

The Role of the State in TVET student funding

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Engagements

Historical Background

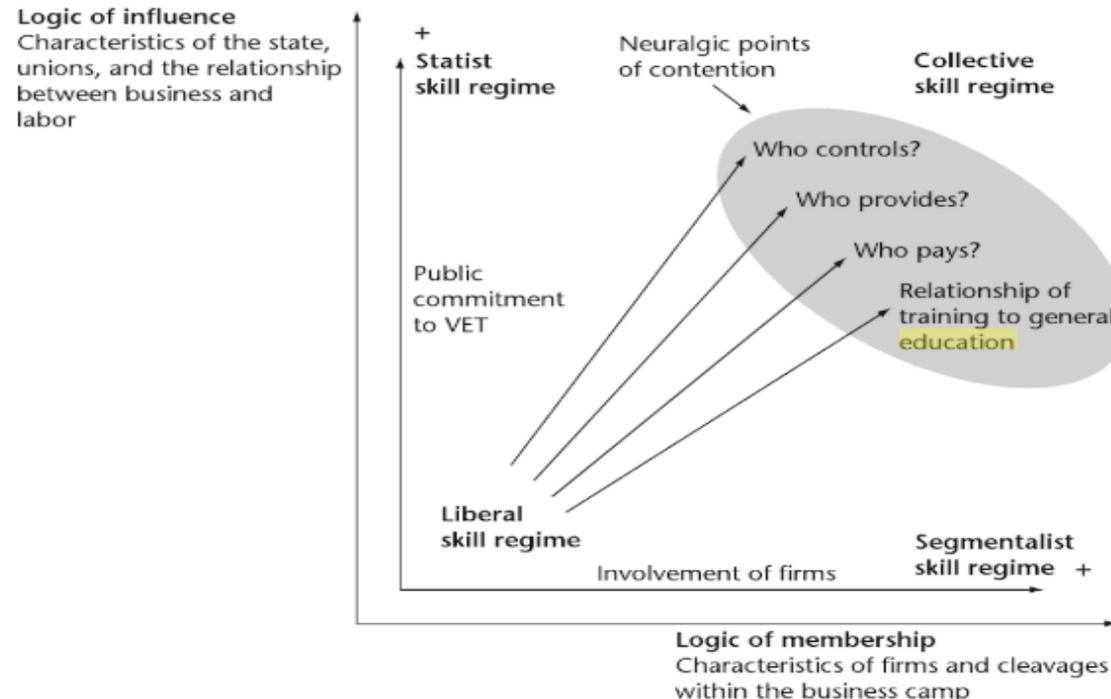
The TVET sector is not struggling to attract students in and South Africa and this is a global phenomenon. There are different reasons for the sector's unattractiveness. In South Africa legislation has been one of the drivers, these are some of the Acts that contributed;

- Juvenile Affairs Act of 1921
- Apprenticeship Act 26 of 1922
- Civilised Labour Policy of 1924
- Minimum Wages Act of 1925
- National Technical Education (NATED) system in 1935
- Group Areas Act 41 of 1950
- Bantu Building Workers Act 27 of 1951
- Bantu Education Act 47 of 1953
- Job Reservation Act and the
- Colour Bar Act of 1954

The TVET sector design

The political conflicts about design of training institutions happens at four political arenas namely (Busemeyer, 2012);

1. The characteristics of firms and the balance of power between different “fractions of capital” within the employers’ camp (logic of membership”);
2. The Power politics within the trade union camp; (“logic of influence”)
3. The overall balance of power between business and labour; (“logic of influence”)
4. The dynamic of partisan competition and state structures. (“logic of influence”)



Report of the UNESCO-UNEVOC virtual conference 16 to 22 January 2017

“There’s little or no funding in Nigeria, because attention or priorities are not placed on skills development. Right now, funding of TVET remains a mirage due to the economic recession that has engulfed the country.” **(Akpokiniovo Duke Ejaita, Nigeria)**

“In our country (Somalia), we are facing huge financial problems because of our weak and unsettled government which cannot reach all the regions, except the capital. The financing agents are very limited and the number of youngsters who are eager to get such training are increasing day by day. [...] I recommend that: 1) financing strategies should be based on equity and equality approaches; 2) more resources are needed for needy countries to improve the number of skilled persons.” **(Duale Ali Muse, Somalia)**

“I think that TVET needs to be recognized seriously as really a powerful tool that prepare labour force for economic development and poverty reduction. But the way I see it is that most of the decision makers neglect it, probably because of higher costs involved in running TVET institutions. But looking at the rewarding side or advantages provided, such as the increase in employment and even for reduction in crime levels, more priority should be devoted to it.” **(Manuel Caetano-Mozambique)**

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“Let all students at least pay a small amount, even if they are poor. This helps you select the most motivated students. It gives them self-esteem and it increases your sustainability.” (Cees Van Breugel, Netherlands)

South Africa moved away from this system with the announcement of fee free education in December 2017. All students with a combined income of R350 000 are fully funded.

CAPA in Congo asks “normal” students to pay full cost and subsidize the poor.

Don Bosco in Egypt offers and sells short TVET courses to yearly thousands of participants, which have to pay the full costs for their training. the income helps Don Bosco to finance training for poor youth.” (Thomas Gerhards, Germany)

Report of the UNESCO-UNEVOC virtual conference 16 to 22 January 2017: Recommendations

At the national level, several recommendations were made to enhance the quality of the TVET system and diversification of TVET funding, among which:

- developing strong synergies between training providers and industry, notably in the governance of the TVET system;
- creating an enabling environment for TVET activities to thrive;
- reinforcing trainers' competencies;
- implementing enhanced quality assurance mechanisms;
- conducting periodic review of labour market needs and adapting training offer accordingly;
- raising awareness of the value and importance of vocational training, notably by communicating with society about the role and the efficiency of TVET in preparation for employment

The South African Constitution

Section 29: 1

Everyone has a right to

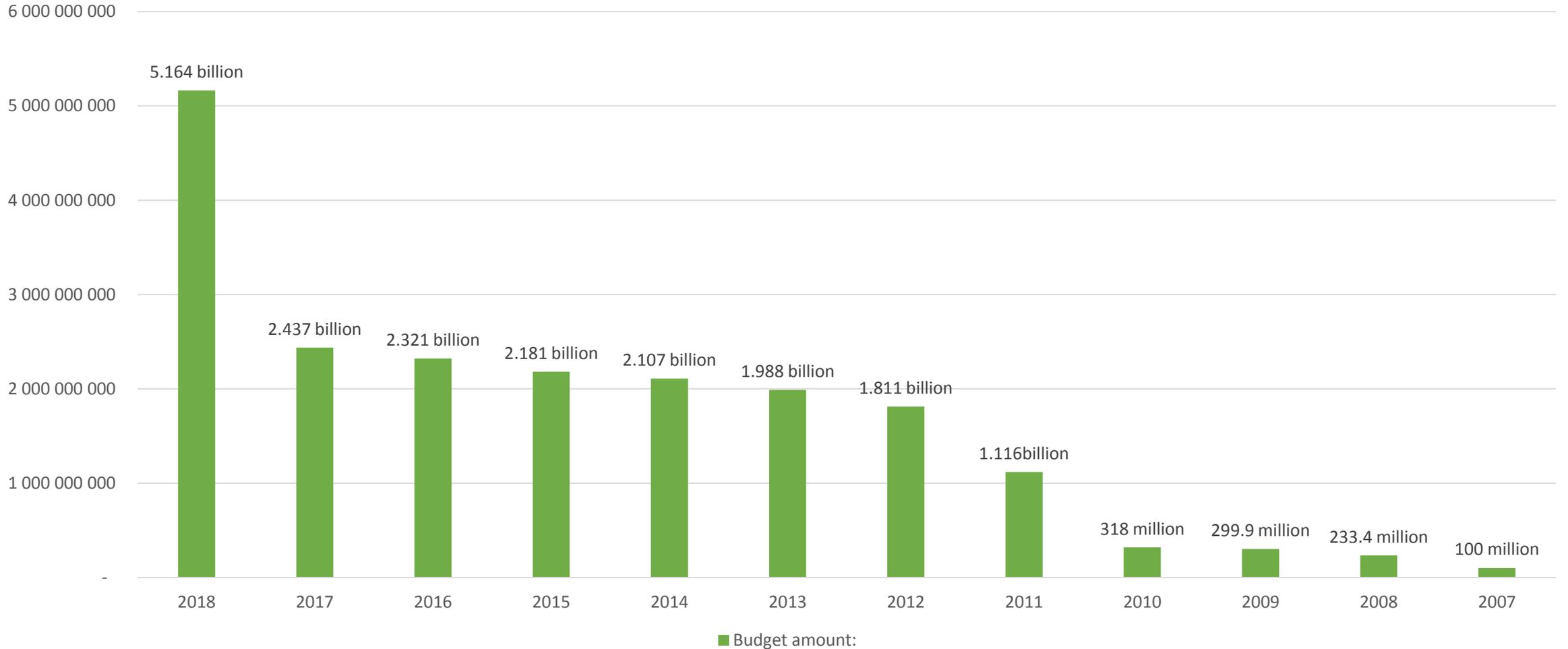
- (a) a basic education, including adult basic education and to
- (b) **further education, which the state, through reasonable measures, must make progressively available and accessible**

Establishment of the Bursary Scheme

- In terms of section 23 of the CET Act, 2006; the Minister must determine minimum norms and standards for funding Colleges
- Pursuant to par. 73 of the NSF-TVET Colleges, the DHET must establish a national TVET College bursary system
- Par. 73 of the NSF-TVET Colleges further enjoins the DHET to formulate rules and guidelines for the administration, management and awarding of bursaries to students

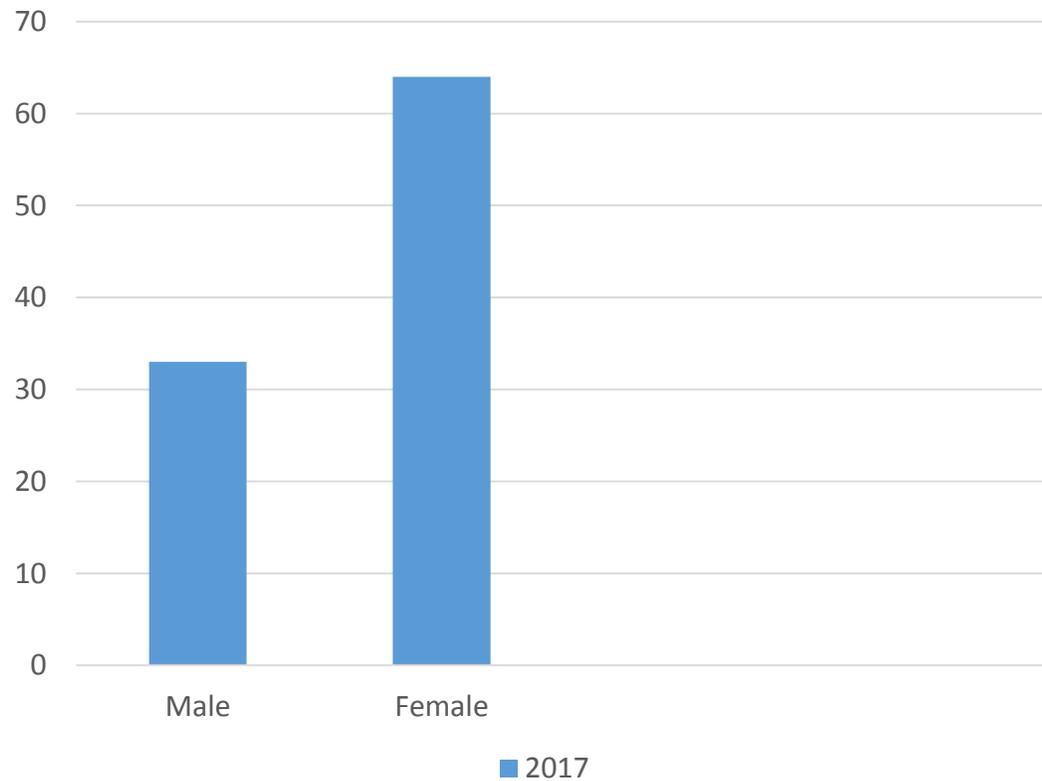
State Bursary Contribution = 20% of the Cost

Allocation amount

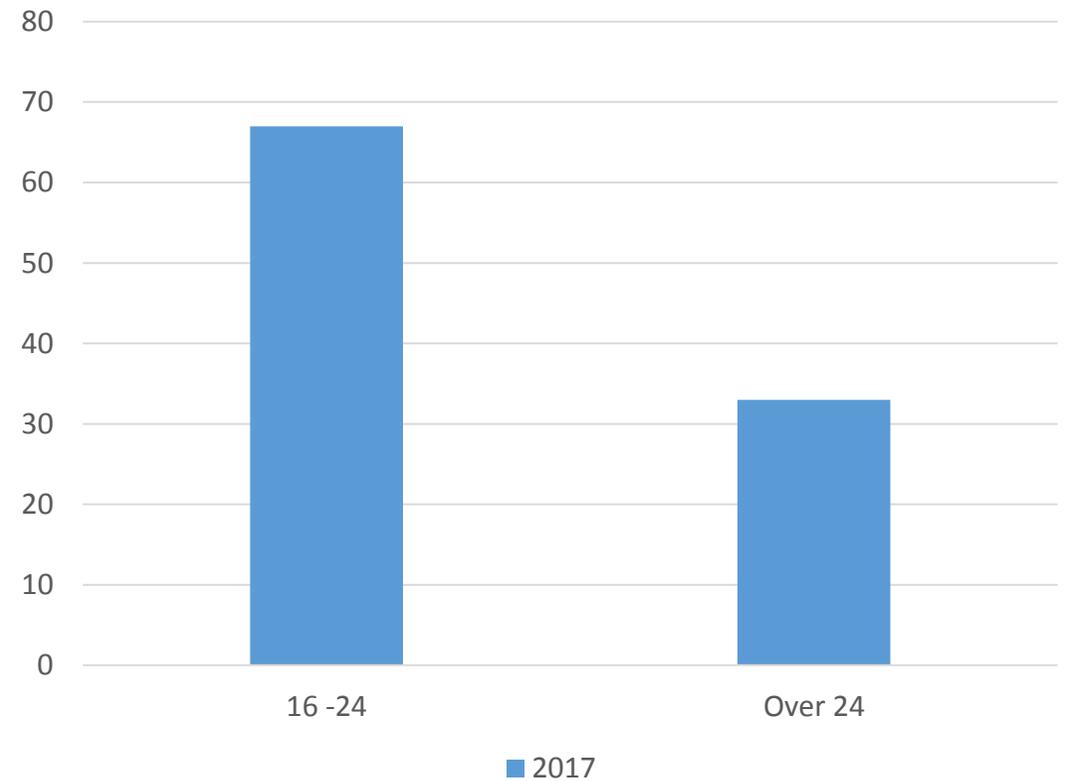


2017 Students Demographic

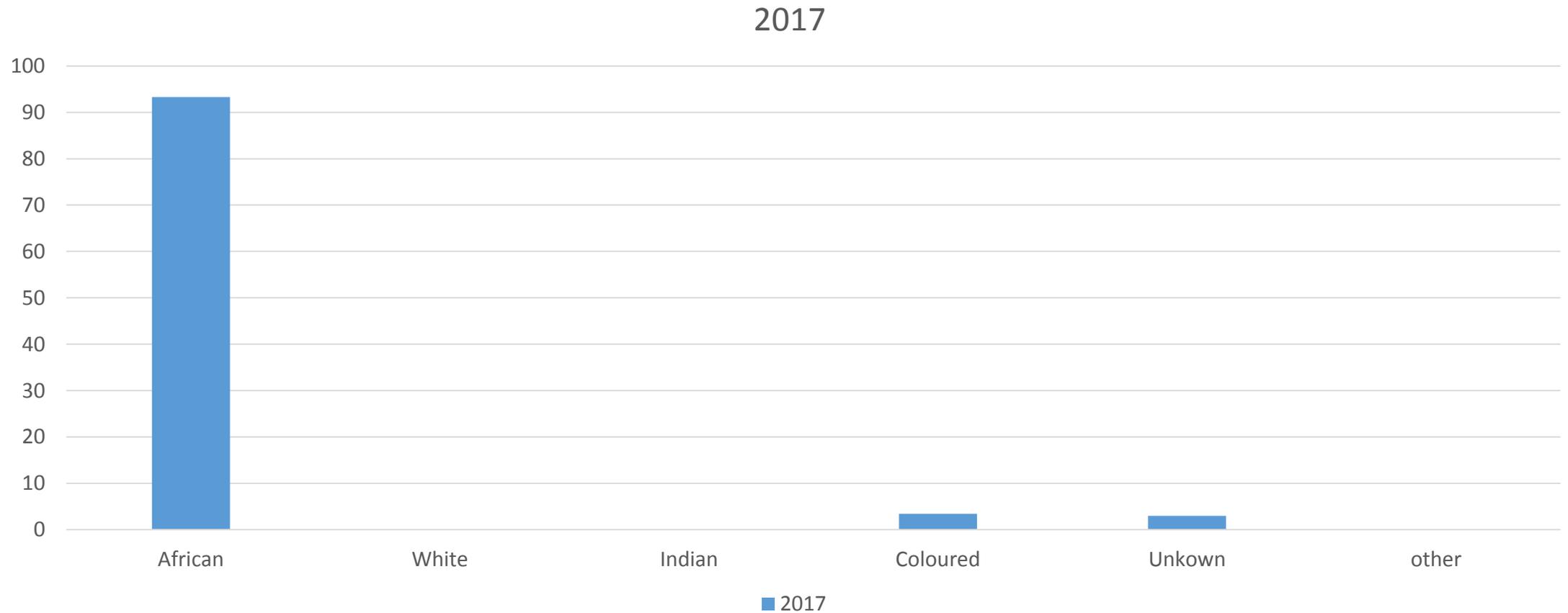
GENDER



AGE



2017 Students Demographic



Global Talent Shortage Survey (ManpowerGroup: 2017)

This study is conducted annually by the ManpowerGroup. For the 2017 report, a total of 42 000 employers from 43 countries were surveyed for the Annual Talent Shortage Survey. About 40% of employers reported challenges in filling positions. When asked about the strategies they were employing to deal with shortages, more than half indicated plans to upskill existing staff. In South Africa, this survey is conducted annually using a sample of about 750 businesses across the different sectors. The most recent survey showed that about 34% of employers were experiencing challenges in filling positions, with skilled-trade vacancies reportedly the hardest to fill. Difficulties were reported in the areas indicated

Top ten jobs which employers are having difficulty in filling

Globally	In South Africa
Skilled Trades (including electricians, carpenters, welders, bricklayers, plasterers, plumbers, masons, and more)	Skilled Trades (including electricians, carpenters, welders, bricklayers, plasterers, plumbers, masons, and more)
IT Staff (developers, programmers, database administrators, and IT leaders and managers)	Management/Executive (senior- and board- level managers)
Sales Representatives (sales executives, sales advisors and retail salespeople)	Office Support Staff (secretaries, personal assistants, receptionists, and administrative assistants)
Engineers (managers, electrical and civil engineers)	Engineers (managers, electrical and civil engineers)
Technicians (production, operations or maintenance technicians)	Accounting & Finance Staff (bookkeepers, certified accountants and financial analysts)
Drivers (truck, lorry, heavy goods, delivery, heavy equipment, and construction)	Sales Representatives (sales executives, sales advisors and retail salespeople)
Accounting & Finance Staff	Technicians (production, operations or maintenance technicians)
Management/Executive (management/corporate)	Drivers (truck, lorry, heavy goods, delivery, heavy equipment, and construction)
Production Operators	Teachers
Secretaries, Personal Assistants, Receptionists, Administrative Assistants & Office Support Staff	IT Staff (developers, programmers, database administrators, and IT leaders and managers)

NSFAS top ten funded qualifications in TVET (2017)

Skilled trades

Office Support Staff

Human Resources

Hospitality

Business Management

Sales representatives

Accounting and Finance Staff

IT Staff

Concluding Remarks

- The State need to increase the funding of TVET sector and align to occupations in high demand
- To increase success rate and ensure value for money invested by the state, there should be wrap around support for learners
- The employers need to play pivotal role in the funding of the TVET sector to avoid a completely statist skills regime
- The state should channel a significant portion of the funds through skills levies or tertiary education tax i.e. Education Tax Fund (ETF) in Nigeria, introduced in 1993 and later renamed Tertiary Education Trust Fund (TETFund). The Fund receives a 2% tax that is imposed on the assessable profits of all companies in Nigeria, and uses it to finance the rehabilitation, restoration and consolidation of all level of public tertiary institutions.
- Perhaps countries should consider the Brazilian Levy system that varies based on the company size and the type of industry
- TVET colleges should build financial viability which will result in their capacity to ensue its financial autonomy through a financial mix mobilizing public, private, and international resources to cover its expenses and ensure its development