

FINANCING ADULT BASIC EDUCATION

Investments in ABE and training for previously marginalized groups are critically important for the establishment and strengthening of democratic institutions. They may also provide an important stimulus to aggregate output and demand, and so contribute to the attainment of a new and higher growth path. ABE investments are thus an integral element of a comprehensive strategy for the transformation of labour markets and other social institutions.

Sustaining the costs of ABE investment against competing demands from within and outside the education sector will depend upon a very strong political and financial commitment on the part of the central government. ABE cannot be left to the market, or forced into the political arena to compete for resources: the demand for funds in other sectors is too strong, and the political influence of ABE clients is too weak, to ensure access to resources in the absence of protection at the highest levels.

SHORT-TERM STRATEGY

Short-term initiatives including literacy campaigns will have to be funded from general budget revenues and "donated" resources. The level of budgetary support depends entirely on the intensity of the government's commitment to ABE. Public officials have some scope for increasing the quantity of donated resources as well, both through social mobilization and through the establishment of tax and other incentives for private action. For example, students, union members, and other citizens may be encouraged to contribute time as literacy instructors, either in return for nominal wages or in the interest of social reconstruction. Employers may underwrite the time of their employees (as teachers or as learners), or make cash or in-kind contributions in response to tax allowances. Churches and other community organizations may contribute the use of their premises.

The prospective clients of ABE programmes are also expected to bear a share of the costs, including the costs of transport, refreshment, and materials as well as time. The provision of public resources to offset some part of these costs may be necessary to ensure their participation.

MEDIUM-TERM STRATEGY

In the longer term, the diversity of the ABE sector will require a variety of financing strategies to support both employment-based and society-based programmes. In all cases, however, the flexibility to adapt to rapidly changing demands will be an important criterion for policy design, which argues against supporting ABE programmes out of general budget revenues. A further argument against including ABE in the regular education budget is the need to protect ABE from competition with better organized or more articulate constituencies.

a) Employment-based programmes

In the public sector, ABE programmes should be an integral part of the government's strategy for job creation and skills training. Tenders for public works may be evaluated on the basis of their incorporation of ABE and skills training programmes for workers, as well as on their prospects for creating employment. Similarly, employment and wage offers for prospective workers on these projects may be structured to include participation in ABE and skills training on or off the job. For example, employment can be made contingent on workers' participation in ABE and training, with wages tied to levels of ABE attainment.

In the private sector, public policies will have to rely on a combination of incentives and sanctions to ensure the participation and commitment of employers and workers. Compulsion (e.g., requiring that workers spend one day a week in ABE programmes, as proposed by the MERG) may not by itself elicit levels of commitment sufficient to achieve programme objectives. Incentives for employers might include tax allowances for expenditures on ABE and training; sanctions for those who fail to invest in ABE might include denial of opportunities to bid on public sector contracts. Incentives for workers are often assumed to be intrinsic, but it may prove necessary to move beyond these and offer more tangible rewards if the skills of the workforce are to be dramatically increased.

b) Society-based programmes

Employment-based ABE programmes will reach a relatively small and privileged segment of the workforce. Developing programmes for marginalized and underorganized constituencies including farm and domestic workers, workers in the "informal sector," and rural residents will rely on the involvement of a wide variety of agencies from the public, private, and NGO sectors. A financing strategy for these programmes must be flexible and responsive to the diversity of ABE providers.

One approach to financing these programmes would be to establish a trust fund (income producing and not subject to annual expenditure requirements) for the support of ABE programmes. Funds to support specific programmes and projects could be provided on a matching basis to organizations in the public, private, or non-profit sectors whose objectives and standards are congruent with those of the national government. Depending on the demand for resources in the ABE sector, the trust could be replenished as necessary through the earmarking of revenues from specific tax sources, or through grants from internal or external donors.

Within the public sector, the central government might distribute funds for ABE programmes to regional and local governments on a formula basis. Failure to comply with policy guidelines or to meet agreed-upon objectives could then be subject to financial sanctions elsewhere in the budget.

DRAFT ABE BUDGET

TITLES	1990	NUMBE	YEAR 1	NUMBER	YEAR 2	NUMBER	YEAR 3	NUMBER	YEAR 4	NUMBER	YEAR 5	TOTAL	COMMENTS
SALARIES													
NATIONAL X2													
	R133,185		R133,185		R133,185		R133,185		R133,185		R133,185	R665,925	1 X CAT F = R74,932
SUB DIV X3 (TRAINING)	R123,942		R123,942		R123,942		R123,942		R123,942		R123,942	R619,710	1 X CAT E = R58,253
SUB DIV X6 (LIAISON)	R247,884		R247,884		R247,884		R247,884		R247,884		R247,884	R1,239,420	3 X CAT D = R41314
SUB DIV X6 (MATERIALS)	R247,884		R247,884		R247,884		R247,884		R247,884		R247,884	R1,239,420	6 X CAT D = R41314
SUB DIV X11 (ADMIN)	R277,992		R277,992		R277,992		R277,992		R277,992		R277,992	R1,389,960	11 X CAT C = R25,272
PROVINCIAL (9)	R1,198,665		R1,198,665		R1,198,665		R1,198,665		R1,198,665		R1,198,665	R5,993,325	1 X CAT F = R74,932
													1 X CAT E = R58,253
ABE EDUCATORS													
PRIMARY @ R400 p/m	R4,800	10000	R48,000,000	26000	R124,800,000	35600	R170,880,000	29200	R140,160,000	23200	R111,360,000	R595,200,000	6 hours per week (R2600pm ful- time)
SECONDARY @ R600 p/m	R7,200							2160	R15,552,000	3600	R25,920,000	R41,472,000	6 hours per week
MATERIALS DEV X5	R206,570		R206,570		R206,570		R206,570		R206,570		R206,570	R1,032,850	5 X CAT D = R41,314
BOOKS													
PRIMARY PER CAPITA	20.34	500000	R10,170,000	1300000	R26,442,000	1780000	R36,205,200	1460000	R29,696,400	1160000	R23,594,400	R126,108,000	Current DET expenditure on textbooks
SECONDARY PER CAPITA	103.55							108000	R11,183,400	180000	R18,639,000	R29,822,400	
EQUIPMENT 1994													
PRIMARY	8150	10000	R81,500,000	26000	R211,900,000	35600	R290,140,000	29200	R237,980,000	23200	R189,080,000	R1,010,600,000	Computer - 1 unit per 50 pupils
SECONDARY	8150							2160	R17,604,000	3600	R29,340,000	R46,944,000	
TRAINING OF EDUCATORS													
PRIMARY PER CAPITA	2500	10000	R25,000,000	26000	R65,000,000	35600	R89,000,000	29200	R73,000,000	23200	R58,000,000	R310,000,000	3 month course at similar unit cost to c
SECONDARY PER CAPITA	5000							2160	R10,800,000	3600	R18,000,000	R28,800,000	6 month course
SUB TOTALS			R167,106,122		R430,578,122		R588,661,322		R538,411,922		R476,369,522	R2,201,127,010	
BMI STATS													
GOVERNMENT = 64%			R106,947,918		R275,569,998		R376,743,246		R344,583,630		R304,876,494	R1,408,721,286	
PRIVATE SECTOR = 14%			R23,394,857		R60,280,937		R82,412,585		R75,377,669		R66,691,733	R308,157,781	
INDIVIDUAL = 21%			R35,092,286		R90,421,406		R123,618,878		R113,066,504		R100,037,600	R462,236,672	
FOREIGN GOVERNMENT = 1%			R1,671,061		R4,305,781		R5,886,613		R5,384,119		R4,763,695	R22,011,270	

NOTE: all costs at 1990/1 prices

This costing does not include:
 - distance ed costs
 - development of trainers at tertiary institutions

DRAFT ABE BUDGET

TITLES	1990	NUMBER	YEAR 1	NUMBER	YEAR 2	NUMBER	YEAR 3	NUMBER	YEAR 4	NUMBER	YEAR 5	TOTAL	COMMENTS	
SALARIES														
NATIONAL X2	R133,185		R149,167		R156,626		R164,457		R172,680		R181,314	R824,243	1 X CAT F = R74,932 1 X CAT E = R58,253	+12% + 5% pa
SUB DIV X3 (TRAINING)	R123,842		R138,815		R145,756		R153,044		R160,688		R168,731	R767,041	3 X CAT D = R41314	+12% + 5% pa
SUB DIV X6 (LIAISON)	R247,884		R277,630		R291,512		R308,087		R321,382		R337,461	R1,534,081	6 X CAT D = R41314	+12% + 5% pa
SUB DIV X6 (MATERIALS)	R247,884		R277,630		R291,512		R308,087		R321,382		R337,461	R1,534,081	6 X CAT D = R41314	+12% + 5% pa
SUB DIV X11 (ADMIN)	R277,892		R311,351		R326,919		R343,265		R360,428		R378,449	R1,720,411	11 X CAT C = R25,272	+12% + 5% pa
PROVINCIAL (9)	R1,198,665		R1,342,505		R1,408,630		R1,480,112		R1,554,117		R1,631,823	R7,418,186	1 X CAT F = R74,932 1 X CAT E = R58,253	+12% + 5% pa
SUB DIV TRAINING														
PRIMARY (M+3) X9	R45,700	10000	R4,606,560,000	26000	R17,348,634,000	35600	R36,079,647,300	29200	R53,136,278,865	23200	R68,388,744,008	R179,559,864,173	1990 + 12% & 5% pa thereafter	
SECONDARY (M + 3)	R65,274							2160	R38,133,071	3600	R2,831,678,156	R2,869,811,227	1990 + 12% & 5% pa thereafter	
SUB DIV MATERIAL X5	R206,570		R231,358		R242,926		R255,073		R267,826		R281,218	R1,278,401	5 X CAT D = R41,314	
BOOKS														
PRIMARY PER CAPITA	20.34	500000	R109,836,000	1300000	R2,455,932,980	1780000	R489,219,392	1460000	R416,937,456	1160000	R356,747,328	R3,808,673,136	1990 + 20% & 12% pa thereafter	
SECONDARY PER CAPITA	103.55							108000	R157,014,936	180000	R281,821,680	R438,836,616	1990 + 20% & 12% pa thereafter	
EQUIPMENT 1994														
PRIMARY	8150	10000	R770,175,000	26000	R2,097,810,000	35600	R3,002,949,000	29200	R2,570,184,000	23200	R2,127,150,000	R10,568,268,000	1 unit per 50 pupils	
SECONDARY	8150							2160	R190,123,200	3600	R330,075,000	R520,198,200	5% pa increase	
TRAINING OF STAFF														
PRIMARY PER CAPITA	6000	10000	R604,800,000	26000	R1,740,960,000	35600	R2,614,464,000	29200	R2,333,664,000	23200	R2,004,480,000	R9,298,368,000	12% pa increase	
SECONDARY PER CAPITA	6000							2160	R172,627,200	3600	R311,040,000	R483,667,200	12% pa increase	
SUB TOTALS														
			R6,094,098,457		R23,646,201,839		R42,169,287,815		R59,018,121,257		R76,635,052,629	R207,567,782,989	Total over 5 years	
BMI STATS														
GOVERNMENT = 64%			R3,900,223,652		R15,133,569,177		R28,988,344,202		R37,771,597,605		R49,046,433,682	R132,840,168,319		
PRIVATE SECTOR = 14%			R853,173,924		R3,310,468,258		R5,903,700,294		R8,262,536,976		R10,728,907,368	R29,058,786,820		
INDIVIDUAL = 21%			R1,279,760,886		R4,985,702,386		R8,855,550,441		R12,393,805,464		R16,093,361,052	R43,588,180,230		
FOREIGN GOVERNMENT = 1%			R60,940,995		R236,462,018		R421,692,878		R590,181,213		R768,350,526	R2,075,627,630		

[R677,122,110 | R2,627,355,600 | R4,685,476,300 | R6,557,569,000 | R8,515,005,700] R 23,062,527

PER 18 MARCH 1994