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Transforming the Labour Skills Arena in South Africa: The International Dimension

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The Challenge of Change

The last decade of the twentieth century witnessed a dramatic series of changes in the architecture of skills and of training policies in South Africa. The first year of this century has seen key elements such as the skills development levy and the sectoral authorities responsible for education and training being put into place; there will doubtless also be an increasing number of initiatives involving the development of learnerships and skills programmes – as the new training standards begin to spread and to be adopted in many different economic contexts.

The skills revolution is a crucial part of the reconstruction of South Africa. It is seen to be central to facing the challenge of globalisation, to reversing the shedding of formal sector jobs, and to making more competitive the untapped potential of both rural and urban micro-enterprises. Like the parallel reform in the education sector, the training reform has had to face two ways; for the majority black population, it had dramatically to redress the legacy of the decades of job segregation and exclusion from skilled worker status; and at the same time it has had to accompany an industrial and commercial restructuring made necessary by trade liberalisation and the rapid removal of protection. These in turn, as we shall see, have resulted in a very substantial rise in unemployment at the very time that aspirations for more rewarding work have been kindled by the end of political apartheid.

Both the education system and the training system have sustained far-reaching organisational and structural reforms, but, understandably, in both cases in the last years of the previous century the very currency of their curriculum content has been radically rethought to fit the new South Africa. Hence both the schools and the training systems have to absorb and digest new ways of teaching, learning and assessing that differ starkly from the traditional. This dual challenge would be a tall order for any society. It is doubly so, when the revolutions have to encompass a curriculum for competitiveness[7] and a curriculum of national inclusion.

The architects of these massive changes have been South African. The series of Green and White Papers that underpin the reforms are some of the most thoughtful and persuasive that have appeared in any country emerging from minority or colonial rule. But what this present paper wishes to explore is one relatively small element of this whole canvas of change, and that is the role that international co-operation and assistance have played in support of the labour skills revolution.[8]

In approaching this topic, we are aware that by the time that official development assistance was finally available to the new South Africa, many of the bilateral and multilateral agencies – as well as the Northern non-governmental organisations (NGOs) – had had some 30 years of experience of assistance in many different political environments.[9] Over time, their own strategies and policies had changed substantially. Inevitably, the offer of official aid to South Africa was conditioned by the learning experience and the knowledge base of the agencies in the mid-1990s. But we shall argue also that the final shape of the training world-as-aided in South Africa was materially affected by the particularity and diversity of the skills development history

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[7] The idea of a 'curriculum for competitiveness' is developed further in Afenyadu et al. 2000.

[8] It is anticipated that there will be a parallel study carried out by colleagues in the University of Cape Town and the University of the Western Cape on the role of international assistance to the education sector.

[9] This is not to say that aid had not been available to South Africa prior to majority rule in 1994, but that aid to NGOs, trade unions and other civil society organisations had been provided under very different circumstances. See King 1999.

of South Africa itself and by policy people in many different constituencies in that country.

We shall look at the special challenge of South Africa to the donor community; the way that the South African government has itself sought to analyse external co-operation, and then a variety of ways in which support to skills training has been developed with external assistance.

The Particularity of South Africa

Analysing international co-operation with South Africa in the field of skills development over the last decade cannot be carried out in the same way as has been common in other 'aided' countries. Without even referring either to the middle income status of South Africa according to international economic development standards or to its continuing dual or triple society character, the apartheid heritage would in itself confer on South Africa a unique position. The very fact that President Mbeki's state-of-the-nation speech, of 4 February 2000, could explicitly refer to some ongoing brutally racist tendencies in the country demonstrates that the political changes of 1994 may well take decades to modify the economic and socio-political face of South Africa.

It is in such a context that any consideration of the history, the present situation, and the future perspectives of international co-operation with South Africa has to be made. We can accordingly raise some key issues concerning the ways that the aid actors may have taken into account the uniqueness of the South African context when defining their policies, partners, instruments, timeframe and modalities of aid. This task must surely have been difficult, since the specificity of the aid challenge in South Africa is bound to have been affected by the numerous developments that the aid and co-operation agencies have been involved with elsewhere in recent years. A selection of these changes should be mentioned as they may have made more complex the aid response to the peculiar challenge of South Africa:

- The growing importance of the poverty agenda to aid donors, and their attempt to accommodate the often-conflicting objectives of growth-oriented development with the reduction of socio-economic inequalities in the South
- The necessity of reaching a certain level of coherence amongst the different policies of Northern governments relating to the South – and not least the portfolios of foreign affairs, private investment and international trade policy, and aid policy (Forster and Stokke 1999)
- Strong pressures to marketise the aid budgets outside the agencies through competitive bidding procedures amongst Northern consultants

Implementing all these innovations in aid projects and programmes has proved far from easy:

- The poverty agenda is more difficult to translate into specific programmes than to formulate as it reveals some tensions between its ideological and technical dimensions (King and Caddell 1998); furthermore, concerns have been expressed about the knowledge and skills capacities of some agencies to deal with this agenda (DAC 1999)
- The coherence objective can be resented by the development co-operation-oriented agencies and staff (who are increasingly integrated into the Ministries of Foreign Affairs of their respective countries) as a way to undermine their specific

'development' objectives and integrate them in the new global economic world order[10]

- The marketisation of aid has tended, in some cases, towards a capacity reduction in the agencies themselves both at the central and local levels. Consequently, despite the widespread agency emphasis on knowledge management at the institutional level (King 2000), their own individual knowledge creation and capitalisation are lacking for coping with the often changing process of definition of their policies and strategies, both in general and in specific countries. Furthermore, the technical assistance market, which is developing in the South, contributes also to a parallel 'capacity-debuilding' process in the national administrative, training and research organisations with which aid has to work

Having to face all these challenges, the agencies at work in South Africa must surely also have been obliged to confront these with the unique situation of the country, i.e. the devastating consequences of apartheid in the short, medium and long term. There is an intriguing question to be asked about the assessment the agencies must have made of the country situation before launching their aid programmes. Different hypotheses could be suggested about the content of any such assessment.

Despite the South African situation being unique, some agency policies and programmes have probably been based only on a light adaptation of those already tried and tested in other countries, since the costs of an ad hoc new approach would have been too high. Consequently, in some respect, the traditional discourses, policies and strategies may have largely been called upon with a minimum reference to the above-mentioned new trends or to the specificity of South Africa.

When looking at the numerous agencies intervening in the education and skills development fields, one could then construct two scenarios reflecting the adjustment of aid to South Africa. If we look more specifically at education and democracy as being two of the areas most devastated by apartheid, these two fields could be situated at either end of a continuum reflecting the vision the agencies had in mind after 1994 for the future of South Africa.

If one considers that the uniqueness of the country could rapidly diminish – thanks to globalisation – and that education could be one of the main instruments to deal with poverty, then aid to the devastated South African school system would become a major priority in all respects (social, political, ethical). Furthermore, the priority given by most agencies since Jomtien to basic education and the knowledge acquired over several decades in some of their large education projects provide the ground for intervening in this sector. More generally, the high-level political commitments made by the agencies to South Africa have also provided the immediate financial justification for support to education. In this scenario, a largely supply-driven approach could thus be applied for tackling a national situation the specificity of which is minimised.

At the other end of the continuum, arguably, the top priorities for a post-apartheid country must be to set up the institutional and technical instruments which could contribute towards returning to a 'normal' civil society (justice and police reform, institutional restructuring), to the construction of a nation and to the quest for foreign investment. In this scenario, a more demand-driven approach would be used;

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[10] The Sida (Swedish International Development Agency) case is fascinating as the coherence concerns have been explicitly tackled in two reports dealing with Africa and Asia but, at the same time, challenged in South Africa when the aid and trade agendas were combined during a high-level visit at the end of 1999. See Ministry for Foreign Affairs, Sweden, 1997, 1999.

and the emphasis would be put on the human and institutional development dimensions of aid for setting up of a new governance mode adapted to the specificity of the country.

If these two situations reflect the extremes of a continuum, one can suggest that the country policies which have been produced by a good number of agencies do in reality reflect something of a compromise between them.

This view is in some way confirmed by the *Overview of Official Development Co-operation Programmes in South Africa* produced by CIDA (Canadian International Development Agency):

> Education and human resource development appears the sector of greatest priority among donors, as evidenced by the fact that all 18 [agencies] profiled in this report are involved, in one way or another, in education, vocational training and activities related to human resource development. Democracy, human rights/justice and good governance are the second most important priority among donors in terms of participation. It is not clear whether donors, in aggregate, spend more money in education or in democracy, human rights and governance. However these two sectors form the biggest areas of spending by donors. (CIDA 1999: 5)

Of course in the real world of agency choices about investment, it is not a question of supporting education *rather* than measures to support directly the democratic process, in a post-conflict setting. Most agencies' country strategies for South Africa propose to support both democratisation and human rights, along with education and training. Thus, *Danish Transitional Assistance to the Republic of South Africa* makes very clear that democratisation is Denmark's first aid priority, and the detail of its programmes and projects makes plain how important is the unique legacy of South Africa (see concerns with the prevention of violence, human rights, conflict resolution and victim aid). But inseparable from support to democratisation, and the allied programme of land reform, are very strong commitments to education and training, and to black business and employment. Indeed, the financial commitment to the last programme was larger than any of the other three (Danida 1998: 15).

The EU would add a further dimension to the mix of donor decisions, with its three-fold aim – of poverty alleviation, better integration into the world economy, and the consolidation of human rights and democratic processes (EU 1999: 6). It is interesting to note, however, in the current draft of its 'Country Strategy Paper for South Africa, 2000–2002', that support to education and vocational training 'should not be retained as an area for major programmes in 2000–2002' (ibid.: 7). This is an intriguing position in view of the major support to labour market skills development (see below).

Interestingly, DFID's 1998 *Country Strategy Paper: South Africa* is concerned with three areas: promoting sustainable livelihoods; better education and health; and better management of the environment. There is in fact a human rights and justice dimension in the first area, but its positioning has nothing of the salience accorded to Danida's transitional assistance programme.

A final example would be from the German Technical Co-operation Agency (GTZ), which delivers bilateral co-operation on behalf of the German government. Of the six areas of co-operation now agreed, it would appear that technical and vocational education and training (TVET) is one of the core concerns, and there is no explicit concern with democracy and human rights, but rather with public and administrative advisory services (GTZ 1997: 9).

But as we move now to look more closely at support to skills development, we shall note that because it straddles so many concerns – from historical exclusion to integration, from unions to informal sector, and from employment (and

functioning of the system through the Department of Labour at central and local levels. Yet the newly launched system is clearly also of a tripartite kind, and reflects the strong influence of the employers and employees' representatives in the numerous structures which are being put in place, from the top to the field levels.

The launching of the Skills Development Fund-financed training activities as well as the running and credibility of the system will depend consequently on the strength, the will and the capacity of *all* the stakeholders to play the new game. The ongoing debate about the different roles of the trade unions in the political and economic spheres, about the capacities of the administration to deliver and about the willingness of some employers to stick to the equity and black empowerment policies adopted since 1994, will influence the critical, first steps of the system's launch. And it is not certain that skills development will continue to be a common interest for all these parties.[11]

The government as well as the agencies have then to decide whether they want to provide the long-term institutional support allowing the financial and managerial sustainability of the training system, even though the latter will increasingly have at its disposal its self-managed fiscal resources through the Skills Development Fund. As far as the agencies are concerned, this situation fits very well with their on-going discourse on the importance of human and institutional development. But equally the success of the levy fund will allow agencies to argue that their initially critical support should become sustainable.

Before we turn to the detail on some of the specific external support to skills development, we need to locate this area of labour market skills training within the South African government's own attempt in 2000 to analyse aid flows across a number of key sectors.