

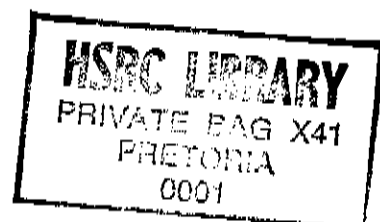
Globalisation and Education and Training in South Africa: On Being GEAR(ed)!

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List of Acronyms

AGOA- African Growth and Opportunity Act
ANC – African National Congress
CEO- Chief Executive Officer
CHE – Council for Higher Education
CS Educators – College (and) School Educators
DoE – Department of Education
DTI – Department of Trade and Industry
EU- European Union
FDI – Foreign Direct Investment
FET – Further Education and Training (Post school level)
FTA – Free Trade Agreement
GATS – General Agreement on Trade and Services
GATT – General Agreement on Trade and Tariffs
GDP – Gross Domestic Product
GEAR – Growth, Employment and Redistribution
GEIS – General Export Incentive Scheme
GJMC – Greater Johannesburg Metropolitan Council
HEQC – Higher Education Quality Committee
HET – Higher Education and Training (Post FET level)
HSRC – Human Sciences Research Council
ICT – Information and Communication Technologies
ISASA – Independent Schools Association of South Africa
MIDP – Motor Industries Development Programme
NEDLAC – National Economic Development and Labour Council
NEPAD – New Partnership for Africa's Development
NIC – Newly Industrialised Countries (includes Singapore, Malaysia, Taiwan)
NQF – National Qualifications Framework
OECD – Organisation for Economic Co-operation and Development
RDP – Reconstruction and Development Programme
RSA – Republic of South Africa
SADC – Southern African Development Community
SARS – South African Revenue Services
TVET – Technical and Vocational Education and Training

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Introduction

The onset of a new world order since 1990s in the form of increased international cohesion in the economic, political and social domains, is generally understood under the concept of globalisation. It has been considered by many to have an essentially deleterious effect on the economic, social and political development of developing states or emerging economies, while advantaging the more developed nations of the North. (Went, 2000; Torres, 2002; Apple, 2000; Held, 2000) The effect of globalisation on national education and training systems has been explored by various contemporary thinkers (Robertson et al. 2002; Apple, 2000; Carnoy, 2000) and there is debate about the extent to which nations are able to respond in a manner that is unique and creative in view of the powerfully pervasive force of the phenomenon.

This paper takes as a point of departure that nations are able to respond to, and are responding to, the phenomenon in ways designed to extract maximum national benefit, albeit sometimes driven by a narrow-focussed short-termism. However, the capacity of the less developed nations to tilt the balance in their favour is muted by the essentially unequal international world order dominated by the more resourced North, in particular the countries in the Organisation for Economic Co-operation and Development (OECD), and the Newly Industrialised Countries (NICs), e.g., Singapore.

Clearly, the intertwining, interdependent forces of the globalisation process and the associated information and communication technologies (ICT) revolution are powerfully responsible for transforming the international order. This paper will explore the extent to which the education and training sectors in South Africa have been affected by, and are shaping in turn, the impacts of globalisation.

It is argued that South Africa transition from Apartheid to democracy has been associated with a transition from a nationalist, racially-exclusive, inward-looking economy to one that it is trying desperately to benefit from external global interaction (Altman and Meyer, 2003). However, South Africa finds itself frustrated by the political realisation that attempts to respond to the global agenda require, in some measure, the sacrifice of key 'welfarist' elements necessary for the majority's economic emancipation and the achievement of a racially inclusive new order. The contradiction between national priorities and international neo-liberal 'capitalist' imperatives is felt in the education terrain, where there is an increasing perception that there is a lack of effective service delivery as a result of fiscal contraction.

Hard choices will need to be made as regards the nature of engagement to balance both national and international imperatives. Although, there is a view that South Africa's relatively more advantaged position in the continent in so far as infrastructure and resources (physical and human) means that it will attract the necessary capital to enable benefits to accrue to its populace, this cannot simply be assumed.

Section A provides a background of the economic manifestation of globalisation as it affects South Africa. In particular, it will address the move from the Reconstruction and Development Programme (RDP) to the strategy for Growth, Employment and Redistribution (GEAR) and the concomitant economic effects of this change. It provides as context, an examination of the way in which the globalising tendency, as evidenced by GEAR, has succeeded in transforming the South African economy into a more global one. The possible effect of the reduction in government spending is then evaluated in the following section.

Section B explores the impact of economic globalisation on education and training in the South Africa. The first part looks at the impact on public provision, with specific reference to the legacy of unequal provision and the effects of fiscal contraction on teacher supply and its impact on provision. The second identifies the way in which globalisation has impacted on post-school provision, i.e., the further and higher education public sectors. The way in which the private education sectors have been affected is then explored. The section closes with the impact of the brain drain on South Africa and possible opportunities for brain gain.

Section A: Globalisation of the South African Economy

GLOBALISATION AND APARTHEID: THE SOUTH AFRICAN CASE

The onset of globalisation has coincided critically with the demise of Apartheid and the introduction of a democratic order in South Africa. The economic recession in the early 1990s, accompanied as it was by the emergence of democracy, tended to conflate the effects of the new-found freedom with economic subjugations. Moreover, the period was also associated with the peak of the discursive power of a globalised world order. The new democracy had to deal with, on the one hand, the imperatives of democracy and restitution, as well as, on the other, an essentially unequal global economic order.

The early days of independence particularly made the link between the negative effects of Apartheid and Globalisation appear powerful. The tasks of government were huge. The world order had been rapidly transforming since late 1980s. Thus when political emancipation came in 1994, South Africa was totally unprepared. Catapulted onto the world stage by the euphoria of freedom and, armed with a democratic constitution considered one of the most progressive in the world, the government was not able to understand the true import of its responsibility. They had not only to transform political organs, but also had to ensure that social and economic aspirations were responded to while keeping pace with a world-order that required economic integration and trade liberalisation in keeping with the imminent European Union. A major recession leading to high unemployment made a mockery of the expected social and economic benefits from democracy. The imperative of achieving social and economic equity in a context of past inequities, had to be accompanied simultaneously by the requirement to achieve efficiency and managerial competence as integration into the world became an important dual imperative. South Africa also needed to be integrated into a world that required a free movement of capital, reduction of trade and tariff barriers and its enforcement. The decades of economic isolation meant that even business was not well equipped to respond to the impending trade liberalisation¹, leading to, in some cases, further economic hardship.

However, the initial policy position of the ANC was designed with issues of redress and equity in mind rather than the imperatives of global efficiency and integration. In 1994, the government launched the Reconstruction and Development Programme (RDP), which had formed the essence of the ANC's first election manifesto (ANC, 1994). The RDP was placed under a separate Ministry, indicative of its importance. The transformationalist thrust of the RDP was evidenced by increased state spending to improve delivery of key social services to promote equity (Nicolaou, 2001). It is important to emphasise that these services were hitherto provided in distinct racial, essentially unequal, categories.

The RDP was premised on the understanding that equity and redress must be achieved. As a 'reconstructive' policy, it recognised that the problems of lack of housing, water and electricity

supply, shortage of jobs, inadequate education and health care for the majority needed to be urgently addressed in order for the political gains to be cemented. It proposed job creation through public works. The building of houses and provision of services would be done in a way that created employment, thus growth was intrinsically linked to a strong social element to ensure that unemployment was reduced and labour-intensive projects encouraged. The strong 'welfarist' element evident in original RDP documents was watered down in the subsequent White Paper (DoE, 1995) designed to implement its policies. This raised for the first time the new Government's concern that social policy could be tempered by fiscal discipline (Marais, 1998; King and McGrath, 2002).

Moreover, at the same time that it committed to the RDP, Government signalled its intention to opening its economy. It became a signatory to the Marakesh Agreement, as part of the General Agreement on Trade and Tariffs (GATT), which led to a five-year tariff reduction and rationalisation programme. Interestingly, the agreement was not a unilateral government decision. It was the product of consensus between South African economic stakeholders². This led to a rapid review and phasing out of the General Export Incentive Scheme (GEIS), only developed in 1990, which attempted to stimulate exports by providing tax free incentives, intended to serve as a buffer against exchange-rate fluctuations. Strikingly, South Africa embarked on a strategy of trade liberalisation that was faster than what was either required or expected by the international financial institutions. The opening up of the economy led to further contradictions with the RDP policy.

The next section examines the changes implicit in this shift.

AN ECONOMIC SHIFT IN GEAR

In June 1996, the RDP was abandoned. Couched in the language of the importance of a macro-economic policy, the tenets of the RDP were sacrificed, in action rather than rhetoric, to an 'efficiency' discourse. Strikingly, these changed priorities were the product of an internal change rather than one imposed from outside, as had been the case in many African countries. In the context of recession in the early 1990s evidenced by increasing consumer prices and alarmingly high unemployment, there was a tendency to see problems and solutions in economic terms. It was also evident that path chosen was one that responded to the global trend that saw fiscal contraction and capital stimulation by private means as a way of resolving social problems. Public spending was deemed wasteful and inefficient, especially when spent for welfare purposes. Whilst the state still committed itself to moving away from the closed Apartheid economic system, with its high interest rates; foreign exchange restrictions³; capital-intensive manufacturing sector; and an essentially low skills populace⁴, any redress of their impacts was now to be delivered within a context of fiscal austerity.

The new GEAR strategy signalled an almost turnaround from RDP, although the political rhetoric still committed government to the principles of the RDP as depicted in the GEAR policy position (Department of Finance, 1996). The new policy was ostensibly designed to respond to faltering growth, rising inflation and unemployment. GEAR was intended to contain inflation in large measure through curtailing spending in the public domain while stimulating spending in the private sector. It proposed that macro-economic stabilisation was essential for economic growth, employment and redistribution. Key components included:

- fiscal deficit reduction to contain public debt and debt service obligations, counter inflation and free resources for investment;

- the gradual relaxation of exchange controls in line with the need to keep the real effective interest rate stable at a competitive level;
- a reduction in tariffs to contain input prices and facilitate industrial restructuring, compensating partly for the exchange rate depreciation;
- tax incentives to stimulate new investment in competitive and labour absorbing projects; and
- the 'restructuring' (privatisation) of state assets to 'optimise state resources'.

Thus the policy was designed to ensure South Africa's competitiveness and insertion onto the global playing field.

The dual exchange rate system was abolished, ostensibly to stimulate capital flows, a key requirement for entry into world markets. For South African citizens, there has been liberalisation of exchange controls and increase on limits on foreign investment transactions by individual residents. For non-residents, capital controls have been lifted ostensibly to encourage foreign direct investment. Restrictions on currency repatriation and a tax on non-resident shareholders were lifted, paving the way for major South African companies to list on foreign stock markets in a bid to increase capital inflow from outside the country. In addition, the Government embarked on a concerted campaign to privatise state assets to enable growth.

It is important to know how South Africa appears to have fared in the international economy in the last decade. It is also important to know which sectors have prospered and which weakened. Has South Africa in fact been able to attract FDI and create jobs? The following section will elaborate on this aspect.

JUST HOW IS THE ECONOMY DOING?

This section will explore the extent to which GEAR has succeeded in transforming the South African Economy.

Industrial Production, Domestic Demand and External Capital Penetration

Industrial Production

By the end of 2001, industrial production in South Africa was growing at over 5%⁵. This compares favourably with most other middle income industrializing countries.

Table 1: South Africa: Comparative Industrial Performance 2001

ASIA	INDUSTRIAL PRODUCTION DEC 2000 – DEC 2001 Y-on-Y% CHANGE
China	+8.7
India	+1.6
Malaysia	-7.7
Philippines	-11.3
South Korea	+3.3
Taiwan	-6.1
Thailand	+1.3
LATIN AMERICA	
Argentina	-18.3
Brazil	-6.1
Chile	-1.9
Colombia	-1.4
Mexico	-3.6
EASTERN EUROPE	
Turkey	-9.4
Czech Republic	+7.0
Hungary	+1.6
Russia	+2.6
SOUTH AFRICA	+5.4

Sources: The Economist February 9th, 23rd, March 2nd 2002

This growth rate continued in the first few months of 2002. According to The Economist, the year-on-year growth rate for industrial production for February was 5.5%.⁶

Amongst the sectors that experienced sustained increases in gross output over the last few years were motor vehicles, parts and accessories; chemicals; and television, radio and communications equipment. Increasing output in the motor vehicle sector has also provided a considerable spur to related industries – glass, rubber, leather and plastics.

The poor performing sectors included consumer goods industries – particularly textiles, apparel and footwear, as well as food and beverages. Poor performance was the product of slow growth in the domestic market, linked to tight monetary and fiscal policies (interest rates currently stand at 17%).

The slow rate of growth of consumer goods sectors has been particularly significant. In the case of footwear especially, there has also been very significant increase in imports. Thus the share of manufacturing output accounted for collectively by the food and beverages; apparel, textiles and, and furniture sectors declined from 29% in 1994 to only 24% in 2001.

The occasional acceleration of consumer expenditure is sometimes associated with devaluation of the currency. Thus, for instance, towards the end of 2001 there was a significant acceleration of consumer expenditure as a result the depreciation of the currency. It is likely that more affluent consumers advanced their purchases of products with high import content – cars, electrical appliances, hardware and books and magazines in anticipation of the price increase. The current currency fluctuations around the spectre of an Iraq War make it difficult to predict whether the rand has now stabilised or whether a new round of depreciation is likely in 2003.

Exports

A number of factors have enabled the export orientation of the manufacturing sector. They include:

- **A deliberate and consistent industrial strategy**, which has placed considerable emphasis on exporting. Overall tariff liberalization and support for export-import arrangements have been developed. As for the auto industry, supply support measures were instituted.
- **Exchange rate depreciation**. Although it provided a direct stimulus to exports, this has also provided considerable protection to domestic producers faced with declining tariffs.
- **The rapid rate of growth in the world economy** (at least until the end of 2000).
- **The adoption of new technologies** and the upgrading of existing systems have seen substantial rises in labour productivity. This has, in turn, impacted favourably on unit labour costs and resulted in increasing competitiveness. However, this has often impacted negatively on employment.

The Extent of Exports

Total manufacturing net exports (gross exports minus imported intermediates) have risen significantly and consistently since 1994 (see Table 2).

Table 2: South African Manufacturing Net Exports (Gross Exports Minus Imported Intermediates) as a Percentage Share of Gross Output, 1994 - 2002

1994	2.3
1996	5.8
1998	7.7
2000	9.5
2001	9.9

Source: TIPS South African Standardised Industry Data Base

South Africa's share of exports in manufacturing output has more than doubled in seven years. In 2001, 28% of manufactured output was exported as compared to 14% in 1994 (Table 3). This is consistent with world trends where exports of manufactures have been rising 3.5 times more rapidly than output.⁷ Manufacturing's share in total exports has risen from 35% in 1994 to over 50% at the end of the 1990s.⁸

Table 3: Gross Export / Output Ratios for the Manufacturing Sector, 1994 and 2001

Sector	Export/Output ratio 1994	% of output	% of exports	Export/Output ratio 2001	% of output	% of exports
Total Manufacturing	14.3%	100.0%	100.0%	27.7%	100.0%	100.0%
Food and food products	8.5%	15.2%	9.1%	13.6%	13.5%	4.9%
Beverages	5.8%	5.1%	2.1%	14.3%	4.7%	2.5%
Textiles	12.1%	3.0%	2.6%	20.1%	2.2%	1.6%
Wearing apparel	6.0%	3.2%	1.3%	18.7%	2.2%	1.5%
Tanning and dressing of leather	33.2%	0.6%	1.3%	38.2%	0.5%	0.8%
Footwear	3.5%	0.9%	0.2%	5.5%	0.4%	0.1%
Wood and wood products	14.1%	1.9%	1.9%	27.8%	1.8%	1.8%
Paper and paper products	20.5%	4.7%	6.7%	26.0%	5.0%	4.7%
Publishing and printing	2.0%	3.1%	0.4%	3.4%	2.4%	0.3%
Furniture	18.0%	1.5%	1.9%	51.4%	1.3%	2.3%
Coke and refined petroleum	18.9%	5.1%	6.8%	27.5%	7.5%	0.9%
Rubber products	7.3%	1.2%	0.6%	23.4%	1.1%	0.9%
Plastic products	3.3%	2.7%	0.6%	8.5%	2.5%	0.8%
Glass and glass products	8.8%	0.8%	0.5%	18.3%	0.6%	0.4%
Other non-metallic mineral	5.8%	2.6%	1.1%	11.2%	2.3%	0.9%
Basic iron and steel products	48.8%	6.6%	22.5%	52.4%	7.1%	19.3%
Basic precious and non-ferrous	44.4%	2.1%	6.4%	50.8%	3.6%	9.5%
Other manufacturing industries	0.8%	2.8%	0.2%	4.2%	3.2%	0.5%
Basic chemicals	36.1%	4.2%	10.5%	46.5%	5.0%	8.4%
Other chemical products	8.8%	6.1%	3.8%	18.9%	5.8%	4.0%
Fabricated metal products	5.6%	6.5%	2.6%	11.8%	5.5%	2.3%
General and special purpose	16.8%	5.3%	6.2%	80.0%	4.3%	12.5%
Electrical machinery	7.5%	2.9%	1.5%	19.2%	2.8%	1.9%
Radio, television and communication	8.2%	1.2%	0.7%	59.3%	0.8%	1.8%
Professional equipment	28.3%	0.4%	0.8%	72.9%	0.3%	0.9%
Motor vehicles; trailers;	8.9%	9.7%	6.1%	28.4%	13.0%	13.3%
Other transport equipment	33.9%	0.8%	1.8%	86.3%	0.6%	2.0%

Source: StatsSA (output) and SARS (exports)

Industries that increased manufacturing imports include: motor vehicles; basic iron and steel products; general and special purpose machinery; and basic chemicals. These constitute almost one-half of total manufacturing exports. Motor vehicles and special and general-purpose machinery have both more than doubled their export share since 1994.

The case of the automotive industry has been particularly interesting. Exports have been growing at an average of 30% since 1997. The Motor Industries Development Programme (MIDP) is an attempt at integration into the global vehicle manufacturing industry. The export of vehicles grew by 60% in 2001, compared to the year before. As a result of AGOA⁹, there has been increasing optimism to increase sales to US and Japan, as well as the Southern African Development Community (SADC) region for commercial vehicles.

Technological Orientation

In terms of technological orientation, the broadly specified technological composition of its exports, since 1994, South African manufacturing exhibits a steady share of the low technology sectors; a significantly declining share of the medium technology sectors; and a significant rise in the share of the high technology sectors (see Table 4).

Table 4: The Technological Composition of South African Manufacturing Net Exports, 1994 – 2001 ('95 Rand Millions)

VALUE ADDED: LOW TECHNOLOGY	1994	1996	1998	2000	2001
01 Food	796	1,275	1,315	1,733	1,861
02 Beverages	58	466	315	1,089	1,359
03 Tobacco	-183	-106	27	190	217
04 Textiles	-282	96	-40	37	68
05 Clothing	-609	-545	-356	224	646
06 Leather and leather products	383	463	448	586	435
07 Footwear	-357	-377	-355	-277	-195
08 Wood and wood products	220	43	419	565	529
09 Paper and paper products	1,651	1,971	2,072	2,678	2,314
10 Printing	-630	-554	-490	-206	-178
11 Furniture	736	1,654	1,783	1,579	1,858
TOTAL LOW TECHNOLOGY	1,783	4,386	5,138	8,198	8,914
	23.86%	21.55%	18.70%	22.75%	22.75%
VALUE ADDED: MEDIUM TECHNOLOGY					
12 Petrol refineries	-1,846	-785	-1,154	-2,798	-2,248
13 Rubber products	-307	-82	46	121	22
14 Plastic products	-1,187	-871	-469	-288	-165
15 Glass & glass products	-41	-11	83	125	67
16 Non-metallic minerals	-501	-583	-353	-823	-576
17 Basic iron & steel	7,759	8,262	9,277	6,999	4,457
18 Basic non-ferrous	2,356	5,370	6,354	5,001	3,488
19 Other industries	1,738	2,507	2,139	3,206	3,235
TOTAL: MEDIUM TECHNOLOGY	7,971	13,807	15,923	11,543	8,280
	106.64%	67.83%	57.97%	32.03%	21.14%
VALUE ADDED: HIGH TECHNOLOGY					
20 Basic chemicals	2,716	4,095	3,189	2,295	2,934
21 Other chemicals	-1,110	-1,015	-527	290	426
22 Metal products	-304	596	74	1,510	1,192
23 Machinery & equipment	1	2,096	3,151	7,151	10,386
24 Electrical machinery	-341	-198	-344	188	1,023
25 TV & communications	-499	-18	-413	518	578
26 Scientific	159	326	657	651	713
27 Motor vehicles & parts	-3,103	-4,140	-603	2,165	3,385
28 Other transport equipment	201	420	1,225	1,530	1,344
TOTAL: HIGH TECHNOLOGY	-2,280	2,162	6,409	16,298	21,981
TOTAL	-30.5%	10.62%	23.33%	45.22%	56.11%
MANUFACTURING NET EXPORTS	7,474	20,355	27,470	36,039	39,175

Source: TIPS South African Standardised Industry Data Base

Table 5: Rates of Output Growth by Technological Composition 1994-2001 (Value Added)

	1994 -1996	1996 -1998	1998 - 2000	2000 -2001
Low Technology	1.59%	-0.98%	-3.45%	1.3%
Medium Technology	8.85%	-0.84%	0.20%	-3.2%
High Technology	14.25%	3.08%	11.84%	8.3%

Source: TIPS South African Standardised Industry Data Base

While these figures suggest that South Africa should focus on high skills, the future expansion of this sector will not necessary result in increased employment.

Of particular importance to medium-term export prospects are a number of recent trade arrangements that have substantially improved market access for South African manufacturing exporters – notably the EU FTA¹⁰, the AGOA¹¹ with the USA and the SADC FTA¹². The annual growth rate of exports in 2000-2001 increased significantly, both for the USA (22%) and for the largest market, the EU (20%) - see Table 6. South African manufactured exports to all the major EU countries, apart from Italy, saw substantial growth of above 20% (all in current prices). There have also been very significant rates of export growth to other countries, notably China (63%) and India (25%). These countries are likely to significantly expand their global trade in the short-medium term, providing further impetus to South African manufactured exports.

Table 6: South African Manufacturing Exports by Regions

Thousands of Rands, current prices

	Manufacturing trade regions	2001	Proportion 2001		Annual Growth
	name		%Total	Cum.	2001-2000
1	EUROPEAN UNION	47,726,461	32.5%	32.5%	19.8%
2	SADC	23,724,721	16.2%	48.7%	13.9%
3	NAFTA	19,009,840	13.0%	61.7%	16.6%
4	NORTH-EAST ASIA	11,472,541	7.8%	69.5%	5.2%
5	CHINAS	7,768,796	5.3%	74.8%	20.8%
6	ASEAN	5,688,254	3.9%	78.7%	19.0%
7	MIDDLE EAST	5,069,882	3.5%	82.1%	20.9%
8	PACIFIC CONTINENT	4,017,199	2.7%	84.8%	20.7%
9	SOUTH MIDDLE ASIA	3,284,931	2.2%	87.0%	29.3%
10	WEST AFRICA	3,260,239	2.2%	89.2%	53.6%
	UNALLOCATED	4,854,599	3.3%	92.5%	16.8%
	OTHER REGIONS	10,780,068	7.4%	99.9%	44.5%
	Total MANUFACTURING	146,657,531	100.0%	100.0%	19.4%

Notes: Northeast Asia – Japan, Republic of Korea, Democratic Republic of Korea, and Mongolia

Chinas – Peoples Republic of China, Taiwan, Hong Kong, Macau

ASEAN – Singapore, Malaysia, Thailand, Laos, Vietnam, Indonesia, Brunei, East Timor, Philippines

Pacific Continent- Australia, New Zealand, Fiji, Western Samoa

South Middle Asia – Pakistan, Bangladesh, Sri Lanka, India, Papua New Guinea

Source: DTI database (adapted from SARS)

Table 7: South African Manufacturing Exports by Countries

Thousands of Rands, current prices

	Manufacturing trade countries	2001	Proportion 2001		Annual Growth
	name		%Total	Cum.	2001-2000
1	UNITED STATES	17,115,554	11.7%	11.7%	21.6%
2	GERMANY	15,227,742	10.4%	22.1%	22.0%
3	UNITED KINGDOM	10,957,040	7.5%	29.5%	29.9%
4	JAPAN	8,015,820	5.5%	35.0%	8.6%
5	MOZAMBIQUE	5,160,634	3.5%	38.5%	12.3%
6	ZIMBABWE	5,101,728	3.5%	42.0%	9.6%
7	NETHERLANDS	5,041,062	3.4%	45.4%	33.5%
8	ZAMBIA	4,744,792	3.2%	48.7%	6.5%
9	ITALY	4,710,779	3.2%	51.9%	-1.4%
	SHIP STORES	4,639,323	3.2%	55.0%	21.3%
10	BELGIUM	3,755,544	2.6%	57.6%	17.8%
11	AUSTRALIA	3,631,231	2.5%	60.1%	17.3%
12	KOREA REP SOUTH	3,447,511	2.4%	62.4%	-2.0%
13	TAIWAN	3,330,871	2.3%	64.7%	7.6%
14	FRANCE	3,025,919	2.1%	66.8%	22.8%
15	INDIA	2,535,561	1.7%	68.5%	25.1%
18	CHINA	2,232,249	1.5%	70.0%	63.2%
	OTHER COUNTRIES	43,984,402	29.8%	99.8%	18.8%
	Total MANUFACTURING	146,657,762	100.0%	100.0%	19.4%

Source: DTI database (adapted from SARS)

Effect on Skills

Increased manufacturing exports have not resulted in a concomitant increase in employment. Between 1997 and 2001, while manufacturing value added increased by 6% in total, employment decreased by 11%, indicating a structural shift in the direction of a lower labour intensity. There are only a few sectors that have, over the last five years, experienced any increase in their demand for labour – leather and leather products; plastic products; wood and related products; other chemicals; television, radio and communications equipment; printing, publishing and recorded media; and basic chemicals.

Many of the sectors that have seen rapid increases in output, such as motor vehicles, parts and accessories and basic and other chemicals, are also less labour intensive than is the manufacturing sector in aggregate. The more labour intensive sectors in consumer goods industries tend to be strongly oriented towards the domestic market. With domestic demand constrained due to tight macro policy, and with a limited exposure to export markets, these sectors have seen significant declines in output. Thus a number of these most labour intensive sectors - such as clothing, wood and wood products, footwear and furniture - have seen significant declines in employment intensity as measured by the incremental employment/output ratio.

Finally, manufacturing is becoming increasingly skill intensive. One measure of the growing skill intensity is the share of the highly skilled in the manufacturing labour force. This has been slowly increasing, for manufacturing as a whole. In 2001, 10.2% of the manufacturing labour force was classified as highly skilled.

The employment decline in manufacturing has a number of mutually reinforcing dimensions:

- A general tendency in most manufacturing sectors for employment to decline.
- The output of the labour intensive sectors declining, or growing less rapidly than the output

of non-labour intensive sectors.

- A particular tendency to decline in labour intensity in the more labour intensive sectors.
- The increasing skill composition of manufacturing, resulting in lower demand for unskilled labour

Some studies have reported a skills shortage. A survey of CEOs and senior managers conducted by the World Bank (2001) on behalf of the Greater Johannesburg Metropolitan Council (GJMC), for instance, reports a shortage of skilled labour. Almost 80% of firms reported either extreme or moderate difficulty in finding people with managerial or professional skills and almost 70% of firms indicated a skill shortage of either an extreme or moderate type with respect to service or craft-related skills. However, despite the difficulty in finding skills, it was found that only 35-40% of firms surveyed provide training to approximately a third of their workforce (Chandra et al, 2000: 40/1). In the case of semi-skilled workers, like plant or machine operators, 50% of firms did not have any problems finding these skills.

Overall Economic Assessment

The assessment of South Africa's foray into the global arena is mixed. While there is evidence of increasing engagement and investment, the positive effect on employment has not materialised. According to one report, "Government has succeeded in achieving fiscal discipline, low external deficits and low inflation...(but has still not succeeded in overcoming) the.... enduring "low growth-low employment" impasse" (Chandra et al, 2000: 1). Another report, by the DTI, makes the following assessment:

There is clear evidence of a growing ability to compete in demanding international markets manifest in a better export performance and underpinned by significant growth in productivity. However, output, investment and particularly employment growth have been far from satisfactory.
Department of Trade and Industry (2002: 3)

The same report, however, asserts that since late 1999 the situation has begun to improve, citing an annualised GDP growth of 2.5% in the last quarter of 2001, with the manufacturing sector experiencing growth of 5.6%, although the latter is explained by a sudden and unexplained devaluation of the currency in 2001 and the anticipated expansion in the global economy that was expected to accelerate in the second half of 2002. The currency depreciation thus has the effect of shifting from imports to local production.

GEAR has been criticised on its basic economic premise. John Weeks argues that, "While many factors influenced the performance of the economy during 1996-1998, there is prima facie case that the GEAR policy package made a significant contribution to the collapse of growth in South Africa due to its emphasis on deficit reduction." (Weeks, 1999: 4).

The policy has been criticized for being 'a neo-liberal attack' by trade unions and progressive organisations. There is a view that considers that it is simply responding to the Washington Consensus (Sociowatch, 2002: 1). It is difficult to ignore that the attention to deregulation, export-orientation, privatisation, liberalisation, reliance on FDI and curbing budget deficits by cutting social expenditure and an almost irrational faith in the market represent significant elements of economic globalisation (Went, 2000; Held et al, 2000). Whatever, its ideological borrowings, GEAR has neither convincingly sustained economic growth, nor provided employment. It has

succeeded though in cutting back on social spending and thus intensifying inequity (Whiteford & van Seventer, 1999). A recent assessment of the economy has this to say regarding GEAR:

Despite the significant macro-economic stabilisation achievements of the new dispensation, the post apartheid growth and development path remains essentially a continuation of the low growth/low skills/low employment path, which characterised the South African economy under the previous regime

McCord and Bhorat, HRD Directory, 2003, forthcoming

GEAR has not been able to address the fundamental crisis in the South African context, that of an essential unequal legacy. South Africa remains one of the most unequal countries in the world. The Gini coefficient, the international measure of inequality places South Africa at 0,68 matched only by Brazil. There is evidence that it has either remained unchanged or deteriorated since 1993, suggesting that inequality might have widened during this time (Whiteford and van Seventer, 1999). Whether this is the result of GEAR will never be known for sure, but the shift away from principles enshrined in RDP will always be a critical turning point for those committed to reconstruction.

In addition, the social safety gap is just not there to support widening disparities. More than half of the country's population, according to one report, live below R390 per month (US\$32.5: Jan 2002), and only three million of these are reached by poverty relief measures (South African Human Rights Commission Annual Economic and Social Rights Report, 2001). The lack of redistributive capacity within the state must be blamed on GEAR. While a small proportion of the previously disadvantaged black majority might well have been able to access more benefits under the new order, the socio-economic conditions of the vast majority are likely to have either stagnated or declined. What is particularly disturbing is that the continued racial inequality might have important repercussions for the future with, perhaps, dire socio-political consequences.

The neo-liberal tendency implicit in GEAR to reduce the impact of the welfare state has therefore not assisted South Africa's ability to engage with the equity and redress imperative. At a time when South Africa needs more than ever to equalise the playing field by affirming and redressing the past, the role of the state is now more than ever necessary to ensure redress. The international neo-liberal agenda, as evidenced in globalisation, is designed to reduce the influence of the national state to enable 'unfettered capital' accumulation. This is accompanied by an almost 'irrational' confidence in the market to enable empowerment. By this means, argue globalisation gurus, it will ensure that nation states respond effectively to the international movement to become competitive and thereby gain national benefits.

It is evident that while democracy and globalisation brought pressures for a more open economy, in the South African case, this needs to be understood in the light of the traditional industrial policy of the South African state. Under Apartheid there was a strong bias in this policy towards import substitution. Moreover, the relative 'closedness' of the economy was intensified by sanctions. Therefore, it was inevitable that the South African economy would become more open after 1994 regardless of globalisation. Nonetheless, it seems plausible to argue that globalisation discourses and trends accelerated and deepened inequalities and with negative results that could easily have been anticipated with political and economic foresight.

Section B: Privatisation of Public Education and Training and its Consequences

It is argued that education and training has a crucial role to play in national policy. In part, it is central to the reproduction of labour. In South Africa, it has experienced impacts from key elements of the South African response to globalisation.

Education and training represents a crucial feature of service provision in nation states. As a traditional social good, the South African liberation movements saw education as a right. The Freedom Charter provided for a liberated South Africa in which "the doors of education and culture shall be open to all". In a context of apartheid racial exclusion in which blacks were required to be a 'servile' class, this certainly was an ideal that could not be compromised. The Constitution of the new political order therefore reinforces this tenet. Article 29.3 of the Constitution (RSA, 1996) upholds the right to providing private education services that do not discriminate on the basis of race. This constitutional right, however, has been critiqued on the basis that racial segregation has been replaced by one which reinforces difference based on class. By cementing private provision, the constitution effectively opened space for the twin forces of privatisation and marketisation of education. It has been argued that the notion of 'choice' is a post-modern myth. Apple (2000) sees the consumer choice implicit in privatisation as one in which those that do not have are automatically excluded:

The metaphors of the consumer and the supermarket are actually quite apposite... For just as in real life, there are individuals who indeed can go into supermarkets and choose among a vast array of similar or diverse products...there are those who can only engage in what can best be called "postmodern" consumption. They stand outside the supermarket and can only consume the image.

Apple, 2000: 60

The 'supermarket' metaphor makes critical links with the way in which education has been commodified by privatisation, and in a sense, 'de-politicised' from its intrinsic social egalitarian purpose. While privatisation catapults South Africa into the global playing field, it creates inequity. South Africa thus enters the international globalised world armed with legislation that ensures that education can be purchased. This in turn opens the way for the preservation of the inherent inequity that was characteristic of the previous apartheid order, albeit without the racial tag.

The constitutional imperative regarding privatisation has encouraged further development of the private as opposed to the public systems and led to forms of privatisation within public provision resulting in wider inequalities in provision. It is argued that GEAR has depressed public expenditure, leading to poorer provision in terms of both quality and quantity. As well as encouraging those who worked in the public system to move to the private, it gave way to new forms of employment within public and, in addition, provided a further incentive for emigration. The greater ease of emigration as a result of globalisation symptomatic of the brain drain has also reduced the ability of the government to address the spatial disparities in provision.

This section will begin by exploring the way in which public education is affected by a privatisation, essentially a legacy from the apartheid order. It looks at the way in which fiscal austerity has negatively affected public school provision by focussing on teacher supply. It is argued that in this sector the contemporary policy designed to achieve both efficiency and redress is unlikely to achieve economic transformation. Further, it suggests that the redress and access imperatives have been ultimately sacrificed to the rationality of the market, giving way to the economic/technocratic rationality implicit in GEAR.

GLOBALISATION AND ITS EFFECTS ON PUBLIC SCHOOLING

This section will explore the way in which globalisation has affected the teacher supply in public schools. By reducing spending and rationalising the teaching component, the education department, not only negatively affects quality but ensures that the key components of the racialised schooling system remains intact. Thus while the complexion of the children has changed in some previously 'white' schools, those of the teaching staff have not. The transition towards neo-liberal reforms by advancing forms of privatisation in the public school system has been largely responsible for this.

Teacher Rationalisation and Redeployment

GEAR introduced fiscal austerity into education provision. The new government's intention to transform the education system took on a new turn after the inception of GEAR in 1996. It now became as important to achieve fiscal austerity as it was to re-engineer the system away from apartheid fragmentation. Although this was not spelt out, the rationality of the market underpinned transformation. The austerity measures were reportedly designed to transform the system to counteract the effects of the duplication of services under apartheid.

It was inevitable that a review of spending priorities would reflect that the area in which most savings could be affected was in the salaries of educator, since a large chunk of the education budget comprised salaries and wages. College and School (CS) educators made up 61.1% of total education expenditure in 1995/6. Despite the argument that the service nature of the sector meant that it would not be unusual for personnel costs to exceed others, the cost-benefit rationality of GEAR suggested that there needed to be greater efficiency and cost saving in the system. The Department of Education deliberately put forward a co-ordinated policy of reduction in teaching staff, interestingly called rationalisation. The terminology appeals to the need for 'rationality' in the face of an 'irrational' socially directed (and wasteful) bureaucracy, in keeping with Apple's (2000) outlining of the marketisation discourse. In South Africa's case the existence of 'irrationality' was more understandable since it ostensibly referred to the iniquitous apartheid order. Thus the imperative of educational 'common sense' masked the more pressing and fundamental rationality of the market and fiscal austerity required by GEAR. The policy path employed by most provincial departments included a mix of rationalization (reduction in numbers) and re-deployment (shifting resources), with the former accompanied by lucrative 'retrenchment' bonuses to lure teachers out of the system, and the latter expected to achieve a degree of shifting which would result in a better mix in the composition of teaching staff.

This policy has been successful in reducing the teaching component. The absolute numbers of the teaching corps employed by the various provincial departments has declined considerably since 1996. The annual growth of 4.86% between 1975 and 1996 has been replaced by a 1.3% decline between 1996 and 2000. An analysis of provincial spending on teacher salaries reflects this trend. The total amount spent on educator salaries decreased from 61% of total budget in 1995/6 to 50% in 1997/8. Interestingly, this decline is marked by an increase from 14.8% to 19.8% in the category 'other remuneration' suggesting that the retrenchment of teaching staff has had to be made up by more and more part-time teachers (Nicolaou, 2001: 85). The net effect is that teachers have been a steadily declining human resource, with dire consequences for quality. Thus the current component of 350 000 educators was down from 375 000 in 1998/9. The effect of GEAR was clearly discernable here (Crouch and Perry, 2003)

What about re-deployment and its effects on desegregation? Although this was an issue that

national and provincial governments did take seriously, it appears that they lacked the resources and the political strength to push the policy through in the face of resistance and legal challenges from school governing bodies and individual teachers. The need to achieve a co-ordinated policy of affirmative action, as was encouraged in the commercial sector, was therefore not achieved, leaving the racial composition in the system intact. Schools in disadvantaged areas are still black (pupils and teachers), while those previously white are still staffed by whites, despite a racially inclusive student population.

It is apparent that absolute reduction of teachers has impacted negatively on quality in the system. Currently, the maximum class size has been pegged at 40 per class at primary schools and 35 per class in secondary schools. The assumption is that those at lower levels need less supervision. The current teacher/pupil ratio has been pegged at 38:1 overall.

In addition to the reduction of teachers, there has also been a reduction in supply. At first, it was agreed that the cost of the heavily subsidised teacher training college sector needed to be controlled by decreasing output of training colleges. A departmental self proclaimed 'over-supply' of teachers provided the rationality for this. In the context of the implementation of rationalisation and redeployment proposals, this made perfect sense. Proposals were put forward to rationalise colleges by either closing them down or incorporating the favoured few into the education faculties of universities or technikons. By 2000 therefore, very few dedicated training colleges existed. The effect of restructuring on teacher supply was understandably dramatic. Between 1998/9, enrolments to teacher training courses declined by 40%. Crouch and Perry (2003) argue a case for a 'looming imbalance' between supply and demand based on the impact of the HIV/AIDS, this reduction of supply, and a resulting decline in the numbers applying for teacher training. They argue that it would be necessary by the middle of this decade to replace some 20 000 teachers per year.

Redeployment and Racial Desegregation

The re-deployment, as pointed out, has not had the desired desegregation effects. The rationalisation of the teaching corps has instead had some important segregationist results. It was found that after rationalization, there was a relative increase in white participation in teaching. In 1995, 18.1% of teachers were white, while in 1999 this had increased to 20.9% (Crouch and Perry, 2003). This may suggest that fewer opportunities have opened up in private economy for whites retrenched by rationalisation. They therefore came back into teaching or that they have taken up positions in the state sector funded by schools rather than government, or that they are based at independent schools. The former possibility is supported by empirical evidence that documents the radical increase in school funded posts. In 1997, there were 13 500 white teachers employed in independent schools or by school governing bodies in public schools; this had increased to 25 000 in 1998, a period heavily associated with teacher rationalisation. Thus as Crouch and Perry argue, "It is possible that there is a sort of 'churning' of white teachers out of and back into the teaching force." (Crouch and Perry, 2003).

The steadily declining national funding of the schooling sector has been endemic, resulting in significant decline in conditions at schools. While the greatest impact has been through teacher reduction, there has been decreased funding in almost every other component of the budget (Nicolaou, 2001). These cutbacks results in conditions of considerable impoverishment in teaching conditions, making the option of leaving to the 'greener' pastures of the developed nations a much more lucrative option (see the section on brain drain for an elucidation of this trend). Thus, the outflow of teachers goes beyond the direct impact of the retrenchment process.

There is a perception that teachers are underpaid and that this furthers the outflow from the profession. However, Crouch and Perry (2003) show that teachers earn higher incomes than other employed workers relative to their education. The fact that younger teachers leave at a faster rate than middle-aged and older teachers does suggest the possibility that conditions are not conducive to retain staff, which makes overseas opportunities due to globalisation much more lucrative than they would otherwise be.

Effects of Democratic Participation – Marketisation, Teacher Supply and Equity Considerations

The public school system has at present a strong marketisation element. There are two mutually reinforcing factors that enabled this to happen. Firstly, the rationalisation of the teaching staff, which was expected to curtail education spending, meant that the more enterprising elements left the public system, to re-emerge in different 'private' forms, and, second, that marketisation has had significant implications for teacher composition and impacted negatively on racial integration imperatives.

The potential negative results of 'different' classes of schools has been criticised for its tendency to reproduce difference based on class, resulting in cementing inequity (Tikly and Mabogoane, 1997). The origins of privatisation are to be found before 1994. The new government inherited not only an apartheid legacy of 15 racially fragmented education departments, but also a legacy of different governing systems. The so-called Model C option in the then 'white' House of Assembly schools was characterised by a strong privatisation element by providing parents the opportunity to supplement state funds. It was ostensibly designed to enable distinction on class lines in light of the imminent racial integration. It seems plausible to see the Model C option as an attempt to continue control of schools by the white community rather than have them fall into the hands of a democratically elected government (Karlsson et al, 2001:147). When the new government was established, the imperative for democracy intersected with the general need to achieve equity in the face of a declining fiscal budget especially after the onset of GEAR in 1996. Since then all schools theoretically have the option of supplementing state provision. Governing bodies in the better resourced Model C schools were both more prepared for, and already engaged in, a form of privatisation. It was they who had the capacity to supplement state funding. This is often achieved not only by increased parental financial support in providing books and resources, but by supplementing state teacher allocations by creating so-called 'Governing Body' posts. The impact of the growth of such posts is that there has been a relative shift of resources (including private sources) towards more privileged areas of the public education system, rather than the level of redress that might have been expected.

Marketisation has also worked in certain contexts to thwart integration. Former Model C schools are still characterised by a significant 'white' teaching staff complement. This has had important implications for desegregation since in large measure most urban English speaking schools have been deracialised in terms of their student complement. As discussed earlier, the growth of governing body posts has resulted in a significant number of those 'retrenched' to re-emerge in another form. While this has meant that the 'retrenched' skills have not really been completely lost to the system, it has had major implications for integration efforts.

THE INCREASED 'PRIVATISATION' OF PUBLIC POST-SCHOOL PROVISION

The Rationalisation of the Public College Sector

A new “institutional landscape” has been proposed for public technical colleges, now called Further Education and Training (FET) colleges, to make the sector responsive to the ‘new South African’ post Apartheid context.

A new institutional landscape for FET Colleges represents a significant and decisive break for the old apartheid system of technical/vocational education and training in South Africa. (DoE, 2001: 3)

The 152 Technical Colleges are being ‘rationalised’ into 50 FET Colleges. These are expected to take the form of ‘large multi-site colleges’ designed to ensure responsiveness to South Africa’s human resource development needs. According to the same policy document, the rationale for reviewing the FET framework was ‘responsiveness’ and to ensure ‘co-ordination’. The Landscape Document describes it as necessary to “...a co-ordinated, accessible and responsive system”. (DoE, 2001: 4). More recently, there has also been a move to push colleges into more determined links with employers. The ‘responsiveness’ debate, while a valid and important one, somehow tends to want to shift colleges into a narrow instrumentalist response to the market.

Restructuring of Public Higher and the ‘New’ Mission

The implementation of restructuring in the public higher education and training system has been a much more trickier process. It has been fraught with political difficulty in light of the high profile ‘public’ nature of the restructuring debate. While historically advantaged institutions were calling for recognition of ‘efficiency’ and ‘excellence’, the historically disadvantaged institutions required to be ‘redressed’. The most recent proposals are valuable to analyse. It has been proposed that 36 institutions (21 universities and 15 technikons) will be reduced to 21. The proposals are careful to argue that the restructuring “.... will not...lead to a decrease in provision, as all the existing sites of delivery would continue to operate, although in new institutional and organisational forms” (DoE, 2002). Indeed, the Education Minister has to reiterate that the restructuring is not geared towards reduction, and consequent decreased numbers:

(Restructuring)...is not a technical exercise to rearrange existing institutions into different configurations. Rather it is an exercise that will allow for the expansion of the system and turn it around to face the challenges of the African century. Indeed, we propose to increase the participation rate, that is, the percentage of 20-24 year old enrolled in higher education, from 15% to 20% over the next ten years (which will)...require that an additional 200 000 students be recruited into the system. (ibid.)

The following represents key features of the new structure:

- 11 Universities, 2 of which would be expected to develop career-focused technikon-type programmes to address regional needs.
- 6 Technikons.
- 4 Comprehensive Institutions, 3 of which would be established through the merger of a technikon and a university and 1 through the redevelopment and refocusing of an existing

university.

- 2 National Institutes for Higher Education.

It is evident that the restructuring masks attempts to institute new institutional forms with anticipated 'cost benefits' arising from the reduced structure. The proposals have also been criticised for not going far enough to redress institutions disadvantaged in the previous regime. It is interesting to note that university funding has not declined in the years since 1996, in spite of cuts in the school system. This suggests indeed that there is either a political commitment to develop high-level human resource needs, or that the political repercussions of a cutback were contemplated.

While funding has not changed, the priorities as regards finding have been reviewed to respond to national priorities. Universities have been required to set targets in certain key disciplines in an attempt to respond to the globalised 'information-al' world (Carnoy, 2001). Universities were expected to increase intake and output in science, engineering and technology.

The Impact of Aids

Any study in Sub-Saharan Africa would not be complete without an analysis of the current and future impact of the impact of Aids on socio-economic development. A recent study by HSRC/Nelson Mandela Foundation (2003), which identified for the first time accurate and comprehensive information about the social affects of the pandemic, makes the following sobering findings:

- HIV prevalence is 11.4%, i.e. 4.5 million people are infected in South Africa
- 15.6% of persons infected are in the 15-49 age group HIV positive, 28% in 25-29 age group and 24% in the 30-34 cohort

The seriousness of the problem suggests that the virus has implications not only for South Africa's current and future health care needs, but also for South Africa's future human resource development potential.

THE BRAIN DRAIN AND THE COMPLEXITIES OF BRAIN GAIN

There has been significant rhetorical inference about both the causes and results of the 'brain drain' from South Africa abroad. President Mandela in 1994 made the loss of skilled personnel from the country an issue of patriotism insinuating that those that left the country had been fleeing the onset of democracy. Since then, various reasons have been put forward to explain emigration. Images of droves of white people driven by incipient racism, however, are still the predominant popular understanding of the exodus. The attraction of hard currency has been another reason, spurred on by the considerably declining socio-political and economic conditions in the country, resulting infra-structural deterioration and an ever escalating reported incidence of violent crime.

This section will explore the nature, extent, cause and effect of the brain drain in South Africa. It will also locate the extent to which the interplay between, on the one hand, the attraction resulting from opportunities created by a 'skills shortage' in the receiving countries and, on the other, the increasingly difficult working conditions in education and training and health, areas critical to an

effective post apartheid transition, results in loss of critical skills. It will also show the way in which South Africa has potential to exploit the brain drain from less developed countries to replenish its lost skills. The legislative context is discussed to understand the way in which the apartheid context shaped current thinking around skills importation leading to criticisms of insularity and so called 'reactionism'.

The notion of brain drain refers to the loss of skilled personnel educated in developing countries and who migrate to more developed nations. The United Nations refers to the 'brain drain' as the "...one way movement of highly skilled people from developing countries to the developed countries that only benefits the industrialized (host) countries" (Brown and van Staden, 1998). In South Africa, there has been a tendency, especially after 1994, towards migration to the more developed English speaking north and the more developed English speaking West, including the UK, USA, Canada and Australasia.

The skills flight in South Africa has been exacerbated at times of political upheaval. In fact there was a distinct tendency towards 'brain gain' before 1994, except for years associated with increased political upheaval, such as 1977 and 1985/6 (Kaplan, 1998 in Bailey, 2003). Skills importation was necessary as a consequence of an unequal education system and was fuelled by relatively high economic growth rates. Under Apartheid, it was highly desirable that white outsiders rather than black South Africans should plug the skills gap.

Sustained brain drain, therefore, is a relatively recent phenomenon. Bailey (2003) suggests that there is evidence that there has been sustained emigration since 1994. However, information regarding the people leaving the country is patchy and imperfect. The official source, Statistics South Africa (SSA)¹³, is believed to have considerably underestimated the extent of the brain drain, although it does provide a sense of the salient trends. A study by Meyer et al (2000), which surveyed South Africans in the five biggest receiving countries, UK, USA, Australia, Canada and New Zealand, is likely to be more accurate in the light of stringent immigration regulations. Bailey (2003) shows that the actual loss was three times that actually reported by SSA. The Meyer et al. study (2000) estimates that South Africa lost 233 609 emigrants in the period 1987 to 1997 and 41 496 professionals in the nine years from 1989 to 1997.

The SSA study showed that the skills lost as a result of the brain drain includes skilled personnel in education and humanities, engineers and architects, legislative, and executive and managerial personnel. A study by Rogerson (2002, cited in Bailey, 2003) also suggests that the IT industry has been hardest hit by emigration. In terms of occupational groups, the highest proportion recorded as leaving was in the 'managerial' category. The relatively well-resourced higher education structure, with English as a language, means that South African high skilled workers are very attractive to the English-speaking developed countries.

It is evident that health and education have been badly affected. The official statistics suggest that emigration in these fields trebled in the past decade (Bailey, 2003). In addition to the unreliability of the SSA figures, Cohen (1996, cited in Bailey, 2003) suggests that it is in the medical professions that people are most "prone to underdeclaring their emigration intentions." (p.2).

As with teachers, doctors and nurses are clearly pushed by poor conditions in the public sector. This outflow has, in turn, been exacerbated by fiscal austerity. White staff were also more likely to leave after 1994 for some of the reasons noted already regarding concerns about the new politico-economic settlement in South Africa. At the same time, similar staff retention issues in the public sectors of several OECD countries has led to far more active international recruitment of

South African health and education professionals. Indeed, South Africa has complained to the UK about poaching of staff in both sectors.

Globalisation has driven both the push and pull factors of brain drain. On the push side, the government's response to globalisation contained within the GEAR policy has resulted in poorer conditions of service and retrenchment. On the pull side, the growing internationalisation of demand for high skill has made many South Africans attractive targets for recruitment overseas.

The effect of this brain drain on skills provision is undoubtedly substantial. Addressing both competitiveness and equity is made harder by this major drain on an already fragile human resources development situation. Estimates of the economic cost of the brain drain are phenomenal. Kaplan et al. (1999) estimate a total cost of R67.8 billion in lost investment in human capital.

Building Brain Gain into the Equation

There is evidence also that the government has realised the need to interact with the 'lost' skills in an effort to lure the skills back into the country. The New Partnership for Africa's Development (NEPAD), a regional African development initiative, driven by South African President, Mbeki, links 'brain drain' to the general revival of human resource development across the continent. The strategies intended to address the brain drain include developing a databank of those that have emigrated and an attempt "...promote networking and collaboration between experts in the country-of-origin and those in the diaspora" (Department of Foreign Affairs, 2001: 43). AfricaRecruit, launched in 2002 by the Commonwealth Business Council - created in support of NEPAD, also encourages the repatriation of skills to assist with rebuilding the continent (Mail and Guardian, January 17-23, 2003 p. 10).

South Africa can be argued to be in a very particular position in the global skills economy. There is potential to benefit from its unique relatively well-resourced position to take advantage of brain drain from other parts of the world. In other words, it could well take advantage of those less endowed in Africa. The relatively healthy first world infrastructure, roads, telecommunication and access, together with a relative abundance of human and natural resources, will provide an avenue for skills from less well-off countries to be attracted. We are one of the few countries in the South with a large and relatively good quality higher education and training system and English as the main language of instruction in that system.

There is evidence of consciously targeted brain gain in education and health sectors. There are a number of 'foreign' doctors and teachers in rural areas as a result of policy of some self-governing states under Apartheid, although the extent of this has not been determined. Also the official government relationship with Cuba to supply doctors (in rural areas) and provide opportunities for South African students to study at Cuban universities has some interesting spin-offs with some doctors reportedly 'defecting' to South Africa (*Sunday Times*, Feb. 16). There is also an agreement for Cuban teacher educators to assist the country. The extent and effects of this gain, however, still needs to be interrogated.

A new Immigration Bill was produced in 2002. This seems to acknowledge that there is a need to be more strategic about the recruitment of scarce skills. However, the Bill has caused considerable controversy and has been challenged on both processural and content grounds. Whilst the proposed legislation tries to balance concerns about local job losses and skills shortages, it has been attacked on both sides of this argument and it is far from clear that it will successfully come into force in its

current form.

Brain Drain, Brain Gain and Equity

It could, of course, be argued in view of the need to implement equity and redress that brain drain will allow this to be achieved at a faster rate. The profile of the emigrants means that opportunities are opened up to promising black Africans. While this may well be the case, those that leave, leave behind very little in terms of expertise and training that could empower their replacements. In addition, the skewed nature of the apartheid education legacy suggests that those most capable of replacing white managers are other white managers. More research regarding this needs to be obtained.

Reviewing the Brain Drain Evidence

It is evident that our capacity to produce skills is far in excess of our ability to retain them – given the relatively low position of South Africa in the world economy and the international status given to their skills (Bird, 2001b). It is inevitable that as a result of the legacy of Apartheid, a disproportionate number of those with marketable skills are white. At the same time, their perceptions about the future of South Africa are likely to be negative due to the widening impact affirmative action complemented by reduction in the public sector, crime, low salaries in terms of international 'dollar comparisons' and, less importantly, their perception of declining standards of services in health and education. Therefore, there are strong push and pull factors (underpinned by globalisation agenda) for high skilled whites to leave the country. One challenge that is beginning to be grasped by the government is that of trying to entice them back into the country. Other countries, such as Israel, India and Ireland have been relatively successfully in encouraging these skills to be reimported later in individuals' life cycles, or for reinvestment in the home economy by those who have made their money overseas and South Africa is beginning to attempt to learn such lessons.

South Africa is in a potential position to benefit quite strongly from brain gain from the rest of Africa, with inevitable consequences for those countries. As the strongest economy South of the Sahara, we can recruit large numbers of high skill workers from the rest of Africa, and even from elsewhere. This is clearly happening to some extent. However, the government is largely seen as being too restrictive in trying to balance local imperatives for redress and equity with international interests. Moreover, the sectoral and skill level breakdown of prospective immigrants is unlikely to closely match that of emigrants.

It is also worth remembering that South Africa's economic development for over a century has depended to a significant degree on the importation of skilled white labour and this has dried up. As a result of this dependency, South Africa's internal skills development practice (especially at the intermediate level) was weak. This further exacerbates the problem of responding to reduced inflows and increased outflows of skilled labour.

Section C: Private Provision of Education and Training

THE CONTEXT

Private provision has been furthered by the discourse of globalisation and, given this context, is strongly contested. There is a tendency to see private provision as 'complementary' to public (Subotzky, 2002 and 2003; Kruss, 2002) and thus frame the challenge as one of establishing the appropriate regulatory climate. Recent studies of the sector have shown that it is vibrant. Studies commissioned by the HSRC include those conducted into private higher education (Kruss, 2002 and Subotzky, 2003); private further education and training (Akoojee, 2003) and private schooling (Du Toit, 2003). The data gained from these studies will be used in this section. Data from these studies are in some cases the only source of comprehensive information about the sector.

The first section will interrogate briefly the salient debates regarding private provision and the second will review salient characteristics of each of the sectors.

HOBSON'S CHOICE: PRIVATE AND COMPLEMENTARY OR PRIVATE AND ELITE?

The in-principle acceptance of private provision in the constitution suggests that there are important equity issues that need to be resolved. The over-arching concern with 'race', rather than 'class' has meant that there is a need to ensure that private provision does not become a means by which to perpetuate race differences. Thus, even the Constitution makes special mention of the need to ensure that providers "do not discriminate on the basis of race" (RSA, 1996: para. 29.3.1). There are obvious equity issues in all this. Does the existence of private provision mean that public provision becomes a third best option for those with least money? What is the effect of private provision on quality in the public system? Supporters would argue that it will engender a competitive spirit, which cannot but be positive while critics suggest that it has capacity to widen social disparities, and entrench difference already based on race.

Regulation and Private Provision

The issue of regulation represents the essential contradiction of the 'free market' system. While on the one hand there is need to create a sustainable, vibrant and unrestrained socio-economic climate for the survival of the phenomenon; on the other, there is a call for ensuring that there is regulation. This regulation, however, is expected to ensure the further survival of the phenomenon. This dual challenge of regulation is described in the Higher Education Act (RSA, 1997) as follows:

The key challenge is expanding the role of private institutions is to create an environment that neither suffocates educationally sound and sustainable private institutions with state over-regulation, nor allows a plethora of poor quality, unsustainable 'fly-by-night' operators into the market.

This need to regulate and guarantee market access, while at the same time preventing obstacles to the freedom of capital represents for Jessop (1999) the 'central contradiction in the neo-liberal doctrine'. However, it is possible that the General Agreement on Trade and Services (GATS) could label such actions as restraints of trade and illegal under international trade law. It is this very contradiction that will be most tested by imminent GATS proposal to ensure that 'barriers' to education, like in other trade items, are removed. As Robertson et al (2002) remind us, there is a

real possibility that the global education market can supersede national regulatory mechanisms. It is likely that the move to a 'borderless' education structure has potential not only to undermine the capacity of nation states to respond to their national political and human resource agendas (ibid), but will also be opposed by local private providers who will see their livelihood threatened.

Some Southern governments, such as South Africa's, are relatively successful in controlling this market through systems of provider registration. The legislative context for registration of private providers has been established in tandem with the restructuring of the public system. The private schooling sector is a provincial 'competence' and has been left to provinces to control. The numerous provincial bodies required to regulate the school sector means that implementation of regulatory mechanisms will be least uniform at this level of education.

In contrast, the procedures for regulation of the private higher education sector, which is a national competence, have been put in place. The Department of Education has put in place the administrative machinery to register programmes and qualifications, preferably after they have been accepted by the Higher Education Quality Committee of the Council for Higher Education. Institutions are required to submit to auditing procedures and respond to quality guidelines set by this governing body.

The FET sector, possibly because it is the largest, most amorphous and least understood, that is still to be regulated. The Department, in the course of 2001, undertook a pre-registration exercise in an attempt to explore what the extent of the registration exercise will entail. There was an understandable need to first establish the extent of provision, before establishing the necessary regulatory framework. Private providers are required to register before the close of 2003.

The Nature of Private Provision

The National Qualifications Framework imposes a tripartite system of levels on South African education and training, which providers are expected to respect. The public FET Colleges, for instance, were required to focus on provision of FET programmes and were specifically required to curtail provision at HET level, an area in which a significant amount of their provision had been located. Private providers have by their very nature to respond to the market rather than following the dictates of the NQF bureaucracy. This means that they have sought unrestricted access to programmes and qualifications determined by their market. As a result, private providers are more likely to straddle between the various levels. However, this leads to difficulty with regulation and this problem has still to be resolved. The proposed registration procedures are also somewhat arduous.

International Context

Greater liberalisation has seen many governments shift their position on private education, which was formally banned or discouraged in many countries before the 1990s. In Kenya, the higher education sector has seen the rapid development of private provision. Much of this is linked to churches, which are able to draw on international sources of funding. In Zimbabwe, the further education and training sector has seen a rapid expansion of private provision in the 1990s. This has been largely indigenous in its ownership but is providing foreign rather than local qualifications – which results in significant flows of foreign exchange out of the country. There has also been a considerable growth in flows of privately funded students out of Africa at both FET and HET

levels. This latter phenomenon is being actively developed by OECD universities who are increasingly under pressure to generate incomes. This has resulted, in some cases, of people embracing the philosophy of aggressive capitalism to ensure survival. Many of these institutions are also actively developing delivery in the South, either through distance or franchising arrangements.

PRIVATE HET

The private HET sector in South Africa is distinguished by its 'for-profit' orientation in line with global trends. Daniel Levy points out that:

South Africa's private Higher Education surge largely fits a worldwide surge in commercial higher education. Indeed South Africa shows sharp manifestations of international commercial tendencies. Crucial is the for-profit sector of most South Africa private higher education....Commercial higher education refers to a business orientation-often vocational, quite practical, within institutions functioning like other enterprises (Levy, 2003: 29)

Growth of the sector in South Africa, like in other parts of the developing world include growing demand, weak government budgets, changing political economies (Levy, 2003: 31). It is argued that in South Africa, the cost of provision is not excessive, in some instances, it is even cheaper than the public counterpart.

Data in this section has been drawn from recent work conducted for the HSRC by Subotzky (2003) and Kruss (2002). The former was mined from the database of the Higher Education Branch of the Department of Education based on registration as at December 2001, while the latter was the result of a Carnegie-sponsored qualitative analysis of the sector conducted in 2002.

There are 85 000 students involved in the private Higher Education sector for the 86 reporting institutions as at 2001. This is broken down into 30 000 student headcount enrolments (30 229) in programmes for which registration was granted by DO E for self certification, and a further 55 000 (55 428) student headcount enrolments in programmes certified by institution 'other than the registered institution and for which no registration is required'.

The presence of transnational providers, especially from the UK and Australia, who are 'seeking new markets for their programmes' (Bennell and Pearce, 1998, quoted in Kruss, 2002: 18) has been the subject of much apprehension in official circles. However, only four transnationals were registered on 31 December 2000, significantly fewer than the 14 that had applied for registration in May 2000. Most retracted their applications. The reasons for this have not been determined but according to Subotzky (2002, 5) possibilities include the institution of a rigorous regulatory framework after 1998. It is possible that some applications were withdrawn as a result of partnerships being forged with local providers, suggesting that they would not need to register. Transnational institutions are characterised by their predominantly white (54%) student component, the majority of them enrolled in business. Graduation rates for transnational providers are reportedly lower than other providers: 41% as compared to 59% for local providers. Programme duration for transnationals is longer, 3 or 4 years in the general and professional undergraduate programmes as compared to local providers who have programmes of a shorter duration

There are a small number of local providers who have accreditation agreements with foreign

providers. However, to give some sense of the scale: only 1% of student enrolments were certified by institutions in recognised UK institutions.

South Africa has potential to be a significant exporter of educational services in the region and the provision of HE in the country to foreign students (Subotzky, 2003). Enrolment of non South Africans comprises 11% of total private HET enrolment, suggesting potential for improved involvement. The SADC protocol provides for quotas in SA public institutions to students in SADC countries as a measure to increase mobility and collaboration in region. It was found that only 5% of total enrolment in private HET comprised those from SADC countries.

Little more than 10% of enrolments (9 466 of 85 000) were in courses below level 5 (i.e. below HET level). 63% enrolments were at level 6; 19% at level 5 and 1% at level 7. Subotzky (2002) argues that the level diffusion reinforces the 'complementary' function of private providers.

There was a doubling of programmes registered with the Department between 1999 (15 000) and 2001 (30 000). There is a possibility that this responds to the global growth in development of narrow 'vocational' courses, rather than 'generic' qualifications. This is confirmed by the finding that *all programmes* submitted to HEQC for registration were vocational in nature – with a clear favourite in Commerce and Management (35%) followed by IT with 15%.

Most enrolments were in business (43%), followed by Science, i.e. mainly IT (24%), and Culture and Arts (11%). Only 8% enrolled in education; and 7% in Human and Social Studies. Those programmes that suggest the likelihood of improved job prospects are offered. However, few private enrolments were recorded in scarce skills areas of science, engineering and technology and the health and social services (except education). Most institutions (75%) delivered programmes in the contact mode as compared to distance or mixed modes.

The racial profile of private HET sector is 44% African, Coloured and Indian 18% combined and 33% white. Subotzky's (2003) conclusion that the sector is relatively less elitist because it is 'deracialised' cannot be sustained. The nature of private provision currently is such that its 'elitism' is not based on race. To suggest that it is deracialised and therefore not elitist and exclusive misses the point. The fact that it is more integrated does not increase its egalitarian prospects. Further whites are still over-represented since in terms of demography, they constitute only 11% of total population.

PRIVATE FET

We have already noted that the Constitution guarantees the right to offer private education. As with private schooling (below), this Constitutional statement appears to have coincided with a significant growth in provision, although historical data on the size of the sector is very sketchy and conjectural.

Recent HSRC data (Akoojee, 2003) finds that the private FET sector is responsible for serving a learner enrolment headcount of 706 884 learners for the 864 providers pre-registered with the DoE in 2001. This means that it is approximately double the size of the public system. The largely 'for-profit' character of the sector is associated with significant convergence across the three NQF levels, with programmes directed at career orientation showing significant overlap between NQF levels 4 to 5, which marks the boundary between further and higher levels.

The sector is characterised by a majority black learner enrolment, with a large proportion of learners older than 25 and already employed. This age and employment profile is in stark contrast to the pre-employment character of the public system. Inevitably, this different clientele is reflected in a significant proportion of shorter courses than in their public counterparts.

Programmes are typically offered in areas that do not require excessive capital investment and infrastructure, i.e. in education, computer science and business studies. This compares with the heavy engineering bias of the public system. There is also a heavy urban bias to much of the provision.

Private FET providers argue strongly that they are able to offer programmes more closely aligned to the world-of-work and are, thus, able to ensure better employability than public providers. This claim seems to have been internalised by students in the private sector. However, there is as yet no robust evidence to show whether employability is in fact better than in the public system if controlled for other variables.

INDEPENDENT (PRIVATE) SCHOOLING

Private or independent schooling represents one example of the way in which the racial categories have still not been replaced by one based on class. There are indications, though, that this is changing in the light of evidence of increased racial integration. Although it would be unfair to compare the public and independent sectors, this is done to show the relative advantage of the independent sector. A national survey of independent schools was conducted by the HSRC in 2002 (Du Toit, 2003). This section analyses salient trends reported by this source.

The size of the independent schooling sector is marginal. In 2001, it has been estimated that the size of the independent school sector represents 3.2% of total schooling in 2001, given that the public schooling component comprised almost 12 000 (11 738 126) learners. It has been reported, though, that there is a large 'unregistered' (or referred to somewhat derogatively as 'fly by night' schools) component. The Independent Schools Association (ISASA) estimates that there are currently 2 000 to 3 000 unregistered schools nationally. It is generally perceived that these schools provide schooling of poorer quality and are generally not well resourced.

Analysis of growth patterns shows that most 'profit-making' schools were founded after 1990. Establishment of independent schools peaked in 1998/9 and, since 2001, has declined sharply. Also trends reflect a significant increase in 'high fee' schools after 1995. It is interesting that the peak is reached after the deleterious effects of GEAR are in place.

The reasons for the proliferation of these independent schools has not been determined with certainty. If one were to identify the reasons for the growth of independent schooling, i.e. 'excess'¹⁴ and 'differentiated'¹⁵ demand, it becomes apparent that growth, in 'low fee' paying schools especially, could be explained by the poor quality 'township' schooling, together with the lack of access to previously 'white' Model C, fuelled by the incapacity of parents to afford fees levied by these schools. In many cases, the 'low-fee' paying schools charge fees below that of the ex Model C variety. Additionally the opening up of schools in urban centres gave the impression that they were of a better quality and that learners would be better placed to learn English and thus increase their marketability. Other reasons include schools opened by the increased number of experienced teachers who opened schools as a result of rationalisation measures (discussed above). The recent decline may reflect market saturation, or that public schooling is perceived to be improving in quality.

The most interesting finding in the study was the way in which the segmented profile of the sector reveals a large 'low fee paying' schooling type with predominantly 'black' learners, and a small group of white 'high fee' paying schools. The almost 80% (79.1%) of high fee white schools is inversely correlated with that of black independent schools where 80% are in the low-fee paying range. This suggests in important ways that the racial difference is still complemented by one associated with class despite the finding that "public schools are slightly less integrated than independent schools" (Du Toit, 2003).

It would perhaps be unfair to compare private provision with its public counterpart in view of the anticipated wide resource gaps between the two, especially between the 'high-fee' paying ones and public system. Interestingly, the 'low-fee' paying schools do not prove to be very different from the public counterparts, begging the question as to why parents would send their children to them.

Conclusion

It is argued that in South Africa globalisation has been associated with the onset of a new political order. The democratic order instituted in 1994 has had to contend with on the one hand, the political imperative of transforming the nation towards a non-racial social, economic and political order ravaged by Apartheid, and on the other, to respond to a global order that oftentimes is antithetical to its stated goals of transformation, equity and redress. The changes in education and training have to be understood within this framework. While there is a need to ensure that state organs achieve the appropriate redress imperatives necessitated by the political agenda, there is an equally urgent need to ensure that the imperatives of globalisation are responded to. Thus the case of the public schooling sector, designed to ensure the equality of opportunity, is constrained by the rationale of fiscal discipline implicit in GEAR.

The restructuring of the South African post-apartheid economy has undergone radical shifts since 1994. The RDP gave way to macro-economic planning, leading to GEAR. The imperatives of GEAR correspond with the twin imperatives of marketisation and privatisation associated with globalisation. There has been some progress as regards attracting FDI, and some areas in the manufacturing export sector (e.g. automobiles) have expanded. But this has not led to expanded employment opportunities in the whole economy. Coupled with concerted fiscal austerity and planned reduction of the public sector, there have been serious negative consequences of GEAR felt by people on the ground. There is empirical evidence that the country has become more impoverished, with consequent social effects, as a result of GEAR and globalisation.

Globalisation has affected South Africa in ways that are country specific. The brain drain phenomenon intertwines external pressures from globalisation with the legacy of Apartheid and strategies to build a new South Africa. This has resulted in an outflow of skills. There is, however, a tendency for skills to be attracted to the country from other parts of Africa. Indeed, the need to reverse the Apartheid legacy by instituting 'affirmative action' hiring procedures in the public service has inadvertently encouraged this process, while the retraction of the public service has resulted in significant loss of white skills from the sector. In some cases, it is expedient to hire a black African from Africa, in the absence of local African expertise (as is done in most universities to respond to academic flight), as compared to hiring white personnel. Thus, while there is a loss of intellectual capital to the more stable English-speaking nations, there is a concomitant attraction to South Africa from other African states, encouraged by local circumstances.

Globalisation's tendency to encourage private provision has resulted in a distinct tendency to

marketise public education provision. This is especially evident in further and higher education and training. This is evidenced by the current reduction in absolute terms of the number of further education institutions and the proposed mergers of a number of higher education institutions. The rationale for this is perhaps unique. While there is a stated imperative to undo practices of apartheid inspired social engineering, there is an equally strong imperative for 'efficiency' and 'effectiveness' to respond to demand. While there is a need to undo the 'inequality' of the past, these very practices reinforce it. Thus in the case of universities, it is evident that previously 'white' universities, who have had the benefit of being adequately funded are to 'survive' restructuring, while in large measure, the less well resourced, previously disadvantaged institutions are being merged. While this makes perfect economic sense, the loss in these institutions of a 'black identity' has had to be compromised for globalisation imperatives.

Similarly, private provision has seen an unprecedented upsurge. Again two imperatives have had to work together to achieve this expansion. The early 1990s saw rapid liberalisation of regulation in education and training. As the Apartheid state realised that a move from stark racial capitalism was inevitable, more and more choice was handed to individual white schools. This laid the basis for the decentralisation of state power and therefore undermined the successor state's capacity to transform as quickly as necessary.

Similarly, the vacuum of transition in the early days paved the way for expansion of private TVET, or FET, and HET sectors. In FET, the perceived shortage of skills resulted in unprecedented expansion of the sector, while new technologies allowed penetration of foreign providers in the Higher Education sector. The imperatives of globalisation provide the key to expanded private provision in the absence of an economy that creates jobs. The promise of employment with some degree of quick skilling appears to offer school leavers a much better immediate market related alternative than a lengthy qualification from a public institution.

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Other

The Economist, February 9, 23, March 2, 2002

Mail and Guardian, January 17-23, 2003 p. 10

The Sunday Times, Feb. 16

¹ South Africa signed up to GATT within a year of the first democratic elections.

² Consensus was reached by National Economic Forum, later to be changed to National Economic Development and Labour Council (NEDLAC), which includes Government, business and labour representatives.

³ Until 1994 capital flows were subject to strict control measures, including a dual exchange rate system with business subject to a financial rand

⁴ More than 50% of African men and 43% of African women have received little or no formal training

⁵ However, this figure was probably somewhat inflated by considerable pre-emptive buying in anticipation of price hikes consequent upon a depreciating currency in the last few months of the year.

⁶ *The Economist*, April 20-26, 2002.

⁷ World Bank (2002) *Global Economic prospects and the Developing Countries*, International Bank for Reconstruction and Development, Washington. P. 39

⁸ TIPS South African Standardised Industry Data Base (see www.tips.org.za)

⁹ The African Growth and Opportunity Act (AGOA) allows Sub-Saharan African countries to export over 1800 tariff line items duty-free to the United States of America was signed into law by President Bill Clinton in May 2000. The duty-free export incentives are expected to last for a period of eight years. Thirty-five Sub-Saharan countries have been declared as eligible to receive the benefits (see list of countries and eligibility criteria at www.agoa.gov). Preliminary figures show evidence of substantial improvements in trade between some Sub-Saharan countries and the US (Tralac, 2002). South Africa is expected to benefit from the increased raw material demand from other Southern African countries included in the agreement.

¹⁰ European Union Free Trade Agreement

¹¹ AGOA is expected not only to increase exports, but to ensure that South Africa will "...benefit from increased raw material demand from other Southern African countries included in the agreement" (DTI, 2002)

¹² Southern African Development Community, Free Trade Agreement.

¹³ The official Statistics South Africa (SSA) data does not reflect the actual numbers that have left. People who do not reflect their emigrant status at exit have not been accounted for. In addition, people that have left from any other location than South Africa's airports have been excluded.

¹⁴ Excess demand: a demand for more schooling as a result of a perceived lack of opportunities. In this context, excess refers to the low fee paying schools to which middle and lower socio-economic households send their children

¹⁵ Differentiated demand refers to the demand for different type of schooling, as described by religious or traditional schools.