention to oversee and steer vocational education and training.

This heightened demand for flexibility and responsiveness carries the following implications for FET:

- A shift from rigid bureaucratic planning and management to an approach which more effectively balances efficient state coordination with market responsiveness; and
- State steering, rather than state control, which encourages and rewards innovation and quality (DoE, 1998: unpaginated).

One outcome of this policy change was that the public technical colleges were renamed FET colleges and the scope of their offering was reduced to NQF Levels 2 to 4 (Grades 10 to 12), which were equivalent to the final three years of formal secondary schooling. Prior to this, many technical colleges had offered more than 90% of their curricula at NQF Level 5 (the first year of higher education). Furthermore, FET colleges were not granted autonomy to develop their own programmes; on the contrary, the provincial education departments were registered as the accreditation authorities, while the FET colleges were designated as local sites of delivery for the provision of FET (RSA, 1998a). White Paper 4 also introduced mandatory college councils for FET colleges; this was an expression of the Department of Education's (DoE) first policy intention to reform public FET colleges as endogenously privatised colleges according to business principles. An example of this was the renaming of college principals as chief executive officers (CEOs) and their deputies as deputy CEOs for academic, administrative and innovation leadership positions. The department's objective through these changes was thus to reflect the state's intention to align the colleges more closely with business principles.

White Paper 4 (RSA, 1998a) clearly demarcated separate education and training responsibilities and assigned them to different government departments:

In the market for education and skills, the Ministry of Labour operates mainly on the demand side, while the Ministry of Education operates mainly on the supply side. The Skills Development Strategy of the Ministry of Labour provides a framework for determining the training needs in the labour market and the funding mechanisms for training. The FET policy framework provides, in the main, a strategy for suppliers of education and training to respond to the labour market needs as identified by private and public employers (RSA, 1998a:16).

In 2006, the Further Education and Training Colleges Act was passed. This Act formalised the merger of 128 technical colleges into 50 new public FET colleges through the New Institutional Landscape Policy implemented by the Department of Education (DoE) in 2001. Together with the merger process, the Act also made the 50 FET colleges juristic bodies with governing councils, which signalled a significant privatisation intervention. Also, as part of the merger process, all FET college staff were transferred from the employ of their provincial education department to become FET College Council employees. An exception to this was senior management: the CEO and deputy CEOs of each college remained in the employ of the state (RSA, 2006b).

Many older college staff had serious reservations about changing their conditions of employment, as they feared losing government pensions and so they resisted entering into employment contracts that provided only for provident funds as opposed to guaranteed pensions. As a result, some staff opted to remain in the employ of their provincial education department rather than transferring to an FET college. Akoojee (2008) shows that the number of FET college lecturers in 2003 had decreased by 10% in 2005, when the merger process was nearing completion. He raised a further concern about the varying levels of expertise on college councils that had the potential to reinforce existing inequities between historically privileged colleges, on the one hand, and under-resourced colleges, on the other.

The state introduced a further economic reform – the Accelerated and Shared Growth Initiative for South Africa (ASGISA) – in 2006. This initiative replaced the previous GEAR policy. A key emphasis of ASGISA was its focus on increasing skills, which included a strategy to upgrade the FET colleges (RSA, 2006a). Such economic policy was coupled with the Joint Initiative for Priority Skills Acquisition (JIPSA), which similarly stressed the need to upgrade the FET colleges in order to develop skills in both the formal and the informal economy. With workplace training being located under the DoL's learnership system, the public FET colleges increasingly focused on initial vocational training for pre-employed learners. The DoE, for its part, provided infrastructural funding for the FET colleges in preparation for the introduction of a new school-aligned curriculum. This meant that these colleges were increasingly focusing on theoretical inputs and less on artisanship and skills training for the workplace.

In 2007, the DoE introduced new programmes to the public FET colleges: the National Certificate Vocational (NC(V)) programmes. These were designed to replace the outdated NATED (National Accredited Technical Education Diploma) programmes that had been offered by public colleges before the introduction of learnerships. Wedekind (2014) notes the ambiguity in policy direction for the public FET colleges at this time. From 2004, the FET colleges were recapitalised in preparation for the incoming NC(V) programmes. The NC(V) programmes were designed to replace the 151 obsolete NATED artisan programmes that had been offered by public colleges since pre-apartheid times. The new NC(V) programmes were ostensibly planned in collaboration with industry, but this was a highly centralised process that entailed minimum consultation in some economic areas. The NC(V) programmes were primarily theoretical and required candidates to pass seven subjects per year over three years if they were to complete the qualification at NQF Levels 2 to 4. The DoE's rationale for introducing the NC(V) curriculum was an attempt to align the NC(V) qualifications with the formal National Senior Certificate (NSC) at the end of senior school, which would then give graduates access to higher education qualifications and employment (DoE, 2006b). However, the public FET colleges were ill-equipped and ill-prepared for the introduction of the NC(V) programmes, and this resulted in a throughput rate of just over 5% in 2009 for the first cohort of NC(V) learners.

The universities have been slow to recognise the NC(V) as an alternative qualification to the NSC offered by schools; therefore, the uptake of NC(V) graduates in the universities has, to

date, been minimal. Meanwhile, the FET colleges were permitted to continue offering NATED programmes leading to artisan qualifications, but at reduced levels, and this led to a significant reduction in the capacity of public FET colleges to offer artisan qualifications leading to trade qualifications.

Importantly, students had to pay fees in order to attend public FET colleges, amounting to a minimum of 20% of the total costs of TVET programmes. Mainstream funding for the provision of TVET, constituting 80% of the total cost, was allocated by the central government to the provinces from 1994 to 2010, but each province had considerable latitude to decide on the actual percentage allocated to TVET colleges (Sheppard, 2017). TVET colleges in provinces such as the Free State, KwaZulu-Natal, Limpopo and North West were seriously underfunded. This was exemplified in the case of Limpopo province, where these colleges received only 65% of the 80% conditional grant allocated to the province (Sheppard, 2017).

Enrolment in the public FET colleges during the policy period under review has remained low in comparison with that in public schools and universities. In 1995, approximately 150 000 students were enrolled, which increased to just over 300 000 in 2007 and to 400 000 in 2011. A key reason for the increase in the latter years was the introduction of public bursaries for college students, which increased from R100 million in 2007 to R1.7 billion in 2012. These bursaries benefitted some 237 908 students between 2009 and 2011 (RSA, 2014).

The policy reforms undertaken in respect of South Africa's FET college sector from 1998 to 2009 have firmly located the public vocational sector as providers of initial education and training, situated within a narrow band of education and training that equates to the final three years of secondary schooling. As part of this restructuring, apprenticeship and artisan training was effectively removed from the public college sector and key linkages with industry were significantly weakened, an outcome that is detailed in the following section. Endogenous privatisation approaches exercised through public FET college policies included the use of the state to steer policy reform and the introduction of new public-management approaches that affected staff conditions of service and attempted to reshape the management of public colleges according to business principles. The funding of public TVET as a common good was not realised, and, instead, state funding of the provision of TVET was influenced by the decentralised decisions of provincial education departments as to how TVET college funding was to be allocated. In addition, students attending public colleges had to pay fees on a 'user-pays' basis, even following the introduction of state bursaries from 2007.

The next section details a parallel policy process for continuing vocational education and training policies, one that marks a decisive intervention in the realm of exogenous privatisation.

## **Skills development policies from 1998 to 2009**

A parallel policy on skills training was led by the DoL: it focused primarily on demand-led skills training in the workplace. Skills development legislation for occupational programmes was gazetted in 1998 shortly after the White Paper on FET (RSA, 1998a) was published. The Skills Development Act (RSA, 1998b) introduced unitised qualifications called ‘learnerships’ and skills programmes that combined theory and practical training in the workplace, funded through a national skills levy amounting to 1% of an employer’s payroll. All learnerships and skills programmes were based on qualifications registered with the NQF. Allais (2012) notes that the South African NQF drew directly on the British National Vocational Qualifications model, which ‘generally follows the model of getting stakeholders, particularly representatives of employers, to develop qualifications, which individuals can then select, to enhance their “employability”’ (Allais, 2012:636). In addition, private providers could apply to the newly established sector education and training authorities (SETAs) for the accreditation of part-qualifications (skills programmes) and qualifications (learnerships) of their choice. Significantly, this skills development legislation also announced the phasing out of the time-based apprenticeships offered by public TVET colleges, which apprenticeships were to be replaced by learnerships.

Despite the DoE’s assertion that the FET colleges would continue to offer learnerships (RSA, 1998a), public FET colleges were effectively no longer permitted to offer these occupational programmes. The provision of TVET resorted under the provincial departments of education, which were required to obtain accreditation from SETAs established by the DoL, which was a slow and uneven process. In addition, many SETAs established under the skills development legislation believed that, as the public FET colleges were already funded by the DoE to offer vocational programmes, the SETAs’ engagement in providing learnerships or skills programme constituted ‘double-dipping’ or double funding by both the DoE and the DoL. This was noted in the Green Paper on Post-School Education and Training (RSA, 2012), where concerns were raised about the lack of long-term partnerships between employers and public institutions as a result of the exclusion of public providers from SETA-funded training (DHET, 2011:65). Instead, learnerships and skills programmes were offered by a plethora of newly created private providers accredited by the SETAs to access these state-funded training opportunities.

The Skills Development Act (RSA, 1998b) firmly located all workplace training under the DoL. This training included apprenticeship and artisan training delivered through the learnership system. Prior to this Act, all apprenticeships had been delivered by FET colleges in trimester and semester programmes that were coupled with work experience before apprentices wrote trade tests to become qualified artisans. The Skills Development Act (RSA, 1998b) effectively removed apprenticeship and artisan training from the public FET colleges. Instead, private providers offered outcomes-based theoretical and practical work-based programmes, accredited by the SETAs against specific levels of South Africa’s NQF. Importantly, the Skills Development Act also located all continuing vocational education

and training for employees under the learnership system, leaving public FET colleges with the responsibility for initial vocational education and training.

A five-year National Skills Development Strategy (NSDS I) was introduced in 2001; it prioritised private providers offering learnerships and skills programmes. These skills development strategies were framed by indicators to monitor and record progress against key objectives. A key emphasis of NSDS 1 was to increase productivity. Kraak (2004) notes, however, that this led to the introduction of a massive bureaucracy responsible for the implementation of the NQF, and, specifically, for the delivery of skills development targets. This bureaucracy included 12 national standards bodies and over a hundred standards-generating bodies located under the SAQA. A Presidency Report (RSA, 2014) noted that the provision of training by not-for-profit and community-based providers, and youth development organisations, decreased during this period; it attributed this decline to the formalisation of training in line with the NQF that

added onerous conditions (such as the legal requirement to be accredited and adherence to the quality assurance system) to what might otherwise have been a non-formal training environment (RSA, 2014:19).

Kraak (2008) notes that a total of 134 223 learners were registered for learnership programmes from April 2001 to March 2005. Of these learners, only 45 813 were employees in the workplace and 88 410 were unemployed. Kraak (2008) asserts that the emphasis on training unemployed learners arose from a Growth and Development Summit in 2003 that emphasised the need for training for unemployed youth. The FET colleges (now TVET colleges) were marginalised from the provision of learnerships in NSDS 1, and, owing to capacity constraints, the small number of learnerships allocated to public FET colleges were outsourced at the expense of building the in-house capacity of public colleges. Kraak (2008) notes, further, that the expansion of learnerships to unemployed learners was driven by a rapid rise in private providers who were offering supply-side qualifications in response to a new market for education and training rather than responding to employers' training needs. Most of the learnerships undertaken in terms of NSDS 1 were provided at very low education and training levels. NSDS II was introduced in 2005 and similarly stressed training in the workplace by private providers. A total of 74 244 learners were enrolled in learnerships from 2005 to 2009.

This analysis of skills development policies in South Africa reveals a significant exogenous privatisation policy intervention led by the DoL. Through the location of all continuing vocational education and training, including apprenticeship and artisan training, with private providers, public FET colleges were effectively removed from workplace-based education and training. The introduction of skills development policies involved the establishment of a massive bureaucracy for the registration and accreditation of private providers, at the expense of non-profit community-based providers. The skills development policies were also supply-led, leading to a massive increase in training by providers as a result of a new market for education and training stimulated by public resources obtained through a skills levy tax.

The following section details the reversal of this exogenous privatisation policy intervention through the consolidation and recentralisation of education and training under the newly created DHET in 2009.

### **South African education and training policies from 2009 to 2015**

In 2009, a new policy process resulted in the creation of two education ministries, the DHET and the Department of Basic Education (DBE). All adult education, TVET (formerly FET) colleges and universities fell under the DHET, but an important shift was that the SETAs and the National Skills Fund were also located under the DHET. Occupational training was no longer a responsibility of the DoL and accredited providers; instead, skills levy funds from the 1% training tax based on employer payrolls were redirected towards public TVET colleges as opposed to private providers. As a result of this significant policy shift, the conditions of employment for public TVET college staff were changed yet again and the state became the employer of all staff. These changes signalled a significant negation of the previous endogenous privatisation approaches. They also resulted in the recentralisation of colleges under a national DHET as a national competence rather than a provincial competence; in addition, the recentralisation brought about a reversal of the exogenous privatisation approaches led by the DoL.

At the same time, it was announced that the public TVET colleges would become the preferred providers of all occupational programmes by providing learnerships and skills programmes funded by the SETAs. By 2009, public state-funded providers had previously been allocated less than 10% of all funds generated through the 1% skills levy (PMR, 2013), the vast majority of funds having been allocated to private providers.

However, the TVET colleges were poorly equipped to take advantage of their preferred provider status. A critical problem they faced in undertaking learnerships was that trainers with industry expertise were externally hired on a contractual basis for the duration of the training, because the state provided permanent employment only for educators offering NCV and NATED programmes (Needham & Papier, 2018). This meant that the TVET colleges could not retain the expertise of the industry trainers that had been used for learnerships, nor could they build internal capacity. Meanwhile, enrolment rates at the TVET colleges grew significantly with the introduction of the state-funded bursaries, and throughput rates of the mainstream NC(V) and NATED programmes have steadily increased since 2009, albeit from a very low base. Key to this trend was student access to the National Student Financial Aid Scheme (NSFAS) bursaries, which were extended to TVET colleges for the first time in 2013.

The most recent policy process has been the development of the National Development Plan (NDP) and the White Paper on Post-School Education and Training (DHET, 2013). This marked a further centralisation policy process that built on the coordinated efforts by the Human Resource Development Council (HRDC) of South Africa to work across multiple

ministries. The NDP was launched in 2013; it stressed the primacy of higher education in developing innovation and knowledge. Targets were also developed for the TVET sector, namely to produce 10 000 artisans per year initially and 30 000 annually by 2030. These targets also included the expansion of the TVET colleges to enable them to train 1.25 million learners by 2030 from a base of just over 600 000 learners in 2013. The 2013 White Paper placed strong emphasis on private-industry involvement in the public TVET colleges, as stated below:

Employers should also be in a position to advise the college system and individual colleges around issues of curriculum, and experts from industry could teach at colleges on a part-time or occasional basis. SETAs have an important role to play in promoting and facilitating links between colleges and employers. A curriculum that responds to local labour market needs or that responds to particular requests from SETAs, employers or government to meet specific development goals will result in a differentiated college system with various niche areas of specialisation (DHET, 2013:xii).

However, private providers were not supported in the 2013 White Paper, which focused entirely on public TVET provision, and the policy clearly indicated a reduced role for private provision:

While recognising and appreciating the role of private institutions, the Department believes that the public sector is the core of the education and training system. The government's main thrust, therefore, should be to direct public resources primarily to meeting national priorities and to provide for the masses of young people and adult learners through public institutions (DHET, 2013:xv).

During this period, economic growth slowed in South Africa. Between 1994 and 2012, the average economic growth rate achieved was 3.2% (Bhorat, Cassim & Tseng, 2016). Since 2012, the annual growth rate fell from 2.2% to 1.3% in 2015. Sheppard (2017) noted that this

level of economic growth is far short of the estimates of the *National Development Plan* of more than 5% per annum to 2030 (National Planning Commission, 2011), and far below the 8 to 10% per annum needed for a period of two decades to address the 'triple challenge' of unemployment, inequality and poverty in South Africa (Sheppard, 2017:27) (emphasis in original).

Bhorat et al. (2016) concluded that TVET college graduates were only as likely as secondary-school leavers to gain employment. These authors further asserted that the high unemployment rates in South Africa can be attributed, first, to an oversupplied labour market with low education and training skills levels in an economy that seeks skilled occupations, and, secondly, to the poor quality of schooling and education and training.

This section on contemporary education and training policies in South Africa has shown the significant reversal of the endogenous and exogenous privatisation policy approaches that the departments of education and the DoL, respectively, enacted in previous education and training policies. In asserting the role of the developmental state, the government, through the creation of the DHET in 2009, amalgamated the education and training functions of both departments, and this led to the recentralisation of the public TVET colleges as a national competence. The market for continuing education and training in the workplace that had been dominated by private providers was now redirected to the public TVET colleges, which were poorly equipped to realise these opportunities as a result of having previously been marginalised from workplace education and training. The conclusion below reflects on Ball and Youndell's (2007) definitions of privatisation to illustrate ways in which countervailing approaches to privatisation have not helped public and private education and training institutions to contribute to economic growth in South Africa.

## **Conclusion**

Ball and Youndell's (2007) definitions of endogenous and exogenous privatisation are useful in noting the extent to which privatisation affects both the public and the private provision of education and training as a market opportunity. South Africa's initial White Paper on Education and Training (RSA, 1995b) clearly separated the supply of initial vocation and training allocated to the public vocational education and training system and a 'demand-led' continuing education and training system in the workplace that was dominated by private providers.

This article has traced the development of parallel education and training policies by two separate government departments, the DoE and the DoL. On the one hand, these policies relegated the public TVET colleges to providing initial education and training at secondary school levels; on the other, they opened up workplace education and training to a private-provider market. Allais (2012) and Kraak (2013) have clearly shown that both of these education and training systems have been supply-led and characterised by increased enrolment rather than performing their intended function, namely addressing the education and training needs of employers.

Ball and Youndell (2007) have argued that privatisation tendencies are at the centre of the shift from education

being seen as a public good that serves the whole community, to education being seen as a private good that serves the interest of the educated individual, the employer and the economy (Ball & Youndell, 2007:16).

The policies developed by the DoE (RSA, 1998a; RSA, 2006b) endorsed endogenous privatisation approaches through regulating public education and training, including the derogation of public state-funded staff to private college council employment, the

decentralisation of public funds to provinces which were differentially allocated to public TVET colleges, and the imposition of private fees on TVET college students. These endogenous privatisation approaches were then subsequently reversed in 2009 with the recentralisation of the public TVET colleges as a national competence and the introduction of state funding for students.

The DoL skills development legislation explicitly made provision for a market for private providers of continuing education and training at the expense of public providers; in so doing, it introduced the possibility of significant exogenous private intervention in the provision of TVET. Kraak (2013) has shown that this resulted in the supply-led provision of workplace training, as private providers capitalised on market opportunities, rather than a focus on demand-driven education and training for economic growth. This exogenous intervention has also been reversed following the creation of the DHET in 2009.

South Africa's neo-liberal economic approach has enabled neither of these education and training systems to effectively produce TVET graduates who help to overcome the critical skills shortages and contribute to national economic growth. These parallel policies have instead resulted in a separation of provision for initial and continuing vocational education and training, and have led to only minimal synergies between public and private providers that could otherwise be used to strengthen the country's education and training policies. Recent policy developments (DHET, 2013) have further limited the possibilities for public and private providers to collaborate and share expertise in what should be a coordinated TVET education and training intervention.

By using privatisation as a lens through which to view education and training policies that affect the provision of TVET, this article has demonstrated that the implementation of endogenous and exogenous privatisation policy approaches has not facilitated the building of a coherent public and private TVET sector that is capable of contributing the critical skills required to stimulate economic growth.

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