

**EDUCATION AND DEVELOPMENT: AN EXPLORATORY STUDY OF THE
IMPACT OF GEAR IN GAUTENG**

by

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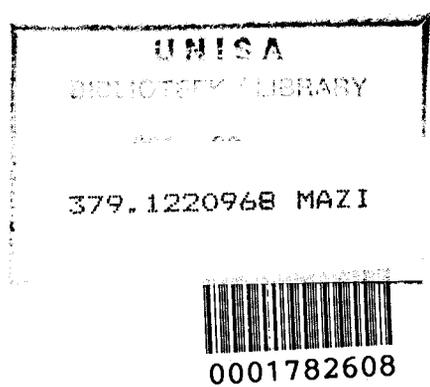
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NOVEMBER 2000

STATEMENT OF DECLARATION

I declare that **Education and development: an exploratory study of the impact of GEAR in Gauteng** is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references

SG Mazibuko



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DEDICATION

I dedicate this work to my mother, Nomusa, to whom I owe a debt I shall never be able to repay, and my children Phumlile, Khululiwe and Mthandeni.

ABSTRACT

The importance of formal education in socioeconomic development is an established fact. Formal education leads to better living standards through improved productivity, health and earnings. However, opportunities to acquire quality education are a function of a country's economic policy.

This study inquires into the capacity of the South African macroeconomic strategy of Growth, Employment and Redistribution(GEAR) to afford people the opportunities to get quality education. The study shows close linkages between GEAR and structural adjustment programmes(SAPs). The study argues that SAPs and thus GEAR tend to have negative impact on the poor as social spending is reduced and education gets affected. This study concludes that GEAR is likely to impoverish the public formal education system, particularly in poorer communities.

KEY TERMS

Education; development; economic policy; apartheid; employment; poverty; South Africa; Growth, Employment and Redistribution; Reconsruction and Development Programme; structural adjustment

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CHAPTER 1

Background information

1.1 Introduction

Economic factors have a tremendous impact on education policies. Governments which aim at free and universal education face great financing problems. This has led many governments in Africa into a “culture of cuts”, chiefly due to high debts which need to be serviced (Graham-Brown 1991:34 - 36).

South Africa’s formal education system is presently faced with a similar situation. Cuts in public spending are becoming the norm. The government, in its macroeconomic strategy of Growth, Employment and Redistribution (GEAR), has clearly indicated that the scope of increased spending would be severely limited. It has explicitly stated that spending on education is to be contained. In this regard, the government has in fact begun offering retrenchment packages to teachers (South Africa 1996(b):3 and 14, and Duffy 1998:4).

In view of this, it remains to be seen how the Reconstruction and Development Programme (RDP) goals are to be met. The RDP is South Africa’s development program aimed at, among other things, correcting past imbalances and reducing poverty. The Ministry of Education regards education as a key to the realisation of personal aspirations and socio-economic programmes of the government. It is stated that education and training are by definition developmental. This makes developing the country’s human resources an objective of the RDP, as well as a requirement for the realisation of other RDP objectives (ANC 1994:59 and South Africa 1995:17, 25 and 61).

The link between education and economic development or growth, as far as the RDP is concerned, is that skills which are acquired through education, are important in meeting the social and economic needs of the people.

Education is seen as a prerequisite for successful human resource development to create a strong, dynamic and balanced economy (South Africa 1994:24 and 25; and South Africa 1996 (b):15). It is in this context that the implications of GEAR on education set in. It is debatable whether GEAR, with its emphasis on reduced public spending, will help improve the quality of education of the majority in South Africa and therefore contribute towards the elimination of inequality and poverty.

1.2 Brief historical background to the provision of education in the Republic of South Africa

It is almost impossible to write about anything regarding education in South Africa without touching on apartheid. Graham-Brown (1991:155) points out that education was the blood and soul of the apartheid system in South Africa. It ensured the survival and perpetuation of the apartheid ideology as one of its main instruments governing the lives of South Africans.

In South Africa the history of education shows that education, particularly that of blacks, had at one stage been a responsibility of missionaries. The evolution thereof, to become a state responsibility, came as successive governments began to subsidize the missionary schools and finally took control of these schools (Behr 1988:10 - 34 and Leonard 1969:93 and 149).

With education for blacks under the control of central government, Bantu Education ensured that blacks were to be educated according to the opportunities made available to them by the apartheid system (Leonard 1969:154 – 155). This situation culminated in the student uprisings in 1976. Apart from expressing their dissatisfaction with Afrikaans as a medium of instruction, students demanded better quality education. The 1980s was a decade of demand for people's education which would ensure non-racism, respect for humanity and equality (Behr 1988:24). The main task of the post-apartheid South African education system is to achieve quality and equity. This means that the democratic government has still to effectively address the inheritance of the past education system. Apartheid ensured two types of education for whites and blacks with huge differences in quality and access. It also ensured that blacks constantly suffered shortages of

essential resources for sound education, such as educational facilities, well-trained teachers and funding. In this way, apartheid relegated the majority of black people to the lowest places in all spheres of South African life: economic, political, social and psychological (Bot 1991:v and Pillay 1990:30). The task faced by the democratic government is enormous. Huge resources are required to redress the situation and proceed to improve it further.

1.3 Literature Review

Education does not only occur in formal institutions (formal education), but also takes place at home (informal education) and at work (non-formal education). These forms of education empower people to get involved in decision-making processes, the implementation of those decisions and to fully meet the challenges of the global economy (South Africa 1994:8). Without the empowerment afforded by education, development would be severely hindered.

With education, people acquire skills which they use to improve economic production and their wages. This is also important also because a competitive global economy requires a highly literate workforce. Furthermore, education has the potential to develop not only the individual, but the community, socialize people in accordance with national government's goals and strengthen respect for human rights and the fundamental freedom of people (ANC 1994:60 and Cornwell 1997:80).

Cornwell (1997:80 - 87) also points out the various views on education and development. These are the neo-classical view, the reformist view and the radical view. The neo-classical view sees formal education as an instrument for political socialisation and the reduction of inequalities.

With regard to the reformists and radicals, the former believes that non-formal education increases the occupational status of the people, while the latter believes that transformed education can better enhance development if it takes on a socialist character.

Heyneman (1982:30) also sees education as a strategy to fight economic stagnation, unemployment and income inequality, and argues that education is a basic human need, and as such, the State should take great responsibility in its educational supply. This should take place irrespective of the private sector or some donor being involved. Expenditure on education determines, among other things, enrolments at school and the quality of education. Grootaert (1994:133) and Reimers (1991:326) state that restructuring the economy influences changes in incomes and prices, and subsequently the demand and supply of formal education. Restructuring has an impact on issues such as the universalization of education, privatization and equity in education.

Developing countries which have been affected by the Structural Adjustment Programmes (SAPs) of the International Monetary Fund (IMF) and World Bank provide good examples of the changing effects of economic policies on education. The introduction or reintroduction of user charges in the form of school fees, high costs of learning aids, scrapping of free education for example, have become common practice (Archer 1994:223 and Rose 1995:1932).

It is in this regard that a view emerges which sees schooling as an escape from poverty for only a few. This is because people are forced to bear the cost of their children's education; the children of the poor will leave school in order to find employment. Girls will become the first to be withdrawn from school, and thus inequality is perpetuated further (Todaro 1994:381 and Rose 1995:1932).

The success of any system of education depends highly on the quality of the teachers. Therefore, for the school system to contribute meaningfully to development, the quality of teachers should be enhanced. To attract and retain quality teachers, the socio-economic status of the teacher should be raised. To ensure this, teachers' salaries, among other things, should be made attractive. Failing this, teachers may leave for other sectors of the economy, especially those teaching subjects such as science, mathematics and computer science (Hartshorne 1978:149; Walford 1990:57 and Cerych 1965:119).

This situation poses a problem because much of the education budgets, especially in Africa, go to teachers' salaries. In 1992, for example, South Africa spent 68% of the education budget on teachers' salaries. In other developing countries up to 98% of their budgets is spent on education. This expenditure may make education a heavier economic burden in developing countries. This fact does not however nullify the fact that teachers are underpaid. In 1993 in Sudan, for example, teachers received salaries below R500,00 per annum. In 1992 in the Republic of South Africa (RSA) many teachers received an average salary of R20 000,00 per annum (Development Bank of Southern Africa 1993:106; Cornwell 1997:93 and 95 and Psacharopoulos and Woodhall 1985:185).

Bot (1990:VI, 21 and 22) points out that given the South African situation of slow economic growth and an increasing number of (African) learners, higher state subsidization of education is important. This will help to benefit learners from disadvantaged backgrounds. More money is also needed to raise the general standard of education.

The South African government also recognizes the important role of education to development. In this regard, it has taken it upon itself to make education free and compulsory for lower grades funded by the State. However, it also emphasises the parents' liability for the payment of school fees (South Africa 1996 (a): 22, 23 and 34, and South Africa 1995:73).

1.4 Research problem and research objectives

In both developed and developing countries, economic policies have been known to have major effects on education. As nation after nation embraces privatization as being fundamental to economic growth or development, governments are shifting what has traditionally become their responsibility to the private sector. Education is one such responsibility. Today, South Africa is no exception.

At a time when public spending on education should be increased in order to also meet the objectives of the RDP, the government announced reductions in public spending. How this will

impact on education in the long-run needs to be determined. In this regard the following questions may be asked:

- 1) To what extent does GEAR reflect the characteristics of structural adjustment programmes?
- 2) How will GEAR impact on the goals of the RDP?
- 3) What will the effects of cuts on the quality of formal education be?
- 4) What are the chances of GEAR promoting private and thus elitist education?

The problem statement can be summarized as follows:

The South African macro-economic strategy of Growth, Empowerment and Redistribution (GEAR) puts great emphasis on growth, privatization and reduced public expenditure policies. These policies are most likely to have severe effects on the public education system which, in turn, is crucial to the development agenda of the country. The GEAR strategy is likely to retard progress towards redress, quality and equity in education, and also impact negatively on the Reconstruction and Development Program's (RDP) goals.

In view of the research problem described here, the objective of this study was to explore the effects of the South African government's macroeconomic strategy of Growth, Employment and Redistribution (GEAR) on formal education. Based on the findings, it was also predicted what is likely to happen in the future. This was done within the context of development as envisaged in the Reconstruction and Development Program ((RDP). A description is given of the impact of public expenditure cuts on sustainability of free and compulsory education, classroom needs and educator/learner ratios. The funding of education borders on the question of quality of education and its capability to contribute to development. The study is thus aimed at determining

whether or not the government's economic policy enhances the development of human resources of the country which is the cornerstone for development.

Based on the author's contention that whatever social services a state can or cannot afford to deliver is, all other things equal, primarily a function of the economic policy being pursued. The aim of this research study can be summarized as follows:

To explore the capacity of the GEAR strategy to effectively and successfully deal with the educational inequalities and imbalances created by the past apartheid education system. The post-apartheid education system needs to ensure redress, quality and equity such that education is geared towards the developmental needs of the country.

1.5. Conceptualization and operationalisation

For the purpose of this study, formal education means the type of learning which occurs in primary and secondary public schools with the exclusion of special (and technical) schools.

Formal education is indicated by young people (learners) who attend school on a full-time basis.

Development (RDP) is understood to mean an improvement in the socio-economic and political lives of people. This improvement ensures conditions for the realization of the full potential of a human being.

RDP was indicated by:

- 1) An increase in technology in schools;
- 2) Improvement in teacher backlog;
- 3) Classrooms needs being adequately met;
- 4) More schools being built.

Macroeconomic policy (GEAR) refers to a strategy used to structure the economy of the country. Such a strategy has to have effect on, for example, monetary and fiscal policies, the public debt, and government budget. GEAR was then indicated by:

- 1) A reduction in the number of educators;
- 2) Increase in the pupil/teacher ratio;
- 3) Fewer or no new schools being constructed;
- 4) Decreased government expenditure per child.

1.6 Scope of the research

The study was conducted among the primary and secondary ordinary public schools and the education department within the Central Region of the Gauteng Department of Education (GDE). Other secondary sources of information were teachers' organizations, the Department of Finance and non-governmental organizations in education.

The central Region of the GDE was preferred because:

- 1) The area was within the means of the researcher in terms of time and money.
- 2) There are many public schools in that area, so that it was possible to get a fairly accurate situation of urban areas in the Republic of South Africa (see section 1.10 for details).

The study mainly concentrated on important aspects of education, namely, learners, educators, classrooms and financing as identified by Rose (1970:10); Grootaert (1994:133); Solmon (1986:10) and Fuller, Gorman and Edwards (1986:18).

1.7 Sampling

Systematic sampling was used to draw schools to be included in the study. A list of public schools within the Central Region of the GDE was requested from the GDE. As described by

Nachmias and Nachmias (1987:187 -189) the first 20th school was randomly chosen and every 20th school thereafter on the list was then selected. Twenty-five (25) schools were then chosen for interviews and visits.

1.8 Techniques of data collection

Techniques that allowed the researcher to obtain information on facts, opinions and attitudes were preferred. For this reason, a cross-sectional survey was used. The following research methods were used for this study:

1.8.1 In-depth interviews

These interviews were conducted with respondents drawn from the population under study. The respondents were representatives of teachers' organizations, officials of the Gauteng Department of Education and Department of Finance as well as representatives of non-governmental organizations. Unscheduled, elite interviewing was employed for the other respondents. School principals were not interviewed as permission to enter school premises was not granted to the researcher by the Gauteng Department of Education (GDE). In all the interviews, the researcher took notes, writing down what the respondents were saying.

1.8.2 Analysis of literature

Books, journals, research reports and newspapers were consulted to gain more insight into the research question. A large body of literature was available, but not much on GEAR and Education.

1.8.3 Questionnaires

These were distributed to as many schools as possible. A total of 400 questionnaires were distributed to be completed by school principals. Principals who wished to know the results of the study were requested to return the completed questionnaire by post with self-addressed, stamped envelopes. All other questionnaires were collected through the district offices which also served as distribution points.

The major aim of the questionnaires (see Appendix 9) was to obtain basic information which would allow the researcher to formulate questions for the in-depth interviews with school principals. All that information was to further lay the basis for elite interviews with GDE officials (See section 1.9 for more information).

1.8.4 Focus groups

Two separate sessions with focus groups amounting to eight and six respectively were held at different times. At both sessions a tape recorder was used. The tape recorder allowed the researcher to follow the discussions without being distracted by taking notes.

1.9. Data Processing methods

Inductive coding was applied in this study. According to Nachmias and Nachmias (1987:347), inductive coding refers to data that is collected without any pre-designed system of coding or categorizing. This is well suited to coding responses to open-ended questions such as the ones that were used in this study.

1.10 Problems encountered

Initially, visits to schools in the sample area were planned. Such visits were to enable the researcher to get a view of the extent to which the needs of the schools were met. Adequately met

needs were to be based on stipulations of the government, for example, the educator/learner¹ ratio and learning materials. However, after long-drawn negotiations with the officials of the GDE, it became apparent that the researcher was not to be granted permission to visit schools under GDE. The method of unstructured participant observation required the researcher to also take rounds in classrooms during tuition time to get a better understanding of classrooms conditions. It was also during such visits to schools that in-depth interviews with principals were to be held.

The researcher attached such importance to the views of the principals, that leaving them out was to create some deficiency in the study, focus groups consisting of principals were organized. In this case, two separate groups were invited to the sessions which took place at two different venues outside the jurisdiction (schools) of the GDE. The focus groups were specifically meant to obtain the views of the principals. The invited school principals were randomly selected from the sample already drawn.

The other problem the researcher encountered was how to get back all the questionnaires that were sent to schools. Of the total questionnaires sent out, only 19 percent was returned. There was no way the researcher could follow this up because questionnaires were randomly distributed through the district offices and therefore no record was kept of the schools to which questionnaires were sent.

1.11 Limitations of the study

The question of funding education in South Africa is a complicated issue. There are simply too many inequalities. Inequalities exist between various racial groups, between provinces, between rural and urban areas, as well as between the rich and the poor. Two easily discernable shortcomings of this study are that, in the first place, the study was conducted in a predominantly urban area and in the second instance, in one affluent province of Gauteng. To obtain an accurate

¹This study refers to educator-learner and teacher-pupil ratio interchangeably. Both instances refer to one situation.

representative view, a major study is needed which would bring together all provinces, urban and rural areas and also transcend the racial division which is also characteristic of reporting in this study.

1.12 The structure of the study

CHAPTER TWO: This chapter discusses the role of formal education in development. Various theories are outlined. The chapter also shows the strong link between formal education and economic development.

CHAPTER THREE: In this chapter the structural adjustment programs (SAPs) are discussed. Experiences of specific countries are also included as well as some policies to minimize the negative effects of the SAPs.

CHAPTER FOUR: A short background to provision of formal education in South Africa, including private education, is given here. This background also briefly covers the latest turbulent period of the 1980s in education where the call for People's Education was made. Central to this chapter is the discussion of the macroeconomic strategy of GEAR.

CHAPTER FIVE: The chapter gives the findings of the study and also analyses of these findings.

CHAPTER SIX: This final chapter summarizes the main findings and offers some conclusions.

CHAPTER TWO

Education and development

2.1 Introduction

The role of formal education in development is a highly debatable subject. The controversy centres around the question of whether or not development would take place without formal education. If this could be answered in the affirmative, then how much formal education is needed for development to take place? If the answer is in the negative, then the question is: What triggers and sustains development?

While the question of whether or not formal education is responsible for development has become a chicken and egg argument, it can be strongly argued that in the mid to late 20th century formal education has become a fundamental and a necessary condition for development. Dore (1976:16 - 36) and Fagerlind and Saha (1989:39), for example, point out that while the British Industrial Revolution occurred without much formal education, the Japanese industrialisation process was basically a direct and a deliberate result of formal education. In Britain it was the industrial sector which transferred the business of training to the formal education system. This transfer made it possible for the education system to continue to address itself to the British economic needs. For the Japanese, the education system was designed to ensure that that country caught up with industrial development in Western Europe and North America. This point will not be pursued any further since the aim in this study is not to prove causality.

It should be clearly stated that in this study, the assumption is made that formal education is important for development to occur and also to sustain that development. On the other hand, no assumption is being made of either the fact that development cannot and/or could not happen without formal education or that other forms of education like informal and non-formal education have no role in development. Of course human kind has been developing since its inception.

However, development as it is understood in the Information Age has taken a completely different course from that experienced during the Stone Age. The process of development is currently highly dependent on the ability to effectively read and write. This applies equally to an individual or a country as a whole. It is also in a formal institution like a school where people's literacy abilities can be developed before they become economically productive.

It is the view of the author that development belongs to the public domain. No one individual can claim sole responsibility for development in a country. In the light of this statement, and in the light of the understanding that formal education is crucial for development, it will also be argued that public support for formal education should be increased instead of being curtailed.

The current trend to cut back on public expenditure, and thus on education, as it happens for example in adjusting countries, should be viewed in a serious light. (How adjustment policies affect public expenditure will be dealt within section 3.5). Reduced expenditure will negatively affect the provision of education and has serious implications for development. If public expenditure is curtailed, the children of the poor will not have an opportunity to acquire any meaningful social services including education, and this will be essentially tampering with people's rights, since formal education is now regarded as a right and thus classified as a basic human need (Heyneman 1982:130).

Cutting funding in education is gradually becoming a global trend in the face of privatisation (privatisation is dealt with in sections 3.3 and 3.4). Poor countries in particular, having to meet their debt commitments towards international financial bodies, find themselves in a situation where they have to implement unpalatable foreign-dictated economic policies. Spending on education becomes one of the areas that first feel the heat. Poor masses are then deprived the opportunity to be educated (Chapter three will deal with cuts in education spending more thoroughly). This is a crucial factor because in developing countries education is seen as the major route to escape poverty, and study after study has shown that people with some form of formal education lead better lives than those without any formal

education. It is argued that better life comes in the form of, among other things, better wages, healthier babies and smaller families (Hadden and London 1996:39 - 42).

To reiterate the point made in the previous chapter (section 1.5) that this study will focus on primary and secondary education, it should be pointed out that primary and secondary education are more important than higher education in developing countries. The structure of the economy is such that higher education benefits the middle-class mostly, while the masses benefit from (mainly) primary education (Bhagwati 1973:23). The benefits of higher education accruing to the selected few make social returns from education low, but with high costs to be publicly supported. This will be explained more fully in section 2.2.3.

In this chapter, two issues will be addressed. Firstly, the dominant and contrasting views on the role of formal education in development will be outlined. This aspect is important for one to position one's argument properly. The views on education and development are important to understand if one has to get a broader understanding of arguments involved in this subject. It should also be pointed out that sometimes these views overlap in many ways. The neo-classical theorists, for example, put more emphasis on economic aspects of development but they also say much about socialisation being a function of the school (see Nyerere 1989 and Kenny 1980). For the neo-classical theorists, the importance of education lies in its (education's) ability to socialise people into a specific mode of economic system.

The developmentalists, on the other hand, while they also talk about development in economic terms, transcend this and apply a more holistic approach to development (see Freire 1973; Kruss 1988; Alexander 1990 and Christie 1985).

The overlap in arguments found in the views dominant in this field can in fact create serious problems for the researcher, for example, when wanting to draw very clear lines among them. The other problem is presented by the radicals. Some radicals reject the present system of education on the grounds that it socialises people in a particular way (see Rodney 1982, and Aronowitz and Giroux 1995). But again it is hard to find a system, any system of education, that will not aim at socialising people into a specific society - capitalist or

socialist. It can be said here that the differences between the three views on education and development are not watertight. The presentation of these views separately in this study is mainly to create a better flow of their arguments.

Secondly, this chapter will try to determine whether or not there is a positive link between formal education and (economic) development. This is necessitated by the very arguments presented by various theorists. Some theorists argue that formal education as it exists is irrelevant, others argue that formal education in any form is not a tool for development at all (see Althusser 1971 and Bowles 1971). These are indeed very interesting views. The reader should also be reminded that while it would be interesting to look at spheres other than economic development in relation to formal education, this study is, as pointed out in chapter one, specifically concerned with economic issues as they affect the provision of education, particularly in South Africa.

In looking at the link between education and development (section 2.3), various forms of study will be used. These forms are (1) growth accounting studies; (2) productivity studies; (3) cost-benefit studies; (4) women's education studies and (5) education and poverty alleviation studies. These forms of study also show varying degrees of the importance of educational levels in development.

2.2 **Views on education and development**

Cornwell (1997:82 - 86; 1989:4 - 7 and 1988:7 - 9) categorises the views on education and development into three. These are the neo-classical view, the reformist view and the radical view. While all these views are in agreement about the fact that formal education has a role in development, they differ on the emphasis and the manner in which formal education enhances development.

2.2.1 **The neo-classical view**

The neo-classical view is that a school is an agency of socialisation. It should develop the individual's abilities and capabilities required by that society. In this way the school transmits and reflects the norms and values of that particular society

(Nyerere 1989:119). The neo-classical view is also regarded as functionalist since it sees the function of the school as transmitting the norms and values of society. The school is seen as allocating individuals' particular roles and occupations in society (McKay 1995:29 - 31).

Looking at education as an agency of socialising, this view can also be found within the British society in the early 1800s and earlier. According to Dore (1976:16), the rich social classes of Britain sent their sons to Oxford University only to learn to be gentlemen. Simply put, these people went to university only to learn the values of their own social classes and how to maintain those values. Elsewhere in Africa, another kind of education that was designed to maintain certain social values and structures, was colonial education. According to Rodney (1982:240 - 257) the colonial school system in Africa was meant to make Africans better workers who will help in the administration of colonies. The assimilation policies of the French, Portuguese and Belgians simply ensured the underdevelopment of Africans. Colonial education in Africa under the church also emphasised religious instruction, something that was disappearing in Europe. This was to “de-Africanise the people so that whoever had an opportunity to be educationally misguided could count himself lucky, because that misguidance was a means of personal advancement within the colonial structure” (Rodney 1982: 255).

It is also the view of the neo-classical theorists that formal education plays a crucial role in modernising a society. By providing education to its people, a country would be investing in its human resources. It is believed that an educated labour-force increases productivity and thus increases its own income. Higher incomes translate to better living standards. Viewed this way, formal education is seen as playing a primary role in reducing inequality (Cornwell 1997:81 - 88 and 1988:7; and Khumalo and Wright 1997:160 - 161).

While these neo-classical theorists refer to issues such as socialisation and modernisation, socialisation to them means conforming with existing lines of norms and values of the society. In this case, the neo-classical theorists do not see

education as a force for change, or they simply prefer to use education as a tool to instil existing values. They miss the point that in order to develop, society needs to undergo a metamorphosis that can best be carried by a system of formal education.

Without imposing things on people, formal education is capable of transforming a society. An educationally enlightened society is able to gradually adopt new positive norms and values without disrupting the cultural life of people.

As for modernisation, the neo-classical theorists believe that formal education should change people to embrace western capitalist values. For example, the elite in communities may be used as agents for change - they are used to influence people in a particular manner with desired values. This cannot be regarded as development in the sense that development should occur in accordance with norms, values and views of the developing people (Mutharika 1995:71). The biggest problem with modernisation has been that it wants to create an elite corps (Hettne 1995:53) who will lead the process of development based on other people's values. However, this has in many instances led to a breed of corrupt and inefficient people who tended to be stumbling-blocks in the way of development.

2.2.2 The reformist view

The reformist view, supporting the relevancy of non-formal education, is that formal education should be such that it addresses all aspects of human life. Education must equip people with relevant skills such as communication skills, general knowledge, life skills and production skills. These skills are also believed to help people meet their basic human needs, since wages improve and inequality is reduced.

Furthermore, some reformists believe that there should actually be two types of education: one serving the rural people and the other serving the urban population.

In this way everyone would be educated according to their conditions. This will further help reduce or halt the process of migration from rural to urban areas (Cornwell 1997:84 - 86). However, the question of two systems of education does not seem to be a viable solution. Developing countries may not have enough resources for such an exercise. Besides, different education systems within a country

may have a negative impact on labour mobility. A person who receives his or her education in the countryside, for example, may be at a disadvantage when he or she later decides to migrate to the city. Their education may prove irrelevant in the city. At a broader level, people may find it difficult to emigrate because their education may not be very relevant to the needs of other countries.

The reformists do not, in fact, compartmentalise education. They see it as something that affects all sectors of society. Being mainly concerned with development holistically, thus also referred to as developmentalists (Cornwell 1988:8), the reformists reject the view which tends to emphasise the economic importance of education at the expense of other spheres of life. The reformists acknowledge, for instance, that there cannot be development without modernisation, a point prominent to neo-classical theorists. They also point out that modernisation is not necessarily development. Modernisation theorists tend to over-emphasise economic aspects in development. A good example here is Rostow (1960²). The reformists believe that when a learner leaves school, she or he should at least have a minimal understanding of other issues such as politics (how government works), law (his basic rights), commerce (how credit cards work). Education must enable individuals to balance their rights and responsibilities (Godsell 1992:140 and Freire 1973:xii).

On a socio-political level, schooling may have a positive impact on generating a particular culture. With relevant syllabi, learners can be taught the values of democracy, respect for human rights as well as respect for the law (ANC 1994:60,

²W W Rostow believes that all countries have to pass through a specific predetermined stage of economic development. These stages are (1) traditional society, (2) pre-take off, (3) take-off, (4) drives to maturity and (5) age of mass-consumption. It is through these stages that a country can finally reach a state where it can afford welfarism. Britain, the USA, Germany are said to be some of the countries that went through these predetermined growth stages.

Nguru 1995:62 and MacGregor 1997:15). This form of socialisation should be seen as progressive compared to one advocated by the neo-classical theorists. These issues are highly crucial in a developing country, which more than anything, needs stability for successful development. Formal education has a great potential to instil these values.

The section on the neo-classical views emphasised the subject of socialisation. That section also touched on the impact education has on socialisation. However, while the neo-classical writers had relatively little to say about democracy and respect for human rights, the reformists have brought these issues to the fore and made them part of fundamentals in development. To a very large extent we owe it to the reformists that together with education, democratic practices and laws ensuring human rights of individuals are today considered part of the basic human needs. This element is underemphasised in the writings of the neo-classical theorists.

2.2.3 The radical view

The third view on education and development is that of radical theorists. It needs to be pointed out here that the radicals essentially fall into two groups. One group calls for the transformation of the present system of schooling and the other group calls for a completely different society with a different system of education. The first group that calls for transformation is represented by writers such as Freire (1973), Christie (1985) and Aronowitz and Giroux (1985). The group calls for an education that will raise consciousness and remove inequalities in society.

The other group, which McKay (1995:37) refers to as Marxists, completely rejects the education system as it presently exists. Writers among this group include Althusser, Bowles and Kruss. This group poses a serious challenge because it calls for a new society based on a new economic system. According to this group, formal education in a capitalist society is meant to produce and maintain social classes with their inequalities (Althusser 1971:44). As a result poverty and inequality cannot be addressed and eliminated by capitalist education. This point poses conflict between

the radicals and the reformists. The latter believe that formal education presently addresses the question of social equality (Bellew et al 1992:54).

This theory (the radical theory) is also referred to as the reproduction theory. The reproductive role of the school comes to the fore as the school instils in learners the attitudes and disposition to accept the existing social and economic capitalist order and further shape that order. The present schooling system is blamed for reproducing the existing power relations by producing and spreading the culture of capitalism in the form of knowledge, values, language and modes of life styles. Therefore, apart from being economic institutions, schools are also seen as political, cultural and ideological sites of capitalism (Aronowitz and Giroux 1995:69 - 74).

Education under capitalism is seen as creating and perpetuating inequalities. The school is portrayed as a house having one entry but two exits: one exit for the capitalists and their auxiliaries, the other for the workers. People learn their place in the social arrangement of capitalism in school. Therefore education ensures that capitalists remain in power (Christie 1985:182 and McKay 1995:35 - 37).

The Marxist view shows that there are direct social relations between the school and the workplace in a capitalist society. Some of these relations are (McKay 1995:37):

- ★ As learners have no say in the design of the curriculum at school, workers lack control over the content of their jobs. At school learners have to respect authority while workers have to be docile, unquestioning and submissive. In both instances, punctuality is emphasised.

- ★ As learners have to concentrate irrespective of whether what they learn is interesting or not, workers have to do boring menial and alienating work.

- ★ Both schools and the workplace are run according to hierarchy: inspectors, headmasters, deputies, senior and junior teachers and prefects, while at workplace there are owners, managers and supervisors.

With the demise of the leading role of the church after the French Revolution, the school became the dominant ideological state apparatus (Althusser 1971:144 - 145). Accordingly the school teaches knowledge in forms which ensure subjection to the ruling ideology. It enforces the capitalist relations of exploitation. It is said that wages play a crucial role in the maintenance of these relations. Wages are seen as being used to raise and educate the children in whom the worker reproduces himself as labour power (1971:126). This means that with his starvation wage, a worker cannot afford better, more expensive education. His children can only go to school as far as elementary education goes. The school system then ejects them into production as workers. This view contradicts the two last views that present education can remove inequalities.

Freire's type of education is also echoed in the concept "People's Education for People's Power." According to McKay and Romm (1992:17), people's education refers to an education strategy that mobilises the oppressed and conscientizes them to become aware of their oppression. In this sense education and revolution are inseparable facets of social transformation (Bowles 1971:473). The school should produce selfless, socialist, creative and productive members of society. The education system should also remove ignorance and exploitation, discourage the values of individualism and affluence (Kruss 1988:11 - 15). Clearly the radicals are also calling for some form of socialisation. It will be seen therefore that the radical view calls for a completely new system of education. This view is based on the total replacement of the capitalist state by a socialist one. In this way, a new system of education would be introduced. It would be a system that produces a new person with new values. According to Bowles (1971:478), this new person would have to learn the values of co-operation instead of competition, democracy instead of authoritarianism and of creativity instead of alienation. Here Bowles clearly shows

that the radicals are more interested in transforming the society and thus completely new values in a new society.

To close this argument, it can be said that the thin line separating the above three groups of theorists is the type of education required. There is no argument as to whether education is important or not in development. It can be said that for the neo-classical theorists education, while it is to produce economically productive people, has to socialise people into traditional roles in the existing society. The views of the neo-classical theorists are typical of their time: the 1950s and 1960s. During that time societies were more traditional in their approach to life. As a result their education also reflected that society.

It should also be remembered that development as it is presently understood in the developing world is a phenomenon of the 1970s. During the 1950s and 1960s development was being viewed essentially in economic terms. This is evident in the writings of people like Rostow (1960). The reason for this view was because "development" came to Europe with the Marshall Plan to reconstruct the European economy after the Second World War (Hettne 1995:35). Development, as it is understood today, can be traced from that period in Europe. No wonder development has been labelled as being Eurocentric, which is also very characteristic of the neo-classical theorists.

The reformists differ from the neo-classical writers in that they see education in a dynamic way. For the reformists education should also be able to introduce new ideas into society. This means that reformist education is also a force for change.

Without changing the existing economic system, the reformists bring in a new progressive view of formal education. Writing mainly from the 1970s, the reformists had new ideas and viewed development differently from the neo-classical writers.

The sharp distinction between economic and social lives was blurred. Social justice had to be accompanied by economic justice. Inequality became unacceptable in all spheres of life. Education became an instrument to achieve a better life for all.

The radical theorists believe in a completely new person - a new society. This is a fundamentally different view. To fundamentally change society requires a radical change of the existing economic system. The radicals believe that it is the economic system that is the source of poverty. If the capitalist mode is overthrown, and a new mode which is socialist in orientation is introduced, education will be different and be able to serve humanity. As our education system exists, i.e. capitalist, the radicals argue, poverty and inequality will remain. Let it be pointed out here that in the Marxist camp there are orthodox Marxists (Hettne 1995:143) and contemporary or neo-Marxists. This difference may possibly account for the different views held by the radicals. This line of argument is not of immediate relevance to this study and therefore will not be continued any further.

2.3 The link between education and economic development

The link between education and economic development in the field of development studies centres around the question of whether formal education brings about economic development or the other way round. The aim in this study is to prove neither.

What is paramount here is that there is a high correlation between the situations of a high incidence of school enrolments and rapid economic growth of a country as indicated earlier in section 2.1 by the Japanese example. It can also be argued that the degree to which a country is economically developed determines the state's capability to supply education. It will also be argued below that even that which is obviously not a result of formal education, is in fact an indirect effect of formal education.

It should also be pointed out that while the argument here is the impact formal education has on economic development, economic development has a lot to do with the type of formal education being offered. Quality education, the education that is responsive to the economic needs of the country, should be able to enhance that country's economic development.

Massive provision of education may not necessarily lead to economic development. Providing education for a certain minimum number of years (quantity) is different from, for

example, expenditure on education (quality). Quantity is measured in terms of the number of people receiving schooling (MacGregor 1997:18). Quality education on the other hand is determined by a number of factors. Among these are (Solmon 1986:7 - 19; MacGregor 1997:16; Todaro 1985:331 and Hartshorne 1978:149):

- ★ expenditure per child
- ★ standard of educational facilities available, e.g. libraries, laboratories
- ★ sizes of classes
- ★ quality of teachers in terms of salaries and qualifications
- ★ learning material, e.g. textbooks, audio-visual aids
- ★ nature of the curriculum
- ★ school buildings which, among other things, ensure safe custody of learning materials
- ★ availability of other learning modes at home, in the media and in the community and
- ★ the way learners spend their time both in and out of school.

According to Johnson and Stafford (1973:139), expenditure per learner affects years of schooling to be attained. This means that, for example, without public policy to support education, acquiring education may become very expensive for people from economically disadvantaged backgrounds. Poor parents may be forced to withdraw their children from school. However, these authors also argue that it is more beneficial to allocate resources to improve school quality than to expand years of education (quantity).

Added to the question of quantity and quality are the levels and types of education being offered. Gillis, Perkins, Roemer and Snodgrass (1996:266) point out that of the three levels of education - primary, secondary and higher education - primary and secondary levels can be better suited to poor countries.

Success in these levels of education will, in turn, highly depend on the type of education offered. The types of education are academic, vocational, non-formal and on-the-job education. Here again vocational education at school is highly recommended. By offering vocational education, the school system will be equipping learners with skills which are needed by the labour market. Combining the preferred level and type of education should also remove the unemployable educated labour problem. One crucial factor which needs to be emphasised is that formal education should not be offered only to enable people to better

sell their labour power, but to enable people to be creators of employment themselves. Failing this, formal education becomes a problem, as Thembela (1987:305) puts it:

Unemployment exists and increases in spite of more schooling. At the same time there is a great shortage of skilled manpower. Too often, pupils are taught what they could find out elsewhere, do without, or work out for themselves. Too often, the school is made responsible for attaining objectives that could be better acquired through other sub-systems of society.

Thembela's words echo those of a former Minister of Education in Upper Volta (Burkina Faso) that (quoted in Todaro 1985:325):

The school in many underdeveloped countries is a reflection and a fruit of the surrounding underdevelopment, from which arises its deficiency, its quantitative and qualitative poverty. But little by little, and there lies the really serious risk, the school in these underdeveloped countries risks becoming in turn a factor of under-development.

According to Pillay (1992:3), studies in education and development are usually presented in five forms (see also section 2.2), namely:

- growth accounting studies
- productivity studies
- cost-benefit and rate of return studies
- women's education studies; and
- education and poverty alleviation studies.

The first form attempts to determine how education as an investment improves the labour force and translates that improvement to economic growth in a given time period. The second form looks at the value of additional education to productivity (output of labour).

The third form of study tries to determine the significance of formal education with regard to its private and public costs. Studies on women's education try to locate the results of

educating women on economic development and quality of life. The last form looks at whether or not education does relieve poverty. This section on the link between education and economic development will be discussed following the study forms identified by Pillay.

Before embarking on these arguments, it is important to distinguish between two concepts, namely, economic development and economic growth. According to Gillis, Perkins, Roemer and Snodgrass (1996:7 - 8), economic growth on the one hand refers to a rise in national income or per capita income. On the other hand, economic development, in addition to a rise in national income, involves fundamental changes in the structure of the economy. Economic growth can be a result of foreign capital investment, whose withdrawal will simply lead to decline in national income. This is different from economic development which has, as key participants, the inhabitants of the country. These inhabitants should be the ones who bring about the process of development and, in turn, be the ones who also enjoy the benefits. What reconciles the two concepts is that economic growth is a necessary condition for economic development although none can stand alone. This explains why economic growth and economic development are often used synonymously. This is the form of understanding which is being adopted in this study. Now to return to Pillay's forms of studies.

2.3.1 Growth accounting studies

According to Mundle (1998:663), primary and lower secondary education combined with vocational education are crucial at the early stages of a country's economic development. The success of the advanced Asian economies resulted from this strategy. These countries put greater emphasis on quality basic education. Many countries have also introduced free, universal and compulsory education for specific age groups. This directly flows from the realisation that for a modern economy to grow, some minimum level of schooling is essential.

Modern economies in a growing situation of globalisation, have become highly competitive and capital intensive. Shared form and content of schooling are common too (Colclough 1982:72; 1977:577; Christie 1996:409). Globalisation,

being promoted by the advanced economies who use the latest technology, will demand labour that is functionally literate. Globalisation in modern economies also promotes capital-intensive production methods. This means that labour which is without at least some minimum level of schooling will not be able to work in this new labour environment. Since technology is people-driven, without relevant people that technology cannot work and thus the economy may stagnate.

Agriculture, being an important economic activity in developing countries, has been proved to benefit a lot from education. Farmers with at least four years of schooling have been found to be more competent than those who have no schooling at all. It has, in fact, been determined that, on average, farmers who have elementary schooling produce 8.7% higher than those without schooling (Pillay 1992:4; Bideleux 1985:55 and Psacharopoulos and Woodhall 1985:46). While it cannot be said that formal education for farmers is the sole key variable that determines better production, it can be argued that *indirectly* formal education is one of the causes. Take for instance the argument that farmers produce better because of improved seeds and fertilisers, i.e. farmers education *per se* is not a cause for better and higher produce.

One will strongly argue that improved seeds and fertilisers are laboratory products and that only formally educated people do scientific experiments in laboratories. The argument can then be turned around and say that formal education has *indirectly* improved the farmers ability to produce. Formal education enables farmers to access latest scientific information regarding seeds and fertilisers.

Table 2.1 shows the contribution of formal education to economic growth in various regions of the globe:

Table 2.1: Contribution of formal education to economic growth (%)	
<u>North America</u>	<u>Contribution %</u>
Canada	
United States	25.00
<u>Europe</u>	15.00
Belgium	
United Kingdom	14.00
France	12.00
Norway	6.00
Netherlands	7.00
Israel	5.00
<u>Latin America</u>	4.70
Argentina	
Brazil	16.50
Chile	3.30
Honduras	4.50
Peru	6.50
<u>Africa</u>	2.50
Ghana	
Kenya	23.20
Nigeria	12.40
<u>Asia</u>	16.00
Japan	
Malaysia	3.30
South Korea	14.70
Philippines	15.90
	10.50

Source: Pillay 1992:3

The table shows that education has had varied effects on growth at various places. North America has benefited a lot from education, and so has Africa and Asia, education there has had a great impact as well. Countries such as Argentina (16%), Ghana (23.2%), South Korea (15.9%) and Malaysia (14.%) show that indeed formal education has had a tremendous impact on their economies.

2.3.2 Productivity studies

Productivity studies show that additional education also has a great potential to raise output. Higher output is interpreted to mean increased productivity. This situation is reflected in earnings due to labour. Higher productivity is one of the major sustainers of economic growth, and this is the result of a literate, numerate problem-solving worker (Archer and Moll 1992: and Godsell 1992:137).

In productivity studies, it is taken as given that workers are productive. This productivity is remunerated accordingly. If education is then added to the one already possessed, workers will be more productive, and their earnings will rise (Psacharopoulos 1973:101). It is now common knowledge that in many countries wages are based on labour productivity. This result is similar to one found by Archer and Moll (1992:166 - 167) when they studied earnings for South Africans by years of education. The authors found that the more schooling people had, the higher were their earnings.

In another study conducted by Vijverberg (1995:219) among self-employed entrepreneurs in Ghana, it was found that schooling had great effects on the productivity of individuals. Through schooling, the firms allocative efficiency and their incomes are increased, as in the table below:

Years of schooling	Monthly income	Hourly income
0 (None)	8.497	93.12
1-6 (elementary)	8.198	95.04
7-10 (Middle school)	11.086	98.05
11-15 (High school)	14.902	119.35
>15 (Post-high school)	28.28	168.52

Source: Vijverberg 1995:219

The table above shows that the more formal education Ghanaians had, the higher were their incomes. This is a clear positive link between formal education and economic development. By raising productivity, education also leads to improved wages and thus better standards of living among the populace.

2.3.3 Cost-benefit and rate of return studies

This form of looking at education concentrates mostly on social costs and social returns (benefits) of providing education. These social costs and benefits are also compared to private costs and benefits. The cost-benefit analysis is applied to education on the basis that education also uses scarce resources of the country. As a result the provision of education should be decided on costs and benefits like any other economic commodity.

It is argued that providing primary education up to lower secondary level has more social returns than higher education. At primary and lower secondary schools the costs to society are low and individuals, as they become more productive and thus receive higher earnings, also benefit. Tertiary education is said to have high private benefits and high social costs. The argument is that with higher education, society pays for an elite education which enriches individuals only. The base for this argument is that education as an investment in human capital, like all other investment options, is justified by its contribution to national output. Therefore, society should bear the costs of education for as long as it is beneficial to the society to do so (Todaro 1985:241 and Gillis et al 1996:266).

Table 2.3 below shows the returns to education by region as well as by level thereof:

Region	Level of education		
	Primary	Secondary	Higher
Africa	26	17	13
Asia	27	15	13
Latin America	26	18	16
Advanced countries	N/A	11	9

The above table shows the contribution of education to economic growth in different regions. It will be noticed that primary education has had more to offer to the developing world than, for example, higher education (i.e. university education). The table confirms the view that poor countries will benefit greatly by extending elementary education to all their citizens.

2.3.4. Women's education studies

The education of women has also become a critical issue in development matters. It is believed that poorer communities, particularly in the Third World, have much to gain by sending females to school. Gains through women's education come in the form of improved child health and mortality, reduced fertility and improved social equality (Bellew, Raney and Subbarao 1992:54; Pillay 1992:7; Khumalo and Wright 1997:161; and Blau, Behrman and Wolfe 1988:297).

Once women have formal education, they learn the basics of hygiene, and its impact on the health of babies. With a schooled mother, the death of babies is reduced. Sending a girl-child to school further postpones that child's reproductive life. Early marriages are avoided and therefore early child-bearing. Women become more concerned about their future careers, they look forward to new economic opportunities. The school also makes them open to new ideas and enables them to

be more participative in community affairs (Colclough 1982:178; Bellew et al 1992:55; Psacharopoulos and Woodhall 1985:290; and Archer and Moll 1992:163).

Socialisation has been termed the “hidden content of schooling” (Bowles 1971:477). This arises because the schooling system, has simply been an extension of home. Traditional values taught at home are perpetuated by the school curriculum. In many schools found in disadvantaged societies, for example, cleaning of classrooms is reserved for girls, while boys are free to play outside. Many other subjects like needlework and home economics are also specialities for girls, the boys may do woodwork or be sent to work in the garden.

This stereotype education does not contribute much, if any, to development. In an environment where scientific methods and advanced technologies of production are used, even in agriculture, women’s education is receiving more attention than ever. Many studies have shown that quite a number of women are in fact heads of their households. This means that in many cases they are also breadwinners. Therefore, relevant education can help increase women’s opportunities for better employment. As has been argued above, there is a great correlation between an individual’s educational level attained and his/her earnings.

2.3.5 Education and poverty alleviation studies

How education helps relieve people from poverty is a question usually addressed at various angles. In fact, all the forms of studies discussed above also address themselves to poverty alleviation. In this case Pillay (1992:7) points out that formal education alone cannot end poverty, but combined with other factors of production it can lead to economic growth. While education’s positive contribution to equalising income distribution is acknowledged, it is the employment creation effect of education that is considered most important.

2.4 Theories on education and earnings distribution

This section is included in this study to show that there is no agreement on the question of education being able to reduce income gaps. It should be remembered that it is also the author's argument that education can be used to alleviate poverty, thus the argument that stringent economic policies become a barrier against the poor to acquire an education that could save them from the sinkhole of poverty. The following theories (Kim 1987:68 - 100) give a broader understanding of the argument.

2.4.1 Human capital theory

According to the human capital theory, formal education is an investment. The acquisition of formal education enables individuals to also acquire skills which are needed by the economy. A modern economy is highly dependent on modern skills offered by formal education. Investing in education by sending people to school helps to raise the productivity of those people and as a result rewards (earnings) for such people will be higher. Enhancing the productive capacity of an economy is a function of the investment made in income-producing human capital investment. The earnings of individuals have no bearing on, for example, family background, ability, sociological or institutional factors. At least, in a normal society, these negative factors should not have any effect on who gets what.

2.4.2 The screening hypothesis

The screening hypothesis regards education as an instrument used by employers to choose the people they (employers) want. Education (years of schooling) simply gives credentials to individuals and, on its own has no effect on productivity.

Ability and cognitive skills have an impact on earnings. This theory argues that some individuals with a high level of education are not necessarily productive. Thus, investment in education simply leads to higher credentials and finally higher earnings.

2.4.3 The labour market segmentation theory

According to this theory, earnings are determined by the market structure in either primary or secondary labour markets. The theory states that, for example, the primary labour market is characterised by stability, job mobility, creativity and well-paid workers. On the other hand, the secondary labour market lacks all these characteristics. The labour market segmentation theory therefore does not attribute higher earnings to education but to a particular labour market.

2.4.4 The radical view

The radical critique is that the function of education in a capitalist society is to maintain the social structure. Contrary to common belief, income largely depends on inherited capabilities such as the socio-economic status of parents. Therefore, what people are paid is highly related to how they relate to the means of production. This, according to this critique, is due to capitalist government serving capitalist interests of, among other things, protected property, technology which increases profits rather than jobs, as well as economic development policies which, instead of being pro-employment creation, are pro-profits. The radical view therefore argues that:

...the fixation of the value of labour power ... is only settled by the continuous struggle between capital and labour, the capitalist constantly trying to reduce wages to their physical minimum and extend the working day to physical maximum, while the working man constantly presses in the opposite direction. The matter resolves itself into a question of the relative powers of the combatant (Marx quoted in Kim, 1987:68).

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...the fixation of the value of labour power ... is only settled by the continuous struggle between capital and labour, the capitalist constantly trying to reduce wages to their physical minimum and extend the working day to physical maximum, while the working man constantly presses in the opposite direction. The matter resolves itself into a question of the relative powers of the combatant (Marx quoted in Kim, 1987:68).

2.5 Conclusion

This chapter has presented the three views found in education and development, namely the neo-classical, reformist and radical views. It will be noted that, particularly between the neo-classical and reformist views, there are similarities. The differences may be due to time. The neo-classical theorists hold the views of the 1950s and 1960s. At that time development, as it is known today in Third World countries, was still in its infancy. Furthermore, development was very Eurocentric, based on European war experience and the Marshall Plan. The reformists who emerged in the 1970s took development further by emphasizing many other non-economic issues.

The radical theorists reject capitalist development. They regard this as a way to preserve a decadent mode of production. Development that leans towards socialism is preferred. The radicals prefer development that will not reproduce the present class-structure, but development that will raise the people's consciousness.

In the link between education and development, it was found that sending people to school may not necessarily translate to development. But what counts is the quality of education offered. That quality education is a function of a number of factors. Also indicated by Pillay (1992) are the forms in which education and development are usually presented in development literature. In all these forms, formal education still proves to be crucial.

The four theories on education and earning distribution, in spite of their differences, contain laudable arguments. It cannot be denied for example, that education is also used to *positively* screen suitable candidates for employment, that certain labour markets pay better than others and that there are people who earn high wages or salaries purely on grounds of family inheritances. However, there is good evidence, as it will be shown in this study, that workers who have attained higher levels of formal education are better suited to many specific tasks, are more productive and thus better remunerated.

Formal education also creates employment opportunities indirectly. For example, schools use books. Through this, not teachers alone, many other people as well, are employed in the

form of publishing houses, and the paper industry. The building industry benefits when schools are built. The list is endless. In all these industries people earn incomes which are essential to keep poverty at bay. These can be regarded as spin-offs of formal education.

With a literate populace one can also expect increased participation in community activities. There could be a better understanding of individuals' rights and responsibilities. Among other factors, ignorance, isolation and vulnerability which may lead to or perpetrate poverty are eliminated by education. It is not easy, for example, to exploit a literate person to the same degree as an illiterate one. Literate people can go out on their own to seek valuable information on matters that affect them. This is just to show that formal education's importance transcends economic issues.

The next chapter will try to show that economic policies directed by structural adjustment are most likely to lead to a situation where formal education could be rendered a luxury the poor cannot afford to pay for.

CHAPTER THREE

Structural adjustment, privatisation and education

3.1 Introduction

Formal education in developing countries is experiencing a major squeeze in terms of resources. The new economic policies which are being implemented do not allow governments to spend as much on education as they used to do fifteen to twenty years ago. At that time education was largely considered a state function, especially after governments took over the responsibility of educating their people from the religious bodies, particularly in post-colonial Africa where churches had been actively involved in education during the colonial era. Many governments were spending a large portion of their countries' gross domestic products (GDPs) on education.

This chapter will look at the nature and causes of change in financing formal education in public schools. While it is recognised and accepted that no economy can remain unaffected by global economic changes, it is also true that the economies of developing nations are not following that trend of global change voluntarily. Many developing countries have been forced to adopt specific structural adjustment policies. Economies which experience difficulties normally turn to international agencies to borrow money to save their economies. The International Monetary Fund (IMF) and the World Bank are major lenders in this case. These institutions have devised policies commonly known as structural adjustment programmes (SAPs) for ailing economies. The SAPs have become the IMF and World Bank's package of prescription. The common complaint against this package is that the prescription is the same for all ailing economies. This chapter will also attempt to give a description of how the SAPs impact on poor developing economies.

The discussion of structural adjustment policies (SAP) is important for this study because they (SAPs) also impact on the provision of formal education. Educational provision by the State is highly dependent on the performance of the national economy. A new trend has emerged internationally - governments are taking back seats in economic affairs. This is also the philosophy of bodies such as the IMF/World Bank. This study will argue that governments in developing countries need to play a major central role in the provision of formal education which is also regarded in some quarters as an economic commodity or investment good. This role is highly justifiable if one considers the important link between education and economic development discussed in section 2.1. It will be argued that leaving education to the fate of private enterprise will not only lead to elitism, but the poor will be left out of the national development agenda. Poor countries can ill-afford privatisation in education which is also discussed here. It should be pointed out that no suggestion is being made that SAPs want governments to completely withdraw from the provision of formal education. But the point is that SAPs want governments to reduce expenditure on social spending and this will have an effect on the provision of formal education.

3.2 Nature of structural adjustment policies

According to Ilon (1994:95 and 96) structural adjustment refers to policies and conditionalities attached to the International Monetary Fund (IMF) and World Bank loans to poor countries. The structure that is usually being adjusted, is that of the economy represented by, among other things, the fiscal policies, capital flows, balance of trade, and exchange rates. The economy is actually made to adjust to global markets. It would also be proper to give a brief overview of the IMF and the World Bank to enable the reader to see that the IMF and the World Bank are two distinct bodies and thus avoid confusion on the constant use of IMF/World Bank in the study. The reason the two bodies are taken as one is because the two operate closely. The World Bank, for example, will not discharge funds to developing countries before those countries meet specific requirements by the IMF.

The International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD or the World Bank) were established in 1944 at Bretton Woods, New Hampshire (thus at times called the Bretton Woods institutions or twins). The IMF has its mandate as (Boughton and Lateef 1995:1 - 3):

- promotion of international monetary co-operation
- facilitation of the expansion and balanced growth of international trade
- promotion of exchange stability
- assistance in the establishment of a multilateral system of payments, and
- making its resources temporarily available to its members, under adequate safeguards, thereby helping members to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity

The World Bank on the other hand helps borrowers to (Boughton and Lateef 1995:3 and 4):

- pursue economic reforms aimed at enhancing growth and reducing poverty
- invest in the health and education of their people
- protect the environment
- stimulate the private sector, and
- reorient their governments towards core functions

A short description of how the structural adjustment policies work will be made below. It should be emphasised that adjustment policies, besides being conditions for getting IMF/World Bank loans, are sometimes voluntarily used by countries to pursue other economic goals such as economic growth and to attract foreign investment. However, continuous experiences of economic difficulties usually lead to involvement of bodies such as the IMF and the World Bank. Some of the problems that are commonly experienced are a drop in per capita incomes, a drop in investment levels, high debts and stagflation which

all lead to balance of payments problems. In an attempt to address the problem(s), these organisations normally prescribe specific policies to be adopted and followed by the beleaguered economy. These are the policies which are commonly referred to as structural adjustment programmes (SAPs) first introduced in 1980 (Mosley et al 1991(a): 27 and 1991 (b):32; Kamath 1994: 230; Harris 1991:21 and Mkandawire 1991:80 and 81).

It has been stated above that adjustment policies are implemented to help the country's economy adjust to the global economy. This is achieved by a number of measures discussed below (Mosley 1991(b): 173 - 182; Harris 1991:21 - 24; Mkandawire 1991:88; Schadler et al (1995: 29 - 31).

3.2.1 Liberalisation

The adjusting economy creates a free environment for trade by removing trade restrictions such as tariffs, and by implementing flexible exchange rates. Removal of tariffs ensures a free flow of goods and services between countries. The economy opens up to other economies.

Flexible exchange rates ensure that the value of local currency is determined by market forces of demand and supply. The local currency can rise and fall in value without interference by the officials.

3.2.2 Deregulation and privatisation

Deregulation requires that the government should not interfere in the running of the economy. In effect deregulation also means that the state sells its assets, such as parastatals, to the private sector.

3.2.3 Public spending cuts

Public spending cuts effectively means that the government reduces its expenditure.

The understanding here is that the market forces should determine demand and supply. Public spending reduction may also mean that the government is no longer to subsidise certain commodities. Governments are also required to reduce their wage bills. Reduced wage bills also entail retrenchments in the public service. In the education system teachers are retrenched or salaries are reduced or remain static and thus decrease in real terms.

3.2.4 Currency devaluation

Where an economy experiences severe capital flows and deteriorating terms of trade, the currency is devalued to cheapen that country's commodities in foreign markets.

The government or central bank changes (lowers) the fixed exchange rate for its currency.

In summary, there are no major differences between the adjustment policies voluntarily implemented by countries and those implemented at the instruction of the IMF/World Bank. Maybe the only major difference is that a country which voluntarily implements these policies may find it easy to change the policy if it proves to have severe negative results, whereas an instructed country will have to hear from the instructor whether the policy is working or not.

Many developing countries which have and still experience economic problems have either voluntarily or involuntarily implemented economic adjustment policies that have in one way or another affected the provision of formal education. Tanzania and Argentina are two of the countries that once tried to come up with their own adjustment policies. Referring to the policy of Ujamaa, in Tanzania, Shivji (1991:71) says that:

.... (T)here were two major elements in the operationalisation of the Ujamaa ideology. One was the provision of social services - mainly education, medical

care and water - and the other, reduction in income differentials. In practice, this meant a kind of moratorium on the salaries of state and parastatal bureaucracy and professionals. The success or failure of the ideology was, and continues to be, gauged by these criteria.

The above quotation shows that among other things, Ujamaa was concerned about high expenditure by the state and that had to be changed. It is also in this regard that Ujamaa can also be seen as an adjustment policy. Obviously this line of argument may raise many counter arguments in the light of the fact that Ujamaa is mainly known as Tanzania's brand of socialism. But Ujamaa also had the aspect of economic development and this was partly based on the projections of the World Bank studies in Tanzania itself and as a result, the IMF agreed to offer aid to Tanzania in 1986 (Shivji 1991:69 and Campbell and Stein 1991:2). It can, therefore, be argued that Tanzania had implemented policies that pre-empted the IMF/World Bank prior to 1986 though there was no success.

Argentina is another country which once experienced economic troubles beginning in 1975. Argentina's economic problems were persistent, profound and significant. To deal with the situation, the Argentinean authorities, among other things, introduced liberalisation of the economy in 1978. This policy opened up the economy and exposed it to the world's highly competitive economy. This opening up of the economy simply helped to perpetuate the problems finally forcing the authorities to devalue the currency in 1980. In 1982 Argentina also began to experience a debt crisis (Campbell and Stein 1991:70 - 73). Argentina's attempts to adjust the economy on her own failed and she had to turn to the IMF in 1982.

Harvey (1991:127 - 128) gives other examples in the form of Nigeria and Ghana. In 1985 Nigeria under Babangida had a public debate on the IMF and decided against IMF loans. Nigeria went on to devise her own economic adjustment measures very similar to those of the IMF. Similarly, Ghana under Rawlings second government acted exactly like Nigeria. Both countries ended with IMF loans.

The foregoing paragraph shows that structural adjustment policies, whether voluntary or not, are most likely to lead to economic liberalisation. The governments begin to lose grip on economic matters as the process of adjusting continues. In fact it appears that structural adjustment policies lead directly to placing the economy into the hands of private individuals as the following section (Section 3.3) will show.

3.3 Some forms of privatisation

There are many possible ways of privatising education. Firstly, in a situation where there is no form of schooling, an independent organisation or individual may decide to open a school. Secondly, in a situation where formal education exists under state control, the state may invite private organisations or individuals to take part in the provision of education in the country. Lastly, the government can announce wholesale privatisation of education provision by publicly abdicating its responsibility in education. In this section some other ways of privatisation will be discussed as identified by Murphy (1996:22 - 23), Brown and Contreras (1991:146), Lieberman (1986:731 - 733) and Gormley (1991:4).

3.3.1 Contracting out

In contracting out, certain services of the organisation are provided externally. The organisation remains only with core functions. In education, for example, the State may provide buildings, in fact provide all capital equipment and determine the curriculum, but the employment of teachers becomes the responsibility of some other externally contracted organisation.

2.2.2 Use of a voucher system

In this way the state does not provide the service but creates a market. Interested parties come and provide education while recipients pay by means of vouchers which

the State issues to be used to defray the costs of education. The holder of a voucher is at liberty to look for the school of their choice. The school is a private organisation in this case.

3.3.3 Introduction of user-fees

In some cases the government stops providing a service without charge to the user and makes users pay. In cases where no school-funds are payable, parents become liable to pay. It does happen that the running of the schools is left to school boards or governing bodies to determine policy, hire teachers and provide all other necessary facilities. In this way parents become directly responsible for the education of their children. The State's responsibility is only limited to paying the teachers' salaries.

3.3.4 Load shedding or disestablishment

Load shedding is usually taken as a joint venture between the government and the private sector. The government withdraws from the provision of a service, for example the government may only determine the curriculum, but all other things pertaining to education are left to the private organisation(s).

3.3.5 The use of non-governmental organisations (NGOs)

The NGOs are known for their expertise and highly trained and experienced staff. The government may decide to leave the provision of education to these organisations. NGOs provide their own teacher-training institutions, learning materials and teachers. The State only pays these NGOs a specific amount of money on an annual basis.

3.4 Education and privatisation

The aim in this section is to show how reduced public spending on education can easily lead to increased provision of private education and its attendant consequences. It will also be shown here that privatization in education is not a new concept. It will also be shown in chapter four that historically even in South Africa education was at one stage provided mainly by private institutions. The evolution of that process to the present state of education had been an excruciating one for some sectors of the South African society. However, the process of privatization in education had never been limited to South Africa only, but it had been an international trend, the main difference being the manner in which countries approached the process.

In this study, privatization will be approached as an economic policy. Privatization is aimed at placing the country's economic resources at the hands of private individuals. This applies equally to education. There are varied arguments for the privatization of education (Rosen 1995:73 - 85; Colclough 1996:595 - 601; and Walford 1990:38 - 39).

(1) Diversity of tastes

Private provision of commodities ensures that diverse tastes are catered for. With privatisation, people will be able to choose the type of education they want. The public sector does not cater for different tastes.

(2) Education as a private good

It is argued that education is not a public good since exclusion is possible. A public good is defined as one not rivalled in consumption (e.g. air) and each person consumes the same quantity and it is impossible to exclude anyone from its consumption. However, in education, people can be excluded. Exclusion may come in the form of high fees, and distance to school, among other things. Those who cannot afford fees or transport fares are technically excluded from the education system.

(3) Consumer choice

Privatising education will mean that there would be many suppliers. The consumers of education will be afforded the opportunity to choose the type of education they want. The curriculum content will therefore also be determined by consumers and not politicians.

(4) Efficient allocation of resources

Competition will ensure that there is no waste. Education will be geared to meet the needs of the economy. There will be less emphasis on religion and language. Facilities which are unused for many hours and days during the year can be put to better use. It is argued that, for example, South Africa does not need more schools, but better use of existing ones. These facilities can be used twenty-four hours a day.

(5) Better education

Publicly provided education is of poor quality compared to that provided by the private sector. A point is made that many leaders are graduates from private institutions - high-ranking civil servants, company directors, chairpersons of merchant banks.

As much as there are proponents of private education, there are proponents of public education. Some of the arguments by the latter are that (Kallaway 1989:258 - 267; Rosen 1995:81 and 85; Colclough 1996:589; and Bot 1991:96):

(1) Private education increases inequality

Leaving education in the hands of the private sector will increase inequality. Since

the private sector is driven by motive for profit, fees charged at such institutions are generally high for the poor families. If education is privatised, the poor will withdraw from schools and this will perpetrate inequality whereas the opposite is true, that is public education affords the poor the opportunity to also receive an education.

(2) Privatization is anti-working class

The reduction of educational resources is a return to elementary tradition of mass education which only provides the basics for working-class children. Privatisation erodes benefits to public education such that public education becomes meaningless. Being a global ideology of capitalism, it is argued, privatisation is aimed at reversing the historical gains of the working class achieved through generations of struggle.

(3) Exploitation by big businesses

When the State privatizes, it is found that those who buy such state assets are big businesses and multinational corporations (MNCs). Big businesses and MNCs increase monopoly capitalism. Education will also be geared to serve the interest of the few. It should also be understood that big foreign firms tend to use expensive technology which is beyond the capabilities of developing countries. These firms also use capital intensive methods of production and thus reduce employment opportunities. Such technologies can also be used in classrooms and remove the need for contact tuition.

(4) Ensuring egalitarianism

Publicly provided education is more likely equity and egalitarianism. Whereas the private sector may establish schools only in profitable locations, the government ensures that even remote places get schools. The government ensures that everyone receives an education to some level.

(5) Ensuring uniformity

Through curriculum designs and teacher credentialing, the government will attempt to ensure uniformity in the development of the country educationally. It will also attempt to ensure common socialisation for political stability.

(6) Externalities

Externalities are defined as effects of a process which benefits other people indirectly. Education does not only benefit those who happened to have been in the classroom but it benefits even those that never went to school. Examples are many.

Bridges are designed by formally educated people, but construction employs also the illiterate and the use of the completed bridge benefits everyone regardless of the level of education.

3.5 **Effects of structural adjustment policies by IMF/World Bank**

The adjustment policies of the IMF and the World Bank affect all spheres of life. As a result, this section will not only be limited to formal education but will also briefly touch on economic aspects. Addressing economic aspects in this section is important since this study is also based on economic issues. Economic issues to be addressed are liberalization, deregulation, cuts in public expenditure and currency devaluation and how these relate to formal education.

Liberalization of the economy opens the local economy to international competition. Since developing countries usually depend on a single commodity (Made 1994:7), in case of a fall in the world trade price of that commodity, trouble befalls the local economy. The country's balance of payments suffers. If the recession continues, the poor country is forced to borrow money either from bilateral or multilateral organizations. An already indebted country will carry the burden of increased interest rates, making loan repayments all the more difficult.

The problem is not limited to foreign markets only. Internally prices of commodities rise, unemployment rise as firms reduce staff or close down. Under these conditions, consumption declines as commodities become unaffordable. Poor parents may be forced to withdraw their children from school (Reimers 1994:121), so that their children can help supplement the household's income. The government itself may be forced to reduce its expenditure. More commonly, education and health are the first sectors to suffer (Gumende 1994:4).

Deregulation indirectly affects formal education. If the policy of the state becomes privatisation, which essentially means profit instead of service, people lose their jobs (Carnoy 1995:656) as the new firms try to cut down on expenditure. The necessary income of the retrenched parent-worker is no longer there to send children to school. Children then drop out of school. This is a logical end-result of deregulation and privatisation since this process also ensures that many services are no longer freely available.

The other aspect of adjustment policies mentioned is the tendency to devalue currency. Currency devaluation is essentially a short-term measure (Ilon 1994:100). The benefits are also short-term. Because the country's commodities now sell cheaper, foreign currency flows in, and the country may be able to add to its reserves. The negative long-term effect is that the country is unable to sustain this policy. Foreign commodities also become expensive and this will lead to a new need to borrow. Frequent devaluation may be necessary with its attendant loss of confidence in the devaluing currency by its trade-partners. Formal education suffers as learning materials become expensive. Real wages decline, and since salaries are also determinants of quality education, teachers' morale goes down. This has serious implications for the whole schooling system which, particularly in poor communities, highly depends on teachers in classrooms.

3.5.1 Some experiences with adjustment policies

This discussion will be based on the experiences of some countries that have had experiences with the IMF/World Bank adjustment policies. This is preferred because those

countries will provide rich documented evidence of the pros and cons of structural adjustment policies/programmes based on real situations. The discussion will be limited to formal education in relation to adjustment policies. This choice is dictated by the limits of this study. Otherwise it would be possible to take a long journey on the effects of economic policies on all spheres of life. To make up for this shortfall and show a general view, a quote by Gumende (1994:3) will suffice:

There are very few African countries celebrating the 50th birthday of the Bretton Woods Institutions. Most African governments would prefer to light a big barnfire (sic) under the architects of Structural Adjustment Programmes (SAPs).

In terms of the structural adjustment policies, governments have no role in economic activities except the role of creating an enabling environment for economic growth.

This neo-liberal view (Carnoy 1995:655) holds that active government participation in the economy distorts the market government expenditure increases aggregate demand of goods and services and at the same time increases the interest rates which have a negative impact on investment. Faced with the position of implementing structural adjustment policies, governments have found it easy to begin cutting their expenditures by reducing resources on social services of which formal education is a part. This is made possible by the fact that budgeting is essentially a political process. The political elite which determines policy are unlikely to be directly affected by reduced expenditure on social services such as education, because they are usually the middle-class many who have children attending private schools anyway.

As formal education suffers cuts, parents are expected to dig deeper into their pockets to educate their children. Many services which were formally freely available or subsidised now have to be paid for. Zimbabwe's education system has suffered this way (Nyambuya 1994:11 - 12 and Berridge 1993:14 - 18). Since structural change in the economy affects incomes and prices negatively in

developing countries, the poor find sending their children to school an expensive exercise which erodes their meagre incomes. As a result school enrolments decline in public schools. Very detrimental to development, it has been found that female learners are the first to be withdrawn from the school system (Lewin 1993:18 - 20). The reason for withdrawing girls first is the traditional view that women are expected to remain at home while men go to the city to seek employment. This discrimination is reinforced by the perception that the private returns on investment in the schooling of boys will be higher. As a result it is acceptable that males are preferred when it comes to allocation of scarce resources by the households. This situation, according to Reimers (1991:341), prevents the addressing of equity disparities which may be present even if the economy was not experiencing any problems.

In Nigeria (Fadayomin 1993:99), structural adjustments led to a fall in education spending from 9.7% in 1979 to 3.1% between 1986 and 1989 as a percentage of the total budget. Consequently, primary school enrolment fell from 90% (1980) to 64% (1987) as education costs became unbearable for retrenched families. The quality of education was also severely affected as supply of qualified teachers fell short of demand.

In Ghana (Sowa 1993:21) reduced expenditure on education affected the feeding scheme in the form of subsidized meals at boarding schools. The worst affected were the learners from poor families, many of whom had to drop out. Sierra Leone (Elliott 1993:50) also had problems when the currency was devalued in the 1980s. Spending per learner fell by 84%, while real wages for teachers fell by 74%. Zambia (Mwanawina 1993:76) also cut expenditure on education by 20% in 1990 as government priorities shifted. Pupils went without textbooks, classes became too large for effective learning, and this resulted in fewer pupils proceeding to secondary education.

The effects of the structural adjustment policies are to be seen as anti-development. The aim with these policies is to appease the private investor more than developing the people. According to Nyambuya (1994:11), structural adjustment policies have no concept of employment - they do not have support for public employment or informal sector promotion. They also have no concept of poverty elimination. Instead, these policies have increased social problems such as crime, prostitution, street kids, and the spreading of diseases, among other things. Unemployment and poverty affect the demand for education, especially by the poor.

One other disturbing factor about aid in education is that primary education is often neglected. This is in spite of the negative effects of adjustment policies on education. According to Lockheed and Verspoor (1991:214 and 215), donors prefer funding secondary and tertiary education to primary education. The reasons for this preference, according to the authors, are that primary schools are too many and too small, while donors prefer few and visible projects, and primary schools lack an individual identity and have no clear impact on the educational landscape.

3.6 **Minimising the negative effects of the SAPs**

It is no longer an argument whether or not the SAPs have a negative impact on the poor. What poses a problem for policy-makers is to develop strategies, ahead of adjustment, that will protect the poor from being negatively affected by adjustment policies or programmes. According to Ribe, Carnalho, Liebenthal, Nicholas and Zuckerman (1990:5 - 37) the following methods can be used to help the poor in adjusting countries.

3.6.1 **Redesigning adjustment programmes**

Redesigning the adjustment programmes essentially means that adjustment programmes need to be country-specific. Adjustment programmes have to be based on the structure of production in a country. In a situation, for example, where

agricultural products are subsidised and these subsidies have to be removed, the poor will be affected by price rises and these have serious political implications. The Zambian riots in the early 1990s are a case in point (Gillis et al 1996:452). The Zambian government, in accordance with the IMF prescriptions, removed the food subsidy on maize. This resulted in food (mealie-meal) prices skyrocketing, resulting in political riots and finally forced the government to reinstate the subsidy. In this case Ribe et al (1990:20) suggest that if a subsidy from an agricultural product is removed, it should be replaced with compensation of producer prices.

Changes in taxation is another form of helping the poor during the process of adjustment. The State, according to Ribe et al (1990), should redesign taxation policies such that the policies do not impact negatively on the poor. To benefit the poor, they should be exempted from certain kinds of taxes such as taxes on food: and when taxed, such taxes should be minimal.

Because the removal of subsidies on food prices has the effect of increasing prices, the authors suggest that price adjustments be delayed. These delays should be made where supply elasticities are low and uncertain. Food supply is one area with a low elasticity. Changing food prices through the removal of subsidies will not reduce food supply, but will definitely have a severe impact on consumers through price rises. It is common economic knowledge that the poor spend a large portion of their disposable income on food, thus higher food prices would simply mean that more money has to be spent on food – to sustain the same quantities of food as before the price increases. Such a process – increased food prices – leaves the poor without financial means to tend to some of their other needs such as education.

3.6.2 Directing subsidies towards the poor

Subsidies which are applied indiscriminately tend to benefit those who after all, do not necessarily need them. To ensure that the subsidy goes to and benefits the

intended target groups, ways are found to direct the subsidy to such target groups.

A common system to this effect is the coupon scheme. Coupons are issued to individuals to exchange for specific goods, for example. The coupon may not be used for anything else. Areas where such coupons may be used effectively are in education, food, transport and health services.

Nutrition programmes are also used to distribute food to the poor. To ensure that the programme is not exposed to abuse, specific places are used for feeding. It is also important to specify the target group. Schools are used to feed the school-children from poor families. This programme may have a disadvantage for teachers in that teachers are used to identify poor children and ensure that they receive their food ration. Children can either eat at school or take the food parcels home, depending on different prevailing conditions. Health centres can also be used to feed poor pregnant and breast-feeding mothers including their children who are not as yet of school going age.

3.6.3 Market wide subsidies

Market wide subsidies include a variety of programmes that can be implemented to counter the effects of structural adjustments. Included here are retraining programmes and credit schemes.

Because job losses are inevitable during adjustment, the government allocates funds to sectors of the economy that are most likely to be affected to retrain their workers.

Retraining workers involves equipping the workers with new skills that can be gainfully used after retrenchment. The programme ensures that the workers remain employable throughout their working lives. By so doing unemployment is curtailed and families of workers can continue enjoying their lifestyles.

Credit schemes are used to offer credit to emerging or small businesses. All such businesses have to be registered with a government bureau. Once registered, the trader receives a trade number, for example, for identification. Traders may be required to purchase their stock from specific government-recognised outlets.

3.6.4 Public works

The government undertakes major public works such as road- and bridge constructions, school constructions and dam constructions to create employment for the people. The logic here is that through expenditure by workers, the money saved and spent is brought back into active economic processes. The banks for instance, make such money available for new investments. It is hoped that through such programmes, the ailing economy may once again be rejuvenated.

3.6.5 Involving the non-governmental organisations (NGOs)

The government can invite the NGOs to take over those activities from which the state is withdrawing. The NGOs are known to have very capable staff and the necessary funding to carry out major projects. NGOs have been known to run schools and teacher-training programmes, for example. The amount of skills within the NGOs can therefore be used to help alleviate the effects of structural adjustments.

3.7 Conclusion

This chapter addressed the question of the structural adjustment policies. It has been explained that the SAPs are the policies of the IMF and the World Bank which are used to deal with economic problems in developing countries. To avoid confusion between the IMF and the World Bank, a short description of the two bodies has also been made by outlining their functions. Specific policies used by the institutions have also been named and

explained.

Section three and four dealt with the question of privatisation in education. The importance and relevance of those sections lie in the fact that a strong assumption is also being made in this study that if the state reduces its funding on education, private education would be preferred because the quality of public education would decline. The pros and cons of private education have been explained. It should be pointed out that both adherents and opponents of private education have very strong arguments. The question of privatisation is also fraught with ideological inclinations and a clear division exists between those in favour of, and those against privatisation.

The last two sections of this chapter respectively addressed the positive and negative effects of the SAPs. To show how the SAPs affect educational delivery, specific countries have been named to support the argument. The last section attempts to show that not all is lost under the SAPs. Countries may still attempt to make the effects bearable particularly to the poor.

The next chapter will have GEAR as its focal point. An attempt will be made to draw similarities between GEAR and the structural adjustment policies found in many other developing countries.

CHAPTER FOUR

South Africa: the impact of economic policy on formal education

4.1 Introduction

This chapter addresses five issues. Firstly it gives an historical account of education in South Africa until 1994 when a new democrat order inaugurated. Secondly, the concept of People's Education is addressed and possible reasons for its demise are given. Thirdly, the macroeconomic strategy of GEAR is discussed. Its origins and nature are also included. Fourthly the chapter draws linkages between GEAR and the SAPs which were discussed in the previous chapter, and finally offers some thoughts on the possible impact of GEAR on both the economy and formal education.

4.2 Education in South Africa by 1994

Studying the provision of formal education in South Africa is a very tiresome and sometimes frustrating task. Besides being based on racial grounds, the South African education system provided numerous disjointed education departments. It is the education of Africans that poses a very daunting challenge. While there were gross inequalities in the provision of resources between the education of whites and that of blacks, there were also gross inequalities among the many departments responsible for the provision of education for Africans. African education was divided according to the Bantustan system, each with its own education department (Behr 1988:62). Such provision of education allowed for gross disparities in resource allocation leading to long-lasting scars in the quality of education offered to Africans (see appendix 9 for the structure of education prior to 1994 in South Africa).

The balkanization of the South African system of education is well-documented in history books. However, a very short account of this history will be given here. When the National Party came to power in 1948, it did so by promising the white electorate special privileges

As reported by commission after commission, including the Cillie Commission, education for blacks was highly unsatisfactory. The blacks openly stated their dissatisfaction in many ways culminating in the 1976 Soweto uprising. The De Lange Report of 1981 also showed that there was grave concern about the financing of education and promptly urged the government to achieve equity in this case. Schools for blacks lacked suitably qualified teachers, ran short of learning materials, had large classes with under-qualified and underpaid teachers (Behr 1988:39 - 43). As a result, black education kept on producing large numbers of poorly educated students who hardly met the requirements of the developing economy. Poor black education further strengthened the capacity of the whites to dominate the economy. According to Wilson and Ramphela (1989:226), apartheid education was a fundamental cause for the poverty among blacks and richness among whites.

The radical response to the South African education system, and Bantu Education in particular, in the 1980s, was also a response to the total social, political and economic situation in the country (see the radical view in chapter two section 2.2). The proponents of a People's Education, which also became an official position of the National Education Crisis Committee (NECC), to be discussed in this chapter, demanded education for liberation, justice and freedom. Education had to be freed from the vestiges of colonialism and capitalism. The struggle for better education had also to be a struggle for a non-racial democratic society (Kruss 1988:10 - 11 and Alexander 1990:167).

While the apartheid government of South Africa was still committed to its policy of separate but equal by the 1980s, it had come to realise the global trend for the demand of highly skilled labour (Kallaway 1989:259 - 260). Coupled with internal pressure for change, the government began to be concerned about education for Blacks, but nothing significant was done. In fact, in 1989 the government put a halt to a ten-year plan which was intended to improve education for Blacks. The reason cited for suspending the plan was the lack of funds which was calculated at two billion Rands. This sum did not cover Africans in Bantustans

(Bot 1991:21 - 22). Education for blacks therefore continued to suffer the historical deprivation of resources.

During the 1980s South Africa was in the pangs of the birth of a new system of education. The demands for this education had even been taken to the workplaces. Schooling in general, especially in African major township schools, had come to a halt. Schools had become not intellectual battle grounds, but real war zones with the army in classrooms. This shows the importance of education in the development of a society. Education becomes, as Kruss (1988:3) puts it, a contested terrain between the state and those whom the education system is intended to serve. It was left to the new democratic government to come up with a better education system. It must be pointed out that by 1994 when the democratic government of national unity was installed, education for blacks, particularly for Africans, was on the brink of collapse. This was due to a multiplicity of factors such as politics of resistance, under-funding, overcrowding and poorly qualified teachers. Actually, the whole ideology of Bantu Education had become an untenable vicious circle. At the time when black children lacked classrooms, white schools were twenty-six percent empty, leading to some of them being closed for lack of enrolment (Bot 1991:24).

According to the Development Bank of Southern Africa (DBSA 1993:1), South Africa had a total of 10.2 million children at schools in 1991, and the teacher/pupil ratio and expenditure per child were as in table 4.1:

TABLE 4.1: Expenditure and teacher/pupil ratios

Department	Teacher/Pupil ratio+	Expenditure per child (R)
House of Assembly (White)	19:1	3 645
House of Delegates (Indians)	24:1	3 136
House of Representatives (Coloureds)	24:1	2 398
Transkei	74:1	--
KwaZulu	45:1	--
KaNgwane	39:1	--
Lebowa	38:1	--
Self-governing territories*	-	834
TBVC States**	-	883
Department of Education and Training***	-	1 102

Source: DBSA 1993:36 and 106

* Bantustans that never took complete independence

** Bantustans that took independence = Transkei, Bophuthatswana, Venda and Ciskei

*** African schools outside Bantustans

+ Figures rounded off.

Table 4.1 shows that black schools had the highest teacher/pupil ratio compared to white schools. Expenditure per child was also very high for white children. This situation accounts for poor black education.

One other factor that troubled education in South Africa was the qualifications of the teachers. The government spent very little money in enhancing teacher qualifications particularly for black teachers. Many African teachers, for example, while professionally qualified, were academically under-qualified. Teachers are said to be professionally qualified if they have a teaching certificate or diploma, and academically under-qualified if they don't have matric or a university degree. It was found, for example, in 1982 that in KwaZulu-Natal two-thirds of teachers had no matric and were thus academically under-qualified (DBSA 1993:60 and Wilson and Ramphele 1989:144).

Smith (1994:12) also shows that the majority of African teachers are academically under-qualified while white teachers are both professionally and academically qualified. This is illustrated in table 4.2 below:

TABLE 4.2: Teacher qualifications (1992)

Qualification	Bantustan	White	Indian	Coloured	African
Less than matric plus three years' training	55.0	0.9	3.4	33.7	56.6
Matric plus three years' training	31.3	13.7	29.1	37.5	32.3
Above matric plus three years' training	12.8	82.6	65.4	27.1	10.2

Source: Smith 1994:12

As far as capital expenditure (schools and classrooms) is concerned, South Africa was spending R50 000 per classroom in 1991. Over a period of five years since then (to 1996), it was estimated that R8.8 billion would be needed to build classrooms for a specific educator/learner ratio. Table 4.3 shows the number of classrooms needed, given specific educator/learner ratios:

TABLE 4.3: Future classroom needs

Ratio (Educator/Pupil)	Classrooms needed
40:1 Primary Schools 35:1 Secondary Schools	271 408
35:1 Primary Schools 32:1 Secondary Schools	321 436

Source:DBSA 1993:83

Table 4.3 shows that to have smaller classes, more classrooms are needed. This would therefore mean that more teachers need to be trained. Yet, the need reverses with larger classes. However, it would be logical for a government determined to reduce its expenditure to opt for larger classes for teachers. This becomes very clear when for example, the DBSA (1993:37) puts the teacher backlog at 236 266 if the educator/learner ratio is 35:1 for primary schools and 32:1 for secondary schools. With larger classes represented by the ratio of 40:1 in primary schools and 35:1 in secondary schools, the classroom shortage becomes 271 408.

The building of extra classrooms is useless if those classrooms will not have teachers. Simply put, more classrooms mean that more teachers need to be employed.

With the post 1994 government's commitment to the policy of privatisation which has as priority reduced public expenditure, a developing economy would in all probability find it difficult and opposed to its policy to go on building and employing more teachers and thus increase its wage bill. The easiest way out for the government, is to overload the existing teacher corps. This overloading has negative results on teachers' productivity. Any education system would stand or fall because of its teachers, more than anything else.

In South Africa, education for Africans, in addition to all other factors, suffered from teacher resistance. During the 1980s and early 1990s, some teachers embarked on a defiance campaign. They refused to plan their lessons, chased away school inspectors, prevented principals from conducting class visits and came to schools late or stayed away all together. Many of those who presented themselves to schools simply dragged their feet to classes and did not prepare their lessons. The results of this situation were evident in the matric year-end results. Year after year African schools failed to produce good matric results with some schools actually achieving zero pass rates. In 1988 under the Department of Education and Training (DET), out of 14 328 learners who wrote matric mathematics, 11 928 (83%) failed while in 1984 only 38% learners passed the matric examination (Bot 1991:28 and Samuel 1990:26).

As indicated above the situation has not changed much in former African schools as tables 4.4.1 and 4.4.2 below show. The tables show the Grade 12 results of 1999. The schools in both tables belong to one district which, for administrative purposes, is divided into South and Soweto.

TABLE 4.4.1 Schools in Soweto (formerly and exclusively black schools)

Number of candidates who wrote the examination	Passed with university entrance	Passed without university entrance	% Failed	% Passed
94	12	52	31.91	68.09
73	4	57	16.44	83.56
155	0	24	84.52	15.48
148	2	44	68.92	31.08
141	3	29	81.56	18.44
92	2	33	61.96	38.04
65	3	33	44.62	55.39
118	4	46	64.71	37.29
99	4	32	63.64	36.36
101	9	44	47.52	52.47
119	4	28	73.11	26.89
129	4	26	76.74	23.26
92	1	60	33.70	66.31
25	0	16	36.00	64.00

Source:GDE 1999

Table 4.4.2 South schools (formerly and exclusively white schools)

Number of candidates who wrote the examination	Passed with university entrance	Passed without university entrance	% Failed	% Passed
120	13	91	13.33	86.66
143	16	97	20.98	79.02
205	65	139	0.49	99.51
252	95	148	3.57	96.43
133	32	98	2.26	97.74
77	0	62	19.48	80.52
215	82	130	1.40	98.61

Source: GDE 1999

Nevertheless, teacher resistance to poor quality education in South Africa is, in fact, as old as Bantu Education. Hyslop (1990:93 - 119) points out for example, that many of the teachers who entered the teaching profession in the 1940s were political activists. For example, Robert Sobukwe and Zephania Mothopeng (both who later became leaders of the Pan Africanist Congress of Azania or PAC) were teachers and later expelled. Oliver Tambo and Nelson Mandela (also later leaders of the African National Congress) though not teachers, their presence within the ANC ranks helped attract many young would-be teachers. Teacher opposition to Bantu Education, though to a limited extent, led to some African teachers who had been expelled from the teaching profession, to open their own schools. This action was taken by Mothopeng, Mphahlele and Matlhare from Orlando High School in 1952 in Soweto. Although their efforts failed, they did highlight the seriousness of the problems in the education system of the Africans. Suppression of the dissenting voices in education was to be continued by successive governments throughout the apartheid era. In this regard, Wilson and Ramphela (1989:226) point out that the apartheid State had to fiercely deal with black organisation because it knew that organisation was the only power needed to overturn white domination.

The future demand for education is posed to put tremendous pressure on government to provide resources. Basing this argument on existing enrolment rates of more than ten million in 1991, a total which is more than that of the Southern African Development Community (SADC) excluding Tanzania, and an enrolment growth rate of 4.8% (DBSA 1993:153) more teachers, classrooms and learning materials will be needed. The 1991 growth rate of 4.8% is most likely to increase given the rate at which the population of South Africa increases, namely 2.0% per annum, while the present economic growth rate is only 2.8% on average (South Africa 1996 (b):5 and 1995:62).

4.3 **People's education: a clarion call to action**

Whereas the struggle for a better education in South Africa can be traced to at least the 1950s, the emergence of the concept of people's education for people's power is an occurrence of

the 1980s. Initially when the concept of people's education for people's power emerged, it was no more than a slogan to rally the people (van den Bos 1986:1). However, the concept was to be shaped and contextualized in the realm of the struggle. Furthermore, people's education, being a rejection of both Bantu Education imposed by the State and slogans such as "Freedom Now, Education Later".

1. *Enables the oppressed to understand the evils of the apartheid system and prepares them for participation in non-racial, democratic systems.*
2. *Eliminates capitalist norms of competition, individualism and stunted intellectual development and on that encourages collective input and active participation by all, as well as stimulating critical thinking and analysis.*
3. *Eliminates illiteracy, ignorance, exploitation of any person by another.*
4. *Equips and trains all sectors of people to participate actively and creatively in order to establish a non-racial democratic South Africa.*
5. *Allows students, parents, teachers and workers to be mobilised into appropriate organisation structures which enable them to enhance the struggle for people's power and to participate actively in the initiation and management of people's education in all its forms.*
6. *Enables workers to resist exploitation and oppression and their workplace.*
7. *Eliminates capitalist norms of competition, individualism and stunted intellectual development and substitutes one that encourages*

collective input... stimulating critical thinking and analysis (Wolpe 1995:24).

A common misconception that was created by detractors of people's education was that blacks wanted the same education as whites. Contrary to this the NECC also rejected education that was being offered to white children as education for domination (Kruss 1988:18 and NECC 1986:9). The rejection of white education and therefore Christian National Education by the NECC as education for domination shows that the education struggle was also a political struggle. As indicated above, the struggle was finally a struggle for people's power. And the "people" were defined as those oppressed by apartheid including those who were privileged by apartheid, but who chose to side with the oppressed (Levin 1991:120 - 121 and van den Bos 1986:6).

The lack of a precise definition of the concept of people's education made it difficult to convince some sections of the society to support the concept. It was not until the Durban Conference of 1986 that a definition was given (NECC 1986:9):

People's education is education at the service of the people as a whole, education that liberates, education that puts the people in command of their lives, education that prepares our people as responsible citizens of our country, rather than mere tools of industry and commerce.

This definition fits well with the understanding that the concept of people's education usually indicates the need for a new system of education and socio-political change in the country. In the South African context, the concept was a response to experienced crisis in education as well as offering a scenario for a post-apartheid education. The concept was not only limited to education but it encompassed the whole South African life. This factor is seen clearly when looking at the resolutions of the NECC in 1986, which included the calls for (NECC 1986:11 - 21, McKay and Romm 1992:1):

1. *Release of all political leaders and return of exiles.*
2. *Dismantling of apartheid.*
3. *Intensification of the campaign to isolate South Africa internationally.*
4. *Transferring social wealth of the country to the ownership by people.*
5. *Condemnation of South African and America's involvement in the Angolan conflict.*
6. *Call to communities to launch all forms of boycotts – rents, consumer.*
7. *State to provide crèches, nursery schools and adequate maternity leave for women.*

The above resolutions of the NECC were not all pertaining to education specifically, but covered the whole scenario in South Africa at the time. This was a necessary position because the final aim was to transfer power to "the people". The NECC therefore preferred an education that would put people in charge of their lives: education for liberation, justice and freedom. The oppressed were to be mobilized and conscientized to become aware of their oppression, and for every initiative to be acceptable, it had to come from the people themselves - this was the principle to operate even in the future (Krusz 1988:10 and 18; McKay and Romm 1992:17 and NECC 1986:9).

The proponents of a people's education for people's power were not blind to the fact that education was an element of the broader society. They realised that to transform education, the whole system of apartheid had to be dismantled. The establishment of the people's organs such as Parents, Teachers and Students Associations (PTSAs) at schools was only the beginning for the empowering of the people. While there were differences between the government and the PTSAs, the government welcomed these structures and in fact ironically

went so far as to claim that it had always wanted and encouraged the participation of communities in their own education (Badat 1997:11).

The questions which need to be asked are to what extent did these organs of people's structures control education, what impact did they have in determining the contents of the curriculum, what resources of their own did they put into the education system? None of these questions can be answered in the affirmative. The absence of a positive answer will point to the fact that without political power for the people, people's education was simply impractical. The question of who controls education depends, in all probability, on who wields economic-political power. Without this power, the organs of people's power were meaningless, except for keeping people focussed in the struggle for liberation. In education, the organs of people's power merely became a reflection of a broader powerless society. However, despite its failure, the people's education concept did empower people in terms of general knowledge and communication skills. This empowerment is what the reformists expect of education as discussed in chapter two.

Even after liberation, the form of education available depends on who is in power. According to Levin (1991:117 - 128), people's education is not an antithesis to bourgeois democratic changes and therefore not a fundamental challenge to capitalist education. The final outcome of the struggle depends on the class that leads. And the concept of "people" hides major class interests which become evident after liberation. With the political situation in 1990 in South Africa, the form of people's education differed from that of 1985. In the 1990s the leadership also differed from that of the 1980s. There was no longer talk of the transfer of power to the people but power was to be shared among the parties involved in the political conflict. Again, as indicated in chapter two, the present South African government has taken a reformist stance in education. Education under the democratic government in South Africa does not challenge capitalist principles, it is instead based on those principles.

The African National Congress (ANC), which was the main party representing the oppressed, had shifted on major issues such as nationalization, now embraced elements of privatization.

This major shift also meant that there would be major changes in education. While education will remain a contested terrain long after apartheid has ceased to exist, as Levin (1991:118) puts it, the terms of contestation would have changed. One of the demands during the 1980s was free and compulsory education which was by then made available to white children only. "Free education" was only made available to black children in 1986. This was in the form of free stationery and free textbooks. As for school fees, the Department of Education and Training (DET) said that these were not compulsory (NECC 1986:9 - 11). For the new South African democratic government, free and compulsory education for ten years was implemented on 1 January 1995. This fact may be interpreted as creating a system which fulfills the vision of opening the doors of learning and culture to all as envisaged in the 1955 Freedom Charter (South Africa 1995:17 and 77).

It has been argued in the previous chapters that the usefulness of basic education depends, to a large extent, on type and quality of education offered. One is most likely to believe that people's education for people's power would entail the education of a specific type and quality, which would ensure that the educated would be empowered positively and progressively. Today education under the democratic government in South Africa is the same as that of any capitalist state. This is not surprising if one looks at the model countries, such as Great Britain, Germany and the USA on which the present South African education system is based (HSRC 1995:47). It can be strongly argued that the present ten-year free and compulsory education is no different from mass education - usually designed for the people to better serve the interests of capital. This is what the leaders during the 1980s opposed to - an education that merely makes people tools of industry and commerce (NECC 1986:9). The new system of South African education affords only basic education which it is hoped will lay the foundation for further education and training. Beyond ten years, education is for those who can afford it - the elite. This position does not offer any fundamental change in the lives of the poor.

It has also been stated above that people's education for people's power was to enable the workers to resist exploitation and remove capitalist norms. In today's South Africa such

statements may be regarded as rhetoric and suffering from yesteryear's blues. Having adopted privatization as the fundamental policy of the government (Pilger 1998:25), capitalist norms are what the economy needs more than anything. And exploitation of the worker is simply unavoidable under a capitalist mode of production. To further ensure that the education system meets with the requirements of capital, an Inter-Ministerial Working Group was formed between the South African Ministries of Education and Labour. The economy is being geared towards competitiveness and creating an economic climate conducive to foreign private investment (South Africa 1995:16 and 1996:2 and Shevel and dAngelo 1999:5).

In spite of the fact that Bantu Education and Christian National Education belonged to the same ideological framework, in a way, Bantu Education was an antithesis of the thesis of Christian National Education. Because, whereas Christian National Education was aimed at reproducing socio-economic-political *domination*, Bantu Education was aimed at reproducing socio-economic-political *inferiority*. In that situation, people's education was supposed to be a synthesis. People's education for people's power was expected to bring about a completely new society, a society based on principles of socialism instead of the continuation of the capitalist system of education. The reason for the expectations of the delivery of a people's education was not misplaced. It came about because even at the broad political level there were strong overtures towards socialism. The whole liberation movement embraced nationalization, for example, as an antidote to socio-economic-political deprivation and poverty in South Africa.

There is no official statement as to what happened to demands for a people's education for people's power. The disappearance of the demands for a people's education can therefore be alluded to three possibilities, namely that (1) with the end of the Cold War socialist thinking shrunk in South Africa; (2) the petit bourgeois leadership was simply not interested in radical transformation and (3) people's education for people's power was merely a slogan used to rally the student community into political action. These possible reasons are examined more closely below.

During the Cold War the world was divided into two camps: socialist and capitalist. In all regions of the world, countries and individual organizations within countries leaned towards either the socialist or the capitalist camp. South Africa was no exception (Padayachee 1996:368). Political organisations received a lot of support from the socialist block. As a result, the influence of socialist ideas was considerable in South Africa, particularly among the oppressed. The demise of the socialist block had a great impact on those who received its support. The disappearance of the socialist block from the political arena therefore led to the death of socialist clamouring in South Africa and as such of people's education for people's power.

The second reason that can be given for the demise of people's education is that the South African petit bourgeois which ascended to power in 1994 had its own agenda which differed from that of the masses. According to Levin (1991:121 - 122), people's democracy first rears its head in the form of bourgeois democracy and there is no saying *a priori* that this democracy will lead to socialism. In a situation of such contrasts, the final product - the type of democracy - depends entirely on the type and quality of leadership. Depending again on how repression in education affected various social classes in South Africa (1991:123) post-apartheid education would definitely still reflect the interest of the ruling class. This understanding is, among other things, informed by what a certain section of the student youth of the days of the struggle has come to be dubbed - the lost generation! The majority of that youth was those who carried the banner of freedom and risked their lives against a brutal repressive regime. This simply shows how class interests dictate the course of events; and South African education is, more than anything, shaped along class interests. For as long as the masses do not have power, people's education will remain in the doldrums.

Thirdly, people's education for people's power might have been used merely as a slogan to get the students to participate in the struggle. Without the participation of the student youth in the liberation struggle in South Africa, it is hard to contemplate whether the apartheid regime would have felt any pressure internally. It was the student youth which drew the army

from the borders of the country into the township. It was the student youth which enforced all the boycotts - consumer, transport and stayaways. During the Truth and Reconciliation Commission (TRC) hearings it also became apparent that the victims of the South African state machinery were mainly the young people of South Africa, particularly the African youth. Many of these young people earnestly believed in what they were sacrificing their lives for. To them, anything short of people's control was unacceptable, to this end they were determined to lay down their lives. Today, political events have taken another direction. Power now lies in economic privatization. The poor student youths should be content with only ten years of basic education. Beyond that, students have to find their own financial resources. Matric education will no longer be available to all as it (matric) falls outside the stipulated ten-year period of free and compulsory education. To write the matric examination learners will be expected to pay examination fees (Pillay 1999). Once again poor students who cannot afford to pay these fees will have to drop out of the education system. This payment for writing examinations is tantamount to depriving potential learners access to education and thus widening the inequality gap, which presently exists.

4.4 **South Africa's economic policy: Growth, Employment and Redistribution (GEAR)**

4.4.1 Introduction

When the first democratic government came to power in South Africa, one of the daunting tasks it faced was a weak economy characterised by high income inequality, a massive unskilled labour-force, large public debt, highly protective tariffs, a large public service. It was then incumbent upon this government to correct the economy.

This government set upon itself a reconstruction and development plan which required a portion of the scarce economic resources. Given these conditions, it became important for the government to establish a macroeconomic policy that will lend support to its broad economic and development objectives. To place this chapter in the perspective of the dissertation, the aims here are to (1) explain the origins of GEAR, (2) explain the nature of GEAR, (3) show the linkages between GEAR and

SAPs and, (4) look at the possible impact of GEAR on the provision of education in South Africa.

4.4.2 Origins of GEAR

During the course of 1995/6 the South African economy experienced what amounted to depreciation. The Rand lost about 17% in value, the real exchange rate fell by 9%, and banks increased their lending rates. These economic ills were caused mainly by the following factors (Blumenfeld 1998:17 and South Africa 1996:34):

1. Finance Minister Liebenberg announced that he was resigning his position. This action caused panic in the markets since this Minister had taken over from Minister Keys who had also resigned. It was rumoured that not all was well with the South African economy.
2. Rumour also had it that President Mandela was very ill and might pass away. Mandela was regarded as one leader who saved South Africa from a bloody revolution and as such, economic investors valued his presence as a leader in South Africa.
3. There was a perception of policy indecision within government. This perception came as a result of disagreements between government and business on one hand, and government and labour on the other. The South African government was seen as being unable to take and implement decisions.

These factors are very crucial to risk-averse investors. Any slight mishap triggers market instability. In this case, clear government policy is indispensable for favourable market conditions. Sound economic policy is what interests the investors more than anything.

GEAR also became necessary when the office of the RDP was closed. According to Blumenfeld (1998:17), the RDP did not help in outlining the economic policy. What was needed was a very clear macroeconomic policy which would help investors make decisions. Blumenfeld also highlights other factors such as the South Africa Foundations (SAF)¹ dissatisfaction with the size of the budget deficit, high public expenditure, rigidity in the labour market and lack of visible efforts towards privatization.

According to the Department of Finance (South Africa 1996:26) the overall budget deficit to GDP reached 9.0% in the financial year 1992/93. This deficit, according to the SAF was high by international standards and it was feared that this deficit would increase if the government did not stop its "high" expenditure. On the question of inflexible labour market, the SAF called for an unregulated labour market. It was claimed that the South African labour market stifled job creation by its demand for higher wages. The government was called upon to dampen this practice. The SAF advised that more revenue could be made available through the sale of state assets (Blumenfeld 1998:17).

The factors discussed above seem to be the main, albeit not only, ones that led to the birth of GEAR in South Africa. At the time GEAR was introduced, the African National Congress (ANC) led government² declared GEAR a non-negotiable government macroeconomic strategy following the challenges and rejections of GEAR by the ANCs allies³ (Blumenfeld 1998:22, Molefe and Bhengu 1998:1 and Sieff 1998:4).

¹The South Africa Foundation is a business organisation which represents about 50 of the largest corporations in South Africa.

²ANC-led government refers to the South African government of national unity (GNU) which was installed in 1994 and expected to end in 1999. In this government the ANC was the majority party.

³Allies of the ANC are the Congress of South African Trade Unions (COSATU) and the

4.4.3 The nature of GEAR

GEAR, which was introduced in June 1996 (Vally 1997:25), can best be understood within three broad aims, namely improved macroeconomic balance, openness and competitiveness and market liberalization (Blumenfeld 1998:20). The first theme has to do with the reduction of the deficit to gross domestic product (GDP)⁴ from 7.9% to 3% within five years from 1996. This entailed reducing interest rates to encourage capital investment and lowering the inflation rate. To achieve its objectives, GEAR has set a growth rate of 6% per annum, 11% growth in exports, 21% GDP savings (from 17% in 1995) by the year 2000 and creating 400 000 jobs each year (South Africa 1996 (b):2 - 9 and Blumenfeld 1998:18).

The importance attached to the GDP is a result of the fact that GDP is generally considered as a measure of a countrys welfare⁵. Growth in GDP is seen as an indicator of a healthy economy (Dornbusch et al 1991:39). As the economy grows, so do the incomes of individuals, i.e. per capita income.

Growth plays such an important role because higher per capita incomes mean that through taxation, government revenue increases. It is this revenue that is used for social expenditure and debt servicing. The relationship between economic growth and the repayment of debt is therefore limited to the fact that with higher growth, government is better positioned to meet its obligations. Running a deficit on the GDP means that, among other things, there is not enough revenue for the government and

South African Communist Party (SACP). The three allies are often referred to as the Tripartite Alliance.

⁴According to Dornbusch and Fischer (1991) the deficit which is the difference between total government expenditure and current revenue, is used by the IMF as criterion when judging fiscal policies of member countries.

⁵GDP as a measurement of economic activity is not without shortcomings. It has been argued for instance, that many poor countries have experienced growth in their GDP, but at the same time poverty has been and is increasing (see M. Biggs 1997).

therefore it takes longer to repay the debt. Alternatively, the money used by the government to pay back its debts, is the money that could have been utilized to provide social services, particularly for the poor (Biggs 1997:38 - 45).

GEAR is also aimed at increasing, more rapidly, the growth of non-gold exports (South Africa 1996:2 and Sikwebu 1998:5). It is a known fact that the South African economy has always mainly relied on gold as its major earner of foreign exchange (currency). However, the new democratic government believes that with minimum barriers to trade, South Africa can develop new markets. According to Gillis et al (1996:504) export-led growth (also called outward-looking industrialization) can also lead to more advantages such as more and better specialization, economies of scale and the adoption of new technologies.

It is the stated objective of GEAR to maintain low inflation. It is said that low inflation will also ensure higher economic growth, creation of employment opportunities and a more equitable distribution of income. Lower inflation is also seen as a result of factors such as trade liberalization, and moderate wage-setting. Stability in the value of the Rand and in the exchange rate are also dependent on lower domestic inflation (South Africa 1996 (b):12).

On the question of the inflation rate, it has been argued that increased expenditure by general government crowds out private investment by increased interest rates. High interest rates also force the prices of commodities to rise. A continuous and significant rise in the general price level results in inflation. In a situation like this, authorities may be tempted to increase money supply in order to meet the high demand for goods and services. Such an action by the authorities could lead to hyperinflation (Dornbusch 1991:321 - 356 and Biggs 1997:42).

High interest rates which are alluded to expenditure by government are seen as crowding-out private investment. According to the crowding-out theory, increased

expenditure by government increases demand in the goods markets, leading to excess demand for goods. As a result output will be raised. The rise in output also raises incomes which in turn puts pressure on limited money supply. If money supply is not also increased, interest rates will rise and thus dampen (crowd-out) whatever gains have been made by increased government expenditure (Dornbusch, Fischer, Mohr and Rogers 1991:169 - 171 and 260 - 262). High interest rates discourage private investment since capital investments cannot be made as a result of high cost of money (interest rates). Sikwebu (1998:5) points out that in its commitment not to crowd-out private investment, government expenditure as a percentage of the GDP is being reduced from 31% (in 1998) to 29, 5% for the year 2002. To achieve this reduction, the education budget will be cut by R300 million in the years 1999 to 2000 years and up to R1,2 billion in the year 2001. At the same time, the health budget will suffer R100 million and R700 million. Welfare will see a R100 million and a R200 million reduction for the same periods.

The second objective, namely openness and competitiveness, essentially means that the economy has to be opened to international competition. This openness entails removing or reducing protective tariffs and a lower exchange rate. The process of opening the economy is referred to as liberalisation. The argument is that lower tariffs and lower exchange rates ensure that South African goods sell cheaper in foreign markets (South Africa 1996(b): 3).

GEAR states that liberalisation has an effect on the containment of domestic prices (South Africa 1996:12). This containment may be interpreted to mean that with foreign competition, domestic prices are put on check. The assumption is also being made that domestic prices are high because there is no foreign competition. With competition, prices would fall, since consumers would have a choice between domestic and foreign products. If domestic prices were to remain higher than competition prices, local producers would be priced out of the market.

Economic liberalisation also means reducing or removing trade barriers in the form of, for example, tariffs, and exchange controls. Trade tariffs prevent free movement of goods among states while exchange control laws may even completely prevent foreign investment. Restrictions on trade have also stifled the availability of foreign exchange since these restrictions interfere with capital flows. The case here could also refer to South Africa. South Africa has had exchange controls that disallowed offshore investment until recently. It was not only that South Africans could not invest abroad, but it also meant that foreign investors were reluctant to invest in South Africa because they did not know if they would be able to get their capital out. To enhance economic activity, the GEAR macroeconomic strategy brings about relaxation and gradual removal of exchange control laws (South Africa 1996 (b):13 and Biggs 1997:46).

One other factor that is usually cited as a barrier to free economic activity is state interference in the running of the economy. Through GEAR, the South African State commits itself to the restructuring of state assets. It is said that such restructuring will take the form of the sale of non-strategic state assets and the creation of public-private sector partnerships (South Africa 1996 (b):6 and 18).

The sale of state assets is called privatisation. In this case various state enterprises have been, or are being, privatised. Some of these enterprises are post and telecommunication services, transport and electricity, and certain medical services. It is the Ministry of Public Enterprises that is charged with the task of dispensing with the state assets in South Africa. Through various programmes and institutions, the government is also promoting small, medium and micro-enterprises (SMMEs) (South Africa 1996(b):16 and van Driel 1998:13).

Proceeds from privatisation are generally used to repay the national debt. The ANC-led government inherited about R310 billion from the previous government. Of this amount, about R90 billion is owed to the foreign sector. The total interest calculated

annually is around R39 billion (Yoganathan 1998:12, Vally 1997:25 and Gumede 1997:5). It has been shown above that one of the main aims of the government is to ensure macroeconomic balance by reducing the deficit to the GDP. Debt reduction or full repayment is also considered as a means of reducing deficit to the GDP.

Competitiveness in the economy is not only limited to the sale of commodities. The labour market (which is the third objective) is also expected to be competitive. Competition in the labour market may be hampered by the wage structure. For a better labour market, GEAR calls for a flexible wage structure. It is stated that (1) wage determination has to take into consideration the economic sector and the area concerned, (2) there should be a less onerous wage schedule for young trainees, (3) wages should be based on worker productivity and, (4) lower nominal wage demands (Blumenfeld 1998:19; South Africa 1996 (b):19 - 22 and Biggs 1997:49).

GEAR states that on one hand the circle of wage (and price) increases may spiral instability in the financial markets. On the other hand wage moderation will contribute to economic growth, job creation, social benefits for workers and an environment in which investments can be made with confidence for the business sector. Through labour market moderation it is therefore hoped that income inequalities would be addressed in the South African economy. To this end, it is the governments intention to enter into a national social agreement with labour and private business (South Africa 1996 (b):22 and 23).

In line with the stated objective of a flexible labour market, the government aims at restructuring the public service such that it becomes cost-effective. Among other things the government is embarking on a programme of right-sizing. This right-sizing programme involves the offer of voluntary severance packages (VSPs) to the public service personnel (including teachers). Accompanying this programme is an agreement with the labour movement for a three-year public service salary adjustment

according to which salaries in the public sector will only be reviewed after three years.

4.4.4 The link between GEAR and SAPs

The question of structural adjustment programmes has been dealt with in the previous chapters and therefore needs no introduction here. In the previous sections of this chapter, attempts have also been made to outline GEAR. It is from this point that the main tenets of GEAR can be best delineated. These tenets are:

- Reduced public expenditure
- Economic liberalization
- Privatization
- Export orientated growth
- Tax incentives.

It is said that at times the best form of defense is to attack. GEAR was introduced because, among other reasons, there was a concern about capital outflow and a balance of payment crisis. In the section dealing with the origins of GEAR it was shown that specific factors made policy makers in South Africa consider a clearer macroeconomic policy. Considering those factors, it became necessary for policy makers to stage an attack on what they saw as a looming economic crisis. Knowing that should the economy deteriorate to a level that external assistance would be the only option, authorities in South Africa obviously decided to make their own economic self-prescription based on the historically known fact that economic failure will definitely lead to the involvement of institutions such as the IMF and the World Bank.

To this effect, GEAR states that: “(T)he recent exchange rate instability presents a ... complication. There is a danger of... capital outflow and a balance of payment crisis.

In this scenario growth would be abruptly curtailed and *structural adjustment under terms set by international agencies would be unavoidable ...* (South Africa 1996(b): 4) (emphasis added).

Understandably, GEAR states that its basic principles are (South Africa 1996:3):

- A renewed focus on budget reform to strengthen the redistributive thrust of expenditure.
- A faster fiscal deficit reduction programme to contain debt service obligation, counter inflation and free resources for investment.
- An exchange rate policy to keep the real effective rate stable at a competitive level.
- Consistent monetary policy to prevent resurgence of inflation.
- A further step in the gradual relaxation of exchange controls.
- A reduction in tariffs to contain input prices and facilitate industrial restructuring, compensating partially for the exchange rate depreciation.
- Tax incentives to stimulate new investment in competitive and labour absorbing projects.
- Speeding up the restructuring of state assets (privatization) to optimize investment resources.
- An expansionary infrastructure programme to address service deficiencies and backlogs.

- An appropriately structured flexibility within the collective bargaining system.
- A strengthened levy system to fund training on a scale commensurate with needs.
- An expansion of trade and investment flows in Southern Africa, and
- A commitment to the implementation of stable and coordinated policies.

It would be noticed that what has been referred to as tenets of GEAR are what the above basic elements come to. The relationship between GEAR and the SAPs will now be discussed using the tenets mentioned at the beginning of this section. The said tenets may also be seen as a summary of the basic elements as stated specifically in the GEAR document. As for the SAPs, the reader is referred to chapter 3 of this study. The following, therefore, are characteristics found both in GEAR and in the SAPs and as such create quite discernable linkages between the two.

Both GEAR and the SAPs:

1. Are based on the philosophy of very limited state involvement in the economy. The state is seen only as an enabler and arbiter in conflicting situations. Economic aspects such as subsidies are also discouraged.
2. Encourage a situation where there is free economic activity between a country and its trade partners. Tariffs and exchange controls are seen as inhibiting economic activity and thus liberalization is promoted.
3. Encourage flexibility stating that, for example, high minimum wage demands have negative impact on employment. GEAR therefore calls for liberalization

in the labour market as well. The South African government is presently engaged in a process of reducing tariffs, lowering exchange controls and negotiating with labour for restructured bargaining structures and productivity-linked wages.

4. Are anti-Keynesian. The Keynesian⁶ philosophy of state involvement in economic activities is unpalatable to advocates of free economic activity (the marketeers) who dominate the thinking within the IMF/World Bank. As a result one of the main tenets of the SAPs is privatization. Presently all state enterprises in South Africa are being restructured and some are being sold in line with the governments macroeconomic strategy of GEAR.
5. Promote exports. Adjusting economies are usually told to become export-orientated. Export Processing Zones (EPZ), for example in Port Elizabeth, are specifically created and industries in such zones (areas) are given special treatment. It is usually argued that exports would earn developing countries foreign exchange and create employment and lead to industrial growth. With lower tariffs and relaxed exchange control laws, South Africa is most likely to realise an increase in export economic activities.
6. Promote undervalued currencies. South African policy makers have argued that the Rand is overvalued and its depreciation is desired because it would make South African goods cheaper in foreign markets. This thinking is similar to that of devaluation which is usually prescribed by the IMF/World Bank under the SAPs. Cheaper domestic currency is always seen as good for the local exporting industry.

⁶ John Maynard Keynes came to the fore during the Great Depression of 1930s and called for state involvement in the economy, (for details see Gillis et al and Dornbusch et al in the bibliography).

7. Focus on foreign investors. Under the SAPs, adjusting countries are also encouraged to put in place measures which would make it attractive for investors to invest in their (developing countries) economies. Such measures include incentives like reduced taxes or holiday taxes. The South African macroeconomic strategy of GEAR also uses the strategy for tax incentives to attract new investors, as well as lower wage demands.

4.4.5 The possible impact of GEAR on the economy and consequently on formal education

Having discussed the origins and nature of GEAR and also drawing similarities with the SAPs, one can now begin to ponder what effects GEAR is potentially likely to have on the South African economy. To also put this section in the context of this dissertation, it is important to point out that economic effects, as a result of GEAR, are studied here not as an end in themselves but as a means to understanding GEARs effects on the provision of formal education in South Africa. It was pointed out in the previous chapters that this study is not about whether or not formal education is a pinnacle for development. But it *is* about the fact that formal education has a major role in the development of a country. It is generally understood that economic factors have distinctive effects on the choices people make in their lives. The choice between having and not having an education is in many instances dependent on the economic conditions of an individual. The economic conditions of an individual are (mainly) a factor of the countrys economic conditions. It cannot be disputed that on the main, people's lifestyles are dictated by their economic standing.

One can say that if GEAR becomes successful in ensuring the realization of the objectives of the RDP, then formal education in South Africa would greatly benefit. But should the reverse be the case with GEAR (unsuccessful), even the RDP is unlikely to succeed and so will formal education.

It has just been pointed out that GEARs impact on formal education can also be better understood by at least looking at prevailing economic conditions. Since GEAR was introduced, the following (economic) conditions have prevailed in South Africa (Nel 1997:35; Molefe and Bhengu 1998:1; Gumede 1997:5; Gqubule 1997:5; Vally 1997:25; Sieff 1998:3; van Driel 1998:13; Sikwebu 1998:3 and Sylvester 1999:1):

1. The Rand has continued to devalue. This situation of the falling value of the currency benefits the foreigners who get South African goods cheaper while it hurts the average South African, as foreign goods in the country become expensive. South Africa, like many other developing countries, uses a lot of imported goods, such as spare parts for machinery and vehicles, education books to mention just the two. The lower value of the Rand makes these commodities expensive. This lead to transport fares going up and access to education becoming expensive.
2. In an attempt to appease investors, corporate taxes have been decreased. Lower taxes may also mean that government revenue is reduced. This is where developing countries tend to lose out. Less revenue also means that the government will have to curtail its expenditure on social services, including formal education. In fact, it may be said that tax incentives and reduced public expenditure are a way of saying the government should take a back seat in the sense that tax incentives finally mean that there is little revenue, and as a result there is nothing, or little, to spend by the government. Without, or with little revenue, coupled with reduced expenditure, GEAR is most likely not to aid the elimination of inequalities from the past. Instead, the poor will continue living in their squalor and education for them will remain an illusion.
3. In 1996 GEAR set a target of 126 000 new job opportunities. To the contrary, the economy lost no less than 100 000 formal jobs. If this is the taste of

things to come, many people will find it hard to send their children to school.

That education is free does not mean transport to school, and school uniforms for instance are also free. Retrenched workers would be forced to withdraw their children from school and send them to the labour market which is itself shrinking.

4. As opposed to the RDP which is mainly concerned with the poor, GEARs most important aspect is improving business confidence. If the government is obsessed with GEAR to the detriment of social programmes, the poor only have themselves to look upon. GEAR cannot be two things, namely being a vehicle for business which is for profits and a vehicle for development which is for the poor.
5. Implicit in GEAR is the understanding that redistribution will take place when growth has taken off. This is a trickle-down understanding of development. For this kind of growth to occur, people have to save by spending less so that money can be ploughed back into the economy. What this strategy fails to realize is that people need incomes first before they can begin to save, since they cannot save nothing. For as long as there is no economic growth, development will be given the last preference. The government will not be able to spend on formal education because the economy has not grown enough.

Poverty will force children out of school before they complete basic grades and thus further perpetuate marginalisation and underdevelopment (or undevelopment).

It is commonly accepted in development studies that the power to read and write reduces the risks of exploitation by the rich and powerful, powerlessness, vulnerability, isolation and ignorance. It is these factors that

lead to marginalisation of the poor. To make education unaffordable under these circumstances is to sentence the poor to a permanent state of helplessness. With its past apartheid education, South Africa cannot afford to wait for economic growth before addressing the formal education question.

6. If GEAR succeeds in its call for wage moderation, in spite of the fact that South African wages are already considered to be among the lowest in the world, the working-class will find social services expensive given their low wages. Wage moderation, reduced public expenditure and privatization do not seem to be policies that benefit the poor. Already education expenditure is to be reduced by R300 million in 1999/2000 going up to R1.2 billion in the year 2001 (Sikwebu, 1998: 5). All this will be done in the name of fiscal discipline. It is therefore most likely that GEAR will not help reduce educational inequalities in South Africa precisely because it does not even seem to be the correct strategy to distribute income and wealth equitably.

7. The restructuring of the public sector has led to many civil servants taking voluntary severance packages (VSPs). Teachers have also taken these packages and many others are ready to leave. It has been reported that teachers morale is now very low. This is not surprising since with reduced expenditure, teachers workloads will increase - larger classes, more periods, lack of teaching materials - and salaries will decline in real terms. While teachers salaries decline, the government points out that recurrent expenditure will remain constant and whatever savings accrue would allow more resources into RDP- related projects.

One of the government schemes accompanying the VSPs is the three-year public service salary adjustment programme. According to this programme, the government has entered into an agreement with trade unions with whom it has been agreed that there would be a fixed increment on remuneration, but

this increment may not be below the inflation rate. What has happened is that the government has failed to honour its part of the deal. On numerous occasions the government has offered to increase teachers (public servants) salaries by far below the inflation rate. For 1999, the government has only offered 5.7% for teachers increment which means that teachers' incomes would have been reduced in real terms since 1997. One teachers organisation, the South African Democratic Teachers Union (SADTU), has rejected the offer and withdrew from negotiations with the employer (1999). According to this union, teachers are now at a disadvantage compared to all other public servants. In 1996 the government stopped paying progression for teachers but not for other public servants. Different standards being applied in the public sector place teachers at the lowest level (Geyer 1999:2).

It would not be incongruous to pause and reflect on issues of equity at this stage. According to Monk (1990:35), equity refers to fairness in the distribution of some goods and services and also involves elements of equality. Equity could be seen in two ways: horizontal equity which refers to equal treatment of equals, and vertical equity which refers to unequal treatment of unequals (Monk 1990:36). GEAR makes neither of the two forms of equity clear in its approach. South Africa is better suited for an economic policy that will make a distinction between equals and unequals obvious. To treat issues applying hard-core western economic principles is not a strategy for a developing country.

It could now be explicitly stated that the impact of GEAR on formal education does not seem to be a prosperous one. Adjustment policies, of which GEAR is one, have had negative impact on formal education as already shown in previous chapters. Constraining expenditure on education does not only affect those who receive that education through numerous shortages and teachers demotivation, but it also means that the very economy, on whose behalf the policy is applied, will be affected in the long-term. GEARs concerns, for example, lesser personnel in education are, in all

probability mainly of a short to medium term nature. In the long-run, among other things, more teachers would be needed and the teaching profession would have lost the last face it has, due to its low economic status. The implication for this loss of status is that public education will experience a lack of quality teachers and again the impact will be great on the future economy. It is hard to imagine how a good teacher may produce good results when the basic learning materials are not in place and, to add salt to insult, being grossly underpaid. The following chapter will deal specifically and explicitly with how GEAR is affecting the provision of education.

4.5 **Conclusion**

An attempt has been made in this chapter to trace the origins of private education in South Africa. It has been shown that private education existed in South Africa during the years of colonialism starting from the Cape Colony. It has also been shown that the religious organizations also had an important role in the provision of private education.

A brief account on the provision of education in South Africa has shown that education was previously provided on a very skewed basis. In that situation, it was the education for Africans that suffered the most. Successive governments prior to 1994 did very little to qualitatively improve the education for Africans in particular. Based on the philosophy of Bantu Education, the education of the majority of the inhabitants of South Africa was destined to produce the worst of the labour-force. Today, the effects of that system of education are felt by everyone. In spite of the presence of a large labour force, the economy is still struggling because such labour force lacks the necessary skills and know-how. The blame for this situation lies at the door of Bantu Education.

This chapter has also tried to trace the origins of people's education for people's power. This is traceable from the 1980s in South Africa. It has also been shown that the education struggle can be traced from the period long before the 1980s. The concept of people's education has been highly associated with socialist thinking but this does not mean that it was

limited only to that thinking. The disappearance of people's education for people's power is much noticeable in the early 1990s when political negotiations began in South Africa. Possible reasons for this demise have also been highlighted.

Finally this chapter has also been devoted to the discussion of GEAR. Significantly it has been pointed out that GEAR is most likely to have very negative consequences in the provision of formal education in South Africa. It has been shown that GEAR's principles are simply those of the structural adjustment policies and that those policies have had a very negative impact on the provision of social services and as a result education has been negatively affected. The next chapter will look closely at the direct specific impact GEAR is likely to have on public formal education.

CHAPTER FIVE

Findings and Analysis

5.1 Introduction

The views presented here are summarized from the interviews that were conducted, questionnaire that was sent to school principals and information obtained from the GDE documents as well as documents from the National Ministry of Education. The findings are presented in a thematic manner. For example, views from similar organisations (similar in terms of their functions) are presented together and are also grouped accordingly.

Secondly there is an analysis of findings which is divided into four sub-sections namely, effects of budgetary constraints on teachers, effects of budgetary constraints on public education, the impact of HIV/AIDS and GEAR versus RDP.

5.2 Findings

5.2.1 Views from focus groups (school principals)

5.2.1.1 Views on salaries

All participants agreed that teacher salaries are low. Prices of basic goods are rising “everyday” so that present salaries are no longer enough to sustain the lifestyle of teachers. Low salaries make the teaching profession unattractive to young people who might otherwise join the profession. Presently (year 200) a minimum salary of R60 000 per annum would go along way to make teachers lead respectable lives in their communities.

5.2.1.2 Views on qualifications

The participants agreed that above-minimum qualifications could better equip teachers to meet with the challenges of modern demands on education. While not happy with the present once-off bonuses, the participants pointed out that teachers still continue with improving their qualification. This situation reflected a desire by teachers to remain competent providers of knowledge.

5.2.1.3 Views on educator-learner ratio

There was no agreement on a specific ratio, but the majority of participants a maximum of 28:1. This ratio was linked to many things such as teachers' workload. Participants felt that burdening teachers with large classes diminished the chances of attending to learners individual needs and leads to stress among teachers, which has its own attendant consequences like off-sick days. Large classes also impact negatively on quality education and may have effects on school facilities, for example crowded libraries and sporting facilities as these facilities may turn out to be too small while learners increase.

5.2.1.4 Views on quality factors

Many factors were raised as constituents of quality education. Among these were teacher qualifications, state of facilities and buildings, salaries, learning and teaching materials, and schools' administrative capabilities. Above minimum qualifications are essential and should be matched by salaries. School facilities should reflect the modern technological era, particularly laboratories. Township sport facilities should also be improved to allow learners to exploit all available talents. It was felt that every school should have a computer centre as computers have become

central to everybody's lives. The feeling was that this is one area which need expenditure - the improved quality factors.

5.2.1.5 Views on learner numbers

School experience different enrolments. Formerly white, Indian and coloured schools received large number of learner mainly due to learners leaving township schools. Township schools experienced falling, and some static numbers as enrolment figures fell. The reason stated was that learners (and parents) regard former exclusively white schools as better equipped than former township schools. All participants agreed that former white schools have many advantages such as better facilities (laboratories, libraries and sports field).

5.2.1.6 Views on redress and accessibility

On these question the participants differed. Some felt that former black schools receive more funds that former white school. Others felt that funding should be equal and each school should seek ways to get more resources. It was agreed that redress cannot be done, or achieved, at the expense of others. However, the education budget was singled out as creating an understanding in education in general. As a result, schools often find themselves having to raise school fees to above what an average parent can afford. An average parent was described as one earning R300.00 per month. School fees, the participants agreed, have a great effect on learners accessing education, as it limits choices of schools a learner may wish to attend.

5.2.1.7 Views on the VSP's

VSPs have both negative and positive effects. On the negatives side it

“robbed” education of good and experienced personnel which will take time to replace. On the positive side, it allowed those who have opportunities elsewhere to pursue their dreams. The great concern of the participants was that the personnel, particularly teachers who left through the VSPs were not replaced and this situation has added tremendously to the problem of large classes.

5.2.1.8 Views on HIV/AIDS

The participants were unsure of the impact of HIV/AIDS as the issue is usually treated with secrecy. However, everyone agreed that the consequences were likely to be enormous, socially and economically.

5.2.2 View from teacher organisations/unions

5.2.2.1 Views on salaries

There is a broad consensus among the teacher organisation /unions about the low salaries paid to teachers by the education department. It is felt that the government’s economic policy has placed a constraint on negotiating better salaries. The government has even reneged on agreement that salaries will be increased in relation to the inflation rate. There is also agreement on the fact that a greater part of the education budget (about 80%) is spent on personnel. However, that is no justification for low salaries. In an effort to further contain expenditure, the education department introduced what it called broad-bending and salary progression. The aim is to reduce salary gaps while restraining salary increases and the latter has become a bone of contention between the teacher organisations and the State.

Due to monetary constraints, the education department has even phased

out salary increases for teacher who acquire additional qualifications. A teacher who obtains a higher additional qualification only receives a cash bonus of a fixed amount. The result is that teachers' needs for improved qualifications may be compromised and thus the standard and quality of education offered to learners. Low salaries are most likely to maintain or increase inequality among the previously disadvantaged teachers/communities.

5.2.2.2 Views on quality factors

Factor that were identifies as contributing to quality education were funding, reasonable working hours, better salaries, better buildings, enough support staff, sanitation, electricity, relevant teacher qualification, and smaller classes. These factors are similar to those mentioned in section 1.6 of this study.

The department of education, among other things, has increased teachers' working hours from six to seven hours, cut expenditure on building maintenance, retrenched support staff and it discourages teachers from attaining higher better qualifications by not remunerating these efforts. Added to all these cuts, the department has stipulated a higher educator-learner ratio.

5.2.2.3 Views on school fees

There does not seem to be clarity on what "free education" means. Annual school fees range anywhere from R20.00 per year in townships to above R3000.00 in the former white suburbs. (Free education refers to a situation where there are no user charges being levied on consumers. However, it should be pointed out here that is nothing free. Education is paid for through taxes). Teacher organizations feel that schools, most

probably, charge what they think the surrounding communities can afford. Those that come from outside such communities will simply have to bear with the conditions of higher school fees if they want to attend schools there. However, it is also felt that it is wrong to charge exorbitant school fees to segregate communities. It is also felt that using public facilities to advance class or sectional interest such as elitism, is not acceptable.

Free education is also seen as a very ambitious plan. Few countries, save maybe the rich ones, can afford to offer really free education to all children in schools. However, reasonable fees should be charged to cater for petty cash and minor repairs. ('Reasonable' is used here contextually in the understanding that, for example, a poor community would know what is reasonable for itself).

5.2.3 Views from the Finance Department

5.2.3.1 Views on the education budget

Education alone accounts for 20.8% of the total budget with over 90% of it going to personnel due to labour intensivity of the education system (teacher organisation gave an estimate of about 80%). The budget for education for this current financial year (2000/1) is about three billion rand higher than the previous budget (from R47.8 billion to R50.8 billion). It is also the government's intention to increase the education budget moderately over the coming years. The increase would be inflation based. It is also the government's intention to allocate more funds to build or support the school infrastructure particularly in previously disadvantaged schools.

A sizeable portion of the budget (R272 million) for 2000/01 is also allocated for teacher professional development and support for the culture

of learning, teaching and service campaign (COLTS). Over the next three years (2000/03) there would be less spending on personnel.

The financing of education is also assisted by donor funds though these funds do not constitute part of the budget. Donations are in the form of cash or technical assistance. The latter takes place currently, for example in the Eastern Cape, and is provided by a Swedish development agency(SIDA).

In addition to donor funds, there is also the Policy Reserve Fund where conditional grants are deposited. The aim of the Fund, among other things, is the enhancement of education management and quality assurance. The funds are used for functions which have national impact but take place at provincial levels. Education is one such function and its impact is national. This impact is through quality of labour, performance of the economy among other things. Expenditure from the Policy Reserve Fund is monitored by the National Department of Education. Quality assurance refers to improving the quality of education provision, e.g. enhancing teacher productivity by among other things providing in-service training, ensuring acceptable educator-learner ratios.

5.2.3.2 Views on the budget deficit

GEAR's insistence on reducing the budget deficit is mainly informed by the desire to avoid debt burden. South Africa has no problem in repaying in her debts and the money saved from the deficit is actually used to finance the debt. Presently (2000/01) South Africa is paying no less than R46 billion or 5.3% of GDP on debt interest and the total debt is R398.3 billion or 45% of GDP.

5.2.3.3 Views on privatization

Private education is a great relief to government. Although private institutions receive a subsidy, they incur and bear the many costs of education on their own. It would have been very difficult for the State alone to take responsibility for the state alone to take responsibility for the country's education. Private schools pay teachers, for example, from their own funds. More than anything, private education reduces the financial burden of education on the State.

5.2.3.4 View on GEAR and the RDP

The RDP office was closed because there was no effective use of funds through that office. However, the funds still exist and the whole RDP Fund is managed by the Accountant-General. Donor funds also go there.

GEAR is not seen as restricting spending on education. What actually happens is that priorities and plans, for example, affect expenditure patterns. Many uncertainties determine the capacity to spend. Nevertheless, the 40% of the poorest of the poor do receive preference. There are also disparities among provinces. The nature of the rural schooling system in some areas for example, KwaZulu-Natal and Northern Cape, greatly affects expenditure. The negative effect is mainly due to distance when distribution takes place. The town and schools are far from each other so that a lot of money is also spent on transportation of resources.

5.2.4 View from the NGOs

5.2.4.1 Views on quality factors

The non-governmental organizations also attach great importance on the skills of teachers to teach. To enhance those skills, EduSource for

example, feels that good qualifications are a denominator. There is a consensus that teacher training for Africans still needs a lot to be done to improve the quality of education at these schools.

Qualification alone are not enough. Teachers need regular support. Such support could, for example, be in methodology and administrative skills. To successfully satisfy this need, the government needs capable people who have merely gone through a week or two “crash-courses”. Education is too costly, in many ways, to be treated through crash courses.

5.2.4.2 Views on access to education

Fees charged, proximity to schools and funding scale are some of the factors which determine whether people have access to an education system. School fees which have no regard for the local community are a total barrier to education. Fees need to be determined with consideration of the community concerned. A difficult situation is where the poorest communities live. In such places, no matter how low the school fees is, some parents may still not afford it. Such places are usually the informal settlements. Here the State has the absolute role.

Proximity to schools is a factor if learners come from another neighbourhood. Transport has to be arranged. Learners who rely on transport which is used by the commuting workers experience tremendous problems. They either arrive late or too early at school. It is therefore a good idea to have schools within proximity of every community.

The scale of education funding reflects both the quality factor and the accessibility factor. If the State reduces its funding of education, less schools will be available. This situation will simply create or even enforce existing inequalities.

5.2.5 Views from the labour movement

For the labour movement employment as a source of wages is crucial for sending children to school. Without work for a parent, opportunities for a child to receive an education are diminished. GEAR has failed to create the necessary employment. The National Council of Trade Unions (NACTU) sees GEAR as intended to benefit the business sector, not the working class. It is driven by outside forces like IMF. As a result the government's main concern is to honour its debts.

GEAR has forced the government into restructuring its assets. This restructuring has led to many job losses. Even outsourcing has not created meaningful employment, instead it created artificial employment whereby workers have no benefits and are extremely underpaid.

Through GEAR the government has removed tariffs, and is encouraging exports. The problem with these two positions is that with the removal of tariffs, cheap foreign goods are allowed into the country. Such goods destroy local industries and lead to further unemployment. In the case of exports, it is raw materials (unprocessed products) that are mainly exported, for example, gold. NACTU feels strongly that the government needs to spend more money building industries that process raw materials. That way more jobs could be created. The other problem with existing industries is that they are capital intensive instead of being labour intensive. As a result of this automation, whatever growth accrues, it does not create the necessary jobs.

All these problems (debts, restricting, tariff removal, automation), lead to unemployment, which affects formal education. Formal education is affected because when workers, who also happen to be parents, lose their jobs, their children's education suffers. Parents will not be able to provide adequately for their children.

5.2.6 Information from the schools

It was indicated in chapter one that the author was not granted permission to enter the schools by the Gauteng Department of Education. As a result, findings from those important would-be visits are not available (see sub-section 5.2.1 instead). The information which is used in this section comes solely from the questionnaire that was sent to schools with permission from the Gauteng Department of Education.

Table 5.1 below covers a few of the items which are considered by many in education to be vital for quality education. Some of the items in the table are learning material (stationery and text books), teacher employment, transport (for access to schools), level of teachers' education (e.g. degrees) and facilities like laboratories, libraries and sporting fields. The table shows massive shortage or under-provision of basic materials, most particularly in the formerly disadvantaged schools (African and Coloured schools). Some schools indicated that they employed temporary (or private) teachers from their own school funds. And the transport problem is, more than anything, a result of the learners who come from distant areas such as former black townships to former white suburbs in pursuits of what is regarded as better education (see table 5.1 next page).

Table 5.1: Conditions at schools (figures are in percentages)

Condition	Ex-white	Ex-African	Ex-Indian	Ex-Coloured
Stationery received	3.5	51.3	100	77.7
Textbooks received	3.5	18.9	100	77.7
Payment of school fee	100	100	100	100
Current furniture	71.4	21.6	75	66.6
Temporary teachers employed	71.4	32.4	75	44.4
VSP recipients	46.4	48.6	50	44.4
Good classroom conditions	14.2	64.8	25	66.6
Transport problems	82.1	70.2	75	77.7
Links with private sector	57.1	16.2	50	44.4
Teachers with degrees	96.8	13.5	100	77.7
Laboratory	92.8	13.5	100	11.1
Library	78.5	8.1	100	0
Sport facilities	92.8	5.4	100	11.1

5.2.7 Information from the GDE

Table 5.2 Shortages (%) of furniture and computers, and educator/learner ratios, 1996/1997

Former Department	Furniture	Computes for teaching	General: laboratory computer skills (Grade 12)	Educator/learner ratio	
				Primary	Secondary
DET	35	1	22	37.0	30.8
TED	10	40	39	29.4	23.3
HOR	15	7	17	33.1	26.7
HOD	24	12	83	30.6	25.8

Source: GDE statistical outputs from the 1996/97 annual school survey

Table 5.2 shows that the schools that fell under black-administered departments have very server shortages compared to formerly white schools under the former Transvaal Education Department (TED). African schools (formerly DET) also show the worst shortages and the higher educator-learner ratio.

Table 5.3: Teacher qualifications and learner failures (%), 1996/1997

Former Department	Professional Diploma	Degree (professional or academic)	Technikon	Failures
DET	91	22	3	40.5
TED	83	42	3	1.3
HOR	92	22	3	13.5
HOD	84	31	2	8.1

Source: GDE statistical outputs from the 1996/97 annual school survey

Table 5.3 shows formerly African schools as being the ones with the least qualified teachers. Qualifications, being part of the factors which contribute to quality education, most evidently are also reflected on the percentage of learners who fail matric (Grade 12). Such high failure rates may also be attribute to factors found in table5.1. Tables 4.4.1 and 4.4.2 in chapter four also revealed a similar condition: former African schools are underperforming compared to former white schools.

5.2.7 Information from the National Ministry of Education

The information presented in this section is derived from the White Paper on Education and Training, 1995 (South Africa 1995).

The Ministry of Education sees its challenge as creating an education system that will meet with the vision of opening the door of learning and culture to everyone (1995:17). This is the vision contained in the African National Congress' (ANC) Freedom Charter of 1995. To realize that vision the Ministry uses the constitutional guarantees of equal educational rights and non-discrimination as a tool to afford learning opportunities to all

the South African citizens: the Ministry calls for policies that shall redress the legacies of underdevelopment and inequitable development (1995:19).

In addressing the question of quality, the Ministry acknowledges that, among other things. The capacity and commitment of teachers is essential (1995:21), as well as educator/learner and class size norms for effective learning (1995:63).

On the question of salaries, the Minister sees white teachers as better qualified and therefore too expensive to maintain as compared to teachers of other racial groups. This justification was in fact used when the voluntary severance packages (VSPs) were introduced in 1995/96. To eliminate the question of “high” salaries, the Ministry has done away with the automatic link between salary level and qualification acquisition, and calls for the introduction of less labour-intensive teaching and learning strategies (1995:63). (Section 3.2 of this study referred to the retrenchment of teachers and salaries falling in real terms as a result of adjustment policies).

5.3 Analysis of findings

5.3.1 Effects of budgetary constraints on teachers

The teaching profession in South Africa presently boasts a low economic status. The reason for such a low status is that the profession offers low salaries compared to other professions, particularly in the private sector. With a macroeconomic policy whose primary aim is to reduce public spending, the education budget is unlikely to cater for salaries that enable teachers to lead lives with better economic status. As the education budget continues to shrink, so will the salaries of the teachers in real terms. Given these conditions, it is hard to think that the teaching profession will ever be able to attract people of class. The education sector competes with other economic sectors for personnel, particularly those in the fields of commerce, mathematic and science. These other economic sectors do offer a better economic status.

Low teachers’ salaries have severe repercussions. Some of the repercussions are

that teachers tend to absent themselves from work (school), they perform poorly in instructing their classes, they display poor morale, they show no accountability. A continuation of all these factors simply leads to wastage of precious school time (African Development Bank 1998:175). In fact, remunerating teachers poorly is just a paradox. Teachers constitute the country's middle-class and therefore to expect a poor middle-class to lead civil society is hard to contemplate (Zack-Williams 2000:62).

A reduced education budget would also mean that the State cannot afford to employ more teachers. What happens is that the present teachers will have to handle more and more learners as teacher-learner ratios increase. High teacher-learner ratios translate to bigger classes. Each teacher is faced with more learners to attend to. Each teacher has more books to mark. The situation finally translates itself into heavier workloads for teachers. With more work and more learners, the time a teacher spends with each individual child is reduced. Qualitative teaching will be gradually eroded and replaced by rote learning.

The South African Department of Education, as mentioned earlier, in order to boost its results, has also increased the working hours of its teachers (GDE 1998) a phenomenon which is common in economically adjusting countries. The State is simply avoiding the employment of extra teachers, instead it resorts to employing temporary teachers. The advantage of employing temporary teachers for the State could be that the State does not have to pay benefits to such teachers as with permanent ones who are themselves experiencing shrinking fringe benefits as it was indicated by one respondent principal “ *teachers are becoming poorer each month*”.

The increase in teacher-pupil ratios may be an indication by the Department that it is not willing to employ more teachers and also the intention to retrench more teachers. If teachers are expected to handle large classes, it means fewer classrooms and also fewer teachers. It is for this reason that the Department has not replaced the teachers who took the voluntary severance packages (VSP). The African Development Bank acknowledges that reasonable teacher-pupil ratio is

one of the factors which ensures quality education (ADB 1998:176). The author is aware of the fact that there is no agreement concerning acceptable teacher-pupil ratio. The question is in fact country specific. In the case of South Africa, it has long been said that the teacher-pupil ratio of 1:40 is very high. That the present democratic government feels the ratio of 1:40 in primary schools and 1:35 in secondary schools is right is a contradiction in terms. More particularly because those in government today are yesterday's advocates of lower teacher-pupil ratios. This contradiction can somehow be explained by Mohan (2000:81) that there is in fact no party in the developing countries that has ever been elected to power on a neo-liberal platform. What this means is that parties, while still aspiring for power, promise very fundamental policies which favour the poor and on ascending power, they tend to pursue other policies which are in essence not in the interest of the poor.

The question of ratios is closely related to capital expenditure in terms of the building of classrooms. With fewer teachers and larger classes, fewer classrooms become necessary. By increasing teacher-learner ratio, the government in South Africa is indirectly reducing the cost of providing more classrooms because if teachers have fewer learners in their classes, it means that there would be more classrooms. Arithmetically, if a school has for example 800 learners and the 1:40 ratio applies, the school requires only twenty (20) classrooms. However, if the ratio is placed at 1:25, thirty-two (32) classrooms will have to be provided. Clearly then, if the intention is to reduce expenditure, larger classes and fewer teachers and classrooms will be preferred.

One other factor which has somehow affected teachers is the Department's decision not to increase salaries of teachers who acquire additional qualifications above the required minimum qualification. This departmental policy can be viewed, as many teachers do, as preference for minimum qualifications by the Department of Education. The policy is in spite of whether or not the teachers' studies are relevant to the school curriculum. This policy can also be interpreted along the lines of the argument that higher qualifications do not necessarily mean better results for the learners. However, Mr Nkosi (Executive Officer of TUATA)

argues that a teacher with an above average qualification is better able to assist learners, not only with classroom work, but also with many other general educational questions, which relate to education beyond the school level. Such an ability is mainly possessed by someone who studies further than, for example, the minimum required college teaching diploma. Furthermore, a teacher with higher university qualifications is more knowledgeable both in terms of subject content and research techniques and therefore should be remunerated accordingly. It therefore unbelievably appears as if the Department of Education, while aiming at providing quality education, is more comfortable with less qualified teachers. In fact this erroneous view of education was once expressed by the State President Thabo Mbeki that a dedicated teacher can produce good results even if they taught under the trees. The point here is that good results are not the outcomes only of dedication but knowledge of the subject matter by the teacher is fundamental. Subject mastery is a result of committed continuous studying.

As stated earlier, in its attempt to reduce spending on education, the Department of Education also retrenched teachers by offering them voluntary severance packages (VSP). An amount of R600 million was budgeted for this exercise but the expenditure went up to one billion rand (Motala 1998:3 and Chisholm 1998:8). As a result, a huge unnecessary waste of both money and human loss to the education system was incurred (Lewis 2000). The Department of Education lost many skilled and experienced teachers, especially in the fields of commerce, mathematics and science. In fact, education Minister Kader Asmal has hinted that his Department intends to recall such teachers. The VSPs were actually meant to reduce the personnel cost in education and to use the savings to improve the quality of education. Instead, the policy of VSPs backfired as the system lost the personnel it needs the most and was finally forced to be discontinued as there was no longer any money to pay the leaving teachers.

The factors discussed above have the potential of demoralizing the teachers. According to the African Development Bank (ADB 1998: 1750, there are specific factors which help to revitalise the teachers' morale. Among those factors are better salaries and fringe benefits, better working conditions, accountability and

improved instructional materials.

Underpaid teachers will simply drag their feet to classes, they will not find it worthwhile to even prepare lessons for their classes. Because of the pressing economic needs, teachers may also increasingly look for second jobs. A second job may interfere with the teacher's work. After the second job a teacher may discover that there is no more energy to carry out the school work. To lead respectable lives among their communities, teachers need good salaries and good fringe benefits.

Salaries are also closely related with working hours for employees. However, the South African Department of Education has mandated that teachers should be at school working at least for seven hours instead of six hours (Circular No. 129 of 1998). The increase in working hours has not been accompanied by an increase in remuneration. This situation is effectively affecting the teachers' working conditions.

The shortage of essentials such as textbooks makes teachers (including learners) powerless. The teacher becomes the source and transmitter of knowledge while learners are passive recipients. This situation does not allow critical, analytic and independent thinking. Problem-solving methods cannot be applied. Learners simply become cogs in a machine.

The restrictive nature of the GEAR strategy might as well impact negatively on the noble aims of outcome-based education (OBE). OBE which is being introduced, has as its objectives, among other things, to develop learners into critical, analytic and problem-solving thinkers. Consequently, the shortage of essential learning materials, including the retraining of teachers, could be barriers to an education system whose primary aim is to meet with the country's development goals.

5.3.2 Effects of budgetary constraints on public education

The effects of budgetary constraints on formal education are quite enormous and

have broad externalities. Reduced funding does not affect salaries and capital expenditure only, but also affects perceptions of recipients. In spite of the fact that part of the budget is allocated to fund what the government regards as the most disadvantaged schools of about 40% (Tredaux 2000), poor facilities in public schools will force some parents to withdraw their children and opt for private education. Matric education may also no longer be available to all as it falls outside stipulated ten-year period of free and compulsory education. To write a matric examination learners will be expected to pay examination fees (Pillay 1999). Once again poor students who cannot afford to pay will have to drop out of the education system.

Section thirty-nine (39) of the South African Schools Act No.84 of 1996 states that:

1. Subject to this Act, school fees may be determined and charged at a public school only if a resolution to do so has been adopted by majority of parents attending the meeting referred to in section 32(2). (This section refers to general meeting of parents).
2. A resolution contemplated in subsection (1) must provide for:
 - a. The amount of fees to be charged; and
 - b. Equitable criteria and procedures for the total, partial or conditional exemption of parents who are unable to pay school fees.
3. The governing body must implement a resolution adopted at the meeting contemplated in sub-section (1).

In the White Paper on Education and Training (South Africa 1995:77), it is stated that:

It is well understood that all public education is a service which costs, that the costs must be paid for

from public funds via the tax-payers and other revenues, or by the parents. In this sense there is no free education.

The government policy has created confusion regarding the issue of free education. As can be seen from the above quotations, schools may charge fees but they also have to be considerate of parents who cannot afford to pay. To that effect pupils may not be expelled from school for failing to pay school fees (Maluleke 1998:11). This government position raises the question of whether parents who do pay school fees will be willing to carry the “burden” of school fees alone, while others who benefit from the same school are not paying anything. Such a situation is most likely to force parents who can afford to take their children to schools where everybody pays (Memela 1998:10). As has been shown in the quote from the White Paper on Education and Training, there is no such thing as free education. Schools, which have the majority of poor parents will, in the long term, be a reserve for learners from such families. The rich, as the saying goes, will vote with their feet. Left on their own, the children from poor families will be left in the poor schools, and most definitely the quality of education in those schools will be affected negatively as has been shown in previous chapters.

The division of schools into those for people who can afford to pay and those who cannot, simply brings about discrimination in the education system. Private education will be highly considered since facilities there would be better. Such a situation will lead to private, commercially-run schools which benefit mainly the elite (Kruss 1988:18). Since the South African democratic government has taken a pro-capitalist path of development, it adopted privatization as its fundamental policy (Pilger 1998:25). Free education is actually incompatible with the policy of privatization (or the other way round). The policy of privatization allows everyone to do the best they can while public resources are used to help the poor and that only to a limited degree. The sustainability of funding public education is also put at a risk by the fact that proceeds from sale of state assets are a once-off transaction. Otherwise, it would be possible to finance education from such proceeds for a very long time if the assets were not privatized because State assets are a major source of revenue to finance social services.

Instead of talking about people's education, public policy has short-circuited this with the terminology of "previously disadvantaged" people. The government has stated its intentions in numerous publications of addressing historical imbalances. The blanket term of "previously disadvantage" hides class distinctions. It is not every previously disadvantaged person who is poor, although they may have been disenfranchised. To address equity, it should be very clear who is included and who is excluded.

With demoralized and overworked staff in public schools, public education will turn into mere mass education for mass consumption which lacks quality. It will only be to produce a functional workforce that has no meaningful stake in economic ownership of the country.

With unemployment showing no signs of abating, many parents will also not be able to send their children to school since the GEAR strategy does not seem to be succeeding in creating envisaged formal job opportunities. To supplement family incomes, children are also likely to be withdrawn from the schooling system to earn a living. Therefore the effects of the GEAR strategy may lead directly to the abhorred child labour practices (Watkins 1999: 131). In fact South Africa is already experiencing child labour of extreme negativity. Increasingly small girls are found working as prostitutes to earn a living (Mkhize 2000:5). A situation like this is highly deplorable, most particularly in the face of the HIV/AIDS pandemic. The blame for this situation could be placed at the door of the economic policy that is not delivering for the many ordinary citizens of South Africa. Unemployment affects the chances of access to formal education as the next paragraph will illustrate.

Access to formal education is one of the crucial elements which is negatively affected by concerns about economic deficits. While battling to reduce the deficit by reducing public expenditure and therefore reduced education budget, the State cannot afford to subsidize transport for learners for example. Transport ensures that every potential learner has access to a school of their choice. Without transport, some children may be forced to drop out of school because of the

distance between home and school. The schools become effectively inaccessible for some children. This applies, to a very large degree, to school children in the remote rural areas. Continuous restrictive budgets finally have a great potential to exclude the poor from the education system. Harrison (1987:304 and 305) puts it:

“To be illiterate is to be helpless in a modern state run by way of complex laws and regulations. The man who cannot read or write is at the mercy of those who can... Illiteracy is a personal tragedy, and a powerful force in preserving inequalities and oppression”.

According to Hartshorne (1992:35 and 36), in 1990 South Africa had eight hundred thousand children of school-going age who did not attend school. Added to this number are children in remote rural areas, informal settlements and on white-owned farms who find it difficult to reach schools. Hunger, distance and reduced expenditure on education could easily lead to education being unaffordable to the poor (Harrison 1987: 308 and Claasen 1995:463).

The question which remains to be answered is where these huge resources will come from. Clearly to meet its good intentions the RDP would need both internal and external resources to be successful (Padayachee 1996:353). The need for external resources has been shown by the involvement of the World Bank and the United States who have issued reports and proposals in restructuring South Africa's education (Badat 1997:23). Since educational issues cannot be understood outside political and economic change, new defining concepts such as rationalization, efficiency and outcomes-based education have also been employed. The terminology used shows that the process is based on a market-oriented path (Kallaway 1997:17).

5.3.3 The impact of HIV/AIDS

According to the Development Bank of South Africa (DBSA) (2000:11) no less than 34% of the total South African population is infected with the Human Immuno deficiency Virus (HIV) which causes Acquired Immune Deficiency

Syndrome (AIDS). Because diseases know no boundaries, teachers are no exception to the looming AIDS epidemic. In fact, according to Harvey (2000) ten teachers are buried each month in South Africa as a result of AIDS-related diseases. If such reports are anything to go by, and if no cure is found immediately, the diseases is mostly likely to cause excessive expenditure on the part of the Education Department. This expenditure could come in various ways. Firstly, the Department will have to pay for more relief teachers as permanent staff take sick leave. Secondly, the Department will have to pay still more on death benefits. If the Department of Education's budget shrinks, it is hard to think where the money will come from.

Although the HIV/AIDS question is not affecting the education sector alone, through education its impact will be severely felt in all sectors. If it is accepted that education is essential to sustain development, then negative impact of HIV/AIDS on the education sector spells even the worst in every other sector of the South African economy. Every sector of the economy will have to face a situation of declining experienced personnel as life-expectancy of the population declines. And through orphaning, the dependency ratio is also likely to increase and the State will be called upon to provide more resource, particularly to increase social spending.

5.3.4 GEAR versus the RDP: a paradigm shift

It has been pointed out above that, especially in the developing world, nobody has ever ascended the seat of Presidency on purely neo-liberal policies. In this case, South Africa is no different. With the overwhelming majority of its population being poor, South Africa undoubtedly made a good choice in the RDP. The RDP was meant to address the conditions of poverty found in South Africa. It has as its fundamental aim the transformation of the South African society. Such transformation had as its object the poor as beneficiaries. The operative paradigm was therefore development. Amongst many other things, the RDP was able to understand that the development of South Africa has as its cornerstone the

development of human resources. And education was accordingly emphasized. The concern, for example, about the importance of formal education can be seen in the policy of compulsory free basic education. This education is also the basis for life-long learning. To ensure the success of this policy, the State even ensured initially that primary school children in formerly disadvantaged schools get feeding schemes to sustain, among other things, school attendance.

Whereas the RDP had as its target the poor, according to Adelzadeh (2000) GEAR has as its target the rich. This juxtaposition represent a paradigm shift from development to profit. GEAR represents the interests of the propertied class in South Africa. There is no disputing the fact that there has been some economic growth in South Africa, but this growth has also been at the expense of labour which has lost jobs in big numbers. According to the DBSA (2000:15), South Africa lost 33.8 % jobs between 1996 and 1999. This situation equates to increased poverty since the GEAR strategy also has no concept of informal employment. The GEAR strategy represents a paradigm shift also because it is aimed at appeasing the foreign sector. Through GEAR South Africa is doing away with some foreign exchange controls and tariffs. The removal of such controls is in spite of the fact that South African products, particularly agricultural are still subjected to tariffs and restrictions in, for example, some European markets. The recent “war” regarding the names “port and sherry” in the wine industry is an indication that the developed markets are highly protected.

Above everything, the GEAR strategy is meant to restructure the economy in such a way that it is also easy and acceptable to foreign investors. Foreign aid is therefore the driving force behind the thinking of the GEAR strategy. GEAR acts as the umbilical cord between South Africa and foreign capital. In the process, the poor suffer as public expenditure is reduced and therefore in terms of education the children’s freedom of opportunity to receive qualitative education is reduced. With education becoming expensive, children from poor families are likely to be forced out of the schooling system. If then the poor majority drops out, the consequences on the economy are also bound to be enormous as this would most

probably lead to shortage of skilled labour. Through GEAR, the poor are likely to remain at the periphery of the economy.

The reduction in public expenditure, through a lower budget for education, will also have severe effects for the delivery of learning materials. Learning material include things like textbooks and stationery. According to Lorgat (200), in certain schools 150 learners share eight textbooks. Arguably a textbook is one basic learning material. Without textbooks learners cannot be expected to produce good results. The shortage of textbooks in South Africa in South Africa is sometimes clouded by the question of poor planning on the part of officials. It may not be necessary that there are no textbooks, but the question could be that delivery does not take place on time. Corruption also hinders the education system. In some provinces officials were found selling stolen school textbooks and stationery. This is a typical situation of how the elite can intercept goods and services meant for the poor and use these for their own greedy interests.

Historically the disadvantaged schools in South Africa also boast of huge shortages, or non-existence, of latest technological facilities like computers, laboratories, libraries and sport facilities. In some schools around Gauteng there is not a single computer, even for administrative purposes, in others even if such computers are there, there is no personnel trained to handle them. For the laboratories, learners still do what is supposed to be practical science experiment theoretically. Learners have no access into laboratories because these are essentially not there. The important libraries for reference are also not there. Giving work that requires reference to learners does not happen because of lack of school libraries. Because learners also need to play sport, facilities are part (or supposed to be) of the curriculum, learners are deprived this opportunity of exercising their physical parts due to non-existence of sporting facilities. Such shortages mean that some learners are not being developed in totality. It should be remembered that success in the classroom is also a function of how learners spend their free time qualitatively.

If then public schools are to experience very heavy shortages, it would mean that the majority of the Gauteng population will remain with the existing poor education system. This system is the one that will hinder even the realization of the objectives of the RDP. In the not so long distance the GEAR strategy will prove to be an antithesis of reconciliation, reconstruction and development in the country. The repercussions will not only be felt on the economy, but spill-overs will be catastrophic also on social relations. There will be very clear class divisions which are bound to lead to resentment. This question is moreover important in the South African context due to that country's past experience. Being a newly liberated country, South Africans still have great expectations of their hard-won democracy. Expectations alone have a potential to derail the country. If there is nothing to somehow show that such expectations are being met, and people begin to realize that their dreams may never be realized, reconciliation, reconstruction and development in South Africa will be negatively affected by the GEAR strategy.

Privatization is also taking its toll on ordinary Gauteng people. It is leading to loss of many jobs as reported in the media. Jobs losses have a direct link to acquiring education because parents may not be able to send children to school. In its efforts to effectively deal with the budget deficit and also to reduce its debt, the State has embarked on privatization, or what it prefers to call public-private partnerships (Manuel 2000:62). The proceeds from the sale of State assets are supposed to be used in improving the provision of social services particularly to the poor. Education is one of the elements of social services that is supposed to benefit from such restructuring. However, given the State's commitment to other matters, education will not benefit from the restructuring of State assets which has thus far netted R6.9 billion (ie.during the financial year 1999/2000) (Manuel 2000:107).

Some of the proceeds from privatization are being used to establish and fund the Umsobovu Fund to create jobs and provide skills to the youth in particular. The Umsobovu Fund is mainly financed by the proceeds from demutualization of the giant insurers Sanlam and Old Mutual. The State also expects to yield further

benefits from sale of parastatals such as Telkom, South African Airways (SAA), Denel and Transnet (Manuel 2000:24 and 49).

However lucrative privatization may seem to the State, it has severe shortcomings as it has been explained in this study. Privatization tends to remove wealth from the hands of local nationals to the ownership by foreigners. South Africa is also taking the same route. For example, 30% of Telkom was sold to the United States group called SBS Communications and Telkom Malaysia, 20% of the Airport Company was sold to Aeroporti di Roma (ADB 1998:97 and Manuel 2000:108).

The argument that has been advanced earlier on that restructuring deprives social services still holds. There is no disputing the fact that restructuring brings a lot of money to the State, but the point is that such money is a once-off-payment and not a continuous cash-flow for the State. If instead of privatization, which does not only deprive the State of constant cash-flows but also creates unemployment, the parastatals were forced into operating along business principles, they would be profitable and the State would be ensured of continuous resources and as a result social services like education would be greatly enhanced.

There is also no disagreement as to the fact that privatization causes unemployment. The South African Minister of Public Enterprises, who is therefore charged with privatizing State assets, also accedes to this fact when he said that government would design its restructuring programme in a way that would limit large scale unemployment (Sawyer 2000:5). One of the main tenets of privatization is that it leads to competition which is good for the consumer. The consumer is said to benefit in many ways, among these being lower prices. To this effect, one newspaper respondent stated:

The argument that privatization leads to reduced prices is a myth. This cannot be supported by fact.... What is not being said is that in some of these sectors competition is not possible. I cannot see

anybody erecting railway lines throughout the country to compete with privatized Spoornet. The same goes for electricity” (Mamaila and Bailey 2000:1).

Along the same breath, Tsedu (2000:8) observes with curiosity the privatization of Telkom:

“...this is important as the development of Information Technology is interlinked with the availability of communication lines. Without this access in all areas, especially rural areas, education in those areas becomes redundant as schools produce graduates who are incapable of plugging into the new world economy dominated by information technology. Yet these are far-flung areas where economies of scale mean service providers make huge outlays of capital for little returns and thus private institutions in the business for profit and profit only would ignore them and concentrate on financially well-off urban areas... In the end we will be faced with foreign ‘strategic partners’ dictating the process and looking for ever growing profit margins...”

Although there is no clear statement of privatization in education per se, Section 21 of the South African Schools Act (SASA) (1996) alludes to that point. The section allocates specific functions in education to school governing bodies. A school which is granted such functions becomes a self-managing school. The state simply allocates funds and the governing body does the rest. Some of the functions allocated to school governing bodies are (South Africa 1996 (a):29):

- (a) to maintain and improve the school’s property, and buildings and grounds occupied by the school.
- (b) to determine the extra-mural curriculum of the school and the choice of subject options in terms of provincial curriculum policy.
- (c) to purchase textbooks, educational materials or equipment for the

- school and
- (d) to pay for services to the school.

In interpreting the SASA it may be found that the State is abdicating many of its function in schools. Once a school has been allocated its share of the budget money, it will have to raise extra money resources for many other things needed by the school. One feature of such schools is that school fees have been drastically increased (School Wise <http://www.rocketingfees>). However, according to Kibi (2000) this policy will enable the State to address the question of redress in schools. The State will be able to concentrate on the previously disadvantaged schools to improve their conditions. Therefore, as Kibi put it, the policy advocated by Section 21 of SASA is not privatization. It may rather be termed *publicization* because it places schools in the hands of the public represented by local communities. This “publicization” is also seen as being in line with the concept of people’s education for people’s power since local people will have the power to determine, among other things, the context within which education takes place.

The concept of self-managing schools has deep underlying implications for public education. With the State having difficulties in employing educators, schools will privately employ educators and these educators will have to be paid from the school funds. Consequently schools will continue to charge higher fees in order to pay educator salaries. Alternatively schools will be forced to abolish some of the subjects from their curriculum in the face of educator shortages. In both instances, higher school fees and educator shortages, it is the consumer of education that will finally reap the fruit. According to Watkins (1999:118- 123), self-financing of schools leads to inequalities because there are huge differences in the incomes of parents. Even flat rates would not guarantee equality for the poor because:

1. the poor tend to have more children than the rich.
2. the poor have little disposal incomes compared to the well-to-do.

3. private expenditure reflects social and economic difference within and between communities.

Privatization therefore disfavours the poor households because it (privatization) forces the poor to allocate larger share of their incomes to education costs. In the final analysis high education costs translate to a state of no education for some. The poor cannot afford many direct costs of schooling such as uniforms, transport, meals and contributions to the maintenance of schools. Section 21 of SASA contains similar points which were observed under section 3.3 of the study.

In a developing economy like South Africa, formal education is too important to be privatized. Privatization may negatively impact on the RDP's objectives of, for example, achieving equality and removing gender imbalances, and sustainable economic growth (ANC 1994:59 - 60) as many children who are future producers may be forced out of schools. Given also South Africa's programme of achieving reconciliation, privatization will widen the poverty gap and thus reduce the chances of reconciliation. It would be to expect too much of the poor to reconcile in poverty and deprivation. The school will be seen as, in the words of Rao (1985:18), "*a social barrier ... a dividing line between the well-to-do and the poor*".

The role of education in development is succinctly stated in the RDP White Paper (South Africa 1994):

In Developing our Human Resources, our people will be involved in decision-making process (sic), implementation, new job opportunities requiring new skills, gaining reward for existing skills previously unrecognised, and in managing and governing our society. This will empower them, but can only succeed if there is also an appropriate education and training programme. The RDP

deals with education from primary to tertiary level and from child-care to advance scientific and technological training. It focuses on young children, students and adults. It deals with training in formal institution and at workplace.

Education is also seen as a foundation for a democratic society thus:

This programme for development of our human resources underpins the capacity to democratise our society, thus allowing people to participate on the basis of knowledge, skill (sic) and creativity (1994:9).

It is also the present government's intention to make education a vehicle for reconciliation and reconstruction. In this case the starting point is to make education a basic human right provided to all irrespective of race, class, gender creed or age. This way, the provision of education is supposed to raise the levels of life-expectancy, skills and productivity, encourage independent and critical thinking. The government rejects the strict division between academic and applied, theory and practice, knowledge and skills view of learning. Instead it prefers an education system which embodies and promotes collective moral perspective of the citizenry with participation in arts - dance, music, theatre and crafts (South Africa 1995:13 - 22).

Woodbridge (1995:193) points out that the stunted and wasted human capacity of the majority of the South African population is the result of the then education and training system. The apartheid education system was fragmented, unequal and undemocratic resulting in destruction, distortion and neglect of the country's human potential. Apartheid education has had devastating results for the social and economic development of the country. Woodbridge simply shows what formal education (or lack thereof) can do to people. With a better system of education, people's lives can be greatly improved. This improvement could come in the form

of, for example, a better working economy, an improved position of women as discussed in chapter two. In a study conducted by Serumaga-Zake (1995:828) among blacks in South Africa, it was found that the more education women had, the better were their earnings, and thus standard of living.

The South African government in the RDP White Paper also emphasizes the importance of education for women. It says (South Africa 1994:9):

... if we are to develop our human resources potential, then special attention must be paid to the youth, in particular young women....

The neo-liberal paradigm which is representative of the GEAR strategy severely limits the role of the State in social upliftment of the poor. In the words of Schuurman (1993:12) neo-liberalism deprives the developing state of the tools to intervene on behalf of the poor, who among other things, are without education. The GEAR strategy is therefore most likely to worsen the existing relationship of people to resource and commodities because the existing relations of economic power do not lend themselves to the benefits of the economic growth to trickle-down to the poor. South Africa, with the contrasts of, on one hand abject poverty and continued vulnerability and on the other, glaring richness, will find it difficult to address inequalities in education if neo-liberal policies become the guiding principles. While GEAR's targets are sound, ambitiousness may derail the country and thus miss the economic targets which are so crucial to human development in South Africa. It has been in fact found that education in South Africa is pivotal in reducing poverty. Statistically, the poverty rate is 67% for those without any education: 54% with primary education: 24% for those with higher secondary education and 3% for those with education (Summary Report 1998:2 -25). Once again this statistic shows what has been stated earlier on here that education is not regarded as a pinnacle for development but as being central to development and therefore poverty reduction.

The willingness by the South African State to adopt the GEAR strategy, it has been shown, is reinforced mainly by the desire to obtain foreign aid. External sources of finance for South Africa are organizations such as the World Bank, IMF, USAID, the European Union and others - private or multilateral. Now to qualify for assistance to these organizations, borrowing countries have to meet specific requirements. In fact all lending agencies use the World Bank/IMF criteria. But it has been shown that the criteria used by the IMF/World Bank have negative effects on areas such as education, health and employment (Kappel 1996:14).

Specifically for South Africa, prior to the 1994 elections, that country entered into a loan agreement with the IMF in 1993. The loan for eight hundred and fifty (850) million dollars was signed by the Transitional Executive Council (TEC) which was a body established to advise the apartheid government and oversee the process to the 1994 elections. The signed Letter of Intent committed the new democratic government to:

- (1) reduce government deficit by six percent of the gross domestic products (GDP)
- (2) control of expenditure rather than tax increases.
- (3) control of the civil service wage bill.
- (4) tighten monetary policy.
- (5) phase out of import licensing and tariff barriers.

The conditions set above have far-reaching consequences for South Africa. The conditions amount to the structural adjustment policies discussed in chapter three, section 3.2. In particular, the reduction of government budget deficit and wage restraints have a direct impact on fiscal policy. The IMF conditions render the government an “enabling agent” more than anything. But the position of being an enabler does not seem to be working well. Its poor performance has been seen in countries that implemented the IMF/World Bank prescriptions.

Having gone through all the above factors, the question that remains to be answered is whether or not the objectives of the RDP will be met with the current economic policy - particularly in education. Already the government has been forced to postpone the implementation of Curriculum 2005 by four years since its implementation with grade ones at schools. The reason cited for the postponement were that there was a shortage of funds and that the education department had underestimated the dysfunctionality within the system it inherited (Ludski 1998:4). This is one of the problems that will continue to engulf the transformation of education in South Africa. The success of the RDP rests heavily on the success of the country's economic policy while the success of the formal education system rests on both issues. The RDP, like any other project, will also undergo *a process of trial and error* and this process will impact on delivery by the formal education system. Clearly, then, the South African system of formal education is not free from the processes of trial and error as the Ministry of Education would want to believe. In fact to think that any development process can be free from errors is to imply that the future is predictable and this is far from being the case. This argument flows from the statement by the Ministry of Education that while the development of its policy is a learning process, *"it will not involve through the processes of trial and error"* (South Africa 1995:14). The argument can best be closed by quoting Thompson (1981:16) that *"to pretend that we have yet understood the process of social change so well as to be able to predict it... is the most arrogant conceit."*

Even matters which are not directly related to classroom education also depend on the RDP and the economic policy of the country. The present feeding scheme is a case in point. It is in operation in previously disadvantaged primary schools and it is directly related to learning. Quality education, as discussed in previous chapters, also depends on the quality of life of the community where the learners come from. It is hard to find quality education among the poor communities mainly because the learners themselves are not in a position to learn. They tend to suffer from sicknesses associated with hunger, which includes fatigue. As a result their attendance at school becomes poor, they fall behind in class and finally

drop out (Hartshorne 1992:38 and 39 and Kallaway 1996:20). All these conditions have been positively linked to malnutrition. The sustainability of this feeding scheme is also under the spotlight given other social matters of urgency such as population growth and the spread and impact of HIV/AIDS pandemic (Levin 1993:25).

Given the conditionality of the IMF/World Bank loans, the sustainability of the feeding scheme in Gauteng schools is placed in jeopardy. Reduced government expenditure, which is a priority for the money lending institutions also impacts directly on the feeding scheme. When the government is finally forced to abandon the feeding scheme project, children from poor families will once again be faced with the horrors of hunger. There would be more repeaters and dropouts and, in the words of Harrison (1987:307), "*wasting a great deal of resources.*"

5.4 Conclusion

The major aim of this chapter was to present the findings of the study and offer some analysis thereof. The findings showed that reduced public spending will negatively affect the provision of education in South Africa. The analysis also indicated that there has been in fact a major paradigm shift in the South African development context. With the RDP one would expect an economic policy which advocates strong State involvement in the economy of the country, however the RDP has been superseded by GEAR. The dominant role of GEAR in South Africa's developmental context is shown in the next chapter.

CHAPTER SIX

Summary and conclusions

In this final chapter of the study, two aspects are addressed, namely summary of the findings obtained in the study, and the conclusions. The conclusion also points out the salient features of formal education which could be jeopardised by an ambitious economic policy in the context of the South African situation.

6.1 Overview of the problem

Before the two aspects are presented, the statement problem will be revisited to determine the extent to which it has been addressed. The statement problem was stated in section 1.4 as:

South African macroeconomic strategy of Growth, Employment and Redistribution (GEAR) puts great emphasis on growth, privatization and reduced public expenditure policies. These policies are most likely to have severe effects on public education system which, in turn, is crucial to the development agenda of the country. The GEAR strategy is likely to retard progress towards redress, quality and equity in education and also impact negatively on the RDP educational goals.

The imbalances and inequalities that existed in the South African education system during the apartheid era are still in existence. Although the post 1994 governments are working towards ensuring that funding is equal of everyone, there are still inequalities in terms of quality school buildings, teacher qualifications and classroom provision. These are some of the inheritances from the apartheid era.

To successfully address them requires most probably increased funding.

The study has shown that the GEAR strategy reflects the characteristics of the structural adjustment programs to a very large extent. As a result, this economic policy will have difficulty in addressing itself to educational needs of the country. With reduced funding, schools in previously disadvantaged communities in particular are most likely to be negatively affected. Such effects are also likely (in the whole public education system) to push education consumers to private institution. Because of poor salaries in education and the capacity of the state to increase spending, teachers, particularly in public education system, are showing low morale. Also due to the GEAR strategy's stringent monetary controls, the State is simply unable to pay salaries that will raise the economic status of teachers.

Schools in poor communities continue to run short of essential facilities for learning and extra-mural activities. Instead the government, through Section 21 of SASA of 1996, is encouraging the communities to take charge of their schools. This position illustrates the inability by the state to run schools effectively under a restrictive economic policy. It can be stated that Section 21 is paving the way to privatization.

In section 1.5 of this study, the RDP was indicated by specific factors. Evidence obtained through the study shows that very little is taking place in that direction, particularly in poorer areas, very little of technology is happening. An example would be the introduction of computers in schools. There is also no new teachers being employed, instead retrenchments and redeployment were introduced and still no success was achieved. Schools also still run short of classroom materials for learning. The building of more new schools has been very slow. Consequently, no new teachers are being employed, instead existing teacher/pupil ratios are being increased creating more workload for teachers. Section 1.5 also specified the GEAR strategy indicators. In fact this research study found that to a very large extent the conditions are those indicated by GEAR in section 1.5 of

this study.

So that finally, the GEAR strategy does not show suitability for the educational needs of a developing country like South Africa.

6.2 Summary of findings

- ★ The macro-economic strategy of GEAR is a kind of structural adjustment programme since it is committed to meet with the requirements of the Letter of Intent signed with the IMF in 1993.
- ★ The GEAR strategy favours the business community while the RDP favoured the working-class. The GEAR-RDP situation represents a paradigm shift in the context of development in South Africa.
- ★ The GEAR strategy has had sizable impact on the public expenditure patterns. The concern to reduce the budget deficit to 3.0% in the fiscal year 1999/2000 and thus use the savings to service debt, has led to the restructuring and retrenchment of teachers as well.
- ★ Due to restrictive nature of the GEAR strategy and thus cuts in education spending particularly on personnel, salaries are going to be low and may not even level the inflationary rates. In spite of the fact that more money is spent on teacher development, for example R272 million for the year 2000/2001, there is no improvement on teacher salaries and all those employed in support services. This position is consistent with the GEAR strategy of wage moderation. This is contributing to the low economic status of teachers in particular.
- ★ Formal education is accepted as one of the determinants of the welfare of society. Good quality education determines the quality of labour which translates itself into better productivity and improved economic

performance. Good economic performance means there is economic growth which, assisted by good policies, has the potential to alleviate poverty.

- ★ Formal education has a very strong positive influence on the attitudes of people. A new culture, for example respect for human rights can be successfully introduced and sustained by formal education;
- ★ Women in particular are able to improve their economic status and thus their social status in society. Through formal education-child bearing is postponed and when women finally decide to have children, they tend to have children with better health and the infant mortality rate is greatly reduced.
- ★ Restructuring of the state assets is in simple language, privatization. The GEAR strategy has this far not been successful in creating the envisaged 400 000 job opportunities per year by the year 2000. Instead, the economy has witnessed massive loss of jobs. Unemployment directly affects schooling, especially in a privatizing environment, since parents are required to finance the education of their own children;
- ★ The South African State implemented the voluntary severance packages to retrench employees in the public sector and was forced to drop the plan as funds dried up:
- ★ The GEAR strategy will impoverish the public education system. This will greatly lead to more and more well-to-do families to opt for private schools;
- ★ As schools are expected to raise funds for themselves, school fees are rising. High fees tend to be a barrier to access to education. Public schools facilities are very likely to be used to promote elitism;

- ★ About 40% of the poorest of the poor communities' schools were allocated extra funds to improve their conditions. This money includes transport subsidies for rural learners. The aim here is to achieve redress in education.
- ★ There is a very high rate of temporary teachers in schools. The State is refusing to employ any more permanent teaching staff;
- ★ The educator/learner ratio of 1:40 and 1:35 in primary and secondary schools, respectively, is considered high by the educators. Some schools have classes of 1:50.
- ★ Higher ratios and thus larger classes ensure fewer teachers and lesser classrooms. Lower ratios will force the State to employ more educators and build more classrooms than it does presently;
- ★ Still very few schools, particularly in previously disadvantaged communities, have or use modern technology in the form of computers, and facsimile machines. Many other facilities which are essential for quality education are missing. These schools have no libraries, no laboratories and also lack sporting facilities.
- ★ There are schools that still do not receive learning material (textbooks and stationery). It is difficult to say whether there are no funds or it is poor planning at this point. Corruption is also detected as it has been discovered that some officials take and sell these materials for their own private benefits.
- ★ One of the factors which influence the quality of education is the number of hours worked. In education teachers have seen their working hours being increased to seven from six hours. Longer working hours and low

remuneration are highly characteristic of adjusting countries. The number of working hours is reasonable, but should be remunerated accordingly.

- ★ There is an agreement that there should be a minimum requirement of qualification for teachers. However, as to whether higher qualification necessarily leads to production of good scholarly results is still debatable;
- ★ Section 21 of the South African Schools Act (Act No. 84 of 1996) places schools at the hands of communities. The State is clearly shifting responsibilities and this situation may impoverish the schools where the poor children attend;
- ★ The impact of HIV/AIDS is at this stage speculative. However, the pandemic is likely to change the education scene.

6.3 Conclusion

The South African paradigm-shift which is represented by the macroeconomic strategy of GEAR is clearly not representative of sustainable people-centred development. The GEAR strategy puts most emphasis on economic growth. This growth, it is hoped, will trickle down to benefit everyone in the long run. This belief is tenaciously clung to despite the overwhelming evidence which shows that in developing countries in particular economic growth is not accompanied by growth in employment opportunities for the overwhelming majority of the ordinary people, that structural adjustment policies have shown that dependent economies rather benefit other people than the intended local people, as one Zambian woman succinctly put it:

I have read that our country is stabilising, that may be true, but we have no jobs. We can't send our children to school. Maybe stabilising is a good thing

for the country's (sic) we pay debt to, but here life is getting harder" (Watkins 1999:71).

There is also a lot of evidence in developing countries which shows that economic growth as well as debt relief are not always used for development purposes but to meet other goal. Watkins (1999:156) points out that the benefits of debt relief, for example, are usually used for ministerial salary increases, buying arms and prestige projects of little value to the poor. This condition is also found in South Africa. The Department of Defence has been allocated more funds (see appendix 1) to acquire war planes and South Africa's ministers have also earned themselves the title of "fat cats" because of the high salaries they give to themselves, at the expense of shortages in social services.

Economic development and formal education, as central pillars of this dissertation are inseparable. The successful reconstruction and development of South Africa rest on what human resources are available. This is evident in the RDP White Paper (see section 5.3.4).

The section quoted above shows the government's view of education regarding the RDP. The RDP regarded education as a life-long process of learning. Clearly, it was hope that with basic education, people can build on it to higher levels of learning. In Nyerere's (1973:293) words, "*with universal literacy people have basic tools with which they can become more efficient in their daily work.*" It is this philosophy which informs the present introduction of a new system of education in South Africa. The system is hoped to be learner-centred and would produce a new breed of learners to become successful economically (Olivier 1998:34 and Anstey 1998:1).

Some of the principles of the RDP, namely nation-building, sustainability and reconstruction and development (South Afric 1994:6 and 7) border directly on education. While it can be said that education is not a panacea for development, there is no doubt that it is central to development as shown in the previous

chapters. For development to be sustainable, a certain level of educational attainment is necessary. It was pointed out, for example in chapter two, that in a competitive global economy literacy is an economic pillar. The RDP recognizes the fact that development needs formal education to be successful. Other types of education are of course also seen as important. Emphasis on formal education in this study is due to the fact that formal education is specifically targeted by this study.

Economic development in South Africa will, to a large extent, also depend on peace and security on which nation-building, reconciliation and development depend in turn. Without these elements, instability may render the economy unworkable. It is under these circumstances that formal education, more than any other thing, will be called upon to close the gaps. It was formal education, more than anything that was used to divide the people of South Africa during the era of grand-apartheid and the consequences were enormous on the economy. It is education again that is being called upon to remedy the situation (Kahn 1996:281). All these factors points out that the South African education requires huge resource if reconstruction and development will succeed.

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APPENDIX 1: National budget expenditure 1996/7 - 2002/3 (R million)

	1996/97 Audited	1997/98 Outturn	1998/99 Estimate	1999/00 Prelim. Estimate	Medium -term estimates		
					2000/01	2001/02	
Presidency	53.6	53.6	65.4	86.1	83.9	87.1	92.5
Parliament	345.3	331.9	350.5	348.8	416.0	407.0	425.9
Agriculture	820.1	976.8	739.3	702.1	723.7	720.6	722.3
Arts, Culture, Science	533.2	648.2	818.4	888.9	956.3	1056.6	1175.7
Communications	571.6	464.0	842.3	814.2	466.9	478.3	431.7
Correctional Services	3424.5	3962.3	5243.0	5197.6	5787.5	6016.7	6514.1
Defence	10984.3	11170.8	10439.4	10727.7	13766.8	15272.2	16491.0
Education	5319.4	5974.8	6469.5	7174.3	7482.4	7936.4	8246.3
Environmental Affairs	356.0	382.8	413.7	540.5	637.1	749.7	754.8
Finance	87222.1	88995.8	7281.9	8224.9	7071.6	7174.1	7619.9
Foreign Affairs	1138.8	1148.9	1418.3	1478.3	1325.2	1383.9	1351.8
Government Comm. & Info	57.7	36.4	48.7	56.5	60.7	64.3	69.7
Health	656.0	512.5	5126.9	6091.7	6304.1	644.8	6575.9
Home Affairs	433.9	533.6	1205.7	1386.9	1295.4	969.35	924.9
Housing	2070.1	4520.0	3747.6	3527.1	3333.4	3601.3	3574.6
Independent	-	13.4	21.2	22.1	25.1	26.0	27.1
Justice	1772.5	2210.8	2392.3	2693.8	2980.6	3246.6	3377.2
Labour	649.0	632.5	739.0	884.6	2176.6	3722.0	3964.1
Land Affairs	276.7	417.2	720.7	678.5	842.6	586.5	964.2
Mineral and energy	734.3	825.2	672.1	617.4	577.7	584.7	829.1
Provincial and Local	561.7	1111.5	3137.1	3451.5	3558.6	3803.0	4016.1
Public Enterprises	20.3	44.2	26.7	37.8	45.0	50.0	47.1
Public service	44.5	52.8	56.0	157.6	85.2	82.9	58.8
Public Works	2456.6	2820.5	24567.0	2945.3	3444.9	3536.9	3760.9
South African Management	9.6	11.8	24.6	13.9	18.4	19.2	20.0
South African Police Service	11634.7	12848.5	13976.8	14650.7	15456.9	16385.9	17172.5
Sports and Recreation	54.5	118.4	85.8	138.6	57.7	56.7	59.0
State Expenditure	1134.3	1065.1	1159.4	1152.9	1300.1	1422.6	1497.8
Statistics South Africa	371.7	175.3	94.6	143.6	239.2	486.8	242.2
Trade and Industry	3231.8	2470.0	1913.9	1794.7	2203.6	2264.2	2332.2
Transport	3130.3	3603.7	3553.0	41115.7	4093.6	4476.1	4699.4
Water Affairs	2357.5	2820.1	2864.6	2815.3	2642.4	2698.1	2765.2
Welfare	66.9	145.0	90.8	366.9	1341.9	276.3	76.5
Plus:							
Amounts still to be							
HIV/AIDS allocation	-	-	-	-	75.0	125.0	300.0
Poverty Relief	-	-	-	-	547.0	847.0	950.0
Accounting	-130.9	-28.4	-	89.2		97410.0	-
Voting statutory	142	151	78334.4	84074.8	90473.8	-	102365.9
Plus:							
Umsobomvu	-	-	-	855.0	-	-	-
Interest on debt	33160.4	38819.7	42669.3	44482.6	46490.0	49531.1	50997.0
Provincial equitable	-	-	81542.4	86595.4	94408.3	100167.1	105157.8
Standing	284.4	34.	40.0	60.0	80.0	370.0	150.0
Contingence reserve	-	-	-	-	2000.0	4000.0	8000.0
Recoveries from	-334.5	-	1058.0	-	-	-	-
National budget	175	189	201534.1	216040.8	233452.2	251478.0	266670.6

Source: Manuel, T. 2000. Budget Speech (Ministry of Finance)

APPENDIX 2: Composition of foreign debts, 1993/4 - 1999/00

As at 31 March 1994 - 2000							
Percentage of total	1994	1995	1996	1997	1998	1999	2000
							Estimate
US Dollar	4.42	39.1	29.33	36.77	49.02	60.35	41.52
ECU/Euro	18.24	11.2	10.76	6.59	0.62	-	24.52
Deutschmark	15.26	9.37	9.74	16.32	11.24	10.48	7.84
British pound	-	-	5.48	5.41	6.36	6.14	5.08
Austrian schilling	-	2.42	1.27	0.51	-	-	-
Japanese yen	-	-	11.74	9.79	22.24	23.03	21.04
Special Drawing Rights	62.08	37.91	31.68	24.61	10.52	-	

Source: Ministry of Finance, Budget speech 2000

APPENDIX 3: Projected State debt costs, 1988/99 - 2002/3 (R million)

	1998/99	1999/00		2000/01	2001/02	2002/03
	Outcome	Budget	Revised	Forward Estimate		
Interest:	42 664	46 062	44 278	46 425	49 480	50 945
Domestic	41 421	44 321	42 899	44 630	47 027	47 917
Foreign debt	1 243	1 741	1 379	1 795	2 452	3 028
Management cost	1	0	1 74	15	2	2
Cost of raising loans	5	50	31	50	50	50
Total State debt cost	42669	46112	44483	46490	49531	50997

Source: Ministry of Finance, Budget Speech 2002/3

APPENDIX 4: Interviews

Interviewees	Organisation	Date
Mr Nkanca, S Labour Marketing Co-ordinator	Nactu	10 May 2000
Dr Adelzadeh, A. Research Director	NIEP	17 May 2000
Mr Lewis, J. Research Officer	EduSource	16 February 2000
Mr Nkosi Executive Officer	TUATA	04 February 2000
Mr Scorgie, C. Executive Officer	NUE	28 January 2000
Mr Kibi, M. Chief Director: Pre Tertiary	GDE	12 August 2000
Focus Group	Principals	09 June 2000
Mr Tredeaux, T. Director: Education	Department of Finance	06 April 2000
Ms Bot, M. Editor	EduSource	18 May 2000

APPENDIX 5: INTERVIEW SCHEDULES

5.1 Questions to the trade unions

*Do you think economic policies in any way relate with education?

*In your view how does the GEAR strategy relate with education in SA?

*You have been quoted as saying GEAR is the source of crime and unemployment, what leads you to think this way?

*How many jobs have been lost as a result of GEAR since it was introduced?

*Do you think we can still expect more job losses in the future due to GEAR?

5.2 Questions to the non-governmental organizations (NGOs)

***Do you think the criticism that the GEAR strategy creates unemployment is in any way justified?**

***In your view, what is the economic justification for government to be involved in education?**

***To what extent do you think economic policies affect education?**

***Do you think education shapes economic performance, or is it the other way round?**

***In your view, what constitute/s quality education?**

***Given the existence of GEAR, what are the chances of government success in redressing the imbalances in education?**

***What factors can affect (negatively/ positively) access to education?**

***Tell me about private education. Is it good for the country, can we afford to promote a system like that, what are its effects in term of elitism?**

5.3 Questions to focus groups (principals)

- *How has redeployment / rationalization affected you?
- *Which areas of learning/ teaching do you experience problems mostly? Tell me the nature of the problems, and how you deal with them.
- *Are your facilities such as laboratories, libraries and sports fields in good conditions?
- *What technology exists in your schools?
- *What is the situation in terms numbers of learners-----are you experiencing increases / decreases? How can you explain that situation?
- *Tell me about your classroom conditions-----conduciveness, materials, teacher-pupil ratios?
- *What is your view of the once-off bonuses paid by the Department instead of increased salaries for additional qualifications?
- *Tell me about the in-service training you receive. Are you happy about it?
- *What are your experiences regarding teacher shortages / surpluses?
- *How has the VSP question affected your schools?
- *Do your salaries reflect your qualifications / experiences?
- *In your view what constitutes quality education?
- *What factors are there that you could regard as addressing / inhibiting redress and accessibility in education?
- *Everybody is concerned about the HIV/AIDS problem. How is it affecting your schools?
- *Which parts of education would you like to see the State spending more money on?

APPENDIX 6: LETTER TO GDE HEAD OFFICE

Dear Madam

re: Request for basic statistical information for research topic: EDUCATION AND DEVELOPMENT : FORMAL EDUCATION, GEAR AND THE RDP

Our telephonic conversation this morning refers.

Will you kindly provide me with the following information for the periods 1989---1994 and 1995---1998:

1. matric pass rates
2. teacher and classroom backlogs / surpluses
3. teacher qualifications
4. expenditure per child
5. total number of learners
6. number of teachers who resigned

As indicated earlier this morning, mr lekhotla mafisa is aware of this project and if necessary you may like to verify this information with him.

Thanking you for your co-operation.

Yours sincerely

APPENDIX 7: LETTER TO SCHOOLS

To: The Principal

I kindly request you to complete the attached questionnaire. It is a questionnaire for study purpose. Your confidentiality is assured.

However, should you require any feedback from the study, you are welcome to indicate your desire and return this questionnaire by mail with a self-addressed stamped envelop to the researcher at the above address. If, on the other hand, you do not need any further correspondence please return the completed questionnaire to your district office.

I thank you for your co-operation.

Yours faithfully

The Researcher

APPENDIX 8: LETTER TO A DISTRICT OFFICE

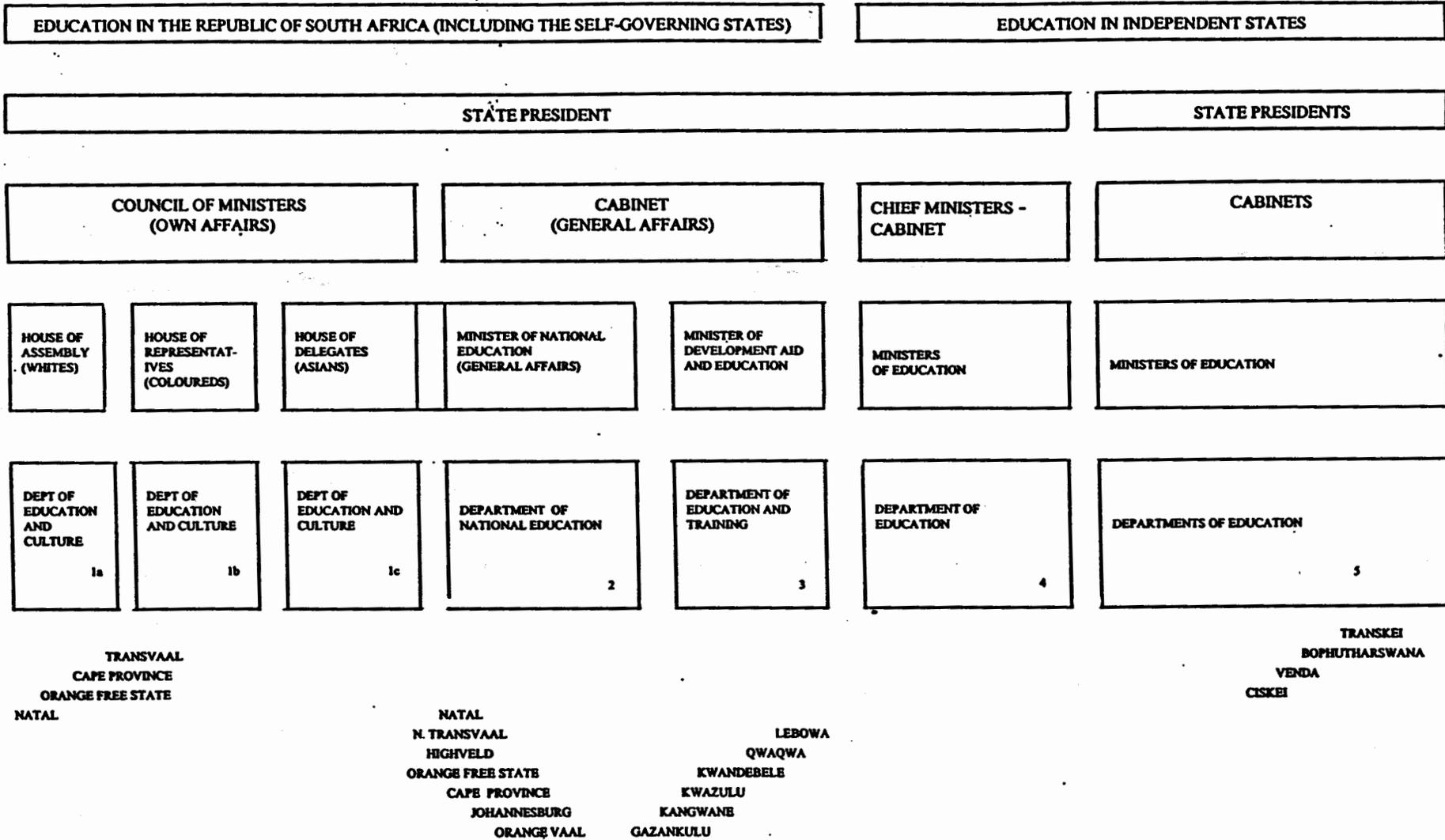
Dear Madam

I am a master's student with unisa. I am presently doing research in education and would kindly request to use your offices as my distribution and collection point for the questionnaire to your schools. I would deposit the said questionnaire in the pigeon holes, request that someone here keep these questionnaires for me to collect. Please find herewith a letter from my supervisor at Unisa confirming my status.

I thank you for your consideration.

Yours faithfully

EDUCATION IN SOUTH AFRICA



Appendix 9: Structure of education prior to 1994 in South Africa

Figure 4.1 The structure of education prior to 1994 in South Africa (Adapted from: Behr, 1988).

Appendix 10:QUESTIONNAIRE

Please mark with an X ,or fill in the answer as the case may be:

1. Is your school a secondary , or primary?

2. How many learners do you have?

3. How many educators do you have ?

4. How many classrooms do have?

5. How many educators do or did you have in excess , or shortage?

6. What is your educator / learner ratio?

7. How many educators have been redeployed in your school?

8. What is your view of the 38:1 ratio?

9.What are the qualifications of your educators? Please give numbers.

9.1 Less than M+3

9.2 M+3

9.3 M+4

9.4 Degree

9.5 Senior degree

9.6 Other

10. Do your educators attend any departmental in-service training?

11. Do you have properly functioning : Laboratory

Library?

Sporting facilities?

12. Have you received all stationery from the department?

13. Have you received all textbooks from the department?

14. Do you charge school fee?

15. How much is your school fee?

16. How many parents pay the school fee?

17. Do you have parents who are completely or partially exempted from paying the school fee? If YES, how many?

18. Do you have enough furniture (learners and educators)?

19. How many temporary teachers do you have ?

--

20. How many teachers have taken the VSP in your school?

--

21. What educator / learner ratio would you prefer?

--

22. How would you describe the morale of your educators?

--	--

23. Are your classrooms in satisfactory condition?

--	--

24. Does your school have electricity?

--	--

25. Is your school in an area formally classified as

--	--	--	--

26. Do you have learners with transport problems?

--	--

27. Has your school established relationships with the private sector?

--	--

28. What is the joint income level of parents of your learners?

--	--	--	--	--