Chapter 3
Comparing Financing Models for Vocational Education and Training in Botswana, South Africa, and Zimbabwe

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ABSTRACT

Funding for vocational skills development is important for effective development of graduate competencies. A comparison of literature on funding models in Botswana, SA, and Zimbabwe reveals common models with alternatives augmenting predominant systems. Funding in the three countries is predominantly through public funding and levy-grant system. Other funding sources include income generating activities, corporate and donor funding, fees from students and student grant-loan schemes. Some challenges in TVET funding include fragmented financing systems, general high cost of financing TVET, lack of commitment by stakeholders, poor image of TVET against academic education, inadequate public budgetary allocations by most governments, lack of research and feedback to TVET planners from labour market to allow planning and adjusting funding models for future skilled manpower requirements. There is need to have adequate funding to ensure that graduates fully gain the necessary competencies.

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INTRODUCTION

Financing mechanisms have a central role to play in developing an effective, efficient, competitive, flexible and a market demand-driven training system (Sheppard & Ntenga, 2015). Education system must be responsive to meet the industrial skills needs of the economy and develop society. Even though skills development is considered a priority in many countries, stakeholders in developing countries still find it difficult to develop financing systems to improve their TVET systems and cater for today's demands (Uhder, 2017:4).Botswana and South Africa since they are still doing well in their economies can learn from developed countries such as Switzerland, Netherlands, Sweden, UK, Singapore and many others. According to Global Innovation Index (GII) 2018 report on country's percentage of the Gross Domestic Product (GDP) expenditure on education, Switzerland ranked position one in their expenditure on education with 25% of the costs on VET programs. VET programmes are financed through public funds (of government and cantons), approximately 35% of costs are catered for by host companies, who recoup these expenses back from the productive work outcomes of the apprentices (SERI, 2014:18).However, South Africa ranked 58, Botswana 91 and Zimbabwe 113 of the Gross Domestic Product (GDP) expenditure on education. This indicates that often TVET tends to get low share of the public budget expenditure in Botswana, SA and Zimbabwe compared to other developed countries.

The delivery of TVET to meet its envisaged goals largely dependends on funding provisions and level of funding adequacy, and this has an effect on the quality of graduates and socio-economic development of society (UNESCO, 2015:5). Graduates must fully gain the necessary competencies and industry exposure for them to operate effectively in the workplace and, in turn, contribute to socio-economic development of themselves and their countries (UNESCO, 2012:10). There is need to have adequate funding to ensure TVET instruction is not compromised by lack of adequate resources (Chakamba, Jumo, Edziwa, Chiweshe; 2013:117). Although the provision of TVET sector is expensive in meeting resource demands such as highly skilled and qualified teaching personnel, infrastructure, equipment, training materials/consumables, it is important to produce graduates who are well equipped with both knowledge and skills that respond to industrial expectations. In addition the development of proper curriculum that maintains synergies with industry must be a priority (Munetsi, 2016:30). In any case, TVET systems have to transform with technological and labour market changes, and must adapt to remain relevant. Funding for vocational skills development in all three countries is predominantly through public funding and company levy-grant system (Munetsi, 2016:30; UNESCO, 2012:10). The funds have to meet the demands of the growing population, general