



CHAPTER 5 - MANUFACTURING

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5.1 Introduction

The main objectives of the surveys of manufacturing enterprises in Tanzania and Zimbabwe was to evaluate the changes in training policies and practices that had taken place during the 1990s. In Tanzania, it was decided to select enterprises from right across the manufacturing sector while in Zimbabwe, which has a much larger and more sophisticated industrial sector, a relatively more homogeneous group of enterprises from one sub-sector, metal and metal goods was selected.

5.2 Tanzania

5.2.1 Survey design and methodology

A sample of 30 enterprises was selected from the most recent Directory of Industries which was compiled from information collected by the Tanzanian Bureau of Statistics in 1989. Two selection criteria were used namely - enterprise size in 1990 (proxied by the number employed in each enterprise) and location (the sample was equally divided between enterprises in Dar Es Salaam and Arusha and Moshi in Northern Tanzania). The original intention was to randomly select from each location, roughly equal numbers of large enterprises (with more than 500 workers) and small-medium enterprises (with less than 500 employees). In the event, 17 large and 13 small-medium enterprises were surveyed in the two survey locations (see Table 5.1).

Table 5.1: Ownership and employment size profiles of survey enterprises, 1990 and 1997

Ownership category	1990			1997		
	Number	<500	>500	Number	<500	>500
Parastatals	16	6	10	6	4	2

Locally owned	9	5	4	10	9	1
Foreign owned	2	1	1	3	1	2
Joint ventures	3	1	2	11	8	3
Total	30	13	17	30	22	8

It can also be observed in Table 5.1 that both the ownership and size profiles among the 30 survey enterprises have changed dramatically during the 1990s. The government embarked on an ambitious privatisation programme in 1992 and, by 1997, over 250 state-owned enterprises had been divested. Among the survey enterprises, 10 out of the 16 parastatals were wholly or partially privatised during this period. With respect to employment, it is clear that there has been quite a dramatic reduction in the workforces of all but a handful of the survey enterprises as they have struggled to restructure in the face of increasingly intense import competition (see Table 5.2).

Table 5.2: Overview of survey enterprises in Tanzania

The median change in employment between 1990 and 1997 was -26 per cent. It is in this context, therefore, of major changes in ownership and management of manufacturing enterprises in Tanzania coupled with rapid

downsizing of workforces that changes in training policies and practices must be analysed.

The sectoral breakdown among the survey enterprises is: 7 leather and textiles (23.3 per cent), 6 food and beverage (20.0 per cent), 9 engineering (30.0 per cent), 5 wood and paper (16.7 per cent) and 3 chemicals (10.0 per cent).

Interviews: Interviews based on a questionnaire were held with the manager in each survey enterprise who had overall responsibility for training. Each respondent was asked to provide qualitative and quantitative information on the changes that had occurred in enterprise training activities since 1990 as well as their views on and responses to changes in government training policies during this period.

All the enterprises selected for the survey agreed to cooperate and, while some managers were unable to furnish all of the data that was required (in particular on financial outlays and staff time committed to training activities), the interviews did generate sufficient information to be able to assess changes in training activities during the 1990s.

5.2.2 Overall Change in Training Provision

Table 5.2 shows that among the 30 survey enterprises, 17 (57 per cent) increased their training provision (with 27 per cent rating this increase as 'significant'), while 13 (43 per cent) indicated that there had been 'no change' (13 per cent), 'decline' (13 per cent) and 'significant decline' (17 per cent)

Positive Training Response: The reasons given by the 17 enterprises who increased their overall training efforts are presented in Table 5.3. Most of these enterprises stated that the main reasons for their positive training response related directly to the intensification of the process of economic liberalisation during the 1990s which has forced them to try to improve their competitiveness (both with respect to product quality and price) in both domestic and export markets. Nearly 90 per cent introduced new production technologies and 70 per cent introduced new management techniques (such as quality awareness, total quality management, team building, use of information technologies) which have required the rapid acquisition new knowledge and skills. 12 of the 17 enterprises have a strong commitment to exporting, of whom three are actively seeking ISO 9000 status.

It can be observed in Table 5.3 that least important factors have been changes in availability of both public and private training and the

introduction of the (VETA) training levy.

Privatisation has clearly accelerated this process of modernisation. Multinational companies that have acquired controlling shares in large state owned enterprises have been able to utilise their own formal training facilities and other subsidiaries in Africa and elsewhere in the world for both off- and on-the-job training. Improvements in labour productivity among this group during the 1990s have been very impressive (see Tables 5.2 and 5.4). This is particularly the case for those enterprises that 'increased significantly' their overall level of training.

Table 5.3: Impact of various factors affecting training among the positive response group (percentages)

Reasons	No impact	Minor impact	Moderate impact	Major impact
New management	23	18	6	53
New production technologies	6	6	29	59
Import competition	6	24	18	53
Commitment to exporting	6	18	24	53

Availability of public training	12	29	47	12
Availability of private training	12	59	35	6
Demand for training by employees	12	18	47	24
Involvement of employer organisation	47	12	41	0
General economic environment	0	0	35	65
Introduction of VETA levy	6	59	35	0

While the introduction of new technologies and management practices has clearly had a countervailing negative impact on training (mainly because the majority of enterprises in this group - 12 out of 17 - have significantly reduced the size of their workforces), on balance, the overall training response among this group of enterprises has been positive.

Table 5.4: Median changes in employment and productivity by training change group (percentages)

Change in overall training group	Employment	Productivity
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Increased significantly	-44	255
Increased	-33	60
No change	-52	5
Declined	-75	0
Declined significantly	-19	-ve

Zero or Negative Training Response: Enterprises which have not had a positive training response have generally been those with (i) serious capacity under-utilisation. This is particularly the case where the privatisation process has become very protracted which has had a highly adverse impact on both employment and production. Eight out of the nine enterprises where training declined were affected by privatisation; and (ii) continued reliance on simple or mature technologies that only require minimal skills to operate, maintain and repair.

Among the 30 per cent of enterprises where the overall level of training has declined, it is clear that very significant reductions in the workforce have been a key factor which, in turn, is a direct consequence of the failure of these enterprises to cope in the new policy environment. The median decline in employment among this group between 1990 and 1996 was -33 per cent with only one enterprise reporting a small increase in

employment.

5.2.3 Resource Commitments

Most enterprise respondents could not provide precise estimates of the amount of staff time and financial resources devoted to training. In large part, this is due to the predominance of informal on the job training, especially in medium to smaller enterprises.

Trainers and In-House Training: Only 12 (40 per cent) out of the 30 survey enterprises employed full time trainers in 1996. Compared with the numbers of trainers employed in 1990, there had been no changes at seven enterprises, two had increased, but three had fewer trainers. However, among the 17 enterprises that did increase their overall training efforts, there was at least a 25 per cent increase in the amount of staff time devoted to training. In contrast, among those enterprises that had a negative training response, staff time allocated to training activities fell by 25-40 per cent between 1990 and 1996.

Financial Commitments: In real terms, enterprise funding for training had fallen very significantly during the 1990s. Among the eleven enterprises which provided adequate information, the median value for the change in financial outlays on training between 1990 and 1996 was -

50 per cent. Only eight enterprises funded staff on external training courses in 1996. Thus, more training on-the-job by existing staff has accounted for most of the increased training effort rather than larger human and financial resource commitments for formal training courses, both in-house and at external training institutions.

By international standards, enterprise funding of training in Tanzania remains very low, both in absolute and relative terms. Among the minority of enterprises that do have explicit training budgets, total expenditure for external and in-house training for the median enterprise was T.Sh. 7 million in 1996 (US\$14,900) and averaged T.Sh. 13,000 per employee (US\$22.4). In countries such as Japan where training is accorded high priority by enterprises, training expenditures are typically 3-5 per cent of total turnover.

The extent to which survey enterprises have changed their reliance on public and private training institutions also indicates that, for the group as a whole, financial commitments for training have been falling during the 1990s. Only 30 per cent and 20 per cent of enterprises indicated that they had increased their reliance on public and private institutions respectively and that nearly half had reduced their reliance on public sector training centres and 40 per cent on private training centres. This is

at a time when the VETA training levy was introduced (which is intended to promote formal training by enterprises at public training centres) and government began to encourage private sector training provision. The absence of any kind of rebate scheme for approved training courses has meant that enterprises have been unable to defray the costs of external training.

5.2.4 Overseas Training and Foreign Trainers

Less than half of the survey enterprises send their staff overseas for training. The numbers of overseas trainees were relatively small with the median enterprise only sending two employees in 1996. While 40 per cent of enterprises stated that their reliance on overseas training increased between 1990 and 1996, 33 per cent reported a decline. The withdrawal of government scholarships, development of local training capacity, and increased financial stringency were the most commonly cited reasons for reduced reliance on overseas training.

Long term expatriates with clearly defined training roles were employed at nine of the survey enterprises in 1996. Only four enterprises use foreigners on a shorter term basis (i.e. less than 3 month visits). Asked if they would like to employ more foreign staff if immigration controls were scrapped, only three enterprises stated that they would do so. Very high

employment costs is the key constraint preventing enterprises relying more on foreign managerial and technical expertise. Most respondents rated foreign personnel as 'effective' or 'very effective' in their training roles.

5.2.5 The Role of Government

Positive and Negative Policies and Actions: As part of its socio-economic reforms, the Government has embarked on a wide range of policies and actions that have affected the delivery of training by both public and private sector providers. The survey of manufacturing enterprises asked respondents to give their views on which of these policies and actions since 1990 have been supportive of their training efforts and which have had a negative impact on training.

As can be observed in Table 5.6, the government policy to allow private sector training institutions to operate is regarded as having the most positive impact on enterprise training in the manufacturing sector, closely followed by the establishment of VETA and the Council for Technical Education and Training. These responses are somewhat surprising given that that only small minorities of survey enterprises stated that they had increased their reliance on either public or private training institutions since 1990. However, it may take time for enterprises to respond to

these policy initiatives.

Table 5.5: Positive and negative impacts of government policies and actions on training efforts among survey enterprises

Positive	per cent respondents	Negative	per cent respondents
• Allowing private sector training institutions to operate	96.6	• Introduction of cost-sharing measures	53.3
• Creation of VETA and NCTET	83.3	• Withdrawal of scholarships	43.3
• Privatisation programme and economic liberalisation	66.6.	• Removal of government subsidies to public companies	20.0

Introduction of cost-sharing measures, the removal of scholarships and government subsidies to parastatals were the three policies/actions that were identified as having the most negative impact on enterprise training. In interviews with survey enterprises, it is clear however that there is

considerable concern about the VETA levy. Most enterprises simply seen the levy as another unwelcome tax which has had no major on their training programmes and which acts as a disincentive to hire extra workers.

Desired Changes in Government Policies and Actions: Survey enterprises were asked to indicate which changes in government policies and/or actions are necessary to improve the quality and quantity of training. Table 5.6 summarises their responses with respect to 12 possible areas. Three areas stand out as being of particular importance, namely better staffing and facilities at technical colleges and more steps to promote in-house training. All survey enterprises indicated that in order to promote more in-house training the government should allow training expenses to be double deducted for tax purposes. Changes to the VETA levy, reform of the apprenticeship system, more support for overseas training, and more encouragement for private sector trainers were also identified as being important by large majorities of respondents. With respect to the training levy, the major changes that were proposed were (i) fixing a maximum amount that should be paid by any one enterprise; (ii) relating the levy benefits to the training services that are actually provided by VETA institutions; and (iii) the use of levy resources to develop in conjunction with VETA training courses that directly meet the

priority training needs of enterprises.

Between them, the 30 survey enterprises employed 19,316 workers in 1997. However, only 10 of these enterprises sponsored 78 apprentices (0.4 per cent of total employment). It is clear, therefore, that the mainly artisan training provided by VETA has little relevance to employers in the manufacturing sector.

Table 5.6: Desired changes in government policies and other interventions (percentages)

Area of policy/action	Unimportant	Quite important	Very important
Change in ministerial responsibility	73.3	20.0	6.7
Creation of an autonomous training agency	16.7	50.0	33.3
Changes to VETA levy	20.0	53.3	26.7
Better staffing at technical colleges	0.0	16.7	83.3
Better facilities at technical colleges	0.0	10.0	90.0
Reform of apprenticeship system	23.3	30.0	46.7

More encouragement of private sector trainers	6.7	56.7	36.6
Steps to promote more in-house training	0.0	16.7	83.3
Expatriates	53.3	43.3	3.4
Overseas training	10.0	60.0	30.0
Double tax rebates on training expenses	0.0	30.0	70.0

5.3 Zimbabwe

5.3.1 Survey design

A sample survey of metal and metal goods enterprises in Zimbabwe was undertaken in early-mid 1997. Thirty firms out of a total of 285 in the sub-sector were selected for investigation. Enterprises were classified as large (400+ employees), medium (100-399 employees) and small (less than 100 employees). The original intention was to randomly select 10 enterprises from each group. In the event, 27 firms agreed to be interviewed (6 large, 12 medium, and 9 small).

Table 5.7 shows that employment contracted among nearly one-third of the survey enterprises between 1990 and 1996 and remained unchanged among another 12 per cent of firms. Only four enterprises (14.8 per cent) were fully or partially foreign owned.

Table 5.7 Some characteristics of the sample firms

Firm	Main products	Date established	Ownership	Employment		
				1990	1996	% change
1	steel & iron products	1948	parastatal	7000	3100	-56
2	steel pipes & tubes	-	local pvt	-	373	-
3	scrap metal, tow-bars	1964	local pvt	80	55	-31
4	civil engineering	1964	local pvt	-	550	-
5	padlocks, foundry	1962	foreign	60	200	233
6	plumbing items	1972	local pvt	150	180	20
7	irrigation	1974	local pvt	7	23	229

8	equipment steel tubes, furniture	1948	local pvt	140	100	-29
9	bolts, nuts, fasteners	1957	local pvt	375	210	-44
10	window/door frames	1911	local pvt	1700	1700	0
11	heavy structural steel	1930	local pvt	240	280	14
12	ladders, shelter huts	1994	local pvt	3	15	400
13	bush pumps, tools	1965	local pvt	102	102	0
14	general engineering	1945	local pvt	80	80	0
15	house boats, roof vents	1958	local pvt	200	100	-50
16	nails, welding rods	1986	local pvt	12	24	100
17	engineering work	1966	local pvt	50	84	68
18	architectural joinery	1951	local pvt	1300	850	-35

19	structural steel works	1987	local pvt	30	26	-13
20	air braking system	1972	local pvt	65	83	28
21	fabrication & erection	1982	local pvt	30	60	100
22	decorative light fitting	1960	local pvt	176	180	2
23	vehicle bodies	1985	joint venture	120	440	267
24	motor vehicles	1961	joint venture	580	772	33
25	exhausts, tubing jacks	1967	foreign	80	154	93
26	hydraulic hoists, axles	1957	local pvt	160	160	0
27	bicycles, wheelbarrows	1956	local pvt	230	150	-34

5.3.2 Overall Training Response

With respect to training, the sample as a whole can be divided in two broad groups, namely those that have responded positively to the new economic policy regime (17 firms) and those which have not (13 firms).

Positive Training Response: Almost two-thirds (63 per cent) of the sampled firms have implemented important changes in their training policies and practices since the start of ESAP. Most have been strongly motivated by a growing realisation that training plays a key role in improving product quality and service to clients which was seriously deficient during the 1980s. Interestingly 6 out of the 17 firms in this response group were seeking ISO 9000 accreditation at the time of the survey which has far reaching implications for the scope and intensity of their training activities.

While there have not been any widespread changes in the organisation, planning and management of the training function among these companies, identifiable training expenditures have increased very significantly. The median increase between 1990 and 1996 was 650 per cent in nominal terms (approximately 275 per cent in real terms). This translates into an average real rate of growth of 18.5 per cent per annum. There was little if any noticeable difference in the behaviour of these firms with respect to either size or type of ownership.

Table 5.8 summarises the importance of a variety of factors in stimulating increased levels of training since 1990. New management and new management practices have been particularly crucial with 82 per cent and 58 per cent of respondents stating that they had had a 'major impact' on their training efforts. New technology and changes in the general macroeconomic environment have also been relatively important. Surprisingly, higher commitment to exporting does not feature as a key factor. Nor were changes in the availability of public and private training provision rated as being important.

In general, expatriate managers and those local managers that had had some experience working outside Zimbabwe had a more positive approach to training than managers who have risen 'through the ranks' and have little or no exposure to overseas management practices. The dramatic impact that improved training can have is well illustrated by the experience of one particular company. A new managing director was appointed in 1993 and, within the next two years, he recruited a completely new management team. A new training strategy has been adopted with the overall objective of ensuring that every employee becomes multi-skilled. Within a six month period, the company had trained every employee in quality awareness and the six Ms (defined as 'men, machines, management, markets, materials and money'). As a

result of this new strategy, labour productivity has increased by a third, and exports grew from below 5 per cent of output in 1990 to around 10 per cent in 1996. Although the company has not sent employees overseas for training, senior management feel that this is necessary in order to keep abreast of developments elsewhere.

Table 5.8: Factors encouraging increased training among the metal goods enterprises (percentages)

Factor	No impact	Minor impact	Moderate impact	Major impact
Enterprise-specific				
New management	18	0	24	58
New management practices	12	0	6	82
New technology	41	18	0	41
Employee demand for training	71	18	6	6
Import competition	29	18	6	47
Commitment to exporting	59	18	12	12
Others				
General economic environment	18	6	18	58

General Economic Environment	1991	1992	1993	1994
Changes to ZIMDEF	76	12	12	0
Availability of public training provision	76	18	6	0
Availability of private training provision	59	6	18	18
Involvement of employer provision and other organisations	71	12	12	6

Negligible or Limited Training Responses: The remaining 10 (37 per cent) of firms surveyed have not appreciably increased the intensity of their training activities since 1991. The main reasons cited by respondents for this limited training response were: predominance of low skill jobs (40 per cent), experienced workers employed by the company for many years (30 per cent), machinery not changed (20 per cent), and poor performance of those who had been trained (10 per cent). Generally speaking, these companies stated that the economic reform programme has had fairly minimal impacts on their operations.

5.3.3 Training by Staff Category

Among the group of positive response companies, there appears to have

been an intensification of training throughout their workforces. Generally speaking, managers and supervisors are mainly trained outside of the firm while skilled and semi-unskilled workers continue to be trained almost exclusively on the job. Most firms believe they are too small to be able to train managerial and supervisory staff in-house.

Reliance on external training providers has been particularly important among those firms that have attempted to introduce new management concepts such as 'quality at source' and team work. While most firms continue to believe that training workers exclusively on the job is most cost-effective, a small group of companies have started to send their shop floor workers on external training courses.

5.3.4 Local and Overseas Training

12 (40.7 per cent) out of the 27 firms surveyed use both public and private training institutions while 6 (22 per cent) and 1 (3.7 per cent) depend solely on private sector and public sector providers respectively. The remainder (29.6 per cent) rely solely on their own training efforts.

Fewer than the half of the firms surveyed (48.1 per cent) have indentured apprentices since 1990. Only 1 among the 10 firms that have not appreciably increased their training activities since 1990 have employed

apprentices. Among the firms that do not have apprentices, one of the main reasons cited for this are the rigid, bureaucratic regulations and procedures for apprenticeship training coupled with pervasive concerns about the poor, deteriorating quality of formal off-the-job training at government training centres. Syllabi are also criticised as being very out-dated and instructors out of touch with the latest technological developments.

Only 3 firms (11.1 per cent) have sent any of their staff overseas for training and only 4 (14.8 per cent) firms have used foreign trainers to undertake short term training courses. Consequently, most firms remain very isolated from the most recent technological and related training developments overseas.

5.3.5 Views on Government Policies and Practices

Most respondents recognise that government VET policies and practices have a strong bearing on their own training activities. However, almost two-thirds of firms felt that government does very little to encourage firm-level training. All but one (albeit large) firm stated that the government should play a central role in encouraging firms to train more.

All but four of the 27 firms surveyed indicated that ZIMDEF has little

impact on their training activities. Most simply regarded the training levy as a tax that has to be paid but there was widespread concern about the lack of transparency and accountability in the use of ZIMDEF funds.

Nearly two-thirds of the surveyed companies (63 per cent) indicated that certain government policies can be identified that definitely discourage them from undertaking more training. Principal among these are perceived difficulties in getting rid of employees who are considered to be incapable of absorbing new ideas and acquiring new skills. This is despite changes to the prevailing labour relations legislation which are intended to create flexible labour markets. Firms would like to replace their current workforce with more educated recruits who are widely perceived as being much easier to train.

Over 50 per cent of survey respondents stated that steps to provide in-house training, better staffing at colleges and change in ministerial responsibility were 'very important' in order to improve enterprise training (see Table 5.9). Most respondents felt that MOHE does not appreciate the critical importance of job related in-service training for increasing labour productivity. It is surprisingly, therefore, that only half thought that changes to ZIMDEF were 'very important'. Similarly, apprenticeship reform is not a priority for most enterprises nor is increased overseas

training and greater reliance on expatriate training personnel.

Table 5.9: Relative importance of possible government interventions to improve training among metal goods enterprises

Possible changes	Unimportant	Quite important	Very important
Steps to promote in-house training	15	19	65
Better staffing at colleges	30	17	52
Change in ministerial responsibility	39	9	52
Changes to ZIMDEF	43	9	48
Creation of autonomous training agency	47	13	39
More encouragement of PSTIs	38	25	38
Increased use of foreign personnel	40	28	32
More overseas training	60	12	28
Apprenticeship reform	48	22	30

Better facilities at colleges

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CHAPTER 6 - TOURISM

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6.1 Introduction

Tourism is of vital importance for both the Tanzanian and Zimbabwean economies. In Tanzania, the tourism industry as a whole accounted for

7.5 per cent of GDP and more than 30 per cent of total export earnings in the mid 1990s. Direct employment in tourist enterprises (most notably, hotels/lodges and tour operators) stood at nearly 26,000 in 1995 (7 per cent of formal sector employment). However, since the late 1980s, the number of tourists visiting Tanzania has grown only very slowly - from 303,000 in 1990 to 326,000 in 1996. The 1997 Tourism Policy Document has set an ambitious target of 900,000 tourist arrivals by 2012 with income from tourism totalling US\$400 million. It is clear, therefore, that the successful development of the tourist industry is an essential part of the overall process of economic restructuring in Tanzania.

In order to compete effectively in increasingly global markets, tourist enterprises must be able to offer competitive, high quality products for carefully targeted clienteles. As a skill-intensive, service industry, training has therefore a key role to play in ensuring that the requisite skills are continuously developed in a cost-effective manner. The centrality of human resource development has been consistently highlighted in the most recent tourist policy statements and plans which were published in 1991, 1994 and 1997. As the 1997 Tourism Policy states "tourism education and training is one of the fundamental pillars of the development of a responsible tourism in Tanzania" (GOT, 1997:11).

In Zimbabwe, the tourism industry accounted for 5 per cent of GDP in 1996 and more than 25 per cent of total export earnings (only surpassed by tobacco exports) in 1997. Direct employment in tourist enterprises (most notably, hotels/lodges and tour operators) stood at around 100,000 in 1996 (8 per cent of formal sector employment). Since the early 1990s, the number of foreign tourists has grown extremely rapidly. By 2001, tourism's share of GDP is projected to double to 10 per cent.

6.2 Tanzania

6.2.1 Survey Design and Methodology

Out of a total of 224 registered hotels and 212 tour operators in Tanzania, 73 per cent and 90 per cent are located in the Dar Es Salaam and Arusha Regions. Given this high geographical concentration, the tourism enterprise survey was confined to these two regions. A total of 23 enterprises - 14 hotels and 9 tour operators - were randomly selected (see Table 6.1). The senior manager in each enterprise who was responsible for training was interviewed using a slightly modified version of the questionnaire used for the manufacturing industry survey.

A mini survey was also undertaken of training institutions that specialise in providing long and/or short courses for the tourism personnel. In addition

to the one government tourism training centre, four (out of a total of around 25) private sector training centres were randomly surveyed. Finally, senior officials responsible for human resource development in the Ministry of Tourism, the Tanzanian Tourist Board, and the Tanzania Association of Tour Operators (TATO) were also interviewed.

As can be observed in Table 6.1, most of the tour operators in the sample only started their businesses during the 1990s and employ fewer than 25 employees. These respondents were clearly unable, therefore, to discuss how their training policies and practices had changed since the late 1980s.

Table 6.1: Key characteristics of the survey hotels and tour operators

Code	Location (region)	Date established	Number rooms	Ownership and management status	Employees		
					1990	1997	per cent change
<u>Hotels</u>							
1	Arusha	1988	20	Private	70	110	57

2	Arusha	1979	408	Public	303	247	-18
3	Arusha	1968	192	JV (foreign)	256	250	-2
4	Arusha	1968	100	JV (foreign)	116	105	-9
5	Arusha	1972	75	JV (foreign)	80	100	25
6	Arusha	1967	-	JV (foreign)	50	54	8
7	Arusha	1968	-	JV (foreign)	34	34	0
8	Arusha	1968	-	JV (foreign)	46	54	17
9	DSM	1997	-	Private	-	320	-
10	DSM	1995	-	Private	-	374	-
11	DSM	1983	144	Private	270	216	-20
12	DSM	1964	198	Public	629	457	-27
13	Tanga	1978	25	Private	95	58	-39
14	Mwanza	1976	55	Private	156	104	-33
Tour operators							
1	Arusha	1986	-	Private	85	115	35
2	Arusha	1993	-	Private	-	15	-
3	Arusha	1993	-	Private	-	8	-
4	Arusha	1992	-	Private	10	160	1500

5	Arusha	1985	-	Private	7	15	114
6	Arusha	1969	-	Private	17	20	18
7	Arusha	1986	-	Private	12	22	83
8	Dar Es Salaam	1982	-	Private	20	20	0
9	Dar Es Salaam	1962	-	Private	250	276	10

Notes:

All tour operators are privately owned

JV = joint venture

6.2.2 Pre-Adjustment Training Provision

Prior to economic liberalisation, the government exercised strong centralised control over the tourism industry in Tanzania. By the early 1980s, nearly one-half of all tourist hotels were government-owned. The Tanzanian Tourist Corporation (which was established soon after the Arusha Declaration in 1969) owned and managed 19 of the largest hotels and lodges and had overall responsibility for tourism promotion and

marketing. The State Travel Services controlled up to 70 per cent of the tour operator market.

Multiple constraints (most notably, poor planning and management, chronic shortages of foreign exchanges, and very poor infrastructure) stifled the development of the tourism industry during this period and the overall quality of service provided by most hotels and tour operators was well below accepted international standards. Given these highly adverse operating conditions, the scope for improving product quality through training was limited. While government did recognise the need for systematic training activities as a whole not only lacked strategic direction, but were limited both in their scope and overall intensity.

Training for senior and middle managers had to be undertaken overseas but, for much of this period, sufficient donor funds were available to support this type of training (although many of the most senior management positions in the largest hotels were still occupied by expatriates) But, for most workers, once initial pre-employment training had been completed, virtually all other training was on-the-job.

6.2.3 Training Provision During Economic Liberalisation

Labour Productivity: As elsewhere, one of the key objectives of the

economic liberalisation programme in Tanzania is to create new, powerful incentives that will provide the impetus for enterprises (particularly in the tradable goods and service sectors) to increase significantly their productivity and thereby become internationally competitive. Over 90 per cent of the hotel and tour operator who were surveyed stated that they have taken steps to improve labour productivity during the 1990s. Among the hotel group, over 70 per cent of these initiatives related directly to the provision of training whereas tour operators have focused more on improving pay and service conditions, particularly for more experienced personnel (see Table 6.2). However, despite these efforts, over one-third of hotel respondents did not know how productivity had changed since 1990, half indicated there had been no change, and 14 per cent stated that productivity had declined. None of the tour operators were able to say whether productivity had increased or not.

Training Policies and Practices: While hotels look mainly to improved staff training as a key modality for increasing service quality and overall productivity, only a small minority of the survey hotels have actually made major changes to their training policies and practices during the 1990s. In particular, only one hotel stated that a 'major change' had occurred in the amount of time it devoted to staff training since 1990 (see Table 6.3).

The training response among tour operators has been even more muted -

with only one firm indicating that more time is now devoted to training activities.

Table 6.2: Main actions taken to improve worker productivity among survey tourism enterprises (percentages)

Action	Hotels	Tour operators
Formal in-house and on-the-job training	44	14
Off job training	29	11
Reimbursement of fees for private training undertaken by employees	4	0
Information sharing meetings	4	0
Investment in new technology	4	16
Improved supervision for better services	7	6
Improvement in remuneration	0	30
More participatory management	0	6
Re-employment and/or retention of experienced workers	4	7
Others	0	6

Table 6.3: Degree of change in training policies and practices among surveyed tourist enterprises, 1990-1996 (percentages)

Levels of change	Hotels				Tour operators			
	Policy	Planning	Financing	Time allocation	Policy	Planning	Financing	Time allocation
No change	71	43	64	84	78	78	100	100
Limited change	14	36	29	8	22	22	22	0
Major change	15	21	7	8	0	0	0	0

Complacency is a major reason for the failure of most of the survey tourist enterprises to intensify their training efforts. Most believe that the services they provide are adequate and, as a consequence, little systematic efforts have been made to survey the responses of clients to services provided. In other words, the generally low consciousness of the need to train intensively stems from a failure to be strongly client-driven.

Table 6.4: Real expenditure on training in 1996 as a percentage of 1990 expenditure

	1-25	26-50	51-75	76-100	100-125	126-150
Hotels	3	2	1	1	0	2

It proved to be especially difficult to obtain comprehensive information on financial outlays on training among survey respondents. Among the tour operators, this is mainly because most do not have separate budgets for training activities nor do they spend anything on formal, off-the-job training. Among the nine hotels for which financial data was forthcoming, funding of training declined very significantly in real terms between 1990 and 1996/97 at six of them (see Table 6.4). Most hotels refused to divulge any information on their total turnover, but it is clear that the absolute and relative size of training expenditures has remained fairly derisory. In 1996-97, total training costs at the survey hotels ranged from T.Sh. 50,000 to T.Sh. 6,000,000 and from T.Sh 40,000 to T.Sh 100,000 among the tour operators. However, the number of formal trainers did increase in four out of the eight hotels that did have dedicated trainers in 1996-97, remained unchanged at two hotels, and fell very appreciably at one hotel (which is about to be privatised).

Increased competition with lower margins has also negatively impacted on the level of training activities, particularly for mainly government hotels that have failed to modernise and are awaiting privatisation.

Training Intensity by Staff Category: The type and incidence of pre-employment and job-related training received by the four main categories of personnel employed by hotels and tour operators is summarised in Table 6.5. Among hotel managers, the paucity of university graduates is a particularly striking feature which, in part, is a reflection of the low status of jobs in the tourist sector among university graduates. Over 80 per cent of hotel managers have, however, undertaken diploma or certificate courses in hotel management prior to taking up employment in the industry. But, once in employment, it is very noticeable just how few (no more than 15 per cent) of hotel managers have attended either long or short formal training courses. Among tour operators, not one manager had benefited from courses of these kind. The lack of relevant occupational pre-employment training as well as formal job-related training once in employment among supervisors and skilled workers employed by both hotels and tour operators is also very apparent. Nearly three-quarters of all respondents stated that the government's formal apprenticeship scheme (managed by VETA) was almost totally irrelevant to their training needs.

Overseas Training and Foreign Trainers: Despite the continued lack of training capacity for senior and middle level managers in the tourism industry, only 42.8 per cent of the survey hotels sent their managers on training courses overseas in 1996. However, nearly two thirds of the hotels did indicate that overseas training had 'increased' or 'increased significantly' in importance since 1990 (see Table 6.6). Overseas training among tour operator managers remains virtually non-existent mainly because of the very small size of most companies coupled with their general reliance on recruiting appropriately qualified and experienced personnel as and when they are needed.

Table 6.5: Education and training profiles by staff category

Table 6.6: Change in importance of overseas training and reliance on public and private (percentages)

	<u>Decreased significantly</u>		<u>Decreased</u>		<u>No change</u>		<u>Increased</u>		<u>Increased significantly</u>	
	H	TO	H	TO	H	TO	H	TO	H	TO
Importance of overseas	7.1	0.0	21.4	0.0	7.1	100.0	35.7	0.0	28.6	0.0

training										
Reliance on public sector training institutions	0.0	0.0	28.6	44.4	71.4	66.7	0.0	0.0	0.0	0.0
Reliance on private sector training institutions	0.0	0.0	7.1	33.3	78.6	55.6	14.3	11.1	0.0	0.0

Note: H = hotels; TO = tour operators

Nearly 60 per cent of the survey hotels relied on overseas personnel for training activities. During 1996/97, seven out of these eight hotels had one long term expatriate whose training efforts were supplemented by one other short term (i.e. less than three months) trainer from overseas. The Sheraton Hotel in Dar Es Salaam is very much the exception since it relies very heavily on short-term foreign trainers. In 1996, for example, 13 of these trainers conducted training courses for local staff. While over 80

per cent of the hotel respondents rated overseas trainers as either 'effective' or 'very effective', only two hotels said they would rely more on overseas expertise if immigration controls were significantly relaxed. Very high employment costs were cited as the major reason for this.

Reliance on public and private training institutions: None of the survey enterprises had increased their reliance on public sector training institutions since 1990 and, for a significant minority (28.6 per cent hotels and 44.4 per cent tour operators), their level of reliance decreased (see Table 6.6). Most expressed little confidence in the capacity of VETA to deliver relevant, high quality training.

A few hotels and tour operators have increased their reliance on private training institutions, but 78.6 per cent of hotels and 55.6 per cent of tour operators indicated that there had been no change. One-third of tour operators stated that they had, in fact, reduced their reliance on private sector trainers. It is clear, therefore, that economic liberalisation has not resulted in any significant shift in enterprise demand for public and private sector training in the tourism industry.

6.2.4 Training Provision

The Hotel and Tourism Training Institute, Forodhani: The HTTI at

Forodhani is the only public sector training institution for the tourist industry in Tanzania. The training offered is mainly for skilled hotel workers. The four core courses (food production, food and beverage, front office, and housekeeping) are nine months in duration. Three month refresher courses are also offered. The involvement of industry stakeholders in the planning and management of HTTI has declined since 1990 and there have been very few changes in the curriculum of HTTI's core courses during the 1990s. Links with local tourist enterprises have been adversely affected because of lack of resources for students to undertake work attachments. To a large extent, therefore, training remains largely supply-driven and does not adequately cater for the training needs of the industry.

Enrolments are relatively small (only 157 in 1996), although they have doubled since 1990. Whereas female students comprised 47 per cent of total enrolments in 1990, by 1997 this had increased to 72 per cent. This is mainly because enrolment growth has been most rapid in food and catering courses which traditionally have always been female dominated. With ten full-time instructors, the staff-student ratio of 1:16 is relatively high. Staff turnover is minimal.

Like other public sector training institutions, HTTI has had to increase

student fees during the 1990s in order to make up for rapidly declining government funding. By 1996, 60 per cent of HTTI's total income came from student fees which were T.Sh. 300,000 and T.Sh. 500,000 per course for day and boarding students respectively.

Course completion rates are over 95 per cent. The one exception is food production which, in 1996, had a completion rate of 83 per cent. Drop-outs are low because the majority of students are already in employment and are likely to lose their jobs if they fail to complete their training. However, HTTI management and instructors are increasingly concerned about the decline in the overall quality of student intakes as a result of lower educational standards in primary and secondary schools.

Private Sector Training Institutions: Four centres were randomly selected from 25 known hotel and tourism PSTIs. Two are fully registered with VETA, one has preliminary registration and one is unregistered. All four were established between 1994 and 1997. With the exception of Centre A, courses are between 6-24 months in duration and enrolments are very small (see Table 6.7). Apart from the tour guide and driver courses at Centre C, female students once again predominate.

Table 6.7: Courses, enrolments and fees at the survey tourism training centres in the private sector

Centre	Courses	Duration (months)	Enrolments			Fees/year (T.Sh.)
			Male	Female	Total	
A	Hotel management and ticketing	12	12	20	32	220,000
B	Cookery, bakery, service reception	24	20	69	79	180,000
C	Tour guides and drivers	1.5	3.8	2	40	50,000
D	Food production, beverages	12	6	19	25	220,000

Except for Centre B, staff are poorly qualified and have little relevant employment experience. Only Centre A has any significant enterprise sponsorship of students attending its tour driver and guide short courses. There are no formal entry qualifications for most courses. Ability to pay is the sole entry criterion. Consequently, the quality of the student intake is relatively poor. In particular, students are not fluent in English which is essential in the tourist industry. Most are unemployed school leavers. Given the relatively high fees charged by these centres, most students are from relatively well off families, living mainly in urban areas.

With all the centres awarding their own certificates, completion rates are very high. However, inadequate staffing and facilities coupled with low quality of student intakes means that the overall quality of graduates from these centres is generally poor. Respondents claimed however that over 75 per cent of their students find training-related employment in the tourism industry.

The survey PSTIs all stated that government was very unsupportive and that much more should be done to create a more enabling environment that encourages private sector training provision for the fast growing tourism industry. None had been inspected by VETA inspectors in the last two years. Two centres believe that they should benefit from the VETA training levy while the other two centres felt that government should ensure that hotel and tourism courses are properly certified and that trade testing should be improved significantly.

6.2.5 Strengths and Weaknesses of Government Policies and Practices

Enterprise respondents were asked to identify changes in government policies and/or actions since 1990 that had supported and undermined their efforts to improve the training of their staff. Their responses are summarised in Table 6.8. Over 40 per cent stated that they were unable

to identify any changes in government policies/actions since 1990 that had supported their training efforts. While around a quarter of respondents did mention the positive impact of economic liberalisation, only 15.7 per cent of responses related to specific interventions to improve training provision (viz. a more enabling environment for PSTIs (10.5 per cent) and the availability of government scholarships (5.2 per cent)).

Table 6.8: Summary of responses to the question 'What changes in government policies and/or actions since 1990 have supported and/or undermined your efforts to train staff?'

Supportive	per cent	Undermining	per cent
• None identified	42	• None identified	16
• General economic liberalisation/pro-private sector	26	• Lack of training strategy/poor training provision	47
• Allowing PSTIs to operate	11	• General government neglect of industry	6
• Improved labour mobility	5	• Uncontrolled private sector	9

		expansion	
• Provision of scholarships	5	• Excessive licensing and other fees	9
• Others	11	• Others	13

In contrast, most respondents were able to cite government policies/actions that had undermined their training efforts during the 1990s. Nearly a half of all responses related to the lack of a clear government training strategy for the tourism industry as a whole. A major reason for the poor training response of tourism enterprises since the start of economic liberalisation is because of the paucity of good quality training opportunities in-country. Tackling this supply constraint is likely to lead, therefore, to a major increase in training activity. More generally, many respondents felt that there was not a sufficiently enabling environment that encourages them to train their staff in order to meet accepted international standards of service. While economic liberalisation has created a more conducive environment for private sector tourist development, there is a pervasive concern that, with respect to human resources development, government has become too laissez-faire with a corresponding lack of government control and strategic direction.

Table 6.9: Percentage of respondents rating of possible

government actions to improve training by tourism enterprises as "very important"

Suggested area of improvement/change	Hotels	Tour operators
Change in ministerial responsibility	14.3	11.1
Creation of an autonomous agency	28.6	22.2
Change tourism levy	7.1	22.2
Better staffing at training colleges	50.0	22.2
Better facilities at training colleges	35.7	22.2
Reform apprenticeship system	35.7	22.2
More encouragement PSTIs	44.3	11.1
Steps to promote in-house training	42.9	22.2
More expatriates	7.1	11.1
Increased overseas training	7.1	11.1

The importance attached by employers to improved training provision is reflected in their assessments of what changes in government policies and actions are needed in order to improve both the quality and quantity of training. As can be observed in Table 6.9, half of all hotel respondents

identified the need to improve staffing at training colleges as "very important". Two other areas stand out, namely more encouragement of PSTIs and steps to promote in-house training. Interestingly, there is relatively little interest in organisational reform (in particular the creation of an autonomous training agency) or in employing more expatriates and sending staff overseas for training. Among tour operators, only 10-20 per cent of respondents identified any of these possible actions as being "very important". This is symptomatic of a pervasive lack of awareness of the importance of training among tour operators in Tanzania.

6.3 Zimbabwe

6.3.1 Survey Design

Random samples of 15 hotels and 15 tour operators in Harare and Victoria Falls were selected. All 30 agreed to be interviewed although many respondents refused to provide what was considered to be commercially sensitive information, most notably turnover, productivity, occupancy rates and training budgets. All the enterprises selected were owned and managed by Zimbabwe nationals. The survey spanned the full range of large, medium and small hotels and tour operators. Five hotels had less than 100 employees, seven between 101 and 200, and three more than 200 employees. Seven of the tour operators had less than 10

staff and only two had more than 100 employees.

6.3.2 Training Responses

Only 40 per cent of the hotels surveyed and just 7 per cent of the tour operators indicated that they had significantly increased the level of their training activities since the start of ESAP in 1991. The type of training provided remained unchanged among all the tour operators with continued reliance on informal on the job training. However, the quality of supervisory staff was reported to have improved considerably with the increased availability of better trained recruits during the 1990s.

Increased competition and changes in the general economic environment are by far and away the most the most important factors that have encouraged increased training provision among tourism enterprises (see Table 6.10). In particular, training needs at the large five star hotels have increasingly been based on client comments on the service provided. In contrast to the metal goods industry in Zimbabwe, new management and the introduction of new technologies have had relatively minimal impact on the level and type of training provision among tourism enterprises. Government training policies and direct training provision have also been relatively unimportant in stimulating increased training activity.

6.3.3 Overseas Training and Foreign Trainers

Only one hotel (7 per cent of the sample) significantly increased the amount of overseas training undertaken by their managerial and skilled staff (in particular in international cuisine). Among tour operators, only one company sends staff overseas for training. The high costs of overseas training were cited by all respondents as being the key factor preventing them from relying more on overseas training.

Forty percent of the hotels and tour operators used foreign trainers in order to achieve specific training objectives. Duration of training (which was both on and off the job) ranged from one week to three months. Over 90 per cent of respondents ranked this training as 'effective' or 'very effective'.

6.3.4 Views on Government Training Policies and Practices

While the quality of training at the Hotel and Tourism School in Bulawayo is generally rated quite highly, the overwhelming view of survey respondents is that the government has failed to take a strong pro-active role in support of training that is essential for the future development of the tourism industry. As can be observed in Table 6.11, better facilities at public training centres and steps to promote more in-house training are

the two key areas of government intervention which survey respondents consider as particularly crucial.

Table 6.10: Factors encouraging increased training among tourism enterprises (percentages)

		No impact	Minor impact	Moderate impact	Major impact
New management/ownership	Hotels	80	0	20	0
	Tour operators	93	0	7	0
New equipment/technologies	Hotels	73	7	20	0
	Tour operators	86	7	7	0
Introduction of new management practices	Hotels	46	27	20	7
	Tour operators	80	0	13	7
Increased competition	Hotels	33	0	13	54
	Tour operators	7	0	66	27

Better availability of public training	Hotels	87	0	0	13
	Tour operators	80	13	7	0
Better availability of private training	Hotels	93	0	7	0
	Tour operators	66	0	7	27
Increased demand for training by employees/trade unions	Hotels	83	7	0	0
	Tour operators	100	0	0	0
Efforts of HARA/ZATSO*	Hotels	66	0	27	7
	Tour operators	100	0	0	0
General economic environment	Hotels	20	0	20	60
	Tour operators	7	0	60	33
Change in government training policies	Hotels	93	7	0	0
	Tour operators	100	0	0	0

Notes: * Hotels and Restaurant Association of

Zimbabwe/Zimbabwe Association of Tour Operators

Given that the Hotel and Tourism School has already been granted considerable organisational autonomy and none of the survey companies sponsor apprentices, it is not surprising that little importance is attached to changes in these areas. However, it is surprising that so few tourist enterprise (and especially hotels) do not consider reform of ZIMDEF to be a higher priority. Similarly, there is little interest in greater encouragement being given to private sector trainers. This is may be because the quality and relevance of current training in hotel and tourism services by the private sector is generally not rated highly and consequently tourism enterprises are wary about the private sector playing a larger role.

Table 6.11: Relative importance of possible government interventions to improve training among tourism enterprises (percentages)

		Unimportant	Quite important	Very important
Creation of an autonomous training	Hotel	86	7	7
	Tour	67	26	7

agency	operators			
Changes to ZIMDEF levy	Hotel	93	7	0
	Tour operators	53	20	27
Better staffing at technical colleges	Hotel	27	66	7
	Tour operators	53	47	0
Better facilities at technical colleges	Hotel	27	20	53
	Tour operators	40	60	0
Reform of the apprentice system	Hotel	100	0	0
	Tour operators	93	7	0
Encouragement of more private sector trainers	Hotel	93	7	0
	Tour operators	80	13	7
Promotion of more in-house training	Hotel	53	7	40
	Tour operators	67	26	7
Facilitation of consultants	Hotel	40	20	27

Facilitation of expatriate trainers	Hotel	40	33	21
	Tour operators	33	67	0
Encouragement of overseas training	Hotel	33	33	33
	Tour operators	13	73	13



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CHAPTER 7 - CONCLUSION

7.1 Overview

7.2 Governance and Organisation

7.3 Planning and Research

7.4 Certification and Accreditation

7.5 Training for the Poor and Disadvantaged

7.6 Private Sector Training Provision

7.1 Overview

7.1.1. Tanzania

Comparing the VET system in Tanzania at the start of the economic reforms in 1986 and 12 years later in 1998, it is clear that major changes have occurred with respect to many aspects of VET provision. In particular, increased institutional autonomy coupled with increased cost recovery have made public sector training provision more demand-driven. A more enabling environment has also resulted in the rapid growth of for-profit private sector training centres. The VET Act created a new autonomous training agency financed by a training levy paid for by all registered enterprises. In the manufacturing sector, improved, more intensive training provision has played a critically important role in the restructuring process with impressive increases in labour productivity being recorded.

The depth of the fiscal crisis in Tanzania has been the major factor in

forcing public sector training institutions to commercialise their training activities and ensuring that government gives them the autonomy to do so successfully. The role of donors has also been crucial in the overall process of VET reform. In particular, the high degree of donor-dependence of the NVTD was crucial in giving donors the necessary leverage to create VETA and introduce the training levy.

While very significant progress has been made in adjusting the VET system in order to meet the major skill requirements of a rapidly liberalising economy, it is equally clear that this process of adjustment is still far from complete and that, without very significant changes to current government and donor policies and practices, the skills that are vital for sustainable long term economic growth will not be forthcoming.

The major areas of concern are as follows:

- The creation of VETA and the current use of the training levy is unlikely to result in a demand-driven training system that responds efficiently and effectively to the training needs of enterprises, particularly in the formal sector.
- In the context of a low-income country such as Tanzania, the growth of private sector training provision will remain quite

limited, at least in the short term. With no effective regulation of PSTIs, an unacceptably high proportion of the training provided is of a sub-standard quality.

- Faced with major cuts in government funding which have only been partially compensated for by increased cost recovery, enrolments at vocational training centres as well as the majority of the other ministry-based training centres have fallen during the 1990s and standards of training have also declined.
- While many enterprises have increased their level of training since the start of economic liberalisation, this response is not sufficient in order to attain the levels of labour productivity needed to become internationally competitive. The training response of tourist enterprises has been particularly weak.
- The government, strongly influenced by donors, is 'letting go' of the VET system too quickly which, given the limits to which VET provision can be privatised, will result in significantly lower levels of VET provision.
- The training needs of the poor, both in rural and urban areas, are not being adequately catered for. The poor cannot afford

the course fees charged by for-profit PSTIs and public sector training intended to promote productive self-employment (particularly the post-primary technical centres) has collapsed. Not for profit, mainly church training centres are struggling to maintain current levels of provision in the face of declining financial support from donors, limited opportunities for income-generation, and growing competition from private secondary schools.

- Girls and women continue to be massively under-represented in all technical areas of training provision.

7.1.2 Zimbabwe

Important changes have also occurred in the VET system in Zimbabwe since the start of economic liberalisation in 1990. In particular, there has been very rapid growth in private sector training provision. Compared to Tanzania, however, there has been very little effort to reform public sector VET. In the face of large budget cuts, MOHE and most other ministry-based training centres have been unable to maintain training quality and the actual number of trainees has fallen considerably at a significant number of institutions.

As in Tanzania, it is equally clear that economic liberalisation on its own has not resulted in the creation of an effective and efficient demand-driven VET system. Public sector VET provision in Zimbabwe remains heavily supply-driven which is a consequence of centralised state control of training resources (especially the training levy), the general lack of interest and hence lack of involvement of other key stakeholders, and massive social demand for post-secondary VET. In striking contrast the situation in Tanzania, the government in Zimbabwe has not been prepared to relinquish its very tight control over the VET system. In many ways, this is surprising given the relatively large size and sophistication of the Zimbabwean economy which provides a much better basis for the creation of a genuine demand-driven training system.

There are also the same sets of concerns about the lack of training provision for the poor and the disadvantaged (particularly women and the disabled) and the uneven and, in overall terms, inadequate training response of enterprises.

The following discussion will briefly consider the main VET reforms that are still required in both countries in order to ensure that the skills necessary for successful economic and social development are forthcoming.

7.2 Governance and Organisation

7.2.1 National Training Agency

The most important area of further reform in both countries is the creation of a properly functioning national training agency (NTA) which is truly national in scope and which, therefore, has a comprehensive mandate to facilitate skills development throughout the formal and informal sectors.

As the apex organisation in a truly national training system, the NTA should have overall responsibility for the planning and regulation of the VET system as a whole. In particular, the NTA should give government detailed advice on national training priorities and related (public) resource allocations. In order to establish a clear separation between the planning and funding of training and the actual provision of training activities, the NTA should not have direct responsibility for individual training institutions. It is for this reason that the national and regional vocational training centres in Tanzania should be separated from VETA and be funded and managed as autonomous training institutions within the Ministry of Labour.

The NTA itself should be an autonomous body. It should not be attached to any one ministry, but should be located in the Office of the President/Prime Minister. To be truly demand-driven, the governance

structure of the NTA must be representative of all key stakeholders in the economy as a whole. Of overriding importance, employers must feel that they have a high degree of ownership otherwise it will be perceived as an essentially a government body that does not properly represent their interests and seek to meet their training needs. The same is true for training providers, both public and private. The interests of the poor and other disadvantaged groups must also be adequately represented. While government must also be represented especially in order to ensure that public resources are properly spent and accounted for, this does not mean that politicians and public servants should comprise a majority of the Board.

The experience of other countries shows that, while it is essential that power and resources over VET provision are devolved to employers and their organisations, government still has a critical role to play in ensuring that the requisite skills are available for sustainable long run growth. Relying entirely on the short term training demands from companies is likely to result in seriously sub-optimal provision. Consequently, the NTA must develop a comprehensive training strategy that, in particular, is able to identify the skills that are or will be needed in order to ensure the successful development of key sectors. Where these are not or are unlikely to be met by the private sector, it will be necessary to intervene.

7.2.2 Sectoralisation and Industry Lead Bodies

The governance and planning structures of the NTA need to be able to respond to the training needs of all the main economic sectors. Industry Training Committees should, therefore, be established for all major industries or groups of related industries which have clear executive authority to plan and fund training programmes that meet the primary training needs of their member enterprises. The larger industry training committees will need to be supported by their own professional staff.

As public funding for enterprise-related VET continues to fall, the training levy will become the key resource for both pre-employment and job-related training. How the levy is utilised by NTA is, therefore, of paramount importance. Assessing all the competing demands on scarce levy resources will require effective planning and well functioning board and industry committees that are seen to reach decisions about training priorities and related resource allocations on the basis of sound technical analysis and deliberations that are transparent and fair. More than anything else, it is the lack of transparency in use of training levy and the effective monopolisation by public training institutions of the levy itself that is objected to by employers in both Tanzania and Zimbabwe. Only by allowing enterprises from all industries to utilise levy funds as they deem

appropriate will it be possible to establish credibility in VETA and achieve the much higher levels of VET that are essential if these economies are to thrive in the future. Each Industry Training Committee must, therefore, have control over a significant share of the levy resources contributed by its members. Every enterprise should be requested to provide regular information about its priority training needs and how these could be met. This can then be assessed by the appropriate Industrial Training Committee and its professional staff and decisions made on which training should be approved, taking into account industry training priorities and availability of resources. But it should be up to each enterprise to decide who should deliver the training.

For larger, industry-wide training programmes, a process of open tendering would allow training providers, both public and private, to compete for this business. In this way, all training providers can compete against each other on a more or less level playing field, unlike the situation now, where VETA training centres and other public sector providers get the lion's share of public training resources.

7.2.3 Public Sector Training Institutions

Accelerating the pace of organisational reform among public sector training institutions is a top priority in both countries. There is a small

minority of training centres in each country that are financially well supported by their parent organisations and/or have managed to obtain sufficient external support from industry and aid donors. However, for the large majority of training centres, it is clear that the rapid deterioration in the level of financial support during the 1990s has meant that they have been unable to maintain training standards and that, in key areas, the size of the overall training effort has contracted sharply.

The most obvious solution to what amounts to a training crisis in the public sector is to secure much improved funding from parent ministries for both pre- and in-service training activities. However, given the severity of the fiscal crises in each country, it is unrealistic to expect any significant reversals in the funding situation for VET, at least in the foreseeable future. Other, more far reaching reforms are, therefore, needed.

There are three types of organisational reforms that could be pursued, namely divestiture, the public sector agency model, and internal restructuring.

Divestiture: Where there already exists good quality and extensive private sector training provision, one obvious option is for government to go out 'into the market' and purchase the training services it requires.

Public sector training centres in these areas should, where possible, be sold off or managed as going concerns to private sector operators. Where this is not feasible, these centres should be closed down and, where appropriate, land, buildings and other assets should be sold.

Established tendering procedures can be used for larger training contracts in order to ensure transparency and maximise competition. Given the size of public sector training requirements in areas such as computing, secretarial, and general administration and management, ministries and parastatals should be able to secure relatively low prices for training courses.

The Agency Model: The second option is to create semi-autonomous public sector training agencies along the lines of the School of Mines and ZIPAM in Tanzania and Dar Es Salaam Technical College in Tanzania. Each agency would have their own governing boards with effective representation for all key stakeholders and full management autonomy to establish their own policies and practices with respect to all key management functions including financing and conditions of service. Since government would no longer directly fund these training centres, they will have to generate all their own income by selling their training services to both public and private sector clients. This type of reorganisation tends to

work well in those areas of training that are directly or closely linked to particular industries or sectors (e.g. mining, tourism, horticulture, telecommunications) and/or there is considerable private sector demand.

Internal Restructuring: The third option is for public sector training centres to remain directly under the control of their parent ministry or parastatal, but for incentives to be created that will encourage greater financial self-reliance and greater efficiency. In particular, Treasury regulations concerning the authority to retain incomes earned from additional training and consultancy activities as well as production activities need to be comprehensively revised. Formulae can be devised that will ensure an appropriate division of income earned between trainers, the training centre and the Treasury. Given the low levels of motivation that prevail, unless training staff are given the opportunity to increase significantly their incomes, there is little or no likelihood that training provision can be improved. This type of restructuring is particularly appropriate for those types of training provision where the public sector is the main clientele (e.g. agriculture extension, nursing).

7.3 Planning and Research

A demand-driven training system is more information-intensive than the old supply-driven systems that relied on simplistic manpower planning

models. While it is obviously important to monitor employers' training needs, reliance on surveys alone will not generate the information that is needed to plan effectively and efficiently. Ultimately, giving employers themselves control over training resources and letting them decide (both individually and, where appropriate, as an industry as a whole) what training they wish their employees to undertake is the best guarantee that the system is demand-driven and obviates the need to conduct time-consuming and ultimately fairly ineffective training needs surveys. Having said this, data on the current status of labour markets for precisely defined occupational groups is essential but, given the rudimentary labour statistics in most developing countries, this will require an enormous planning effort by NTAs in order to develop an operational training market information system. Developed countries do not have information system of this kind, so it seems unrealistic at this stage to expect countries such as Tanzania and Zimbabwe to develop one.

The best way forward is, therefore, to establish decentralised planning procedures that enable employers of all types to articulate their training needs, particularly with respect to job-related training for their workforce. Planning for pre-employment training will, of course, have to be done, but the temptation to focus too much of this type of training should be resisted. Planning capacity needs to be developed quickly in order to

undertake rapid tracer surveys of appropriate cohorts of graduates of all types especially for those where there are signs that serious labour imbalances (either on the demand or supply side) exist. A lot more effort needs to be made to monitor what VET is actually being undertaken, especially by enterprises that take training seriously and also the for-profit private sector training centres because their training provision is clearly demand-driven (both in individuals and enterprises).

Strategic training needs clearly have to be catered for. However, it is important to recall that planning in the old VET system was driven by the perceived training needs of overly ambitious development strategies. While, therefore, it remains the responsibility of government to ensure that the necessary skills will be available in the future for activities that may not be in demand now, primary reliance should be placed on correctly interpreting current labour market signals for specific occupations and skills.

Between 25-30 percent of the working population in Zimbabwe and around 10 per cent in Tanzania are estimated to be infected with the AIDS virus. It is clear, therefore, that very careful thought needs to be given to how the training systems in these countries should respond to rapid increases in levels of attrition across the entire range of

occupations.

7.4 Certification and Accreditation

The VET qualification systems in Tanzania and, to a slightly lesser extent, Zimbabwe are outdated and excessively segmented and therefore disjointed. The trade test system is particularly archaic and discredited. A national qualifications framework similar to one that has recently been introduced in South Africa and which is based on an unified, flexible system of qualifications that encourages individuals to improve their skills throughout their working lives and thus provides career-progression and the creation of a 'high skill-high participation' economy urgently needs to be introduced. The traditional professional-technician-artisan trichotomy no longer corresponds to the labour process of training providers in modern enterprises and institutional structure and qualification systems that perpetuate artificial occupational boundaries need to be replaced.

Accreditation is also another essential function of a national training agency. As was discussed in Chapter 2, neither country has the institutional capacity to register and inspect training providers in a timeous and professional manner, especially training outside its traditional areas of provision viz the traditional manual trades. Establishing this capacity quickly especially in the key growth industries (tourism, mining, financial

services, etc.) is critical if the private sector is to develop properly. Some decentralisation of these functions may be possible for the more common areas of training (computing, secretarial and the basic manual trades) but in small economies, a fairly high degree of centralisation is unavoidable for more specialist, industry-specific training.

7.5 Training for the Poor and Disadvantaged

NTAs should take the lead in establishing a coherent strategy for training of microenterprise entrepreneurs who generally have a low perception of their training needs (especially in relation to other business priorities). However, properly targeted training can result in significant improvements in productivity and income earning capacities among these type of enterprises. Thus, on both equity and efficiency grounds, there is a strong case to be made for redistributing public resources for training towards poorer producers in both the rural and informal sectors. PSTIs, but especially NGOs, are well placed to provide relevant, usually low cost training.

Most microenterprises are not registered and, therefore, do not pay the training levy. However, they employ the bulk of workforce in Tanzania and government has a clear responsibility to support human resources development in this sector. One possible course of action is, therefore,

the establishment of a Microenterprise Training Committee with its own professional support staff. Each NTA must decide how much of the training levy should be allocated to microenterprise training. A strongly pro-poor training strategy would certainly devote at least one-third of training levy contributions to help promote skill development among the poor.

Clearly, government and donors should provide additional funding for microenterprise training which, like the other industrial training committees, will need to institute competitive tendering for major training contracts. Since training on its own is rarely sufficient, the Microenterprise Training Committee will have to work with other agencies (credit, technical assistance) in order to ensure that the training provided is properly integrated in the right package of services and other inputs.

As noted earlier, women remain heavily under-represented at most public sector training centres in Tanzania and Zimbabwe. VETA has gone the furthest in introducing an effective affirmative action policy, but the share of women students at VETA training centres was still only around 19% in 1997. With a comprehensive national mandate for VET, each NTA should be in a good position to introduce a range of affirmative action measures (in particular quotas and lower entry qualification requirements) that will

result in significant increases in female enrolments.

7.6 Private Sector Training Provision

7.6.1 Registration and Inspection

The current registration and subsequent inspection of PSTIs needs to be considerably strengthened in each country. Registration processes are unwieldy, lack rigour, and generally take far too long to complete. Once registered, PSTIs are rarely visited by the designated officials. There is no meaningful process of inspections that would ensure that minimum training standards are being maintained and that would provide professional advice and, where necessary, resources to improve training provision. Large numbers of PSTIs continue to operate illegally in both countries.

On its own, the market is a poor regulator of private sector training mainly because the demand for training is so high and information about the costs and examination performance of PSTIs so scarce. Furthermore, most professional institutes and other examination bodies have no effective procedures for accreditation of local PSTIs.

A separate division of the NTA should have responsibility for monitoring

and improving training standards in both public and private training institutions. Small regional teams also need to be established with the appropriate professional expertise to register, inspect and provide advice to a training institutions.

Concerted efforts need to be made to control effectively non-registered PSTIs, especially those that are for-profit. There is also a significant amount of training by NGOs which is usually free. Nonetheless, it is still important that these activities are registered in some way and are monitored on a regular basis. At present, government and other major stakeholders know virtually nothing about the training activities of NGOs and are, therefore, unable to provide support for priority areas.

7.6.2 Market Information

Improving the quality and overall availability of information about training costs and examination performance of PSTIs is likely to be a very cost-effective measure for improving the quality of private sector training provision in Tanzania and particularly Zimbabwe. At present, training markets function very imperfectly because the relevant information needed by consumers to make informed choices about which course to take and which institution to attend is generally not available. It is important, therefore, that government takes the initiative and obliges

PSTIs as well as public training institutions to provide at least annually information about the tuition fees, enrolments, and examination pass rates for courses that they offer.

7.6.3 Local and Overseas Courses

Economic liberalisation has dramatically opened up vocational training markets to foreign competition in Zimbabwe and, to a lesser extent, in Tanzania. Foreign courses and qualifications are strongly preferred by both individual and corporate clients of PSTIs in virtually all subject areas. It is entirely healthy that individuals and training institutions themselves are able to choose between the different training services of competing professional institutes and other examination bodies. Having to rely on one sub-standard qualification would be very undesirable.

7.6.4 Staff Development

Urgent action needs to be taken to improve the quality of instructors, both full and part-time, employed by PSTIs. Proprietors have little or no incentive to improve the subject knowledge and pedagogical skills of their staff. Turnover is very high and the majority of instructors are only part-time.

Effective inspections should identify the main areas where individual instructors need to improve their skills. It is important, therefore, that properly accredited, modular-based, short training courses are available that directly address the most common areas of skill deficiency.

Contracts for training PSTI instructors should be awarded by the NTA on a competitive tender basis. When selecting PSTIs to undertake publicly funded training, strong preference should be given to training centres that have instructors who have completed these training of trainers courses.



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