

PDPBH 457

File 690-0213

UNCLASSIFIED

SOUTHERN AFRICA

REGIONAL

(690-0213)

PROJECT PAPER

UNCLASSIFIED

1

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

4

DOCUMENT CODE

3

COUNTRY/ENTITY
 SOUTHERN AFRICA REGIONAL

3. PROJECT NUMBER

690-0213

4. BUREAU/OFFICE

AFRICA

06

5. PROJECT TITLE (maximum 40 characters)

Training for Disadvantaged South Africans

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
 09 30 89

7. ESTIMATED DATE OF OBLIGATION

(Under "B" below, enter 1, 2, 3, or 4)

A. Initial FY 82

B. Quarter 4

C. Final FY 89

8. COSTS (\$'000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(4,000)	()	(4,000)	(30,000)	()	(30,000)
(Loan)	()	()	()	()	()	()
Other						
U.S.						
Host Country						
Other Donor(s)						
TOTALS	4,000		4,000	30,000		30,000

9. SCHEDULE OF AID FUNDING (\$'000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) EHR	680	630		6,050		3,000		9,050	
(2) ESE	680	630		3,047		17,903		20,950	
(3)									
(4)									
TOTALS				9,097		20,903		30,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To provide higher education in the U.S. for legally disadvantaged South Africans who are expected to return to South Africa and begin or continue careers upon completion of their studies in the United States.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
 09 84 07 86 08 89

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY

Signature

Title

Roger D. Carlson
 Director, AFR/SA

Date Signed

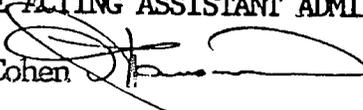
MM DD YY
 06 17 89

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY
 06 17 89

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: AFR/PD, ^{for} Norman Cohen 

SUBJECT: Project Authorization - Southern Africa Regional, Training
for Disadvantaged South Africans, 690-0213

Problem: In FY 1982 an inter-agency transfer to ICA of \$4 million was made for this project. Since FY 1982, \$5,097,000 has been authorized by AA/AFR. Your approval is now required to amend the project authorization to add \$20,903,000 (including \$3 million for FY 1984 and \$17,903,000 for 1985-89) bringing life-of-project funding approved by AA/AFR to \$26 million for this project. (See Table A).

Background:

Summary Project Authorization History - In 1982 AID transferred \$4 million to ICA through an inter-agency Letter of Agreement to finance the costs of training legally disadvantaged South Africans in the United States. An additional \$47,000 was provided directly to the Institute of International Education (IIE) to cover student selection and processing costs in South Africa for a total of \$4,047,000 obligated in FY 1982. In FY 1983 a total of \$4,050,000 was authorized. In March 1984, \$1 million of the \$4 million in the FY 1984 OYB was authorized and obligated to facilitate the placement of students in U.S. schools for the academic year 1984. A third amendment was signed on July 12, 1984 which will provide up to \$75,000 of the \$1 million amount authorized earlier this year primarily to cover selection services for the participating private South African organization, the Educational Opportunities Council (EOC). These costs are associated with student selection and processing for academic year 1985 students. The attached fourth amendment for \$20,903,000 includes the \$3 million remaining in the 1984 OYB, as well as annual incremental funding for future years (FY 1985-89).

Congressional Mandate - This project responds directly to a specific Congressional mandate to provide scholarship assistance to legally disadvantaged South Africans for undergraduate and professional (graduate) education in the United States. Because of the mandatory nature of this project and the unique situation arising from operating in a country where there is neither an AID Mission nor host government involvement, and where there is not as yet a fully developed country strategy statement, past documentation providing the justification for this activity deviated from the normal PID procedure. The \$4 million FY 1982 scholarship program for disadvantaged South Africans was presented in the form of an Action Memorandum to AA/AFR and obligated by a Memorandum of Agreement between AID and ICA. Under this Agreement, 86 students were placed in U.S. colleges and universities through ICA contracts with the Institute for International Education and the American-African Education Fund (AAEF).

FY 1983 Authorization - In FY 1983, AID's involvement became more direct with the authorization and obligation of \$4 million to provide full 4-year funding for the approximately 93 new starts that year. Of the \$4 million, \$3 million (75%) was obligated under a competitively awarded contract with the Institute of International Education, and the remaining \$1 million (25%) was obligated under a separate contract with Aurora Associates following a limited competition among several 8(a) firms. Although the initial component of this activity carried out by ICA with FY 1982 funding was treated separately from the FY 1983 authorization and the current amendment, the overall scholarship initiative is seen as a continuing multi-year effort in accordance with the Congressional mandate.

FY 1984 Amendment - Congress has earmarked \$4 million (\$1 million in ESF funds and \$3 million in DA funds) for obligation for this project for FY 1984. To enable the FY 1984 contingent of students to enter school this fall (FY 1984 fourth quarter), it was necessary to sign contracts for their placement and support by the second quarter of FY 1984. Therefore, \$1 million in ESF funding was authorized in March 1984 (Authorization Amendment Number 2) to provide support for up to one full academic year of study.

TABLE A

Funding Summary - Actual and Planned AID Obligations FY 1982 Through
FY 1989
(\$000)

<u>Fiscal Year</u>	<u>Quarter</u>	<u>Authorized Totals</u>
FY 1982	3rd qtr.	4,000 <u>1/</u>
FY 1982	4th qtr.	47 <u>2/</u>
FY 1983	3rd qtr.	4,000
FY 1983	4th qtr.	50 <u>2/</u>
FY 1984	3rd qtr.	1,000 <u>3/</u>
Subtotal - authorized/obligated to date		<u>9,097</u> <u>3/</u>
FY 1984-4th qtr.		3,000 <u>4/</u>
FY 1985-89 - annual incremental obligations		17,903
Life-of-Project Total		<u>30,000</u>

1/ Amount transferred to ICA in 1982 to carry out pilot project.

2/ Amounts added to project authorizations to cover AID contracts with IEE for student selection services.

4

- 3/ Of this authorized amount, \$75,000 remains to be obligated with IIE.
4/ Amount remaining to be authorized and obligated in FY 1984.

Discussion: Project Goal and Purpose- The goal of the project is to contribute to the process of preparing black South Africans to participate at all skill and responsibility levels in the operation of South Africa's industrialized economy, a process which the U.S. believes is an important element in bringing about fundamental economic and social change in the Republic.

The purpose of this project is to provide university training in the United States for legally disadvantaged South Africans who are expected to return to South Africa upon completion of their studies in the U.S. For the purposes of this project the term "black" will be used interchangeably with legally disadvantaged South Africans. The two terms also include South Africa Asians and so-called Coloreds.

As the program has developed over the years, the joint partnership between the U.S. Government, private foundations, U.S. universities/colleges and the EOC has worked well.

The current amendment number four will fund:

(a) The services of a U.S. organization(s) to continue student placement in U.S. institutions for the years FY 1985-FY 1988, including support to the students and monitoring of their progress while in the program. It is important to note that the students placed in U.S. universities by IIE and Aurora through the \$1 million authorized in March 1984 will become the responsibility of the contractor(s) selected after the current fourth project authorization amendment is signed.

(b) Support for the Educational Opportunities Council for the student selection process, student job identification and placement assistance for program graduates, through the U.S. contractor.

The ECPR recommends that the U.S. contractor be identified through a competitive bidding procedure. The Educational Opportunities Council will be designated as the cooperating South Africa organization in the AID contract documents.

The EOC, with managerial and financial assistance funded by AID and provided through the Institute of International Education, has managed the advertising of the scholarship program and the student selection process on a national basis. The selection procedure uses first regional and then a final national selection committee composed primarily of individuals from the black South African community.

In project design discussions with the U.S. Embassy, contacts in the South African academic community and among foundations and civic groups there concerned with the welfare of blacks, it was generally recognized that EOC's role in the selection of students continues to be an important factor in maintaining the integrity of the scholarship program as one based on the qualifications and demonstrated potential of prospective students, without significant instances of bias based on ethnic group, regional origin or family influence. EOC's mandate is expanding to include career planning and assistance to program graduates seeking jobs in South Africa.

The project budget provides approximately \$550,000 between FY 1984 and FY 1989 to enhance EOC student recruitment and selection capabilities, as well as expand its activities to include the provision of counseling/placement assistance to students

in the program seeking assistance or information about job opportunities.

Beneficiaries of the Project: With about 38 students already through the program, 169 currently in the U.S., and an estimated 1,500 to be trained by 1989 when the project ends, the project assists the many disadvantaged South African men and women who have the capacity to work in a normal academic environment, but in their own country are either denied access to higher education or find access limited due to their race. The immediate project beneficiaries from this fourth amendment will be the approximately 1,500 blacks trained with the funds provided by this project and complemented by tuition, room and board fee waivers or financial support from the U.S. private sector. This figure is calculated on the basis that the U.S. contractor will be able to obtain tuition waivers from most participating universities or colleges for 75% of the participants; other contributions will also be obtained from corporate and foundation sources. The actual number of students selected for training will be adjusted based on the exact amount of non-project funded contributions made. Ultimately project benefits will extend to all of South Africa as students assume positions of leadership in the public and private sectors, and in their own communities.

Breakdown of Direct U.S. Support Costs and Projected Contributions from U.S. Institutions, Corporations and Foundations:

Table B

(\$000)

	FY 1984		LOP FY 82-89		Totals	(%)
	AID	Others	AID	Others		
Direct student costs	2,900	3,844	23,700	39,000	69,444	(90)
Prog. admin. costs: participant selection/ placement, supervision, fund raising, etc.	1,100	--	6,300	--	7,400	(10)
Total	4,000	3,844	30,000	39,000	76,844	(100)

Project Management: a. AID - The responsible officer in South Africa will be a senior AID person who will be assigned in the near future. AID/Washington project coordination responsibilities will reside in AFR/SA. Project implementation matters will be the responsibility of AFR/PD/SAP. SER/CM will maintain responsibility for contract-related matters. AFR/PD/SAP will serve as the focal point for most contacts between the U.S. contractor and AID.

b. Educational Opportunities Council - The program has been coordinated in South Africa by the Educational Opportunities Council, chaired by Bishop Desmond Tutu, General Secretary of the South African Council of Churches. The Council is multi-racial, and includes many prominent South African educators, who are anxious to expand opportunities for legally disadvantaged South Africans.

The key to EOC's success to date lies in its ability to select students for the program based on both academic merit and potential, from all over South Africa on a timely basis and prepare the students for their departure to the U.S. The Educational Opportunities Council is broken down into regional boards of which

6

there are five, one each in Natal, Eastern Cape, Western Cape, Orange Free State, and the Transvaal. These boards have approximately five members each. Collaboration with EOC in the United States comes from the National Council of the South African Education Program, a group of distinguished educators, businessmen and representatives of concerned organizations. Mr. Derek Bok, President of Harvard University is the Chairman of the National Council.

c. U.S. Contractor(s) - In 1982 the International Communications Agency (ICA) using the funds provided by the AID interagency transfer contracted non-competitively with two firms, the (large and well established) Institute of International Education, and a small business concern, the American-African Education Fund (AAEF) for services to place students, support them while studying in the U.S. and monitor their progress.

In March 1983, IIE was awarded 75 percent of the authorized \$1 million project amount following a competitive bid process. The remaining 25 percent was awarded to a Small Business Administration designated 8(a) firm, Aurora Associates.

In March 1984, IIE was awarded a contract extension for about \$750,000 on the basis of impairment of foreign policy objectives and AID's need to ensure the timely placement of academic year 1984 students. About \$250,000 was also awarded to Aurora Associates by extension of their 8(a) contract.

Given the history of 8(a) involvement in the project thus far and the Agency's emphasis on the increased use of Gray Amendment entities where appropriate, the ECPR considered two project management options. The first option was to select one contractor for all of the future work with the requirement that the firm be responsible for the preparation of an adequate sub-contracting plan with a 8(a) firm. The second option was to compete the largest portion of the project among large firms and the remainder among a small number of 8(a) firms. After further researching options (1) and (2) the Africa Bureau was able to determine that while the first one would limit the number of contractors with whom AID would have to deal directly and thereby facilitate project management, it might also make it difficult to insure that the smaller and by definition less experienced 8(a) firm would get the type of substantive work experience which would contribute to the firm's growth. Thus, option two has been selected i.e., one competition among larger firms for a portion of the project and a separate competition among 8(a) firms for the remaining portion.

Because of the size and duration of the project, it is likely that competition will be keen and that several proposals will be received. Realistically, a fairly extended period will be required to allow firms sufficient time to prepare their proposals (60-90 days) and for AID/W to review them and make an award (30 days). Without cutting corners to an unacceptable degree, this process cannot be completed prior to the end of FY 1984. Therefore, in order to obligate the remaining \$3 million earmarked by the Congress for this activity in FY 1984, it will be necessary to extend the present contracts with IIE and Aurora, which would complete the life-of-training funding for all of the students who entered into training in 1984. A waiver requesting approval for a non-competitive extension of IIE's contract based on impairment of foreign assistance objectives is attached. No waiver is required for extension of Aurora's contract, since it is an 8(a) firm. The amount of the project which would be financed through the competitively selected contract would be \$17,903,000. This would fund all students entering training in 1985 and thereafter.

2

The Executive Committee for Project Review has concluded from analyses in the Project Paper that:

- a. the project approach is technically and economically sound, socially acceptable and administratively feasible;
- b. the technical design and cost estimates are reasonable and adequately planned, thereby satisfying the requirements of Section 611(a) of the Foreign Assistance Act, as amended;
- c. the timing and funding of the project activity is appropriately scheduled and the implementation plan is realistic and establishes a reasonable time frame for carrying out the project; and
- d. sufficient planning has been made for the monitoring and evaluation of project progress.

Environmental Concerns: A categorical exclusion for the requirement of an Initial Environmental Examination was approved and is included as Annex G in the Project Paper.

Source and Origin: The authorized source for commodities and services will be AID Geographic Code 000 (U.S. only) and the Cooperating Country (South Africa). No waivers are anticipated.

Human Rights Issues: There are no human rights issues which would prevent project obligation. See the attached Human Rights Procedures Memorandum dated 7/1/84.

Approval Authority: AA/AFR has authority to approve this amendment to the project authorization under Delegation of Authority 133, since the total authorized life-of-project funding, after the amendment, will not exceed \$30 million.

Recommendation: That you sign the attached fourth amendment to the Project Authorization, thereby authorizing an addition of \$20,903,000 to the FY 1983 Authorization.

Clearances:

DAA/AFR/ESA:PBirnbaum	PB	Date	8/17/84
GC/AFR:MAKleinjan	MAK	Date	7/17/84
AFR/PD:LHausman	(Draft)	Date	7/17/84
AFR/PD/SAP:MGilbert	MA	Date	7/26/84
AFR/SA:RCarlson	RC	Date	8/14/84
AFR/SA:MFeldstein	MF	Date	8/15/84
AFR/DP:JGovan	(Draft)	Date	7/16/84
AFR/TR/EHR:CPerry	(Draft)	Date	7/2/84
AFR/TR/EHR:TRoss	(Draft)	Date	7/2/84
PPC/PD/PR:KPiepmair	(Draft)	Date	7/2/84

AFR/PD/SA:LJackson:7/9/84:ext. 632-8818:cw:#1352L

8

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

FOURTH AMENDMENT
TO
PROJECT AUTHORIZATION

Name of Country: Southern Africa Regional
Name of Project: Training for Disadvantaged South Africans
Number of Project: 690-0213

1. Pursuant to section 105(a) of the Foreign Assistance Act of 1961, as amended, the Training for Disadvantaged South Africans project (the "Project") was authorized on May 17, 1983, and that authorization was amended on September 27, 1983, March 22, 1984, and July 12, 1984. That amended authorization is hereby amended as follows:

a. In the first paragraph, "five million fifty thousand U.S. dollars (\$5,050,000)" is deleted and replaced by "twenty-six million U.S. dollars (\$26,000,000)."

b. In the first paragraph, "over a seven year period from date of initial authorization" is added after "grant funds."

c. In the first paragraph, "four years from the date of initial obligation" is deleted, and "six years and four months from the date of initial obligation, unless AID otherwise agrees in writing" is substituted therefor.

d. The second paragraph is deleted and replaced with the following: "The project consists of the financing of undergraduate and professional training in the United States, including related selection, placement and support services, for South African students who are disadvantaged by virtue of legal restrictions on their ability to get an adequate undergraduate or professional education in South Africa."

2. Pursuant to section 531 of the Foreign Assistance Act of 1961, as amended, up to \$100,000 was authorized for selection services for FY 1983 for training disadvantaged South Africans by action memorandum dated July 15, 1982. That authorization is hereby deleted and incorporated into this project

authorization, and that authorized amount is included within the \$26,000,000 of this amended project authorization.

3. The authorization cited above remains in force except as hereby amended.

Mark L. Edelman
Mark L. Edelman
Acting Assistant Administrator
Bureau for Africa

6-22-84
Date

TRAINING FOR DISADVANTAGED SOUTH AFRICANS
(690-0213)

TABLE OF CONTENTS

<u>PAGE</u>	
	ACRONYMS/ABBREVIATIONS I
	LIST OF PERSONS INTERVIEWED II
	PROJECT SUMMARY IV
I.	PROJECT RATIONALE AND DESCRIPTION
1.	Introduction 1
2.	Project Rationale 1
3.	Project Description 3
II.	COST ESTIMATE AND FINANCIAL PLAN 14
III.	IMPLEMENTATION PLAN 24
IV.	MONITORING PLAN 32
V.	SUMMARIES OF ANALYSES
A.	Technical Analyses 34
B.	Manpower/Economic Analyses 39
C.	Social Soundness Analyses 44
VI.	EVALUATION PLAN 52
VII.	ANNEXES
A.	Log Frame Matrix
B.	Technical Analysis
C.	Manpower/Economic Analysis
D.	Social Soundness Analysis
E.	The De Lange Report on Education in South Africa, 1981
F.	Report on the South African Education Program (i.e., Training for Disadvantaged South Africans), October, 1983
G.	Country and Project Statutory Checklists
H.	Sole Source Waiver

ACRONYMS/ABBREVIATIONS

CGI	Consulting Group, Inc., California
EOC	Educational Opportunities Council
IIE	Institute of International Education
MEDUNSA	Medical University of South Africa
NAFCOC	National African Federated Chamber of Commerce
NUSAS	National Union of South African Students
SACC	South Africa Council of Churches
SACHED	South Africa Committee for Higher Education
SAEP	South Africa Education Program
SAIRR	South Africa Institute of Race Relations
SASM	South Africa Student Movement
SASO	South African Student Organization
SOWETO	South West Townships
T.O.P.S.	Teacher Opportunity Program
UCT	University of Cape Town
UNISA	University of South Africa
UPP	University Preparation Program
USSALEP	U.S.-South Africa Lender Exchange Program
UWC	University of the Western Cape
WCC	World Council of Churches
WITS	University of Witwatersrand

LIST OF PERSONS CONTACTED BY PROJECT PAPER DESIGN TEAM
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Ms. Hazel Molman	South Africa Development Bank
Mr. Nicholas Morgan	University of Cape Town
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Mr. Mokgethi Mothhabi	Educational Opportunities Council
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III

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Mr. John Samuels	South Africa Committee for Higher Education
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Mr. S.S. Terblacnhe	Human Science Research Council
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Dr. Theovan Wijk	Rector, University of South Africa
Officials of Woodmeade Private Secondary School	
Officials at U.S. Mission, Pretoria, Johannesburg, Cape Town	

TRAINING FOR DISADVANTAGED SOUTH AFRICANSPROJECT PAPER

690-0213

I. SUMMARY

A. The project, a grant funded contract with a U.S. firm will cover the costs of student identification, screening, placement in U.S. universities and colleges, student support while in the U.S. and job counseling/placement assistance in South Africa between FY 1984 and FY 1989.

The focus of training will be on the graduate with special consideration given to students seeking undergraduate training in areas where legally disadvantaged South Africans are unable to receive adequate training in South Africa, such as the natural sciences or the field of engineering, for example. As in the past, this project will continue to rely on a list of priority training areas particularly relevant to the enhanced economic and social potential of the project beneficiaries. These fields are: economics, business administration, engineering, public administration, agriculture, and the sciences.

As the program has developed over the years, the joint partnership between the U.S. Government, private foundations, U.S. universities/colleges and the Educational Opportunities Council (EOC) has worked well. EOC, with managerial and financial assistance from the Institute of International Education (IIE) has managed the advertising of the scholarship program throughout the Republic, using newspapers, radio, television, contacts with university representatives, secondary school headmasters, community organizations, etc., through the final student selection process using first regional and then a final national selection committee

composed primarily of individuals from the black South Africa community. The present project will fund the services of a U.S. organization directly and make provision for the enhancement of EOC capacity to continue to select students. An additional area of EOC concern will be to assist returning students identify job opportunities and make potential employers aware of the availability of returned and returning program participants.

AID anticipates that other sources of financial support for the program from the U.S. private sector-particularly from corporations with branches in South Africa, and U.S. colleges and universities will allow AID to leverage its investment in the program to train more students than would ordinarily be the case.

In general, students selected for the program are progressively moving from mostly undergraduate to graduate students except where U.S. training is particularly appropriate due to the inability or unwillingness of the South Africa government to provide training in certain areas such as the natural sciences.

Overall the project will finance:

	(\$000)				<u>Totals</u>	(%)
	<u>FY 1984</u>		<u>LOP</u>			
	<u>AID</u>	<u>Others</u>	<u>AID</u>	<u>Others</u>		
Participant Costs	2,900	3,844	23,700	39,000	69,444	(90)
Program Administration Costs:						
Participant selection/ placement, supervision, fund raising, etc.	<u>1,100</u>	<u>--</u>	<u>6,300</u>	<u>--</u>	<u>7,400</u>	(10)
Total	4,000	3,844	30,000	39,000	76,844	(100)

If the implementing U.S. organization succeeds in obtaining contributions from others, representing over 50% of the amount contributed by AID, 1700-2000 students could be trained. This figure is necessarily illustrative since the number of students will change with the level of non-AID contributions to training costs and other variables such as the length of training required by individual students.

B. Issues and Their Resolution by the Executive Committee for Project Review

ISSUE 1. Should Project Paper allow for the training of Namibians who are either physically in South Africa or apply to the scholarship program from Namibia?

RESOLUTION. Since the project was specifically earmarked by Congress as a project to train disadvantaged South Africans, its scope will not be expanded to include Namibians.

ISSUE 2. The relationship of the Educational Opportunities Council (EOC) of South Africa to the project should be clarified. Is it appropriate that the project implementation responsibilities of EOC in South Africa be established by AID and prescribed in the contract documentation, or should AID hold the U.S. contractor(s) responsible for negotiating with EOC or some other South African organizations for services and support in the Republic?

RESOLUTION. Project Paper should show how the institutional capacity of the Educational Opportunities Council (EOC) will be strengthened through the project. The contract will be signed however, with a U.S. organization. This approach has been officially endorsed by U.S. Embassy, Pretoria. It was agreed that

EOC should play an active role in the contractor selection process once responses to the AID issued Request for Technical Proposals are received.

ISSUE 3. How should AID contracting procedures be handled for the U.S. student placement and support services? Mindful of the Agency's goal of involving more minority firms and small businesses in the programs where appropriate, AID would like to see the capacity of a minority firm enhanced through involvement in the project.

RESOLUTION. The ECPR agreed that while procurement regulations preclude the stipulation that the successful U.S. contractor must have an 8(a) minority firm as a subcontractor, the RFTP instructions can and will require a minority contracting plan, acceptable to AID.

The possibility of extending the current Small Business Administration 8(a) set-aside for Aurora Associates from one to four years was discussed. AFR/SA later determined that such an extension is not necessary. The U.S. contractor to be selected later this fiscal year will assume responsibility for the academic year 1984 students brought to the U.S. by Aurora Associates (and the International Institute of Education (IIE)).

ISSUE 4. The Project Paper recommends that training under this project focus on graduate training. Undergraduate or other training would only be authorized on a case by case basis with specific AID approval.

RESOLUTION. Most students accepted into the program will be at the graduate level. Project history shows, however, that in South Africa, undergraduate study opportunities in the natural sciences are severely limited for non-whites. The Project Paper should be

revised or an addendum prepared to show which fields of study for graduate and undergraduate will be emphasized. AID has a preference for training graduate students in the U.S., except in the case of the natural sciences for example, where undergraduates cannot realize their full potential in South African institutions.

I. PROJECT RATIONALE AND DESCRIPTION

1. Introduction

The project provides scholarship assistance for graduate, undergraduate and professional study in the U.S. for disadvantaged South African students who will return to South Africa upon completion of their studies. Priority is given to training in the development science areas, including agriculture, business administration, economics, engineering and science. The ongoing project is presently being implemented through the Institute of International Education (IIE) and Aurora Associates. These two organizations work closely with the Educational Opportunities Council (EOC), a South African private and non-profit organization which has the responsibility for identifying, screening and selecting scholarship candidates. Funding support provided by the U.S. Government is supplemented by U.S. private foundations, corporations, colleges and universities. Since the start of the project, a total of 207 South African students have come to the U.S. of whom 38 have completed graduate or special training and returned to South Africa.

2. Rationale

No one who has the slightest familiarity with the conditions of education in the Republic of South Africa can escape the very clear message when a comparison is made between white and non-white education. On every conceivable measure of educational quality, the white population is in a markedly better position than the non-white. The typical and consistent pattern of resource distribution sees whites at the top, followed by Asians, then coloureds, and finally Africans. The irony of the situation is that the population representation of each group in the total South Africa population is roughly the exact opposite of such a resource distribution pattern.

It is also a matter of some deep concern to the Africans themselves, as well as to others who are careful observers of the human resource problem in South Africa, that over the foreseeable future, the need for a drastic reversal in the traditional treatment of black South Africans in respect to schooling is great. Economic growth considerations demand it; concerns of internal social and political stability and indeed maturity requires it; the disadvantaged groups themselves will increasingly not settle for less. As the school boycotts in recent years demonstrated black South Africans are clearly hostile to the kind of separate and grossly unequal education meted out to them.

It was in that context that the original program and its earlier non-governmental variants were conceived. The emphasis was to be on graduate education in well-selected areas, although some students were allowed to pursue undergraduate degrees. The basis for this was the recognition that as far as high-level manpower was concerned, black South Africans were almost totally excluded in the typical professional occupations. In 1979, while white high-level manpower totalled 458,788 out of a total white manpower pool of 1,578,969, black (meaning African, Asian or coloured) high-level manpower totalled 80,300 out of a total manpower pool of 3,678,000. University enrollment on a full-time basis (residential) reached 80,000 for whites but only 7,000 for Africans. Life chances on this measure of social well-being are clearly not random, since the white child has 100 times the chance of being a university graduate than the black child. Thus, the motivation for the External Scholarship program is the pattern of limited educational opportunity for blacks in South Africa, coupled with the view that study in the United States could constitute, for the first time for most who undertake it, a refreshing and liberating experience.

21

Finally, education can be defended on its own merit, and need not be justified by other extra-educational concerns. While this argument is more difficult to defend in conditions where one is trying to justify spending more on a specific kind of education as opposed to another, at the margin, the context of educational provisions for blacks in South Africa is clearly not one in which concerns need be raised about marginal trade-offs. The short-fall is massive and the need is great for the opening up of all kinds of post-secondary education for South African black population.

2. A. Goal: The goal of this project is to contribute to the process of preparing legally disadvantaged (blacks, Asians and so-called Coloreds) South Africans to participate at all skill and responsibility levels in the operation of South Africa's industrialized economy, a process which the U.S. believes is an important element in bringing about fundamental social and economic change in South Africa.

B. Purpose: The purpose of this project is to provide undergraduate and professional (graduate) training in the United States for legally disadvantaged South Africans who are expected to return to South Africa upon completion of their studies in the U.S.

C. Objective: The objective of the program is the enhancement of human resource development of black South Africans through formal university training, mostly at the graduate level,

20

and in accredited institutions of higher education in the United States. Accordingly most of the students who have already passed through the programs were students of the master's degree level. Due however to the frequent disruption of studies at some local South African universities, the program was broadened to include some undergraduates. These were in fact transfer students, who were to complete the last two years of undergraduate work on the External Scholarship Program.

D. Targets: The program targets are viewed in terms of preparation in certain specific fields of study. Those with high development significance as well as having the capacity for meaningful employment. Accordingly, the program has placed emphasis on the following fields: engineering, mathematics, the sciences, economics, business administration, agriculture, public administration and management.

E. Outputs: The outputs from the program are the approximately 1,700 students who successfully complete the program of study and return to South Africa, hopefully into challenging and rewarding occupations.

In selecting scholarship recipients, the preference is for mature students who have the personal conviction to sustain them during their adjustment to study in the United States, and their reentry into life in South Africa. The demonstration of appropriate academic ability is guaranteed through the EOC and U.S. contractor student selection process. The distribution of students should reflect evenhanded selection across all regions of the country and as between male and female students.

Additionally, the placement of students should reflect objectives of wide dispersion among U.S. post-secondary institutions. The U. S. contractor will increase the representation of historically black colleges and universities in the U.S. among those receiving

22

students. This effort to include HBCUs in the program will be more costly, however the primary consideration in matching students with interested HBCUs will be the ability of the selected institution to provide a quality education appropriate to the needs of the students involved. See Social Soundness Summary or annex of Project Paper for additional information on the anticipated social needs of black South Africans studying in the U.S.

F. Inputs:

(1) AID inputs to the scholarship program are focused on financial support for (a) university/college expenses, (b) U.S. contractors' implementation of the U.S. component of the program and (c) the Educational Opportunities Council student selection activities in South Africa and student job placement assistance for graduates of the program. These categories are discussed in further detail below:

a. University/college expenses: Included in this category are specific scholarship costs, such as tuition, room and board on campus, books, clothing, laundry, incidentals, summer maintenance, medical insurance and international travel between South African and the U.S. AID will assure uniformity in conditions of U.S.-funded scholarships administered by contractors by requiring compliance with Handbook 10, Participant Training. Cost-sharing with universities, corporations and private sector interest groups and foundations will be maximized. In the case of universities, cost-sharing will be sought through tuition waivers, often in conjunction with partial or full waivers of room and board.

b. Contractors' implementation: The scholarship program will be implemented through contracts with non-governmental organizations. Maximum cooperation between the implementing organizations is to be encouraged. The contractors will be responsible for the following functions:

24

- participant selection in South Africa in collaboration with EOC, private South African educators and educational institutions;
- participant placement in an appropriate academic setting, with full financial and administrative support;
- student counselling and academic supervision, in collaboration with the university or college;
- work-related training experience or internship during university vacation periods, especially for summer breaks;
- appropriate supplemental academic experience as individual situations dictate;
- re-entry (into South Africa) orientation as needed; and
- follow-up job placement assistance to returned participants through EOC.

Fulfillment of this basic scope of work necessitates funding contractor's costs for staff salaries and benefits, travel in the U.S. and to South Africa if necessary and to universities, student conference, communications, support services and general administrative overhead.

(2) Private Sector Inputs: U.S. corporations, foundations and universities have demonstrated continuing commitment to the education of disadvantaged South Africans including provision of scholarship support to such students. Contractors will be strongly encouraged to continue to elicit corporate, foundation and university contributions to the scholarship program.

3. Project Elements

The External Scholarship Program is a complex undertaking, involving close collaboration between U.S. contractors, South African organizations (non-governmental) who do the selection of students, universities in the U.S., corporations and foundations in the U.S. The importance of this collaboration cannot be

over emphasized due to the extreme volatility occasioned by the long struggle for equal rights and treatment by the people of colour in South Africa, and the continuing recalcitrance of the ruling group.

The program has been coordinated in South Africa by the Educational Opportunities Council (EOC), chaired by Bishop Desmond Tutu, General Secretary of the South African Council of Churches. The Council is multi-racial, and includes many prominent South African educators, who are anxious to expand opportunities for legally disadvantaged South Africans.

The Educational Opportunities Council is broken down into regional boards of which there are five, one each in Natal, Eastern Cape, Western Cape, Orange Free State and the Transvaal. These boards have approximately five members each.

Supervision in the United States comes from the National Council of the South African Education Program, a group of distinguished educators, businessmen and representatives of concerned organizations. Mr.. Derek Bok, President of Harvard University is the Chairman of the National Council.

The membership of the National Council is listed in Table I, while the founding members of the Educational Opportunities Council are listed in Table II.

Other explicit project elements are identified in terms of the discrete tasks which contractors are required to perform, namely: (a) selection of students; (b) placement of students with full academic, financial and administrative support; (c) provision of work-related training or internships during vacation periods; (d) provision of supplemental academic experience in specific individual circumstances; (e) organize re-entry of students to South Africa on completion of course of study; and (f) follow-up job placement for the returned students.

26

TABLE I

NATIONAL COUNCIL OF THE SOUTH AFRICAN EDUCATION PROGRAM

Chairman:

Derek C. Bok, Harvard University

Members:

Dr. Andrew Billingsley, President, Morgan State University
Dr. William D. Carmichael, Vice President, The Ford Foundation
Dr. Jewel Plummer Cobb, President, California State University at Fullerton
Dr. William R. Cotter, President, Colby College
The Honorable Donald B. Easum, President, African-American Institute
Mr. Wallace B. Edgerton, President, Institute of International Education
Mr. J. Wayne Fredericks, Executive Director, International Governmental Affairs,
Ford Motor Company
Dr. Robert C. Good, President, Denison University
The Rev. J. Bryan Hehir, Director, Office of International Justice and Peace,
U.S. Catholic Conference
The Rev. Theodore Hesburgh, President, University of Notre Dame
Dr. David R. Hood, Director, International Program, Carnegie Corporation of
New York
Mr. Hastings Huggins, Director, Personnel Planning and Equal Opportunity
Programs, IBM Corporation
Prof. Helen Kitchen, Director of African Studies, Center for Strategic and
International Studies, Georgetown University
Dr. C. Peter Magrath, President, University of Minnesota
Dr. John A. Marcum, Academic Vice Chancellor, University of California at
Santa Cruz
Mr. Sai G. Marzullò, Manager, International Government Relations,
Mobil Oil Corporation
Mr. Robert J. McCabe, Assistant Divisional Comptroller, General Motors Corporation
Mr. John W. McCurry, Senior Advisor, Public Affairs, Exxon Corporation
Dr. Adele Simmons, President, Hampshire College
Dr. Donald M. Stewart, President, Spelman College
Mr. Roger Wilkins, Senior Fellow, Joint Center for Political Studies
The Honorable Andrew Young, Mayor, City of Atlanta, Georgia

Director:

Dr. David R. Smock

EDUCATIONAL OPPORTUNITIES COUNCIL
FOUNDING MEMBERS

Bishop Desmond Tutu	General Secretary South African Council of Churches
Dr. Nthato Motlana	Medical Doctor
Mr. Leonard Mosala	Chloride Company
Dr. Peter Hunter	University of Witwatersrand
Mrs. Hazel Moolman	Assistant Director, South African Institute of Race Relations
Mrs. Bernadette Mosala	South African Council of Churches
Mrs. Anne Rathebe	South African Council of Churches
Mr. Michael Corke	Headmaster, St. Barnabas College
Mr. W. Kambule	University of Witwatersrand
Mr. W. Shuenyane	South African Breweries
Mr. J. Samuel	Director, South African Committee for Higher Education

28

Student Selection Procedures

The training of black South Africans is generally perceived as one of the few means of direct upward mobility for those direct beneficiaries of training and indirectly, for the people around them. Thus, with the potential student population increasing significantly every year there is a great deal of interest by community leaders in the distribution of much sought after and critically short financial assistance. The project student selection process has been successful in raising above the specific interests of any one group to give all eligible candidates an opportunity to 1) learn about the program, 2) be considered on criteria based solely on merit and the availability of funding at a given point in time.

The selection process has been improved over the years. Based on the most recent experiences, the project team supports the proposal to 1) send more than one U.S. academician to South Africa to assist in the selection process. This will speed up the painstaking national student panel selection process and will maintain the serious review required, 2) commit additional resources to EOC so that the media campaign can be increased to inform students, educators, and others in the Republic of South Africa about the program, visit more institutions personally in areas distant from EOC headquarters and also publicize the results of each year's selection process so that critics can readily determine that students are selected from all over the country.

The key to the success of the project has been the selection of students by first regional and then national committees composed primarily of black South Africans who are also representatives in regional and specific ethnic terms. See _____ the social soundness summary for additional commentary on the need for

socio-economic considerations to be considered in forming future committees.

The U.S. contractor and EOC shall take the following other factors into consideration in selecting students:

- fields of study encouraged by AID at undergraduate and graduate levels such as engineering, natural sciences, development related social sciences, business courses, public administration and the like.
- equal opportunity for males and females to obtain scholarship assistance.
- selection process representative of the population mix among non-whites.
- academic potential of students and demonstrated emotional maturity to successfully make the transition from South Africa to the U.S.
- student commitment to return to South Africa after training is completed.

In accordance with prior practice under the project, the process of student selection will be undertaken jointly by the implementing contractor(s) in cooperation with the supporting South African organization, presently the Educational Opportunity Council (EOC). This process begins with the initial advertising of the program nationwide through newspapers, radio, television, schools, local community organizations and other available means, to ensure that potential candidates from all sections of the country will receive the information in a timely fashion. The U.S. contractor(s) and the

2/3

30

South African coordinating organization will continue the student selection process through the committee made up of multi-racial educators (predominantly black) organized into regional subcommittees. The selection committee will, as in the past, contain American educators selected each year to participate in the final screening and selection of scholarship candidates. In the past three years of project implementation, deans and faculty members from Cornell University, Spelman College and Oberlin College have participated in the interview and selection process.

As indicated elsewhere in this paper all South African students coming to the U.S. for university training participate in a month long remedial/orientation program at a selected U.S. college or university prior to starting classes at their respective universities. This intensive program, which has proven extremely useful and successful in the past concentrates on helping the students in areas such as study habits, test taking and some refreshing or remedial work in English, mathematics and science.

Much of the success of the ongoing project is due to close and effective working relationship between the U.S. contractors and the EOC. In view of the possibility that different U.S. contractors may be selected for the next phase of the project, it is the judgment of both the U.S. Embassy and the project team that the EOC should be retained. It is important, however, that additional consideration be given to providing the EOC with adequate staff to carry out its responsibilities effectively. Furthermore, with the increasing number of returning participants from the U.S., the EOC should also be given the task of seeking employment opportunities for these students through a job placement service. All EOC responsibilities for the project should be detailed in the new contract with the U.S. implementing organization(s) so that adequate funds will be provided for the EOC to undertake its own implementation role. The current

project budget allocates \$550,000 between FY 1984 and 1989 to EOC through the U.S. The purpose of this financial support is to permit EOC to continue its student selection function and develop its ability to match potential employers with students who have returned to South Africa and are seeking employment and on students whose return is anticipated and need assistance in learning more about current job opportunities in the Republic of South Africa. Feasible activities on the part of EOC in this regard include but are not limited to the following:

- preparation and distribution to public and private sectors of directory containing resumes of students funded under the program.
- establish contacts with personnel offices of potential South African employers.
- prepare study of job market trends in South Africa for future project participants as a career guide tool.
- work with Sullivan signatories and others to establish reasonable employment goals as a matter of corporate policy.

Fields of study emphasized under the project will continue to be: economics, business administration, engineering, management, agriculture, and the sciences, with additional areas considered on a case-by-case basis to meet specific priority needs, as mutually agreed between AID and the implementing organizations.

II. COST ESTIMATES AND FINANCIAL PLAN

Costing the External Scholarship Project

The concept of cost used by economist importantly includes the notion of value foregone in the carrying out of any activity. Costs for the External Scholarship project are most correctly defined as opportunity costs, reflecting the foregone benefits associated with the use, in the program, of resources, which have alternative uses, and therefore alternative income streams associated with those uses.

Budget data typically do not contain all the information necessary for the derivation of the real costs of an intervention. This is true because budgets usually contain only the appropriate expenditure items and their expected amounts, and do not include those items whose services are often donated to the program for the purpose of the intervention.

Additionally, budgets include only those items for a specific year which will be chargeable during that year. For services which are fully consumed in that year, this practice does not create a problem. For those services whose flow takes several time-periods (several years for example), true costs should only include those service expenditures appropriate to that specific period.

For all these reasons, it is now regarded as better for the costing of education interventions to reflect the notion of opportunity cost rather than simply, budget allocations. This change in methodology is most appropriate in conditions of evaluations of alternative projects, or sub-components of a project, where choices have to be made on the basis of either cost-benefit or cost-effectiveness or even cost-utility analysis. Although we do not carry out such a comparative evaluation in this case, since a large portion of

33

project funds comes from contributed services, either direct cash contributions or waiving of expenses as in the case with the contribution of scholarship by the universities and colleges, it is appropriate to carry out this more correct analysis of project costing.

The data available is (1) from September 1979, the date of the program's inception, up to September 1982, covering the period during which the SAEP program was managed entirely by the International Institute of Education (IIE) and (2) from 1982 through mid 1984, to reflect the AID Grant inputs of \$4.047 million in 1982, \$4.050 million in 1983 and \$1 million in March 1984.

IIE program costs are broken down into five categories of program ingredients: (a) program administration costs; (b) program development costs; (c) costs of facilities used in the program and not included elsewhere; (d) material and equipment costs; and (e) other costs.

In the IIE budget administrative costs include student selection and placement, and the costs of student supervision. For the 1979-1982 period, administrative costs totalled \$218,741, with selection and placement accounting for over 40% of the total (See Table A). Program development costs related to fund raising and program design activities for the period were \$491,895, about evenly split between the two subcategories.

No specific costs were identified for facilities.

Materials costs were incurred entirely for books, to a total of \$26,949, and other costs, to reflect maintenance, travel from and to South Africa, orientation, insurance, tuition, intransit and other costs reached \$1.30 million.

Total costs for all project ingredients were \$1.935 million, and ingredient costs, net of scholarships of all varieties contributed by the universities and colleges were \$1.31 million.

It is clear from Table A that administrative costs are approximately 11% of total costs, and can be expected to remain at that level for the life of the project, or to go moderately lower due to scale economies.

25

TABLE A

Costs of External Scholarships Program
(1979 - 1982) ^{1/}

	<u>Total</u>
A. <u>Program Administration</u>	
1. Selection/Placement	\$ 88,069
2. Supervision	130,672
B. <u>Program Development</u>	
1. Fund Raising	245,947
2. Design, etc.	245,948
C. <u>Facilities</u> ---	
D. <u>Materials and Equipment</u>	
1. Books and Supplies	26,949
E. <u>Others</u>	
Student Disbursements for:	
1. Maintenance	265,039
2. International Travel	143,852
3. Orientation	83,680
4. Intransit, Settling Allowance	14,897
5. Insurance	23,681
6. Other	40,303
7. Tuition Waiver Value	<u>626,881</u>
	<u>Total Costs</u> \$1,935,918

^{1/} Source: IIE letter dated 2/23/84 to design team economist

JK

Total funds committed to the South Africa Education Program through September 1986 either in the form of pre-FY 1984 AID grants or support pledges by corporations, foundations, or university subsidies of all kinds are \$7,063 million. Of that total U.S. Government contributions are about 43%, and college and university subsidies are approximately 37%. Thus a major part of the funds available for South Africa students currently in the program comes from non-U.S. Government sources (57%). Project 690-0213 grant funds are being well leveraged by support from other sources. The end result of other groups contributing to the AID supported project 690-0213 is that about twice as many students can be trained in this fashion.

Assuming no new students beyond those already in the program are admitted in the 1982-1986 period, and assuming no new monies are raised, yearly per student cost for the portion of the program undertaken by IIE/EOC is \$18,393. U.S. Government contributions therefore cover only \$7,909 (43%) of that total figure.

Since 1982 the administration of the project has been divided between the first contractor and two firms designated as 8(a) contractors by the Small Business Administration. While the employment of two 8(a) designated firms have resulted in higher administrative costs, the decision to enter into such contracts is consistent with the Administration's commitment to achieve reasonable minority business participation in the federal procurement process. A total of \$8.097 million was authorized for FY82 and FY83. In March 1984 an additional \$1 million was obligated.

Based on cost information available on the program to date, and estimated cost inflation, the following illustrative student budget was prepared for the project period beginning in FY 1984 by the Project Paper design team:

Per Student Cost Over Three Years

(1) Selection in South Africa	\$ 200
(2) International round trip	3,500
(3) Settling in and clothing (\$600-year 1)	600
(4) Books and supplies (\$600/year X 3)	1,800
(5) Medical insurance \$50/month X 36	1,800
(6) Tuition costs \$5,500 X 3 years	16,500
(7) Monthly maintenance (\$700/month on campus) room/board X 33	23,100
(8) Supervision and fiscal management for 3 years, fully loaded per student ¹	<u>3,300</u>
Total	\$50,800

¹/ This is mostly a fixed cost which will decrease on a per student basis as more students are covered by the program based on contributions discussed above. A reasonable estimate is that the remaining \$20,903,000 in project funding could cover about 1,500 students if tuition/room and board are provided by 75% of the participating universities. Supporting calculations follow:

25

\$ 50,800 - Total 3 yr. cost
- 16,500 - tuition
- 23,000 - room/board on campus
\$ 11,200 total

\$20,903,000 (.25) = \$5,225,750/\$ 50,800 = 103 students
\$20,903,000 (.75) = \$15,677,250/ \$11,200 = 1,400 students

1984 to 1989 - Average 3 years of study-subtotal 1,503 students
Participants already in U.S. Institutions 169
Participants who have returned home after studies completed 28
Total 1,700 students

The above total of \$50,800 per student appears high. However, certain extraordinary costs like international travel, medical insurance 12 months of paid room and board are costly but necessary for the foreign student. In the past, tuition waivers and/or room and board waivers by participating universities have allowed the AID funds to cover a greater number of students. To the maximum extent possible, full scholarships covering tuition, room and board will also be sought for the ongoing program. Where such contributions are forthcoming, the AID contribution for a particular student's support will not be necessary, or will be minimal thereby allowing more students to be supported.

TABLE I

METHOD OF IMPLEMENTATION AND FINANCING

<u>Contractor for</u>	<u>Method of Implementation</u>	<u>Financing Method</u>	<u>Amount (\$000)</u>
Scholarship Program	Cost Reimbursement	FRLC	20,777
Project Evaluations	Cost Reimbursement	IQC or PSC	126
		Total	20,903

TABLE II

SUMMARY
COST ESTIMATE AND FINANCIAL PLAN - AID CONTRIBUTION
(U.S. \$000)

<u>Major Project Inputs</u>	<u>FY 1984</u>	<u>Life-of-Project</u>
A. Scholarships	3,593	17,247
B. Administrative Costs	389	1,930
C. AID Evaluations	18	126
D. Inflation	-	800
E. Contingency	-	800
Totals	4,000	20,903

TABLE III
ILLUSTRATIVE PROJECT BUDGET & AID OBLIGATIONS BY FISCAL YEAR
 (\$ 000)

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>TOTAL</u>
A. Scholarships							
1. Tuition	2,156	1,933	2,062	1,927	1,872		9,950
2. Room & board	<u>1,437</u>	<u>1,288</u>	<u>2,041</u>	<u>1,284</u>	<u>1,247</u>		<u>7,297</u>
Subtotal	3,593	3,221	4,103	3,211	3,119		17,247
B. Admin. Costs:							
1. Program Dev.	70	35	20	20	15		160
2. Admin.	244	244	244	244	244		1,220
3. Joint EOC/U.S. contractor or stu- dent selection, etc.	75	100	100	125	150		550
Subtotal	<u>389</u>	<u>379</u>	<u>364</u>	<u>389</u>	<u>409</u>		<u>1,930</u>
C. AID Formal Evaluations	18		36		72		126
D. Inflation		200	200	200	200		800
E. Contingency 5% of total, p.a.		200	200	200	200		800
TOTAL	<u>4,000</u>	<u>4,000</u>	<u>4,903</u>	<u>4,000</u>	<u>4,000</u>		<u>20,903</u>

TABLE IV
 (\$ 000)
PROJECTED AID EXPENDITURES
BY FISCAL YEAR

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	
A. Scholarships						
1. 1984 cohort	1,520.5	1,520.5	1,520.5			
2. 1985 cohort		1,520.5	1,520.5	1,520.5		
3. 1986 cohort			1,187.5	1,187.5	1,187.5	
4. 1987 cohort				1,520.5	1,520.5	
subtotal	<u>1,520.5</u>	<u>3,041</u>	<u>4,228.5</u>	<u>4,228.5</u>	<u>2,708</u>	1
B. Admin. Costs	389	379	364	389	409	
C. AID Final Evaluations	18		36		72	
D. Inflation		200	200	200	200	
E. Contingency		<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>	
	<u>1,927.5</u>	<u>3,820</u>	<u>5,028.5</u>	<u>5,017.5</u>	<u>3,589</u>	1

III. IMPLEMENTATION PLAN

Administrative direction and management of the project will be provided by the Office of Southern African Affairs (AFR/SA), and will involve continuing contact with the contractor(s) to assure sound programmatic and financial management.

1. Project funds will be obligated through contracts with one or more private U.S. implementing organizations, with the recommendation that one such contract be awarded on a set-aside basis to a minority organization, in accordance with Section 8(a) of the Small Business Act. This contract will provide the minority firm the opportunity to strengthen its organizational capacity while providing technical services to A.I.D. under this project.

There are several advantages to using private organizations to implement the program. First, it will serve to lower the official U.S. government involvement and profile. Second, private organizations will be able to attract additional sources of support from universities, colleges, corporations and private interest groups, which will increase the impact and supplement the present and forthcoming funding for the program. Third, and implicit in the former advantage, the use of private organizations will develop a broader constituency of support for the program in the U.S. and South Africa.

2. While the implementation detail and costs will be negotiated by the Office of Contract Management, the contract scope of work will require the following:

a. General. The contractor(s) duties will include but not be limited to establishing contact with the students in South Africa and coordinating and managing the activities of students

47

once they arrive in the U.S. Specifically, the contractor(s) must establish a detailed methodology concerning how students are to be contacted and brought to the U.S. It is strongly recommended that contractor(s) obtain documentation available from the A.I.D. Office of Southern African Affairs (AFR/SA) regarding the processing of student dossiers and predeparture and re-entry orientation programs. Much of the groundwork for the implementation procedures have already been developed and tested under the ongoing project.

(1) Establish contact with the student in South Africa, arrange for the orderly departure and meet the student upon arrival in the U.S.

(2) Prior to sending the students to the respective U.S. universities, arrange for group orientation periods similar to the ones provided by IIE and Aurora under the present project arrangements.

b. Specific. The participants who will be assigned to the contractor represent only a portion of the total number of such individuals who travel to the United States each year for training under A.I.D. sponsorship. It is A.I.D.'s policy that all participants receive equal treatment in that each will be entitled to the same financial allowances, visa regulations, insurance coverage, etc. To insure this uniformity, A.I.D. maintains a handbook (Handbook 10) which sets forth participant allowances, limitations and restrictions. The contractor is expected to operate within the framework of and adhere to the restrictions described within A.I.D. Handbook 10. However, detailed operating procedures, controls, personal arrangements, and information systems necessary for performing this Statement of Work are expected to be fully described in as much detail as seems warranted. Guidance on procedural requirements follows:

1/1

(1) Liaison with A.I.D.'s Office of Southern African Affairs (AFR/SA): Liaison with AFR/SA shall be maintained through a Project Officer assigned to AFR/SA, in a manner which balances AFR/SA overall program managerial needs with the contractor's need for flexibility in carrying out contractual responsibilities.

(2) Development of Training Programs/Outline of Course Work: This is one of the key responsibilities to be assumed by the contractor(s). Based on information supplied in the student's application, academic credentials, bio-data and the contractor's own understanding and background knowledge of the training needs of participants in the program, the contractor(s) shall be expected, immediately after receiving each new case, to arrange a suitable personalized training program for that individual. Each training plan is to include a description of the proposed training, a schedule and a detailed budget, and shall not be executed until approved by A.I.D. In all cases placement will be sought where the best academic and/or technical program and participant support can be obtained commensurate with the participant's qualifications and the project's goals. Generally, training is to be academically-oriented, with the objective of obtaining degrees in specified fields. There may arise, however, specific cases where short-term specialized work or technical training is deemed appropriate.

(3) Management Information System: The contractor shall develop and maintain an extensive information file on academic and non-academic institutions for purposes of participant placement. This information system should include but not be limited to information on university enrollment requirements, university calendar, tuition expenses, documents required for enrollment, English language requirement, services offered by the Foreign

4/5

Student office, academic programs and courses for selected areas, and academic requirements. Furthermore, this file will record: information developed as a result of contractor contact and experience with universities and colleges, a record of technical training institutions, industries, consultancy firms and private sector facilities willing to provide practical or technical training, the length and cost of such programming, specific professional fields and experience and other relevant information.

The proposal should describe in detail how the contractor intends to carry out this procedure, particularly, how information on training sites and programs might be collected and organized into a resource to improve the placement process.

(4) Training Plan: The contractor shall implement a particular training program only after it has been approved by AFR/SA. The contractor should describe the timing and content of a training plan including a detailed budget.

(5) Communications: All communication with U.S. Government Agencies in the field necessary to carry out the provisions of this contract shall be through the A.I.D. Representative in South Africa or through AFR/SA, with information copies to the A.I.D. Office of Contract Management (M/SER/CM).

(6) Arrival and Orientation: Once a particular training plan has been approved, the contractor shall arrange transportation for the student to arrive on a particular date. A.I.D.'s primary orientation contract is with the Washington International Center (WIC); however, the contractor(s) may wish to follow the orientation pattern established by IIE and Aurora under the present project which has proven effective. Orientation at specific training locations or on a regional basis should also be described if this is proposed.

1/6

(7) Financial Support: This is another critical contractor responsibility. The contractor will be expected to be highly sensitive to the importance of timely payments to the overall success of the program. The contractor shall propose how this is to be done in such a way as to preclude the negative effect on the training experience which the delay of such payments inevitably causes. The contractor must be able to obtain bonding to cover this phase of the contractual obligation.

(8) Participant Monitoring and Counseling: What is sought here is mechanism for keeping in touch with and monitoring the progress of individual participants during the course of their training. The contractor will advise AFR/SA of any needed extension to training programs, justify such extensions, and make timely estimates of additional funding requirements. It is expected that the contractor shall use the standard A.I.D. Academic Enrollment and Term Report (AETR) for academic participants, but a further procedure is sought which will insure that the general mental and physical health and academic standing of a participant is known at all times and that appropriate remedial action will be taken.

(9) Completion of Programs and Departure: It is A.I.D. policy not to sponsor individuals for consecutive degrees even though many participants qualify for and desire such degrees. The contractor will be expected to enforce this policy rather than encourage further academic study and insure that each participant completes the approved program on schedule and returns to South Africa upon completion. The contractor will advise AFR/SA of the successful completion of a student's training program and the date of the participant's departure from the U.S. The proposal should indicate how this issue is to be addressed. This process is assisted to some degree by the fact that each participant enters

this country on a J-1 visa which carries specific limitations.

(10) Insurance: A.I.D. operates its own self-funded Health Accident Insurance (HAC) program in which all participants, other than those under a host country contract, must be enrolled in accordance with Handbook 10. The contractor is required to register each participant in this plan upon his or her arrival in the U.S.

(11) Academic Training: Participants, in some cases, may be authorized supplemental practical training or experience during the course of their studies which will be arranged by the contractor.

(12) Operation Procedures: The contractor will be expected to develop an "operations manual" incorporating procedures related to all of the above program elements. The contents of the manual will be subject to AFR/SA approval. The operating procedures should describe how the contractor will effect staff adjustments relevant to a fluctuating participant case load.

(13) Record Keeping: Each participant, or group of participants, will be formally assigned to the contractor at such time as AFR/SA transmits a cable, application-related documentation and bio-data, and/or other agreed upon assignment instrument to the contractor.

The contractor will be expected to store and easily retrieve information as needed to (1) track each participant from the time of assignment through one year after completion of training, and (2) produce periodic progress and status reports to A.I.D. AFR/SA will require standardized data on individual participants and require that the contractor's record keeping conform to those

15

standards. The record system must be capable of producing periodic progress and status reports for the benefit of A.I.D.

(14) Report Requirements: The contractor will be expected to initially provide AFR/SA and AFR/PD/SAP with a monthly participant transaction report showing its caseload as: (1) pending, (2) arrivals, (3) on-board, (4) departures, and (5) year's activity to date. The contractor(s) will provide semi-annual progress reports to AFR/SA.

c. Selection of Students: To carry out the selection process for students the contractor(s) will develop a cooperative agreement with an experienced, well-established South African organization, as presently done by the Educational Opportunity Council (EOC). The full student selection process in South Africa includes advertising the program nationally, conducting personal interviews of candidates in the four major regions of the country, selecting the final candidates through a national panel; arranging the necessary language, skills and aptitude testing, and generally informing selected candidates of preparation for study in the United States. This process takes many months. Therefore, adequate time must be allowed between student selection and placement, with orientation period in between.

3. Terms of Contracts

Contractors will be required to place and provide support services to a specified number of South African students who are to enter U.S. universities. The students will be fully funded via a Federal Reserve Letter of Credit for the full course of their programs, 2-3 years for graduate students, and 3-4 years for the exceptional cases allowed to pursue undergraduate studies.

114

IMPLEMENTATION SCHEDULE

<u>MONTH</u>	<u>ACTION</u>	<u>RESPONSIBILITY</u>
1	Approved in A.I.D./W	A.I.D.
3	Negotiation and signature of contracts with private organizations	A.I.D./Contractors
5-7	Placement arrangements with U.S. universities and colleges	Contractors
6-9	Selection of candidates for September 1985 entry	Contractors
11	Pre-departure orientation program(s) completed	Contractors
11	Participants arrive in U.S. for orientation prior to departure for campuses	Contractors
12	Participants enroll and start studies in their universities/colleges	Contractors

REPORTS

Semi-annual reports on student progress will be required from the contractor(s) beginning at the end of the first academic semester after the effective date of execution of the contracts. The

40

contract will include a provision detailing the format of the progress report. They will be submitted to AFR/SA, and will describe and discuss the following:

1. problems encountered and/or foreseen;
2. planned solutions to implementation problems; and
3. specific identification of A.I.D. actions or assistance which may be required to resolve these problems.

Quarterly financial reports (Standard Form 1034) will also be required from the contractors, the first due three (3) months after signing of the contracts.

IV. MONITORING PLAN

Monitoring of project implementation will be done by the A.I.D./W officer responsible for the South African program. This officer will make sure that the contract organization(s) is complying with all aspects of project implementation as specified in the contract. The monitoring responsibilities are further shared by the A.I.D. officer assigned to South Africa who will generally oversee the operation of project activities presently undertaken by the EOC which initiates the process of participants identification and selection. However, the monitoring by the two A.I.D. officer must not be seen as direct involvement or interference with what is basically the responsibility of those charged with implementing the project. The monitoring role here implies primarily constant reassurance by A.I.D. that the project is moving along without major problems. It should not dictate what course the project should follow--unless there are deviation from what had been planned and agreed to. Thus, the two A.I.D. offices should be seen as observers rather than active participants in the total operation. Depending on the relationship established between A.I.D. and contract representatives, the monitoring role can be seen by all concerned as

51

beneficial to the project and to all concerned parties--A.I.D., the implementing agencies and, most importantly, the participants.

One major concern of project implementation is effective placement of participants at American universities and making sure that they go through the initial period of adjustment without serious difficulties. This requires the contract people to stay in close touch with the students either directly or through the university counselors, and they will keep the A.I.D. officer informed on developments that may require special actions. Coming from the South African environment where their daily lives have been shadowed constantly by apartheid, some of the scholarship recipients may have difficulty initially in adjusting to the new environment; but, as proven by those who have already gone through U.S. training, these adjustment problems can be overcome with timely and sympathetic intervention by understanding university or contract representatives.

At the same time, since the project deals primarily with graduate students, it must also be kept in mind that they are mature adults and should not be treated with too much paternal protection. They should be made aware of the fact that there are people available to look after their personal welfare; but they should be allowed to live as independent individuals as much as possible. For most of them this will be a new experience--a feeling of total freedom--and they will welcome it. The important point is that project monitoring must be well balanced by both A.I.D. officers and the implementing organizations.

In the past there has been confusion and misunderstanding on the part of contractors as to who were their A.I.D. contacts. This problem often results from the constant change of personnel in A.I.D./W and failure to keep the contractors informed on newly-assigned liaison officers. Realizing that nothing can be done about the process of personnel changes, a greater effort should be made by

62

the responsible A.I.D. offices to keep the relevant organizations informed on pertinent changes. It should be added here that part of the confusion in the A.I.D.-Contractors relationship is due to the fact that it is not always clear as to who has what responsibility between the A.I.D./Desk-PD and the A.I.D./Contract Offices. It would help the contractors-- especially those with limited experience with the A.I.D. operating procedures--to know specifically which offices to contact for the various purposes.

A. Summary Technical Analysis

University education for black South Africans has been a concern of both U.S. Government officials and the public in general for a long time; but except for a few individuals supported under the Fulbright Program and the Refugee Training project, until recently little had been done to bring large numbers of black South Africans to the U.S.

Greater focus on the problem began in 1977 when a team went to South Africa to assess the educational status of black South Africans. This team recommended that programs be developed through U.S. private and government agencies to sponsor black South Africans for U.S. university training. As a result of this report, a modest program was initiated by IIE, with funds from a variety of sources, to provide scholarships for U.S. graduate training for a total of 46 South Africans between 1979-81. This was the beginning of the South Africa Education Project (SAEP) which gradually began to receive financial support from the Ford Foundation, the Carnegie Corporation and, more recently the U.S. Government through A.I.D.

U.S. congressional interest in helping to meet educational needs of black South Africans gained momentum in 1980 and has continued. Section 303(b) of the International Security and

Development Corporation Act of 1981 authorized \$4,000,000 each for fiscal years 1982 and 1983 to finance scholarships for South African students. The \$4,000,000 was transferred by A.I.D. to the International Communication Agency (ICA) which, in turn, provided grants to U.S. organizations for implementation. Under these arrangements, South African students began U.S. training in September 1982.

A total of 207 black South African students have come to the U.S. under SAEP, of which 169 are presently studying in this country. The remaining students (38) have returned to South Africa and are holding significant positions, mostly in education and business which, in many cases, had not previously been held by blacks.

The need for providing university training for black South Africans is still critical, and the number of potential candidates is such that no single donor can possibly come close to meeting even the most urgent needs.

However, in view of the fact that there will be an A.I.D.-supported internal scholarship program for undergraduate scholarships from now on this project should be limited almost exclusively to graduate Master degree training. Exceptions for U.S. undergraduate or doctoral training should be allowed only on the basis of meeting specific needs, and in consultation between A.I.D. and the implementing organizations.

The project will continue to stress fields of study in the following areas: economics, business administration, engineering, management, agriculture and natural sciences. As in the case of the ongoing project--Training for Disadvantaged South Africans--it will be implemented through one or more U.S. contract organizations which will work closely with a South African organization.



The need for relevant U.S. graduate training for black South Africans has been amply demonstrated by a number of reports conducted by A.I.D., the U.S.I.S. and private organizations. Graduate training at South African black institutions is, inadequate and enrollment at the white or "open" universities is limited.

The feasibility of carrying out the project has been proven by the success of the ongoing A.I.D.-supported project implemented through IIE and Aurora Associates. Some of the scholarship recipients have already completed their U.S. training and returned to South Africa. Although the number of returned participants is still comparatively small, there is ample evidence that U.S. training opens opportunities to positions formerly denied to South African blacks.

This Project Paper requests extension of a project that is already being implemented through IIE and Aurora Associates. These two organizations work closely with the Educational Opportunities Council (EOC), a South African organization which has primary responsibility for identifying, screening and selecting scholarship candidates. The ongoing A.I.D. project was authorized in FY 1982 through a mini PP to expedite the process of selecting and placing the first group of candidates at U.S. institutions.

Future emphasis of this project will be on the graduate level, Master degree, with some exceptions made on a case by case basis as mutually agreed between A.I.D. and the implementing organizations. The fields of study will continue to be science, mathematics, economics, business administration, engineering, agriculture and other selected fields in the development sciences.

Implementation of the project will be done through one or more

55

contract organizations in cooperation with a South Africa organization. The latter will have primary responsibility for the initial selection and screening of candidates while the former will do placement and general backstopping of students at the U.S. universities.

Experience with students studying under the present project indicates that one of the most important elements in promoting successful implementation of the project is the "orientation program". This orientation consists of two phases: one in South Africa before the candidates leave their country and provided by the supporting South African organization as well as by U.S. Embassy and USIS personnel; the other is an extended period given in the U.S. at one location for all new students during the summer prior to the students' start of their academic training. This U.S. orientation program should be more than what the term implies and should follow the pattern of the one given at Denison University by IIE and Aurora Associates under the ongoing project. It involves given the candidates what could be called an initial exposure to university training, including some aspects of mathematics, science, English and general testing procedures. What the Denison program does--and what the future program should do--is to help the students make the transition into the U.S. academic world with minimal difficulty.

Although different contractors than IIE and Aurora may be selected to implement the second phase of this project, the Educational Opportunity Council (EOC) should be retained as the South African coordinating organization--provided that it is willing to assume this added responsibility. Their retention is justified on the basis of providing continuity and efficiency in the process of student identification, selection and coordination with the U.S. contractor.

56

The pool of eligible candidates for graduate training in the U.S. is more than what this project can possibly support. This has been confirmed by the large number of applicants who, in recent years, have applied for scholarships under the ongoing A.I.D. project being implemented by IIE and Aurora Associates.

If neither IIE nor Aurora Associates is selected to assume implementation responsibilities for the extended project, extreme care must be taken in selecting an organization that has both experience and commitment for backstopping a project such as this one. This is not the traditional type of participant training project where candidates are selected by host government officials and A.I.D. field representatives.

It is also conceivable that if a new U.S. contractor is selected instead of continuing with the present two organizations, the EOC might decline to continue its association with the program. Such a move could cause serious repercussions because there are not unlimited number of organizations within South Africa that can take over what EOC is presently doing and move along without major hindrances. It has taken time to help the EOC smooth its part of the operation and everything possible should be done to retain their services.

There are strong indications that advanced education and training for black South Africans is the key to social and economic change. Regardless of what the fundamental motives may be on the part of those in power, the pressures of economic growth is gradually resulting in new job opportunities that were previously restricted by law and practice. Business leaders and to a lesser extent government officials recognize that a massive program of education for blacks is necessary to sustain the economic growth. The country, with an abundance of human and material resources, cannot survive if it continues to deny the majority population an

equal role in economic development and social well-being. Thus, university training for black South Africans becomes indispensable even for the future well-being of those in power. The advantages of U.S. university training-- with graduate degrees--are obvious.

The South Africa government is permitting more and more qualified blacks to fill positions previously reserved for whites--even if it is for selfish reasons.

Manpower and Economic Analysis Summary

An evaluation of the current manpower situation in the Republic of South Africa calls for some review of recent economic performance, specially so, since it will be argued that the emerging outlook for the demand for high level manpower is directly related to the projections that appear reasonable for the performance of the economy up to the 1990's and even to year 2000.

Recent Economic Performance

The period from 1980 has been essentially one of no growth. Gross National Product in current prices actually fell over this period although only mildly so, while evaluated in constant 1975 prices, the decline in national output has been quite steep. The index of producer prices reached a level of 275.4 for 1983 as against 192.8 for 1980 (1975 = 100), and that for consumer prices registered almost the same gain, reaching 260.3 by 1983, explaining the sharp drop in buying power experienced over the period.

Economic activity in the Republic has reflected broad international recessionary trends, but recent performance is also affected by a number of unique circumstances, not the least of which is the prolonged drought which affected agricultural output in 1982, again in 1983 and so far in 1984. Per Capita GNP fell

from \$2,731.00 in 1980 to \$2,393.00 in 1983, and the non-agricultural employment index declined in 1983 as unemployment rose substantially, staying well over the 450,000 mark for the entire year.

With worldwide economic conditions moderating somewhat, the expectation is that South African economy could well be bottoming out and 1984 could begin to show a modest upswing. It remains true however, that the unavailability of trained manpower in requisite numbers will continue to severely dampen chances for robust recovery from the declines begun in 1981.

Over the near term future, despite the upturn in Western economies, particularly the United States, and the impact that such recovery will make on the South African economy as a producer of primary products, the outlook remains somewhat cloudy. Economic recovery will likely be negatively affected by the shortage of skilled workers in key occupations on the hand, while on the other, pressures for holding government spending in line with budget priorities accompanied by the expectation of sharply higher personal income tax bills could have a severe dampening effect.

Manpower Demand and Supply

Manpower supply, and manpower demand, in the context of the South African economy, can be seen then to reflect not so much the effects of the workings of a market economy, but rather represent outcomes which have been determined by the direct and indirect effects of government-sanctioned restrictions on free play of demand and supply as well as the continued existence of rigid racial barriers in almost all areas of economic and social life.

Additionally, historical factors, largely slanting the

labor/capital ratio away from labor and toward higher levels of capital intensity, can be shown to constitute a lid on the possibility of generating sizeable increases in employment, except in the presence of extremely rapid economic growth.

Despite claims that modest legislative initiatives of the last few years, have had the effect of opening up areas which were hitherto rigidly closed, the remaining and sufficiently powerful hindrances to meaningful liberalization in virtually all areas of social life, continue to have the effect of maintaining artificially structured labor markets favoring the minority white population. The major pillars of state-sanctioned discrimination against the black population still exist, and though in some cases, infringements of these do not bring the quick and harsh response, they once did, in others they do. The Group Areas Act (1950) the Immorality Act (1927), the Mixed Marriages Act (1949), and the Pass Laws, all work together to create and sustain the highly regimented and distinctly unequal patterns of social interaction which characterize the South African situation.

South Africa is currently experiencing important changes in the demographic make-up of its population. Very broadly, while birth rates are declining for all population groups, the rate of decline is sharpest for the white population. For the African population, slower birth-rate declines accompanied by increasing life expectancy, combine to create an increasing African percentage of the total South African population.

This has implications for labor supply and for the patterns of demand and supply that can reasonably be expected to develop in the Republic over the next fifteen to twenty years.

These trends are extremely important also from a policy point of view, for the future of manpower planning, especially concerning

60

the training and education of appropriate manpower in critical industries. Sustaining a 4.5% rate of growth per year into the future up to year 1987 and even further to year 2000, calls for provision of sufficient trained manpower to make that possible. What demand projections suggest is that it is going to be clearly impossible to sustain such growth rates if reliance continues to be placed on only a small part of the total population. There is clearly an urgent task of education and training of the major portion of the South African population, made up of so-called coloureds, Indians and the preponderant number of Africans, who have hitherto been effectively excluded from career-ladder type of jobs in the modern sector of the South African economy. Labor supply is expected to increase to 11, 383,000 by 1987, from 8,714,000 in 1977, and could reach 12, 184,000 by 1990. The white component of the labor force is expected to continue to decline to under 20% total labor force by 1990, while the black portion of the labor force increases to 74%, and maybe as high as 82% by the year 2000.

Whites will still dominate the professional occupations, although their representation will decline sharply in some cases, and between 1965 and 1987 and into 1990 Black populations will show good advances simultaneously. These include architects, engineers, surveyors, medical doctors and natural scientists. Growth should also be very sharp in the technicians fields, including engineering technicians, other technicians and paramedics. The openings for teachers among the white population will decline while those for blacks and coloureds will increase, and those for Indians will post a modest decline. Openings for clericals, sales transport and production workers will decline drastically for whites but will increase sharply for blacks, in some cases as much as doubling. The potential for training and education is thus fairly broadly based, and suggests that consideration be given to black students and other trainees at

virtually all levels of the education system, from upper secondary, through training in technikons, and on to university-based training in several areas of high-level manpower.

TABLE 5

Geographic Distribution of South Africa
Population (Excluding Homelands) - 1980

Province	White	African	Colored	Indian	Total
T'vaal	2.300	5.600	0.228	.116	8.244
Natal	0.562	1..360	0.091	.005	2.018
Cape	1.200	1.300	2.200	.032	4.732
O.F.S.	0.326	1.500	0.056	-	1.882
TOTAL	4.388	9.900	2.575	0.813	17,676

Source: SAIRR, Survey & Race Relations in South Africa 952, Johannesburg, Jan 1983.

TABLE 6
Population of Non-Independent -
Homeland Areas 1980

Homeland	(million) Population
Ciskei	0.678
Gazankulu	0.514
Kangwane	0.161
Kwazulu	3.400
Lebowa	1.700
Kwandebele	0.150
Qwa Qwa	0.158
TOTAL	6.167

60

TABLE 7

Population of "Independent" Homelands 1950 (a)

<u>Homeland</u>	<u>(million) Population</u>
Transkei	2.324
Bophuthatswana	1.323
Venda	0.316
<u>TOTAL</u>	<u>3.963</u>

Source: SAIRR, Survey of Race Relations in South Africa 1982, Johannesburg, (Jan 1983)

NOTE: (a) Based on estimates of the Bureau of Economics Research (BENSO)

SUMMARY SOCIAL SOUNDNESS ANALYSIS

General Considerations:

A discussion of the sociocultural implications of the proposed U.S. Agency for International Development (AID) education programs for black South Africans has to take into account the overall South African social policy framework from which are drawn the organizing principles and institutions of that society. This policy framework is expressed through the doctrine of apartheid which is predicated on the notion of racial and cultural differentiation and sub-ordination. According to the value base of this doctrine, individuals are perceived as inherently differing in worth depending on race, giving rise to a rigidly stratified racially based social order. Within this social order, whites are deemed dominant and receive most of the social and economic rewards while blacks (Africans, Coloureds, Asians) comprise a differentiated subordinate

63

social stratum, receiving considerably less of the society's socioeconomic benefits.

This social order, in which race coincides with class, permeates all sociocultural environments, including those in the largely state controlled education sector. This control of education by the state, which for blacks dates back to 1945 (Marquart, 1966), is exercised through curriculum design and content as well as through financial means. Consequently, the sociocultural environments found within the South Africans educational system demonstrates many of the same negative images of blacks prevalent in the wider society. This is particularly telling in terms of the broad definition of education "as a process of changing the behavior of people" in which behavior is used in "the broad sense to include thinking and feeling as well as overt action" (Tyler, 1949:6).

The education that is imposed on blacks, particularly Africans, generates an ambivalent role for education in terms of the economic needs of the society as a whole against the need of whites for continued political domination. While good quality education is seen as a precondition for increasing South Africa's pool of skilled manpower as prerequisite for economic growth, whites have generally been uneasy about the ultimate implications of black access to such education--a fear that blacks might develop "ideas beyond their station and that quality education unfitted them to do manual labor" (Marquart, 1966:215). Nevertheless, at present, manpower experts in South Africa recognize that the problems faced by manpower trainers in overcoming the skills shortage is not the participant's innate ability to perform but a poor education system (the quality of which reflects the role that education as been assigned with regard to blacks--namely to reinforce subordination in the social structure).

Despite signs of a growing sense of urgency among whites--as well as Africans, Coloured and Asians--regarding the need for far-reaching reform in the South African education system, thus far, Pretoria continues to resist genuine structural changes in a racially separate educational system. This apparent lack of flexibility on the part of the Government has important implications for the proposed U.S. support programs of AID, especially the internal programs which will essentially remain within the same sociocultural system with the beneficiaries subject to the same treatment.

Despite the prevailing sociocultural realities of South African education, and given the growing sense of urgency for increased black education and training to meet pressing manpower needs, the proposed U.S. educational aid program (internal and external) can be justified on the premise that: "The case for education as a priority concern is powerful because it brings a capacity for participation, self-help, communication, and management," and that "while education is the responsibility of Pretoria, its failure until recently even to recognize the problem justifies a determined external push backed by official and non-government facilities and inducements" (Crocker, Winter 1980/81:347).

The current U.S. thrust, in terms of the external scholarship program, builds upon the non-governmental efforts initiated by the Institute of International Education's (IIE) South African Education Program (SAEP) started in 1979 with corporate and foundation funding until 1982 when U.S. funding was added to this program to support an expanded number of black South African students. The internal scholarship and bursaries program would represent a new departure.



Specific Program Issues

1. The Selection Process: The selection of students for the proposed programs is one of the most critical factors in their implementation. Viewed from a black South African perspective, representation of selected students and equal representation of black South Africans on the selecting body is essential given the diversity of the Republic's black population. It is therefore important for the black community as a whole--in all its diversity--to have an assured sense that the selection body is representative in regional, ethnic and socio-economic terms. In short, the selection process and the selection body must reflect and adhere to a principle of democratic cultural pluralism appropriate to the regional and cultural realities of South Africa.

Given the requirements of equal representation, academic potential of bursary recipients and demonstrated financial need, and the Congressional mandate stressing the need to work with private South African institutions to implement these programs, it can be expected that an organization such as the Educational Opportunities Committee (EOC) might be selected as the executing body in South Africa. The selection of the EOC appears appropriate since it is already involved in the selection of students for study in the U.S., and therefore is a known quantity in relevant U.S. circles.

As an agency, the EOC was established to coordinate the organizational inputs into the administration of the IIE/SAEP scholarship program (on the South African end) for black South Africans. Although the EOC is structurally an umbrella mechanism embracing such institutions as the South African Committee for Higher Education (SACHED), the South African Institute of Race Relations (SAIRR) and the South African Council of Churches (SACC),

66

there is a sense that in South African terms, it may be less than fully representative since it tends by the accident of its history, to over-represent urban-based organizations in Johannesburg relative to those outside the major urban centers of the Transvaal, the Cape, Natal and the Orange Free State.

The structure of the EOC, which is presumably aimed at maximizing representation on a regional basis, is based on its regional boards. Although the EOC's headquarters are in Johannesburg, it has regional boards in the four provinces of South Africa. Many of the members on these boards are regional members of SACHED, SAIRR, and SACC. Within the original organizational charts of EOC, allowance was made for community leadership to serve on these boards.

It is important that representation on these boards be broad enough to increase grassroots and teacher participation in the selection process. Under current arrangements, members of the regional boards are mainly high-level professionals such as medical doctors, lawyers, college and university professors--clearly not a cross-section of black South Africans. The AID programs are apparently aimed basically at undergraduate and graduate students and teachers in need of further training. Concern for wide representation suggests therefore that the EOC should incorporate more primary and secondary school teachers who are not themselves potential candidates under these programs in its regional selection boards. It should also include workers (perhaps members of some of the black and non-racial trade unions) and some students. In addition, members of the regional boards should be ethnically representative of the local African, Coloured and Asian populations.

The stipulation for wider regional and ethnic representation of student selection panels is therefore a major consideration if the

program is to avoid criticism of sectional favoritism (which it has received in the past).

2. Instructional Style Conflicts: An important feature of the external scholarship program is that the scholarships are tenable at U.S. institutions. Leaving aside for the moment the problems of selection, and transportation from one socio-cultural environment to another, vastly different in critical respects, the students will encounter major differences in pedagogic style which could prove immobilizing for a while and could even be permanent if not attended to early.

Classroom styles in U.S. colleges and universities are more dialogic, open and reciprocal in expectations. Students coming from school systems where these attributes are absent, where the social context of the classroom is one of dominance of the teacher accompanied by direct response to the student, will likely experience a kind of dissonance. They will see a free flowing and open dialogue, realize that this is expected of them also, but by training and prior experience, not be able to participate. This could constitute a destabilizing emotional experience for the South African students, and could impact negatively on their classroom performance.

The implementing agency should be acutely aware of this, and should make every effort to sensitize the universities and colleges where these students are placed, to the possibility of such developments.

Furthermore, black South African students will be coming from an experience shaped by a circumscribed curriculum where their cognitive abilities are under-evaluated given poor curriculum content--a situation which generally reflects the functional as opposed to the intellectual role of education for black South

Africans. It is therefore important that their placement in American universities be done in a way that challenges their potential. While supportive measures are essential, it will also be important to encourage the student to explore the complex social environment at the university during their stay at the institution.

Additionally, the students should be encouraged to participate fully in the life of the institution. This dictates living on campus as the best approach to living arrangements. In that way, the more unofficial and less obvious aspects of the culture of the institution get experienced by the South African student. This is as much a determinant of the kind of human development which is hoped for among the target student population as is the more formal cognitive aspects of the college experience. It is not inconceivable that these two are mutually reinforcing.

That other students at the institution benefit greatly also by this exposure to persons who are deeply caught up in concerns about important social change and structural reorganization of their society, cannot be doubted.

3. Selection of Universities: Selecting the university is a critical factor determining the success of the external programs. In the past, other scholarship programs have lost students because the student either felt culturally isolated at the institution or the curriculum was not challenging enough.

The question of isolation in American colleges and universities cannot be sufficiently emphasized. In the past, some students have been placed in small predominantly white institutions where they have actually been the only blacks in the school. In addition, the surrounding communities may be predominantly if not all white. Such an environment can have a serious impact on black

67

students from South Africa, especially at the undergraduate level. It is critically important that, whenever possible, students be placed in institutions where there are a representative number of black students. For example, there is a difference between the student population in a small Vermont College and Springfield College. The latter does have some black students and is surrounded by other colleges with black faculty and students. Furthermore, the surrounding community has a substantial number of black Americans. Contact between black South Africans and black Americans is important for both groups. In short, it is critical that black South African students be placed at institutions which, in terms of their environment, can afford some potential substitute social network for the students.

Very often colleges are selected purely on the basis of whether or not they can offer tuition waivers. If this becomes the single most deciding factor in the placement of students, mismatching will continue in those cases where the students find themselves in isolated communities. This can also result in the student finding his or herself in an educational environment that may be less than challenging.

4. Conclusion: The above considerations reflect the need for the external scholarship program funded by AID to take great care in accommodating the needs of black South Africans if such a program is to be truly successful. Success--as in the internal programs--will depend on a great deal of sensitivity on the part of the U.S. executing agency as well as on the representativeness of the selection process on the South African end. Particularly on the American end of this equation, it will be important that these scholarships be administered in a manner that benefits not only the student's academic needs, but his/her social and financial needs as well which impinge on academic success and therefore the general success of the program.

VI. EVALUATION PLAN

The purpose of monitoring/evaluation in the External Scholarship program is to provide appropriate information to all the parties to the management and sponsorship of the program, which can be useful in insuring that the project achieves its planned objectives. Necessary to such activity is the logically prior one of identifying very clearly what the various inputs and outputs of the program are and how they are linked together to achieve project results.

Social projects, like the External Scholarship program, are oftentimes more difficult to evaluate, due to the absence of easy quantification along all the relevant dimensions of the project's outcome. Recalling that education's outcomes are not completely exhausted in terms of numbers of students trained, some emphasis has to be placed on project design and therefore in project evaluation on specifying qualitative outcomes, and in assessing how well the project is doing in terms of the specified processes, and how well it has done in meeting output objectives, on the qualitative dimension.

Any project, like the External Scholarship Project, is minimally defined in terms of a number of activities to be accomplished in some timely manner, such temporal sequence determined by the designers of the project, and reflecting the internal logic of the project as a whole. The critical elements of the External Scholarship Program can be identified from the following listing: (a) selection of students; (b) placement of students; (c) orientation; (d) counseling of students and monitoring of student progress; (e) program completion and student departure for South Africa. An additional element which may be included, and which will occasion an additional evaluation item, is the

post-scholarship labor-market experience of program graduates.

Since the new program is in effect really an extension of an ongoing project, it is recommended that an evaluation of the existing project in the categories identified above, be undertaken as soon as possible to determine what are the important lessons learned by the current implementers, IIE and Aurora Associates. Such information is particularly important if there is any change in the number of implementors or any change in the make-up of the implementing group.

A second evaluation should be done approximately half-way into a typical Masters degree program (which normally last two years). Such an evaluation, coming about one year into the new program, and done again using the categories identified above will call attention to any deviations of actual from planned program performance. Since all the evaluation categories will not be necessary or relevant for this second evaluation, the emphasis here should be on those program processes which impact and reflect most directly, student progress.

One implication of the above consideration is the need to establish benchmark data on the students in the program. Such benchmark data will normally include data on the students background in educationally relevant dimensions. Such data are typically used in studies of education production, and would identify, for example, background schooling data, background family data, regional identification if that is thought to be relevant in the South African context. These data can then later be identified with measures of student progress, and inferences drawn on a set of hypotheses that could be established concerning the determinants of academic success in South Africa.

Since a major purpose of this project is to make a decisive impact on the labor-market experience of legally disadvantaged students in South Africa, it is of major interest to know to what extent the

scholarship program has impacted such experience. Consistent therefore with an earlier observation about the need for such monitoring, it is proposed that a tracer study be done in conjunction with the External Scholarship Program. Given however, that the External Scholarship Program is only one part of a broader U.S. effort at training legally disadvantaged South Africans, this tracer study may more properly be done by an independent contractor or even a USAID team fielded to do just that.

Such an arrangement would also overcome the problem introduced by multiple contractors, each one responsible for only a portion of the total U.S. education effort in South Africa.

Tracer studies hold great promise in labor market analysis, specifically in determining with a high degree of specificity how the outcomes of training change over time for a single cohort of trainees, or how they differ as between trainees of different kinds of institutions.

In the South Africa context, it would be most important to be able to determine what some of these effects are and their relative magnitudes. It would be important, for example, to: (a) identify the earnings growth of students benefiting from different components of the bursaries program; (b) be able to trace the career path of program beneficiaries; (c) be able to compare the experience of black students in the scholarship program with those not in the program; (d) be able to compare program outcomes as between students who study in local South African schools and those who undertake the external scholarship program.

A N N E X E S

Drafter:LJackson, AF

Annex A

LOGICAL FRAMEWORK

<u>GOAL</u>	<u>INDICATORS</u>	<u>MEANS OF VERIFICATION</u>	<u>ASSUMPTIONS</u>
To contribute to the process of preparing legally disadvantaged South Africans, to participate at all skill and responsibility levels in the operation of South Africa's industrialized economy.	Legally disadvantaged S. Africans complete U.S. training programs successfully and return to South Africa.	1. Contractor records 2. AID evaluations 3. Records of U.S. Colleges and Universities	Education can promote peaceful change in South Africa. Continued political and social climate conducive to implementation of the project. AID able to select appropriate contractor.
<u>PURPOSE</u> To provide higher education in the U.S. for Legally Disadvantaged South Africans who are expected to return to South Africa and begin or continue careers upon completion of their studies.	Majority of former project participants working in South Africa modern sector at equitable salary rates.	1. results and/or trends of tracer studies 2. AID bi-annual evaluations 3. Contractor report on total number of students processed from recruitment to return to jobs in South Africa.	Continued perceived need for training by legally disadvantaged South Africans.

75

<u>OUTPUTS</u>	<u>INDICATORS</u>				<u>MEANS OF VERIFICATION</u>	<u>ASSUMPTIONS</u>
	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>		
1. Students complete U.S. studies and return to S. A.	366	366	366	405	Contractor records provided in quarterly reports.	All students complete studies and return to S.A. Other contributions available offset tuition/room and costs.
2. EOC job counseling/placement capacity established.	June 1985				EOC/Contractor records provided through U.S. contractor.	EOC mandate does not change. Capacity to assume more responsibility is realistic.
3. Guide to careers in S.A. available to each cohort of students.	July of years 1985-1989				EOC/Contractor records USIS records. Reports from program alumni association.	Research completed on surveys and guides produced.
4. Evaluations on project returned participants	June				AID evaluations supervised by AFR/PD/SAP.	AID completes evaluation programmed.

<u>INPUTS</u>	<u>INDICATORS</u>						<u>MEANS OF VERIFICATION</u>	<u>ASSUMPTIONS</u>
	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u> (\$ million)	<u>1988</u>	<u>TOTAL</u>		
1. Participant Training	3.6	3.6	5.5	3.6	3.5	19.8	AID and contractor records	AID & other will be
2. EOC student selection and Institutional strengthening to conduct identification/placement opportunities.	.75	.100	1.00	.125	.150	.555		
3. Contractor Implementation and a demonstrative cost.	.314	.279	.264	.264	.259	1.4		
4. Project evaluations.	.018	-	.036	-	.72	.126		

22

TECHNICAL ANALYSIS

I. OVERVIEW

The history of U.S. training for black South Africans dates back several years through a number of scholarship programs supported by the U.S. Government and private organizations. Beginning in the late seventies, the U.S. Government provided scholarships under the Southern Africa Refugee Training Program. Although this program covered primarily South African blacks living outside their country as refugees, it also provided a limited number of scholarships for blacks living within South Africa through the U.S.I.S. program. Another scholarship program was initiated by the United States-South Africa Leadership Exchange Program (USSALEP) with membership of prominent U.S. and South African scholars.

University education for black South Africans has been a concern of both U.S. Government officials and the public in general for a long time; but it has been difficult to find financial resources and means of supporting sizeable programs. Except for a few isolated cases of individuals supported by the Fulbright Program and the Refugee Training mentioned above, until recently little had been done to bring large numbers of black South Africans to the U.S.

Greater focus on the problem began in 1977 when an influential team went to South Africa to assess the educational status of black South Africans. This team, sponsored by the IIE and funded by the U.S.I.S. consisted of G. Edward Clarke, retired U.S. Ambassador; Davie E. Ryer, Assistant Chancellor, University of California at San Diego; and Wallace Edgerton, President of the Institute of International Education (IIE). The team recommended

77

that programs be developed through U.S. private and government agencies to sponsor black South Africans for U.S. university training. As a result of this report, a modest program was initiated by IIE, with funds from a variety of sources, to provide scholarships for U.S. graduate training for a total of 46 South Africans between 1979-81. This was the beginning of the South Africa Education Project (SAEP) which gradually began to receive financial support from the Ford Foundation, the Carnegie Corporation and, more recently the U.S. Government through A.I.D. The program has also been supported by U.S. colleges and universities which in many cases have waived tuition and other costs for South African students sponsored under SAEP.

Congressman Solarz, in a speech delivered in June 1981 on educational needs of black South Africans, made the following remarks: "The three-pronged approach of government, college and corporate funding gives a conceptual integrity....to an expanding scholarship program.... To those in the current administration who have put forward the idea of 'constructive engagement' between our nation and South Africa, the Scholarship Program should dovetail with that notion. To those who favor divestment by American corporations and legislative restrictions on continued American involvement in South Africa, the Scholarship Program in no way compromises their beliefs, and in fact serves the end they support--black advancement in South African society."

U.S. congressional interest in helping to meet educational needs of black South Africans gained momentum in 1980 and has continued. Section 303(b) of the International Security and Development Corporation Act of 1981 authorized \$4,000,000 each for fiscal years 1982 and 1983 to finance scholarships for South African students. The \$4,000,000 was transferred by A.I.D. to the International Communication Agency (ICA) which, in turn, provided grants to U.S. organizations for implementation. Under these arrangements, South African students began U.S. training in September 1982.

78

A report by IIE on December 1983 indicated that a total of 207 black South African students have come to the U.S. under SAEP, of which 169 are presently studying in this country. The remaining students (38) have returned to South Africa and are holding significant positions, mostly in education and business which, in many cases, had not previously been held by blacks. It is interesting to note that an Alumni Association has been formed among the students who returned to South Africa from the U.S.

Initially, in the planning stage for the Training for Disadvantaged South Africans project, there had been some concern regarding the attitude the South Africa government would take in issuing passports to blacks for studying in the U.S. However, there have not been serious problems or delays related to this. One student was unable to obtain a passport in 1979; but since then all requests have been granted.

24

II. ASSESSMENT OF NEEDS AND RECOMMENDED COURSE OF ACTION

The various assessment reports mentioned above give clear indications of scholarship needs for black South Africans. The recent 30-day visit to South Africa by the Project Paper team basically confirms the previous findings and recommendations, with some minor exceptions. The need for providing university training for black South Africans is great and the number of potential candidates is such that no single donor can possibly come close to meeting even the most urgent needs. But it is important to be selective regarding the levels as well as the fields of training covered under the project. Keeping in mind that the main objective of this and other scholarship programs for black South Africans is to help them overcome the social and economic disadvantages, the type of training offered can definitely make a difference as to whether or not they can break the racial barriers in filling positions for which they are qualified.

Some comparative statistics of 1980 on educational opportunities in South Africa give a clear indication of the vast disparities between Africans and whites. With a population of 4.3 million white and 18.6 million African, the proportion of those who completed high school is 25% for whites and 1% for Africans. The number of university enrollment is 80,000 for whites and 7,000 for blacks. The number of professionals is equally revealing:

	<u>Whites</u>	<u>African</u>
Engineers	10,038	1
Chemists	1,938	13
Architects	1,856	0
Doctors (MD's)	8,444	69
Dentists	1,052	2
Lawyers	4,214	34

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The above statistics do not tell the whole story. It is a safe assumption that the university training received by the Africans included in these statistics was inferior to that of the whites unless they attended universities in other countries.

Realizing that the apartheid system will not automatically open doors to blacks with a good academic background, it is imperative to provide university training which offers best opportunities for employment in areas for which they have been trained. There are strong indications that, notwithstanding apartheid, the economy of the country will require that more and more positions in areas previously reserved for whites only be filled by qualified blacks.

The blacks filling these new positions will be highly visible, which makes it doubly important that their training be relevant and advanced. For these reasons--and in view of the fact that there will be an A.I.D.-supported internal scholarship program for undergraduate scholarships--this project should be limited almost exclusively to graduate Master degree training. Exceptions for U.S. undergraduate or doctoral training should be allowed only on the basis of meeting specific needs, and in consultation between A.I.D. and the implementing organizations. Engineering, for example, is a field which is not taught at black universities in South Africa, and opportunities for pursuing it at the white institutions are limited. Thus, a selected number of candidates may be given scholarships for undergraduate engineering in the U.S.

Based on the team's findings and assessment of previous reports, this project will continue to stress fields of study in the following areas: economics, business administration, engineering, management, agriculture and the sciences. As in the case of the ongoing project--Training for Disadvantaged South Africans--it will be implemented through one or more U.S. contract organizations which will work closely with a South African organization.

81

III. RATIONALE FOR PROPOSED COURSE OF ACTION

The need for relevant U.S. graduate training for black South Africans has been amply verified by a number of reports conducted by A.I.D., the U.S.I.S. and private organizations, as indicated elsewhere in this Project Paper. Graduate training at South African black institutions is, to say the least, inadequate; and enrollment at the white or "open" universities is limited. The North-Morse Assessment Report of November-December 1981, sponsored by A.I.D., concluded that scholarship programs for black South Africans for U.S. training is urgently needed but indicated that it should emphasize the graduate rather than the undergraduate level. In the first place, graduate students usually are more mature, have shown that they can do university work and are usually better prepared to handle U.S. academic programs and adjust to living conditions quite different from their own. Furthermore, with the Internal Bursaries project, being initiated by A.I.D. in FY 1984 and which is primarily for undergraduate scholarships, the need for U.S. undergraduate training has been reduced except for areas where such training for blacks is not readily available in South Africa, as indicated above.

The feasibility of carrying out the proposed project has been proven by the success of the ongoing A.I.D.-supported project implemented through IIE and Aurora Associates. Some of the scholarship recipients have already completed their U.S. training and returned to South Africa. Although the number of returned participants is still comparatively small, there is ample evidence that U.S. training opens doors to opportunities for positions formerly denied to South African blacks. The students selected for U.S. university training benefit from the higher quality of education as well as by their exposure to the openness of the American society. There are some indications that black South Africans who study in the U.S. go through a personality transformation, including development of more self-confidence and maturity.

52

It is also noteworthy that black South African students enrolled at U.S. universities perform much better here academically than they do in South Africa--whether at black or "open" institutions. Making allowances for the initial period of adjustment to the American system of university education and the social/living environment, South African students under the ongoing project have generally achieved and maintained above average grades--even those who had just maintained average grades in South Africa. This phenomenon has been attributed to the fact that the repressive environment in South Africa limits expression of what their intellectual potentials can actually offer. Studying in the U.S. also gives them strong motivation to do well and return to their country eager to take advantage of their newly acquired skills and academic status.

As indicated previously, this Project Paper requests extension of a project that is already being implemented through the Institute of International Education (IIE) and Aurora Associates. These two organizations work closely with the Educational Opportunities Council (EOC), a South African organization which has primary responsibility for identifying, screening and selecting scholarship candidates. The ongoing A.I.D. project was authorized in FY 1982 through a mini PP to expedite the process of selecting and placing the first group of candidates at U.S. institutions. On a smaller scale, a similar scholarship program had been implemented by the IIE with financial support from a number of U.S. private organizations and the U.S.I.S. This program, called the South African Education Program (SAEP), now includes the A.I.D.-supported component.

SAEP has been in operation since 1979 and a number of South African students have completed their U.S. university training and returned to their country. Although there has not been a formal and extensive evaluation of the program, there are indications that the selected students have performed exceptionally well academically and have been able to fill positions for which they were trained.

54

The success of the program so far is directly attributable to the effective student selection and implementation process adopted by the two U.S. contract organizations and the South African counterpart. Of primary importance in this process has been the orientation session for the selected students to help them adjust more easily into the American academic system and the American way of life. This orientation period, known as the Denison Program, has proven indispensable and a great success by all accounts. Similar program should be considered as an integral part of this extended program.

IV. PROJECT ELEMENTS AND MODE OF IMPLEMENTATION

With the initiation of an internal scholarship program for undergraduate training--the Bursaries Project--future emphasis of this project will be on the graduate level, Master degree, with some exceptions made on a case by case basis as mutually agreed between A.I.D. and the implementing organizations. The fields of study will continue to be, as with the ongoing project under IIE and Aurora Associates, science, mathematics, economics, business administration, engineering, agriculture and other selected fields in the development sciences.

Implementation of the project will be done through one or more contract organizations in cooperation with a South Africa organization. The latter will have primary responsibility for the initial selection and screening of candidates while the former will do placement and general backstopping of students at the U.S. universities.

Experience with students studying under the present project indicates that one of the most important elements in promoting successful implementation of the project is the "orientation program". This orientation consists of two phases: one in South Africa before the candidates leave their country and provided by the supporting South African organization as well as by U.S. Embassy and USIS personnel; the other is an extended period given in the U.S. at one location for all new students during the summer prior to the students' start of their academic training. This U.S. orientation program should be more than what the term implies and should follow the pattern of the one given at Denison University by IIE and Aurora Associates under the ongoing project. It involves given the candidates what could be called an initial exposure to university training, including some aspects of mathematics, science, English and general testing procedures. What the Denison program does--and what the future program should do--is to help the students make the transition into the U.S.

academic world with minimal difficulty. One of the most important difference between U.S. and South African or even European university education is that in our system the student is an active participant in the classroom, asks questions and participates in debates, whereas in most other countries he/she plays a more or less passive role, learns by rote, takes notes and seldom questions the veracity of the professor's lecture. Having been exposed to this type of system and coming from a socially and academically deprived environment, the black South African students have to be encouraged to take the initiative as individuals from the very beginning of their U.S. academic training.

Although different contractors than IIE and Aurora may be selected to implement the second phase of this project, the Educational Opportunity Council (EOC) should be retained as the South African coordinating organization--provided that it is willing to assume this added responsibility. Their retention is justified on the basis of providing continuity and efficiency in the process of student identification, selection and coordination with the U.S. contractor.

V. AVAILABILITY OF QUALIFIED CANDIDATES FOR U.S. TRAINING

It is a well-known fact that educational opportunities for black South Africans have been limited by the apartheid system as well as by the related economic and social disadvantages. However, during the past several years some progress has been made in increasing university enrollment of blacks not only at black institutions but at some of the white or "open" universities. This change has been encouraged by concerned "liberal" white South Africans who have openly challenged the system by pushing for changes. Administrators and educators at open universities such as the University of Witwatersrand have actually championed the cause of education for blacks. They have opened their classrooms and dormitories to qualified black students in violation of government law which imposes a limited quota on the number of non-white students that can be admitted at each of the institutions.

Another reason for expanded university enrollment of black students in South Africa is the growing concern by other countries and international organizations. In recent years countries such as Canada, England, France and Italy have been providing scholarships for in-country university training through the South Africa Institute of Race Relations and other local organizations. The Ford Foundation and the Carnegie Corporation have been supporting black education in South Africa for many years. American corporations operating in South Africa, which have signed the Sullivan Principles, have also been a source of financial support for in-country and overseas scholarships. One of the Sullivan Principles stipulates that the corporations will contribute towards improving and expanding educational opportunities of black South Africans.

The pool of eligible candidates for graduate training in the U.S. is more than what this project can possibly support. This has been confirmed by the large number of applicants who, in recent years, have applied for scholarships under the ongoing A.I.D. project being implemented by IIE and Aurora Associates.



VI. INSTITUTIONAL CAPABILITY TO CARRY OUT THE PROPOSED PROJECT

Implementation of a project similar to the one described in this Project Paper has been going on for a number of years. As it is known, this is an extension of the ongoing one which has been moving along without major obstacles. But the selection of a new contractor or contractors could be cause for concern. If neither IIE nor Aurora Associates is selected to assume implementation responsibilities for the extended project, extreme care must be taken in selecting an organization that has both experience and commitment for backstopping a project such as this one. This is not merely the traditional type of participant training project where candidates are selected by host government officials and A.I.D. field representatives. In this case the process is complicated by the fact that there may be hundreds of applicants from all over South Africa for the limited number of scholarships available. The initial screening, interviewing and selection is time-consuming and complicated, requiring professional expertise and extended involvement by representatives of the U.S. contractor as well as by the cooperating South African organization-- responsibilities presently undertaken by the Educational Opportunities Committee (EOC). It is also conceivable that if a new U.S. contractor is selected instead of continuing with the present two organizations, the EOC might decline to continue its association with the program. Such a move could cause serious repercussions because there are not unlimited number of organizations within South Africa that can take over what EOC is presently doing and move along without major hindrances. It has taken time to help the EOC smooth its part of the operation and everything possible should be done to retain their services.

Operating in a country without the close collaboration between the host government and A.I.D. officials makes it imperative that the U.S. contractor and the cooperating South African organization work in close partnership and coordination. The experience gained

during the past several years with the implementation of the ongoing project should prove invaluable in assuring that this new phase of the program moves along successfully. The groundwork has been done. South African students are enrolled at universities all over the U.S., and they have acquired a good reputation for their hard work and good academic achievement. In fact, many U.S. colleges and universities have not only welcomed South African students but have also provided waivers for tuition and other costs--thanks to the efforts on the part of the National Council of the South African Education Program whose membership includes presidents and board members of U.S. colleges, universities and corporations. The Council has been influential in encouraging tuition and other cost waivers for South African students at American educational institutions.

There is every reason to expect that the implementing organization for the new phase of the project should have less difficulty in placing and backstopping the scholarship recipients. But this assurance must not be used as an indication that whoever is selected as the new contractor can be less than 100 percent competent in the area and less than 100 percent committed to providing the needed services.

80

VII. EXPECTED PROJECT CONTRIBUTION IN HELPING SOUTH AFRICAN
BLACKS IMPROVE THEIR SOCIAL AND ECONOMIC STATUS

It is not always easy to see tangible results from educational programs--especially in the short-run. Dealing with the aspect of advancing educational opportunities for black South Africans becomes even more unpredictable. We cannot be certain that the well-trained blacks with advanced degrees from American universities will be allowed to fill positions for which they are qualified. But there are strong indications that advanced education and training for black South Africans is the key to social and economic change. Regardless of what the fundamental motives may be on the part of those in power, the pressure of economic growth, combined with important demographic changes, is gradually resulting in job opportunities that were previously restricted by law and practice. Business leaders and to a lesser extent government officials recognize that a massive program of education for blacks is necessary to sustain the economic growth. The country, with a potential abundance of human and material resources, cannot survive if it continues to deny the majority population an equal role in economic development and social well-being. Thus, university training for black South Africans becomes indispensable even for the future well-being of those in power. The advantages of U.S. university training with graduate degrees are obvious. Even for black South Africans who could possibly pursue graduate training in South Africa, the black institutions suffer from poorly trained teachers and limited facilities; and the white, "open" universities are limited as to the number of students they can enroll. Additionally, those who are admitted at white universities are hindered by other problems, such as housing, long commuting distances and social/racial imbalances.

Effective education can be a strong force for social--and perhaps political change in South Africa. The government is permitting more and more qualified blacks to fill positions previously

reserved for whites--even if it is for selfish reasons. The A.I.D. Fact Finding Team Report of December 1981 states: "Like almost every other aspect of South Africa, education is a dichotomy.... On the one hand, the sector is a highly charged, politicized arena of differences between blacks and whites.... On the other hand, it appears to be the sector where there is common agreement on the possibilities for change. Blacks see education as a key for better jobs, higher pay, equality of status and probably preparation for power sharing. Whites see education as the manpower production system for economic growth."

U.S. graduate training and degrees carry prestige, and the black South African students can benefit immensely from these scholarships. It cannot be denied that, indirectly, the South African Government and the economy of the country also derive some benefits from the project.

ANNEX C

DETAILED MANPOWER ECONOMIC ANALYSIS

Detailed Manpower and Economic Analysis

An evaluation of the current manpower situation in the Republic of South Africa calls for some review of recent economic performance, specially so, since it will be argued that the emerging outlook for the demand for high level manpower is directly related to the projections that appear reasonable for the performance of the economy up to the 1990's and even to year 2000.

0.1 Recent Economic Performance

Recent performance of the South African economy, at least since 1980, can be read from the data contained in Table 1. The period from 1980 has been essentially one of no growth. Gross National Product in current prices actually fell over this period although only mildly so, while evaluated in constant 1975 prices, the decline in national output has been quite steep. The index of producer prices reached a level of 275.4 for 1983 as against 192.8 for 1980 (1975 - 100), and that for consumer prices registered almost the same gain, reaching 260.3 by 1983, explaining the sharp drop in buying power experienced over the period.

Economic activity in the Republic has reflected broad international recessionary trends, but recent performance is also affected by a number of unique circumstances, not the least of which is the prolonged drought which affected agricultural output in 1982, again in 1983 and so far in 1984. Per Capita GNP fell from \$2,731.00 in 1980 to \$2,393.00 in 1983, and the non-agricultural employment index declined in 1983 as unemployment rose substantially, staying well over the 450,000 mark for the entire year.

With worldwide economic conditions moderating somewhat, the expectation is that South African economy could well be bottoming out and 1984 could begin to show a modest upswing. It remains true however, that the unavailability of trained manpower in requisite

numbers will continue to severely dampen chances for robust recovery from the declines begun in 1981.

Over the near term future, despite the upturn in Western economies, particularly the United States, and the impact that such recovery will make on the South African economy as a producer of primary products, the outlook remains somewhat cloudy. Economic recovery will likely be negatively affected by the shortage of skilled workers in key occupations on the one hand, while on the other, pressures for holding government spending in line with budget priorities accompanied by the expectation of sharply higher personal income tax bills could have a severe dampening effect.

That the Republic of South Africa is eagerly considering the independence of Namibia at this time is also not unrelated to the economic pressures which could be building on the domestic scene. Estimates vary widely, but it is commonly felt that the economic cost of Namibian non-independence constitutes a serious burden on South Africa. Whether independence will relieve that burden or not is still an open question. What is clear is that in the absence of fiscal relief which would come from that move, the Republic of South Africa will face an exceedingly difficult task in addressing the urgent human capital revitalization which appears to be real cornerstone to long-term economic growth.

0.11 Population and Employment

The estimated population of the Republic of South Africa, including the "independent homelands" as of 1980 was about 29,000,000 with blacks constituting over 70% of that total and at least that percentage of the employed labor force. Blacks are strongly represented in urban employment, as are most Whites, and Indians and Coloureds.

Incomes earned by the homeland population are generated

Table 1
National Account Statistics (selected)
Republic of South Africa
(selected years)
(Money Values in SUS Millions Except as Noted)

	1980	1981	1982	1983 (1)
Income, Production & Employment				
Gross Domestic Product (Current prices, factor cost)	74,517	75,196	67,248	73,629 (2)
Gross Domestic Product (1975 prices, factor cost)	38,931	36,391	28,764	27,464 (2)
Gross National Product (Current prices)	76,470	77,427	70,354	N.A.
Gross National Product (1975 prices)	40,246	37,038	28,544	N.A.
Gross Fixed Domestic Investment (Current prices)	19,872	22,442	20,434	21,482 (2)
Government Consumption (Current prices)	10,557	11,508	11,077	12,969
Private Consumption (Current prices)	39,808	43,427	40,595	45,285 (2)
Population Est. (000's)	28,000	28,700	29,400	30,100
Per Capita GNP (SUS)	2,731	2,703	2,393	N.A.
Manufacturing Index (1975 = 100) (4) (5)	126.7	135.6	132.1	123.0 (5) (7)
Mining Index (1975 = 100) (4) (5)	110.6	111.5	108.4	108.7 (6) (7)
Non-Agricultural Employment Index (1975 = 100)	108.4	111.5	111.9	110.2 (7) (8)
Money and Prices				
Money Supply (M1) (6) Millions R	8,423	11,656	12,075	14,351
Money Supply (M2) (6) " "	16,284	21,017	22,001	24,452
Consumer Price Index (1975 = 100) (9)	175.3	201.9	231.6	260.3 (6) (7)
Production Prices Index (1975 = 100) (9)	192.8	218.8	249.3	275.4 (6) (7)
Prime Bank Rate (6)	9.5	17.0	18.0	18.0
Balance of Payments and Trade				
Exports Excluding Gold, FOB	12,598	11,016	9,331	4,691
Gold Exports	13,082	9,591	7,937	4,756
Exports to the U.S. (10)	3,320	2,435	1,959	N.A.
Imports (FOB)	18,265	20,829	16,564	7,273
Imports from the U.S. (10)	2,463	2,901	2,360	1,060
Trade Balance	7,419	-221	704	2,074
Current Account Balance	3,867	-4,256	-2,686	1,139
Basic Balance	3,251	-3,289	-890	1,266
Gold and Foreign Exchange Holdings of Which Gold at the Reserve Bank (11)	7,699	4,261	3,522	3,605
U.S. Direct Investment (SUS Billions, Book Value) (1) (10)	6,451	3,295	3,044	3,019
	2,350	2.6	2.5	N.A.
Public Finance				
Treasury Receipts (CV, except borrowing)	16,475	16,703	15,512	8,564 (12)
Treasury Expenditures (CV, except debt redemption)	17,618	18,460	17,331	9,624 (12)
Government Budget (deficit before financing)	1,143	1,757	1,819	1,060 (12)
Internal Public Debt (1)	801	923	2,208	2,073

Source: National Accounts data are derived from reports prepared in the U.S. Embassy in Pretoria, RSA.

Notes on Exchange Rates and Data Sources: Rand values have been converted into dollars at average exchange rates (1981 = R1.00 = SUS 1.15; 1982 = R1.00 = SUS 0.92; first half of 1983 = \$1.00 = R1.12), except for "end of period" data. Primary statistics sources are the South African Reserve Bank and the Central Statistical Services. Data for Namibia and the "independent homelands" are included in South African statistics. Data are subject to revision and therefore may not appear as previously published.

Notes to Table: (1) first six months; (2) second quarter data at seasonally adjusted annual rate; (3) does not include Namibia; (4) physical volume; (5) annual average; (6) end of period; (7) seasonally adjusted; (8) April (9) average for year; (10) U.S. data; (11) gold reserves are valued at 90% of recent average London gold fixings; (12) first half of FY 83/84.

largely by remittances from workers working in the urban areas, while subsistence farming constitutes the predominant mode of activity for the "homelands".

Black employment, just under 2,000,000 in 1970 reached about 2,800,000 in 1982, while White employment in the former period registered 1,100,000 and almost 1,400,000 by 1982. Employment growth in the other official non-white population groups have followed the above patterns fairly consistently.

Total economically active population reached 8.7 million by the census year 1980, as against 8.25 million in 1970. Of that total, economically active blacks numbered 5.6 million in 1981 and 5.57 million in 1980.

0.12 Structural Features of SA Economy

The South African economy is characterized by some important structural features, not at all consistent from one to the other. In the first place, despite a strong public policy leaning to a free market economy, sizeable portions of economic activity are controlled by the government. These include postal and telecommunications, airlines and port and rail services. Others include electricity, iron and steel and oil-from-coal production.

Additionally, the economy is characterized by high levels of industrial concentration, and price-distorting mechanisms are to be found in many places. Labor markets, reflecting the pervasiveness of apartheid-grounded legal barriers to labor mobility of one kind or another, are severely under-rationalized, and unemployment has existed side-by-side with severe labor shortages, particularly in high-level manpower.

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1. Manpower Demand and Supply

1.1 Introduction

Mention has already been made of the peculiar nature of South African labor markets. The essential peculiarity is a direct result of the constraining nature of the myriad barriers that have been erected in the name of apartheid, either constituting explicit restrictions of jobs that can be legally held by the non-white populations, or in a more roundabout fashion, directed at restricting geographic mobility and domicile of non-white workers, with the grossly negative attendant effect on the ability of the majority population to get and hold jobs, except unskilled ones.

Additionally, facing a severely restricted range and quality of educational opportunities, the majority population has been unable to compete for the types of jobs which carry with them the possibility of career advancement.

Manpower supply, and manpower demand, in the context of the South African economy, can be seen then to reflect not so much the effects of the workings of a market economy, but rather represent outcomes which have been determined by the direct and indirect effects of government-sanctioned restrictions on free play of demand and supply as well as the continued existence of rigid racial barriers, in almost all areas of economic and social life.

Finally, historical factors, largely slanting the labor/capital ratio away from labor and toward higher levels of capital intensity, can be shown to constitute a lid on the possibility of generating sizeable increases in employment, except in the presence of extremely rapid economic growth.

It is to a more detailed consideration of these factors what we now turn.

1.11 Legislative Barriers

Despite claims that modest legislative initiatives of the last few years have had the effect of opening up areas which were hitherto rigidly closed, the remaining and sufficiently powerful hindrances to meaningful liberalization in virtually all areas of social life, continue to have the effect of maintaining artificially structured labor markets favoring the minority white population. The major pillars of state-sanctioned discrimination against the black population still exist, and though in some cases, infringement of these do not bring the quick and harsh response, they once did, in others they do. The Group Areas Act (1950) the Immorality Act (1927), the Mixed Marriages Act (1949), and the Pass Laws, all work together to create and sustain the highly regimented and distinctly unequal patterns of social interaction which characterize the South African situation.

1.12 Impossibility of Quick Turnaround

While efforts continue to be made to weaken the powerful structural features of Apartheid, grounded especially in the laws of the Republic of South Africa, it appears highly unlikely that even the most immediate response in this direction will have any appreciable effect on changing the existing patterns observed in the labor market, at least in the immediate future. This is because the backlog of unskilled and untrained labor is so large, and even to some extent unknown; low levels of academic training generated by years of neglect as result of Bantu education, leaves many relatively young black persons unable to take advantage of education and training opportunities even were they to be made available. Additionally, it can be expected that housing patterns and other historically determined patterns of social behaviour and exchange, will substantially limit the pool of black labor in urban establishments even if all discriminatory laws were immediately struck down.

1.13 Capital Intensity of South African Industry

It is fairly easy to demonstrate, following the lead of Levy, that South African industry is highly capital intensive, much more so than one would expect for a country of its size or its stage of development. (Levy 1980). Possibilities for the absorption of labor tend to be limited in these conditions, and economic growth becomes more a function of capital investment than of labor utilization per unit of output. Much of this capital intensity can be shown to result from government policy favoring high capital-to-labor ratios in the recent political and economic history of the country.

In that context, both the efforts of white workers to secure protected high-wage employment, and the desire on the part of rural governments to restrict black labor from migrating to the urban areas, are understood. Demands for high wages are best met under conditions of high capital intensity. There is also relatively lower need for large numbers of low-wage labor in capital-intensive industries than in labor-intensive ones. Thus, increasing capital intensity of South African industry is understood in the context of the history of South African internal social and political relations. Any current policy designed to seriously impact the massive problem of the huge pool of black labor waiting to be meaningfully employed will have to deal squarely with this serious barrier to positive large-scale employment change. In conditions of high capital intensity, the employment responsiveness of labor with respect to GNP growth is very low; for the Republic of South Africa, it is estimated to be on the order of only 50%.

1.14 Despite the foregoing, and perhaps because of it, the urgency of finding ways to improve the lot of the African worker in the South African labor market is unsurpassed. Broad demographic patterns affecting the supply of labor as between the minority and the majority populations however support a degree of optimism for the

success of massive programs of education and training of the disadvantaged and hitherto excluded groups.

1.2 Macro Demand for Labor in RSA and Projections to 1987

1.21 General Methodologies for Estimating Demand for Labor

In the context of the methodological limitation of the Project Paper, it is not feasible to go through in great detail the many steps that are really necessary to derive firm estimates of labor demand. Such a procedure would involve employing a number of different estimating techniques as counterchecks against each other. Neither time nor data availability allows such precision. It is possible however to highlight a few of the fairly robust techniques, and then to go on to use those for which data are reasonably available, to derive some estimates of demand and supply of labor over the relevant time period.

One methodology, found to be useful in the context of limited data, is to base projections of manpower demand on expectations about the responsiveness of the increase in demand for labor to increase in output, in conjunction with policy determined rates of output change and measures of productivity growth. Growth in sectoral employment in this approach is determined by sectoral shares in total output, and the rate of growth of sectoral productivity. Occupational implications in each sector then get determined by using some reasonable assumptions about the occupational structure of sectoral output. Total occupational demand is then derived by summing individual occupational demands over all sectors of the economy.

A second approach to the estimation of employment demand, is identified with the use of input-output models. Here the structure of production is defined in terms of its input-output structure, and given the expectation of constancy of that structure, the demand for any input, in this case labor can be derived, once final

demand for goods and services is known.

Constancy of the structure of production is often worded as preliminary assumption. Thus when the structure of production is not expected to remain constant, if there is some indication as to how that structure might change, this information can be included in the updating of the important structural coefficients, in the model, and new input demands can then be derived on the basis of this expected change in production structure.

Finally, when it is not possible to carry out the lengthy calculations required for the above techniques, naive extrapolation might be used, either at the industry or sectoral level. Occupational distribution can then be derived, either mechanically by postulating some expected distribution, or by asking front-line producers in each sector about their expectations for optimal occupational distribution. This is often difficult to accomplish, especially if producers (or managers) are unsure of the implications of new technology for demand for labor, or are unsure of the future patterns of output and the demand for the products they produce.

1.22 The Human Sciences Research Council (HSRC) Approach

The approach of the South African Human Sciences Research Council is to go from (a) projections of job opportunities (given a policy determined level of output growth) for the economy as a whole, (b) some measure of the occupational structure of the economy, and (c) the total level of labor demand in each sector, to (d) occupational structure of the labor force in any specifically identified period. Labor demand is estimated on the basis of policy determined growth rates of GNP and some measure of the responsiveness of labor demand to GNP growth. Such a measure of elasticity works out to be about .50 for the South African economy, and underscores the point made earlier about the relative capital intensity of the structure of S.A. industry.

Occupational distribution is projected by assuming that such a distribution will not change drastically. Trend measures of such change are used for projection, the deviations around such trends being quite small.

Finally, the relevant population group proportions within occupations are projected using the same methodology. Table 2 presents the data for three years, 1965, 1979, and projected 1987 proportions of population groups in the various occupations.

1.23 Demand for Labor to 1987

Reading across a row, that is for each occupation, and a specific year, one derives the group distribution of the occupation for that specific period. It is significant to note that, in every one of the twenty-two occupation groups, the distribution shifts drastically against the white population, in some cases quite sharply. Transport workers who are white and production workers who are white will experience the sharpest decline, while in other occupations, the declines though less, are nonetheless significant in terms of what they demonstrate for the future structure of the demand for labor in South Africa.

For occupations normally requiring post-secondary education (roughly a half to two-thirds of the twenty-two occupations reading from top to bottom) whites dominated in those occupations in 1965. Almost all the engineers in South Africa were white in the year, with roughly similar proportions for architects, surveyors, doctors and other paramedical personnel, engineering technicians, managers and attorneys. On the other hand, non-white populations are heavily represented in occupations requiring considerably less skill and formal training. For the professional, semiprofessional and technical occupations then, whites were clearly dominant, representing almost all workers.

Table 2

Population group structure by Occupation, 1965, 1979, 1987 (est.)

Occupation	Whites			Colored			Asians			Blacks		
	1965	1979	1987	1965	1979	1987	1965	1979	1987	1965	1979	1987
Architects	99.66	95.33	95.33	0.0	3.11	3.56	0.34	0.92	0.66	0.0	0.14	0.44
Engineers	99.97	99.29	99.35	0.02	0.28	0.26	0.01	0.39	0.32	0.0	0.05	0.07
Surveyors	99.57	89.46	84.49	0.0	8.00	5.08	0.0	0.67	0.63	0.43	1.87	9.20
Natural Sci.	92.67	91.88	91.23	0.25	1.24	1.88	0.10	1.08	1.69	6.98	5.80	5.20
Med. Doctors	97.64	92.56	90.81	0.33	1.63	1.84	1.38	5.21	6.41	0.65	0.59	0.94
Nurses & Mid-wives	55.06	44.09	39.34	10.07	14.63	13.34	0.38	3.80	3.22	33.99	37.47	44.10
Other Para-medics	96.37	89.66	84.95	0.70	2.35	3.25	0.68	2.32	2.92	2.25	5.65	8.87
Eng. Techn.	99.72	93.94	92.85	0.22	2.92	3.46	0.01	1.93	2.17	0.05	1.21	1.52
Other Tech.	92.58	81.82	75.83	2.16	4.14	5.57	1.44	4.30	5.13	3.82	9.68	13.47
Attorneys	99.13	96.73	94.20	0.0	0.03	0.13	0.62	0.93	1.71	0.25	2.32	3.97
Teachers	43.75	42.50	38.33	13.67	16.37	15.58	5.46	4.61	4.12	37.13	36.52	41.97
Clergy	75.94	73.78	61.64	1.48	8.93	5.57	0.40	0.41	0.53	22.18	16.88	32.25
Other Prof. Workers	94.57	89.44	88.02	1.48	2.32	2.53	0.43	2.42	3.11	3.52	5.82	6.33
Managers	97.98	95.09	94.47	0.17	1.33	1.34	1.63	2.05	2.38	0.22	1.54	1.81
Clericals	83.13	68.82	64.45	4.11	8.49	9.43	3.70	7.60	8.62	9.06	15.09	17.51
Sales	72.70	56.04	54.74	4.33	10.61	12.13	7.27	8.85	9.13	15.20	24.50	24.41
Transport	36.99	21.60	17.83	12.42	11.48	10.79	3.24	3.94	4.01	47.34	62.98	67.37
Service	24.03	21.37	20.18	11.19	11.10	11.50	4.88	3.29	2.91	59.51	61.25	65.42
Production	12.46	7.90	6.64	12.79	12.43	11.73	4.46	4.31	3.90	70.29	75.35	77.73
Foremen	76.73	56.85	54.15	6.96	11.36	11.02	2.79	3.50	4.20	13.52	28.29	30.63
Artisans, etc.	88.45	74.07	69.30	9.97	17.10	19.02	1.18	3.68	3.86	0.40	5.15	7.82
Laborers	2.23	0.55	0.22	10.16	12.55	11.78	1.34	1.16	0.96	86.27	85.73	87.04

Source: S.S. Terblanche, An Analysis of the Macro Manpower Demand and Supply Situation, (1977, 1987) in the PSA, Human Sciences Research Council, Pretoria, (1981)

Note: Summing across a row for each year, but different population groups, adds to 100%.

The patterns observed for 1979 already show declines in the proportions for whites in the professional and technical occupations, and concomitant increases in the non-white population groups represented in those same occupations.

These patterns can now be used to generate trends in the population group distribution for the period up to 1987. What the numbers indicate is that, if the observed trends continue in the forecast period as they were in the observation period, the demand for white workers will experience declines, while non-white workers will be in increasing demand. Each occupation group shows its own peculiar patterns of demand changes, limiting the usefulness of attempts to generalize over all occupation groups. It is generally true however, that for professional and technical workers, demands for whites and non-whites are expected to move in clearly opposite directions from now until 1987, with no indications at present that any change in such patterns will be observed through 2,000. Whites will experience declines, while non-whites will show steady, sometimes even sharp increases.

One word of caution is appropriate here, in the interpretation of these figures as measures of demand. Economists typically speak of demand as a relation between a quantity and a price. In this case, the relevant price would be the wage rate. The data here however represent projections based on historical patterns of occupational ratios, given the expectation that employment growth will bear the same relation to output growth in the immediate future, as it was in the relevant past period. Demand here then refers more to the growth-induced level of labor demand, and really reflects the projection of historic patterns of change over the period in question, on the assumption that whatever macro forces are operative will continue to do so over that period.

The implications of these results are extremely important from a policy point of view, for the future of manpower planning, especially concerning the training and education of appropriate manpower in critical industries. Sustaining a 4.5% rate of growth per

104

year into the future up to year 1987 and even further to year 2000, calls for provision of sufficient trained manpower to make that growth possible. What these demand projections suggest is that it is going to be clearly impossible to sustain such growth rates if reliance continue to be placed on only a small part of the total population. There is clearly an urgent task of education and training of the major portion of the South African population, made up of so-called coloureds, Indians and the preponderant number of Africans, who have hitherto been effectively excluded from career-ladder type jobs in the modern sector of the South African economy.

1.3 Macro Supply of the labor in the Republic of South Africa

1.31 Labor supply is a function of population growth, the age-structure of the population and the activity rate of each component in the population. The data reported here were derived from Census data, and work undertaken by the Human Services Research Council.

A peculiarity in South African statistics on population and labor force needs to be noted here. Due to the government's practice of relegating different population groups to specific areas of domicile, and in the extreme, giving independent legal status to certain so-called "homelands", South African population and labor force statistics will differ greatly depending on the inclusion or exclusion of the homelands including those that are now "independent". The official statistics do not now include Transkei, Bophuthatswana or Venda, but estimates reported here reflect their inclusion. Table 3 gives the details.

The total population had been growing at approximately 2.8% per year up to 1976 and would have reached almost 29,000,000 by 1980 were it not for the exclusions referred to above. The black population which numbered 15.9 million in 1971 grew at a rate of about 3.0% per year over the next five years. Projecting that growth through to 1980, the black population would have passed the 20.0

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Table 3

RSA Population, 1970 - 1982

(000)

Year	RSA Population (a)	RSA Population (including homelands)
1970	21,999	21,999
1971	22,637	22,637
1972	23,294	23,294
1973	23,958	23,958
1974	24,639	24,639
1975	25,343	25,343
1976	23,869 (a)	26,052 (b)
1977	23,372 (a)	26,782 (b)
1978	24,012 (a)	27,531 (b)
1979	24,330 (a)	28,302 (b)
1980	24,936 (a)	29,000 (b)
1981	25,591 (a)	29,910 (b)
1982	26,307 (a)	30,747 (b)

Source: Republic of South Africa, South African Statistics, 1982

- Notes: (a) Excludes Transkei as of 1976, Bophuthatswana as of 1977, and Venda as of 1979.
- (b) Estimates based on 2.8% per year population growth.

million mark by then and total population, including the independent homelands could well have reached 30 million by 1981. The HSRC has estimated a population of just under 29,000,000 for 1980. Using at 2.2% per year growth up to year 2,000, total population including Transkei, Bophuthatswana and Venda is expected to reach 44.23 million. Reflecting relatively slower growth of the white population, the black population which was estimated to be 73% of the total in 1980, is expected to reach 76% of that total by the turn of century (Table 4).

White total population continues to increase, the birth rate of all population groups is expected to continue to show declines. Birth rate of whites declined from 23 per 1000 per year in 1973 to 16 per thousand per year by 1979. Official statistics show declines in the coloured birth rate from 46 per 1000 to 26 per thousand between 1960 and 1978, and it is estimated that birth rate of Africans declined from 44 to 36 per thousand per year over the same period. Birth rate of Asians dropped from 38 per thousand to 24 per thousand over the 1969 to 1979 decade. For whites, birth rates which are projected to be even in the negative range in the 1990 to 2000 decade, can be expected to seriously affect the growth in the labor force during the period from now until then.

The geographical breakdown of the South African population is important for the light it throws on questions of regional emphasis in any large-scale education upgrading effort aimed at disadvantages groups. Table 5 shows the provincial distribution of the South African population (excluding the homelands). Table 6 gives preliminary data for the non-independent homeland areas, and Table 7 gives results for Transkei, Bophuthatswana and Venda, all as of 1980. Most Africans outside of the homelands are to be found in the Transvaal province (over 68% of the total population of the Transvaal), while they constitute almost the total population of the Orange Free State, although numbering only 1.50 million.

Table 2

Projection of South African Population, 1980 - 2000
(including Black States)

	Asian		Whites		Coloreds		Blacks		Total (Million)
		%		%		%		%	
1980	813,000	2.8	4,499,000	15.8	2,539,000	8.9	20,700,000	72.5	28.6
1985	889,000	2.8	4,823,000	15.0	2,794,000	8.7	23,700,000	73.6	32.2
1990	964,000	2.7	5,163,000	14.2	3,070,000	8.4	27,100,000	74.7	36.3
1995	1,041,000	2.6	5,517,000	13.6	3,348,000	8.3	30,500,000	75.5	40.4
2000	1,108,000	2.5	5,817,000	13.2	3,607,000	8.1	33,700,000	76.2	44.2

Source: Manpower Scene 1982, Human Sciences Research Council,
Research Finding MN-101, 1983.

109

TABLE 5

Geographic Distribution of South Africa
Population (Excluding Homelands) - 1980

Province	White	African	Colored	Indian	Total
T'vaal	2.300	5.600	0.228	.116	8.244
Natal	0.562	1.360	0.091	.005	2.018
Cape	1.200	1.300	2.200	.032	4.732
O.F.S.	0.326	1.500	0.056	-	1.882
TOTAL	4.388	9.900	2.575	0.813	17,676

Source: SAIRR, Survey & Race Relations in South Africa 952, Johannesburg, Jan 1983.

TABLE 6
Population of Non-Independent -
Homeland Areas 1980

Homeland	(million) Population
Ciskei	0.678
Gazankulu	0.514
Kangwane	0.161
Kwazulu	3.400
Lebowa	1.700
Kwandebele	0.150
Qwa Qwa	0.158
TOTAL	6.167

TABLE 7

Population of "Independent" Homelands 1950 (a)

<u>Homeland</u>	<u>(million) Population</u>
Transkei	2.324
Bophuthatswana	1.323
Venda	0.316
<u>TOTAL</u>	<u>3.963</u>

Source: SAIRR, Survey of Race Relations in South Africa 1982, Johannesburg, (Jan 1983)

NOTE: (a) Based on estimates of the Bureau of Economics Research (BENSO)

Of central importance is the fact that total population of the homelands, non-independent and independent, of more than 10.1 million as of 1980, already outnumbered the African population distributed throughout the Republic of South Africa in the four provinces. Any policy designed to impact the educational preparedness of the disadvantaged population groups in any manner that is deemed equitable, will have to address this issue very directly. Population growth in the homeland areas is particularly high. Since the homeland areas are not known to be particularly fertile nor are homeland economies known to be especially vibrant, the most likely outcome of this pattern of rapid population growth is that of growing improvements of homeland populations. While some of the growth can be accounted for by undercounting in the initial period (1970), much the greater part of it is attributed to high birth rates, coupled with government policy of continued relocation of blacks and conversion of more areas to homeland territory.

The resettlement of the African population, from areas of their regular domicile, to areas that the government has marked off for such domicile, has been an especially painful but persistent aspect of South African racial policy. The numbers of persons who have been moved are not easy to determine with much specificity, but are known to be large. Estimates for the period from 1960 to 1980 range as high as three million persons.

One kind of relocation is that which results in Africans being moved from urban to homeland areas. For the second half of 1981 alone, 2758 urban Africans were moved from Cape Town, 379 from Durban, 149 from Johannesburg, 111 from Alexandria, and 13 from Germiston (SAIRR, 1983). Removals from urban areas have either been removals carried out, under the Urban Areas Act, or alternatively carried out after the deproclamation of African townships. These deproclamations have gone on since about 1950, and have affected

mostly small towns. (Simikins, 1981).

Living conditions in areas of new domicile are extremely marginal, with person living either in self-erected housing or in state provided housing displaying minimal standards and amenities.

Africans who have been resettled are thus persons who would have been living in the cities and towns of South Africa, were it not for the existence of influx control and removals.

Resettlement or relocation can be expected to have strong consequential effects for labor markets and for manpower policy. For example, it is well-known that median unemployment rates for the settlements are higher than for the homeland areas as a whole. At the same time, the urban/rural wage ratio continues to be very high. The two conditions of high settlement area unemployment and high wage differentials as between urban and non-urban, specifically settled homeland areas, suggest the working of powerful barriers to the effective rationalization of the South African labor market. Homeland workers are effectively shut out from the more active sectors of growth to be found in the urban areas, resulting in large wage gaps simultaneously with high unemployment. Continued government policy to shut-off the urban areas from the African rural population is therefore likely to perpetuate and even intensify labor market dysfunctions, regional disparities in income and opportunity, and intergroup inequalities. Ameliorative labor market interventions, in these circumstances, in order to be socially useful will have to be wide-ranging, encompassing not only the provision of opportunities for substantial upgrading of human capital through formal education and training, but must also encompass strong efforts aimed at eroding barriers to labor mobility, which have so far proved all too decisive in severely restricting economic opportunity for the non-white population groups.

utd. 4/19/84

Table 8

Activity Rates for Population Groups, by Sex and Age, 1977 or 1987

AGE	Whites				Asians				Coloureds				Male	
	Male		Female		Male		Female		Male		Female			
	1977	1987	1977	1987	1977	1987	1977	1987	1977	1987	1977	1987		
15-19	38.03	38.41	33.33	33.42	42.02	40.72	28.66	36.83	41.97	41.97	37.41	37.41	27.79	2
20-24	87.77	83.59	63.44	68.30	84.37	83.27	35.67	45.30	90.51	90.51	70.48	70.48	78.29	7
25-29	96.38	95.52	45.60	51.07	92.35	91.35	27.10	33.48	94.32	94.32	59.44	59.44	90.22	9
30-34	97.98	97.46	40.69	45.34	94.77	94.07	26.04	33.19	93.17	93.17	56.71	56.71	91.46	9
35-39	98.06	97.64	43.16	48.60	95.28	94.70	22.47	27.64	92.59	92.59	50.50	50.50	92.15	9
40-44	96.88	96.02	46.93	53.84	93.90	93.10	21.02	25.23	90.43	90.43	46.78	46.78	90.23	9
45-49	96.09	95.08	44.04	49.77	92.41	91.39	13.64	15.04	89.16	89.16	39.23	39.23	89.27	8
50-54	93.16	91.42	38.47	42.99	87.12	85.82	10.20	10.20	86.59	86.59	35.68	35.68	86.01	8
55-59	89.36	87.62	30.29	32.19	81.34	79.42	8.00	8.00	74.78	74.78	29.72	29.72	80.19	8
60-64	68.91	65.83	21.42	23.89	60.82	58.26	5.30	5.30	55.39	55.39	17.72	17.72	67.54	6
65-69	50.25	47.85	13.21	15.20	40.89	40.37	1.50	1.50	29.01	29.01	9.93	9.93	65.63	6
70-74	30.99	27.62	6.03	6.52	28.99	29.73	0.70	0.70	19.68	19.68	5.36	5.36	28.65	2
Total	82.08	81.21	39.70	43.77	79.56	78.92	23.84	28.18	77.08	79.15	47.85	48.59	73.22	7

Source: S.S. Terblanche, *An Analysis of the Macro Manpower Demand and Supply Situation, (1977, 1987) in the RSA*, Human Sciences Research Council, Pretoria, (1981).

111

Table 8 gives activity rates of various age-groups for both males and females for all the population groups, 1977 and 1987 (projected). The 1987 activity rates are projected on the basis of rates observed between 1960 and 1970, projected forward to 1981 by straight line trend, and projected forward to 1987 by modifying the trend slightly, on the down-side.

Labor supply is expected to increase to 11,383,000 by 1987, from 8,714,000 in 1977, and could reach 12,184,000 by 1990. The white component of the labor force is expected to continue decline to under 20% of total labor force by 1990, while the black portion of the labor force increases to 74%, and maybe as high as 82% by the year 2000. (These totals include white males doing national service of 50,000 approximately). See Table 9 for details.

Over the period from 1977 to 1990 therefore, the economically active population is expected to grow by about 267,000 per year $(12,184,000 - 8,714,000) \div 13$, with a white male growth rate of 1.3% per year and a white female growth rates of 2.44%, compared to black male and female growth rates of 2.91% and 3.02% respectively (Table 10). Asian females and coloured male and female rates are even higher, but these should be interpreted in the light of the very small base period numbers, which make for longer growth rates on small actual numbers.

Table 11 shows that total growth in the demand for white workers will be on the order of 2.81% per year over the period to 1987, but the supply of white workers is not likely to come close to that figure, probably reaching 1.8% per year and even lower if the growth rates of males and females are properly weighted by their representation in the labor force as a whole. This highlights one important aspect of the manpower demand/supply situation facing the Republic of South Africa; unavailability of the kind of workers who have traditionally manned the commanding heights of the economy.

Table 9

ESTIMATE OF THE SIZE OF THE SOUTH AFRICAN ECONOMICALLY ACTIVE POPULATION FOR
1977 AND 1987 BY
POPULATION GROUP, AGE AND SEX (MINIMUM ESTIMATE)

Age group	Whites				Coloureds				Asians				1977
	Males		Females		Males		Females		Males		Females		
	1977	1987	1977	1987	1977	1987	1977	1987	1977	1987	1977	1987	
15-19	76 577	84 145	64 340	70 874	60 953	67 085	54 821	60 170	17 178	19 765	11 730	17 851	291
20-24	158 940	173 524	114 471	137 652	106 729	143 006	83 455	113 353	32 162	35 331	13 622	19 357	670
25-29	180 703	188 958	82 121	97 886	88 878	130 775	57 175	84 096	31 713	36 065	9 469	13 338	609
30-34	178 304	176 987	69 380	81 072	67 157	103 996	42 895	64 393	26 990	34 411	7 596	12 270	522
35-39	150 836	178 828	62 396	86 484	56 258	81 905	32 133	46 278	21 790	31 024	5 256	9 298	442
40-44	121 139	169 542	56 405	90 317	48 271	60 425	26 463	33 457	16 902	25 035	3 964	7 037	367
45-49	104 680	140 034	47 726	70 235	37 492	49 172	17 869	23 342	13 233	19 384	2 057	3 328	302
50-54	93 616	106 998	39 232	49 795	28 834	40 715	12 342	18 539	10 106	13 937	1 221	1 789	233
55-59	77 618	86 078	27 673	32 940	19 413	26 465	7 956	12 069	7 337	9 832	740	1 091	168
60-64	51 255	56 232	17 517	22 249	10 784	14 451	3 707	5 204	4 124	5 465	364	548	102
65-69	31 120	32 135	9 514	12 040	4 230	5 335	1 594	2 065	1 865	2 672	67	111	62
70-74	12 191	14 175	3 097	4 198	1 944	2 222	638	768	704	1 246	16	33	21
TOTAL	1236 979	1407 636	593 872	755 742	530 943	725 552	341 048	463 724	184 104	234 167	56 102	86 051	3799
TOTAL M + F 1977 1987	1830 851 (1780 851) ¹⁾ 2163 378 (2113 378)				871 991 1189 276				240 206 320 218				
Total labour force 1977 1987									8714 079 (8664 079) 11383 382 (11333 382)				

¹⁾ Figures between brackets represent the labour force when White males doing national service are subtracted

911

Table 10

GROWTH IN THE ECONOMICALLY ACTIVE POPULATION

Age group	Whites				Coloureds				Asian				
	Males		Females		Males		Females		Males		Females		
	A	B	A	B	A	B	A	B	A	B	A	B	
15-19	0,85	0,95	0,94	0,97	0,96	0,96	0,93	0,93	1,73	1,41	1,70	4,29	1
20-24	1,14	0,88	1,11	1,86	2,97	2,97	3,11	3,11	1,08	0,94	1,13	3,58	2
25-29	0,54	0,45	0,62	1,77	3,94	3,94	3,93	3,93	1,40	1,29	1,32	3,48	3
30-34	-0,02	-0,07	0,48	1,57	4,47	4,47	4,14	4,14	2,53	2,46	2,40	4,91	3
35-39	1,76	1,72	2,10	3,32	3,83	3,83	3,71	3,71	3,66	3,60	3,70	5,87	2
40-44	3,51	3,42	3,39	4,82	2,27	2,27	2,37	2,37	4,09	4,01	3,99	5,91	2
45-49	3,06	2,95	2,68	3,94	2,75	2,75	2,71	2,71	4,01	3,89	3,91	4,93	2
50-54	1,54	1,34	1,28	2,41	3,51	3,51	4,15	4,15	3,45	3,27	3,89	3,89	2
55-59	1,24	1,04	1,14	1,76	3,15	3,15	4,25	4,25	3,42	2,97	3,96	3,96	3
60-64	1,39	0,93	1,31	2,42	2,97	2,97	3,45	3,45	3,30	2,85	4,19	4,18	3
65-69	0,98	0,32	0,96	2,38	2,35	2,35	2,63	2,62	3,80	3,66	5,25	5,18	3
70-74	2,69	1,52	2,29	3,09	1,34	1,34	1,87	1,87	5,60	5,87	7,78	7,51	1
TOTAL	1,41	1,30	1,44	2,44	2,90	3,17	2,98	3,12	2,52	2,43	2,64	4,37	2

Source:

A= Growth in population.

B= Growth in labour force.

Table H
Occupational Growth Rates of Population Groups in Labor Force
 (1977 - 1987)

(Annual)

Occupation	Whites	Asians	Coloureds	Blacks	Total
Architects	5.21	16.98	6.45	4.30	5.29
Engineers	3.17	8.30	14.28	3.34	3.20
Surveyors	1.32	6.49	31.32	2.42	2.39
Natural Scientists	4.24	7.31	12.12	14.73	4.74
Medical Doctors	4.61	6.79	8.06	2.95	4.78
Nurses & Midwives	3.68	10.25	7.03	3.61	4.20
Other Paramedics	5.50	5.76	8.02	6.42	5.68
Engineering Techs.	3.79	7.93	5.86	7.10	3.98
Other Technicians	2.62	4.38	4.97	4.45	3.05
Attorneys	1.55	-2.09	-4.98	7.24	1.63
Teachers	5.02	4.57	5.48	6.05	5.49
Clergy	0.78	2.64	14.14	2.83	1.84
Other Prof. Workers	4.08	5.93	7.26	7.07	4.37
Managers	4.51	6.25	11.21	19.03	4.75
Clerical Workers	2.81	5.16	4.78	3.79	3.33
Sales Workers	-3.45	5.49	6.10	5.65	4.43
Transport Workers	0.28	3.61	1.80	2.68	2.14
Service Workers	2.03	0.37	3.60	3.16	2.88
Production Workers	0.60	3.10	3.11	2.31	2.30
Foremen	3.04	6.51	5.32	4.88	3.94
Artisans	1.77	6.23	3.46	2.43	2.27
Laborers	-6.60	1.21	2.59	1.48	1.57
Total	2.81	4.03	3.60	2.43	2.72

Source: S.S. Treblanche, An Analysis of the Macro Manpower Demand and Supply Situation, (1977, 1987) in the RSA, Human Sciences Research Council, Pretoria, (1981), p. 144-145.

Two broad but important implications flow from the above analysis. The first is that fundamental changes can be expected in the demographic make-up of the work force over the next decade or so, and most likely into the next century, as white population declines, drastic in some areas, cause sharp reductions in the available pool of white workers who have and would still man these positions in the absence of such declines. The second is that, consistent with the view expressed earlier on the relative capital intensity of South African industry, expected growth in labor force required for a 4.5% overall national output expansion will not be enough to provide employment for the growth of the economically active population derived independently, leading to the possibility of high levels of unemployment. Since the population groups that are expanding most rapidly are the black populations (Indians, coloureds and blacks) it is clear that the incidence of unemployment will be most acutely felt among these groups. Should these broad macro results coexist with continued legal restrictions on domicile and ability to search for and accept jobs irrespective of location for the majority population, severe downward pressures on economic growth could be felt, and serious social implications can fairly easily be predicted.

Referring back to Table 2 and reading down, one gets a clear picture of the shifts that are likely to take place among the different population groups across the twenty-two occupations. Whites will still dominate the professional occupations, although their representation will decline sharply in some cases, as between 1965 and 1987 and into 1990 Black populations will show good advances simultaneously. These include architects, engineers, surveyors, medical doctors and natural scientists. Growth should also be very sharp in the technicians fields, including engineering technicians, other technicians and paramedics. The openings for teachers among the white population will decline while those for blacks and coloureds will increase, and those for Indians will post a modest decline. Openings for clericals, sales transport and

production workers will decline drastically for whites but will increase sharply for blacks, in some cases as much as doubling. The 1987 occupational distribution by group is contained in Table 12. The potential for training and education is thus fairly broadly based, and suggests that consideration be given to black students and other trainees at virtually all levels of the education system, from upper secondary, through training in technicians, and on to university-based training in several areas of high-level manpower. That whites have traditionally held the predominant proportion of jobs in these areas, also suggests that the scope for training among the black population is exceedingly great. Such a conclusion leads naturally to two further considerations: (a) a micro perspective on black market behaviour, and; (b) the training (education) potential among the black.

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Table 17

Occupation and Group Distribution of Labor Demand

(1987 projection)

Occupation Group	White	Coloured	Asians	Black
1. Architects	6,859	256	48	32
2. Engineers	21,859	57	71	14
3. Surveyors	4,055	244	30	470
4. Natural Scientists	13,241	273	245	755
5. Medical Doctors	13,714	380	1,321	194
6. Nurses	47,798	16,211	3,908	53,570
7. Other Paramedics	15,327	587	527	1,601
8. Engineering Tech.	58,051	2,165	1,354	951
9. Other Technicians	39,003	2,863	2,637	6,930
10. Attorneys, etc.	8,681	12	157	366
11. Teachers	116,191	47,228	12,491	127,235
12. Clergy	7,012	634	61	3,669
13. Other Prof. Workers	81,643	2,351	2,886	5,874
14. Managerial Workers	211,118	2,986	5,309	4,055
15. Clericals	536,078	78,421	71,678	145,634
16. Sales Persons	206,354	46,070	34,664	92,691
17. Transport Workers	66,567	40,283	14,988	251,512
18. Service Workers	132,313	75,395	19,085	428,968
19. Production Workers	126,613	223,653	74,366	1,482,520
20. Foremen	59,014	12,009	4,575	33,882
21. Artisans	256,801	70,471	14,298	28,677
22. Laborers	3,065	166,735	13,523	1,231,527
Total All Groups: 7,004,800				

Source: S. Terblanche, An Analysis of the Macro Manpower Demand and Supply Situation, (1977, 1987) in the RSA, Human Sciences Research Council, Pretoria, (1981)

1.33 Black unemployment: a micro perspective

As indicated in an earlier section, South Africa's black urban labor force can be divided into two groups: that portion which derives from workers living in urban townships, and that which consists of workers who live in rural areas but migrate to the urban areas for work, staying there for extended periods. Evidence which is accumulating, suggests that the migrant labor pool is expanding relative to the urban township pool.

Micro level research into black unemployment in South Africa is not very plentiful. The data reported here are derived mostly from research conducted at the South African Labor and Development Research Unit (SELDRU) at the University of Cape Town (Loots, 1978; Henarie, 1981; Simkins, 1981; Bloch 1976).

The South African black population is relatively young. Over 40% of the total SA population is in the 0-14 age group. For the black population, as of the 1970 Census, the urban group proportion in that age category was 38.1% for males and 41.9% for females. Survey data generated in early 1978 at SELDRU derived roughly comparable results. Males and females in urban areas are more concentrated in the young age groups and relatively less in the prime working-age group of 25 to 54 (Loots, 1978).

Official estimates of unemployment among black populations would appear to be consistently on the low side. Several factors could account for this, but perhaps the most telling is the expectation that blacks who become unemployed can normally be expected to disguise that fact, since moving from one employer to another is not a simple matter, and for the unemployed could even result in the worker being returned to a homeland territory, when found to be without work.

Data reported from the Current Population Survey indicate that black unemployment in 1981 was 8.1% of total economically active population, declining slightly to 7.5% for 1982. For the coloured population, the comparable figure for 1981 was 5.7%. Asian unemployment figures are not available.

These official figures have consistently been questioned by careful observers as representing serious underestimates of the true levels of unemployment, particularly for the Africans population. Reflecting the extraordinary difficulty of deriving accurate estimates of black unemployment, but underscoring the charge of severe undercounting, estimates by university researchers have ranged from 11.8% in 1970 to over 24% by 1981. (SAIRR, 1982). Survey results from SELDRU suggest that black unemployment could well have doubled between 1970 and 1977 (Loots, 1978), lending credence to the view that official results actually represent a substantial underestimate of black unemployment.

Unemployment is generally much higher among females than among males, and is also concentrated among the younger cohorts (Table 13). Urban unemployment appears greater than rural unemployment as a whole, particularly for women in all age groups, and the same is true for males, though not as consistently as that for women across the various age groups. Significantly, the preponderant number of unemployed are represented in the "below 25" age group.

An important dimension of South African black unemployment is the relationship it displays with respect to education and training. While the pattern of an inverse relation which would normally be expected, holds for those having at least seven years of schooling, those with less than seven years of schooling experience higher levels of unemployment with increasing schooling levels. These ~~is~~ results either suggest that for those with less than seven years of schooling, labor market experience is completely non-rationalized, or that there are relatively more job opportunities for those with almost no schooling. It is impossible from the available data to make a judgment as to which case is the operative one.

A particularly puzzling fact emerges when note is taken of education-specific unemployment rates. While education-specific rates

force, for urban and rural males with matriculation, unemployment rates are relatively very high. This is quite puzzling, and could only result, it appears from the effect of severely restricted employment options available to black male matriculants. For female urban workers, unemployment rates rise with education again a very puzzling fact. What is particularly striking is that education-specific unemployment for rural females measured 51.6% for junior certificate holders, and 50% for matriculants, compared to 11.6% for those with four-to-six years of schooling. What these results seem to be suggesting most strongly is that education alone, (and even when it is combined with training,) is not likely to have much impact on levels of unemployment for the black population in the context of a through-going apartheid society. The problem of black unemployment is at least equally a result of the dysfunctional structures of racial restrictions, as it is a problem of training. Any attempt to deal with black unemployment is going to have to deal squarely with this issue.

Since also the level of education and training generally achieved by blacks is still of such an inferior quality and quantity, again a direct outcome of severely restricted educational options resulting from Bantu education and its progeny, the data suggest rather clearly that while operating on education to change the life chances for blacks represents a worthwhile policy, such a policy is likely to be grossly insufficient, unless major and fundamental changes are made in the structural features which characterize the provision of education in South Africa, and those which determine the post-school labor market experience of the majority population.

Rates of Return to Education and Their Training and Education Implications

The amount of work which has been done to determine the profitability of education in South Africa, either private or social profitability, is still quite small. Studies on such questions as "what is the rate of

return to education?" are extremely scarce. To our knowledge, only two studies exist which attempt to measure the rate of return to education in the Republic. Work on the black population is only now beginning to be done. The 1960 and 1970 decennial censuses do not have data which could be used to carry out a good estimation, and the applicable results of the 1980 census have not yet been released and will mostly likely not be released until some time late in 1985.

The earlier study (1974) measured the private rates of return to various levels of education. The typical research methodology was utilized in which estimates of the internal rate of return for various cost-income or net income profiles were derived. These rates of return are marginal rates in the sense that they refer to adjacent schooling net-income streams, and additionally are measures of private rates, based as they are on after-tax earnings. No results were available for the black population. The results are contained in Table 13.

Rates of return from the two censuses range from a high for Whites of 59% for Std 10 in 1960 to 22% for Bachelor degree Asian graduates in both 1960 and 1970, and 20% for so-called coloureds with bachelor's degrees also in 1970. A number of typical results are evident: (a) returns for each population group decline with educational level; and (b) rates of return were generally higher in 1960 than in 1970. The first is fairly common results of declining private rates at the margin, and the second could have resulted from higher wages or earnings being forfeited, leading to higher costs for 1970 so that for whites, even with lower educational levels in 1970 as opposed to 1960, rates decline in the latter period compared to the former. Improved data supports this conclusion.

One point which shows up clearly in the data is that private rates of return are all fairly high, supporting a claim that for the White, so-called Coloured and Asian populations, education has been a fairly good investment during those periods. It is also clear from

Table 13

Private Rates of Return to Education

for Whites, Coloureds and Asians

(1960 and 1970)

(1960)

Population Groups	Std 8	Std. 9	Std. 10	Bachelor's + honors
Whites	(a)	(a)	59	27
Coloureds	55	36	32	25
Asians	48	33	31	22

(1970)

Population Groups	Std 8	Std 9	Std 10	Bachelor's + honors
Whites	(a)	(a)	55	29
Coloureds	42	32	38	20
Asians	42	34	28	22

Source: J.S. Smuts and Terblanche, S.S., "The Private Rate of Return on Investment in Education in the Republic of South Africa for 1960 and 1970, South African Human Sciences Research Council, Pretoria, (1974).

Note: (a) These results showed returns over 100%, as were those for no education, primary school and standards 6 and 7.

Table 13 that rates of return to the coloured population have declined relatively more sharply than those for Asians. On examination of the distribution of these population groups across occupations, one finds that the coloureds were relatively more concentrated in fewer occupations than Asians. This may not be the only reason for the sharper relative decline, but it does suggest that a wider distribution of occupational representation could well be associated with smaller earnings declines or wider earnings gains. Although there is no data for blacks, the implications are devastating in what they imply for such rates if in fact they were so calculated.

The later study, by Louw (1979) utilized a typical human capital earnings functions model to estimate average rates of return to schooling, experience, and the ratio of non-market earnings to total earnings. Several model variants were estimated depending on how each variable was allowed to enter the equation: to the first power, to the second power, additively or in a multiplicative fashion. In this study, based on a sample survey, the population groups surveyed were coloured, Asian, and African.

The following conclusions can be reached. First, average rates of return to schooling for blacks are fairly low, but higher than those of Asians, and lower than those of coloureds. Second, marginal rates which can be calculated, suggest that as higher levels of education open new and wider job opportunities, rates of return increase above those for lower levels of education. This was particularly true for the black population. This result confirms a conclusion reached in our review of the results of the previous study, and argues strongly for increasing levels of education as a way of widening occupational options among the black population and by implication, widening options for earnings gains. Thirdly, entrepreneurship seems to be enhanced by education, at least for Asians, but this result does not appear to hold strongly for the Black population.

Fourthly, black males tend to be overrepresented in unskilled occupations, and with educational levels low, the implications even without elaborate statistical analysis, is that rates of return will be low. Such a result confirms the view that much needs to be done to change the level of black education, since doing so is highly likely to have a strong impact on the occupational concentration of the black population. Finally, among occupations, skilled laborers and administrators have the highest rate of return to education among the black population. But this only means that formal education emerges again as a most important lever in any attempt at changing the occupational distribution of blacks.

Given that existing severe discriminating legal structures will most likely remain, and will continue to constitute rigid upper bounds on mobility and therefore on earnings for blacks, education may constitute the only viable means, presently available, to make any independent impact on the legacy of disadvantage that is the lot of the black worker. With even more force, in an environment of exceedingly rapid technological change, the need for drastic educational upgrading is compelling in its urgency, and the provision of such education cannot wait for the prior solution, by way of removal of barriers, of the more intractable social impediments to black advancement.

4/23/84

ANNEX D

SOCIAL SOUNDNESS ANALYSIS

Contents

A. Introduction..... 1

Part One

I. Socio-Cultural Environment in South Africa..... 2
II. The Justification for U.S. Assistance Programs..... 3
III. The Target Group..... 4
IV. Survey of U.S. Assistance Programs: The Internal and External Programs..... 4

Part Two

V. Political and Socio Economic Factors..... 6
VI. Background..... 6
VII. Education and Reform..... 6
VIII. Socio Economic Pressures..... 8
IX. Instructional Setting and Selection Process..... 8

Part Three

X. Impact of Beneficiaries..... 10
XI. Socio-Cultural Implication of U.S. Scholarships/Bursaries Aid..... 10
XII. Internal Programs..... 12
XIII. The Multiplier Effect..... 13
XIV. Bursaries..... 13
XV. Counseling of Students in Bridging Programs..... 14
XVI. Graduate Scholarships..... 14

B. Summary.....15
XVII. Placement in Private Schools.....15
XIX. Bridging Programs.....15
XX. Counseling.....15
XXI. The External Programs.....16

XXII. Instructional Style Conflicts.....16
XXIII. Selection of Universities.....17
XXIV. Socio-Cultural Consideration in Re-entry Adaptations.....18

C. Conclusion

Student Selection

University Placement

Monitoring & Evaluation

INTRODUCTION

Any serious consideration of the impact of the proposed U.S. Agency for International Development (USAID) education programs for black South Africans has to take into account the overall South African social policy framework from which is drawn the organizing principals and institutions of the society. From a social policy perspective, it can be said that the official racially based policy of "Apartheid," along which human relations and the overall social order are structured, is predicated upon the basic premise of racial inequality. According to this value base, individuals are perceived as inherently differing in worth, giving rise to differential treatment and expectations in terms of the society's benefits. Such differential treatment and expectations give rise to a rigidly racially stratified social system, with some members entitled to more benefits than others solely based on race and color. Within this social order, whites are dominant and receive most of the political social and economic rewards while legally disadvantaged South Africans (black Africans, Colored and Asians) fill a differentiated subordinate social position receiving fewer benefits. This order of things, in which race in effect coincides with class, permeates all socio-cultural environments, including those found in education.

Part One

SOCIO-CULTURAL ENVIRONMENT IN SOUTH AFRICA

South Africa's socio-cultural environments are dynamically linked to the social structure and defined as structured interactional patterns governed by norms and values of South Africa's cultures within which they occur. They are, therefore, very subjective experiences. In the case of South Africa, the norms and values governing human relations within these socio-cultural environments -- occurring throughout all institutions -- are drawn by virtue of the existing national social policy from the dominant white culture. Consequently, it can be stated that within the overall social policy framework indigenous subordinate cultures fall on the periphery in matters of national policy consideration (except when the fragmentation of the black African majority is pursued). As a result of this social ontology, there exists within the South African setting two parallel groupings of culture:

- the Western culture in the modern industrial white-dominate sector;
- and- the traditional African culture and modernized adaptations thereof in the urban and rural periphery.

This quality of white and black cultures has serious implications for human adaptations. This is particularly true in education. Considering that the universal goal of education in all societies is, generally to:

- perpetuate the values and norms of a given society; and

- produce citizens who will support and actively promote these values (Guttman, unpublished, undated paper).

These goals presuppose that the value system upholding a given society, and contained within the curriculum, be consonant with that of the student. More specifically, the curriculum must be one with which the individual student can identify. Application of this analysis to the underlying philosophy of South African education in such recent reports as the Buthlezi Commission Reports confirm that education for all South Africans is based on the Christian National ethos that undergirds Afrikaner volk-nasionalisme which is rooted in the Calvinist doctrine of the Dutch Reform Church. This philosophy (which predestines the dominant-subordinate paradigm in race relations) flows from a religious belief that whites have the prerogative of determining the curriculum of blacks. This ensures that black education is compatible with the Christian National ethos which underpins the social order. These values would do not include the value base of a non-Christian orientation, and would tend to result in the de-emphasis of such important African values as respect of elders rooted in the various spiritual traditions and systems of authority and legitimacy. Respect based on the values of affiliation and experiential knowledge rather than on technical abilities and skills. On the contrary the South African curriculum is aimed at neutralizing the validity of these more traditional belief structure by avoiding a synthesis of the two cultures (Manganyi, 1982). Within the current framework, the teacher is given greater authority over the students, resulting in the curriculum-event becoming the strongest socializing agent. Within this socio-cultural environment, the authority of adults, based on their wisdom accumulated through the years takes secondary place to authority acquired through the command of technical knowledge. Furthermore, by virtue of the economic realities of South Africa, parents very often opt for the child to be educated in English which they assume to assure a smoother transition into the industrial sector.

More important is the fact that the curriculum is centrally controlled and circumscribed in black schools. This reality has undermined the trans-mitting of a quality education and underlies the current crisis in manpower training experienced throughout South Africa. The dearth of skilled labor is consequently felt most keenly in the black community. (For a useful reference work on black education in South Africa, see: "The 'Bantu Education' System: A Bibliographic Essay," by Victoria Evalds in Current Bibliography on African Affairs, Vol. 10, No. 3, 1977-78.)

Most South African manpower experts such as Hofmeyer of the University of South Africa and Sadie of the University of Stellenbosch find a correlation between the serious manpower problems and the poor educational system for blacks. The prognosis is that if the problem of the lack of skilled black manpower is not addressed and corrected, the situation can reach critical proportion within the next seventeen years (Sadie, 1983).

The contemporary crisis in skilled manpower is reminiscent of the urgent need for labor during the massive wartime expansion of the South African economy in the 1940's. During that time, South Africa was experiencing a socio-ecological crisis brought on by massive drought which resulted in

131

deteriorating conditions on white farms (Lodge, 1983). Similar conditions currently exist, which force more and more blacks to migrate to the cities and townships in search of employment. Conditions within the market place have, however, significantly changed from the 1940's. The contemporary demand for labor places a premium on skilled as opposed to unskilled workers. However, this demand is impeded by an educational system that denies blacks the same social, language and technical skills to enable them to compete in the modern economic sector. Although there is varied access to private schooling -- mainly religious affiliated -- amongst Africans, Coloreds and Indians, public education for blacks does not stimulate the development of creative and analytical abilities (Marcum, 1982). The overall emphasis is on the development of memory without questioning. In effect, the current national debate in South Africa on the status of black education is precipitated by economic manpower realities rather than by any real commitment to upgrading the curriculum content of education for blacks. This point is confirmed by the government's response to the outcome of the De Lange report which led some South African academics such as Hartshorne of Witwatersrand University to be extremely pessimistic about real change in black education. It is within this context that the proposed educational programs supported by USAID are intended to operate. The question raised by the social soundness analysis is, what can these programs achieve within the prevailing socio-political and economic realities of contemporary South Africa.

THE JUSTIFICATION FOR U.S. ASSISTANCE PROGRAMS

The proposed scholarship programs (internal and external) are justified on the premise that: "The case for education as a priority concern is powerful because it brings a capacity for participation, self-help, communication, and management. While education is the responsibility of Pretoria, its failure until recently even to recognize the problem justifies a determined external push backed by official and nongovernmental facilities and inducements" (Crocker, Winter 1980/81: p.347). It was observed that little had been done "by Western governments and educational institutions to focus on upgrading internal opportunities or to support overseas study by persons committed to return to their country" (Crocker: p.347). In light of these prevailing conditions the role for the U.S. Policy was described as follows: "In selected areas such as education and cultural exchange, expanded U.S. funding support could play a useful role through the intermediary of nongovernmental institutions with expertise in these fields" (Crocker: p.347). This justification -- which expresses the rationale of current U.S. policy, has been acknowledged by some of the private executing agencies involved in such programs before the U.S. Congress (See: Bok & Smock, March 31, 1981).

The black South African response to this evolving U.S. commitment in the field of education has been ambivalent. On the one hand, such aid from the U.S. has gained increasing acceptance among South African black politicians and educators. On the other hand, there appears to be strong misgivings about what are seen as U.S. attempts to exploit such aid for political/diplomatic mileage in justifying overall South African policy.

125

THE TARGET GROUP

While black South Africans in general -- Africans, Coloreds and Asians -- are the target group of the external and internal scholarship programs, the intermediary institutions through which these programs will be administered (in South Africa) tend to highlight the natural dominance of the Johannesburg metropolitan region ('natural' in terms of historical and contemporary demographic trends) relative to the rest of the Transvaal and other provinces. This over emphasis on the Johannesburg area has tended to reflect the fact that the desired private South African institutions that meet the legislative criteria of USAID's congressional mandate such as SAIRR, SACHED, SACC, are all headquartered in and around Johannesburg. However, over the years, efforts have been made -- with the formation of the Educational Opportunities Committee (EOC) -- to offset this Johannesburg dominance.

SURVEY OF U.S. ASSISTANCE PROGRAMS: THE INTERNAL AND EXTERNAL PROGRAMS

The forerunner of the external "Training (Scholarship) program for Disadvantaged South Africans" (Project 690-0213) is the South African Education Program (SAEP) started in 1979 under the auspices of the Institute of International Education (IIE) and funded privately by the Ford Foundation, Carnegie and several of the corporate signatories of the Sullivan Principles on corporate conduct in South Africa. This program, which operates under the supervision of the U.S.-based National Council of the SAEP (composed of 7 universities presidents, 5 corporate representatives, Ford, Carnegie and several African affairs organizations) and the South African-based Educational Opportunities Council (EOC) -- an umbrella Organization that embraces the South African Committee of Higher Education (SACHED), the South African Council of Churches (SACC) and other organizations and community representatives from throughout the Republic -- sponsors the study of black South African undergraduates and graduate students in American universities. Operating under IIE, this program started out with a handful of students. In 1981, 35 undergraduates and graduates were sponsored.

The U.S. Government component to the IIE program was introduced in 1982 as a result of legislation originally sponsored by New York Congressman Stephen Solarz, which aimed to provide a much higher level of support for black students. Fifteen of the 35 undergraduate and graduate students sponsored under the IIE program were supported by a \$380,000 AID grant to IIE in FY'81, channeled through the U.S. Information Agency (USIA). Under an additional AID grant in 1982, 80 new students were sponsored under the IIE program with a further 80 to 85 students anticipated (See: "Furthering Higher Education in South Africa: The Status of the United States Role, Private and Public Sector," USSALEP, June 15, 1983, p.17). At that point, 125 students had been through the IIE program of which 25 had returned to South Africa.

Despite some initial opposition from the Congress to funding assistance to educational programs within South Africa, this position changed under subsequent study although differences still exist with regard to both "the broad nature of the program in which the United States should be involved, as well as the specific proposals currently under consideration" (USSALEP, June 15, 1983, p18). The House Subcommittee tended to be skeptical of the notion that education per se would help "wear away" apartheid while stressing the need for an assistance program that would eschew apartheid institutions

136

including government - aided educational institutions.

Hence the current operational framework for the "Bursaries Scholarship Program" (Project 690-0230) that stresses working with private South African institutions so as to avoid "contact with apartheid institutions." Beyond this point, a tendency to arbitrarily pick and choose which internal private organizations have the most credibility as manifestly "anti-apartheid" institutions add political complications to the administration of the internal scholarship program to the detriment of the intended beneficiaries. Nevertheless those black or nonracial agencies which may be judged to be "actively committed to the philosophy of change and racial equality and which have a vision of a changing South Africa built into their Constitutions and programs" (USSALEP, August 5, 1983, p.44) ultimately acknowledge that "the bulk of black students have no alternative but to attend ethnic universities" (USSALEP, August 5, 1983, p.45) resulting in the socio-political upheavals of the past decade that have wracked South Africa and sent reverberations permeating the entire spectrum of the black community and its various organizations and institutions -- whether manifestly or implicitly anti-apartheid and whether government-support or private in nature.

The proposed internal programs, unlike the external scholarship program, covers several different areas raising different sets of questions with regard to the sociocultural adaptation of the beneficiaries. The questions of adaptation raised by the external program have to do with the adjustments that a black student from an almost cast-like racial system must make in a more open, egalitarian, multi-racial environment followed by readjustments that confront the same student upon returning home. In the case of the internal programs, several considerations arise: when black students are awarded bursaries to attend integrated private schools in preparation for embarking upon undergraduate studies there are implications to be weighed if the private schools chosen are white; the scholarship program for black students seeking higher education within South Africa raises questions of adaptation that have to do with the need for remedial bridging programs that upgrade basic communications skills while encouraging greater black faculty participation in such programs; these considerations relating to the undergraduate programs also affect graduate study which are briefly explored in terms of such specialized fields as law and medicine; the bridging programs raise questions that relate to their accessibility to black students living far from major urban centers, and the need for upgraded counselling to meet the needs of students in such programs.

The one area that embraces both the internal and external programs is the process of selecting the students for these programs. The question of selection is critical because it relates to the issue of the representativeness of the group selecting the participants and the students selected.

Before these questions regarding the internal and external programs are addressed, there is a need to briefly explore the overall context of black social and political unrest as it relates to black education and manpower training in contemporary South Africa. Some understanding of this context is necessary in order to draw socio-cultural implications from the likely implementation of such programs.

Part Two

POLITICAL AND SOCIO-ECONOMIC FACTORS

BACKGROUND

The institution of U.S. assistance programs for black South Africans in the education field takes place against a general political backdrop of rising expectations among Africans, Asians and Coloreds. Education, has been one of the key battlegrounds in the post-Sharpville black political generation of the late 1960s and throughout the Seventies. External developments beyond South Africa's borders in the rest of Southern Africa have had much to do with this internal black 'revolution of rising expectations' reflected in unrest amongst African, Coloreds and Asians. The coming to independence of Angola, and especially Mozambique during the mid-seventies as a result of anti-colonial insurgencies did much to fuel black militancy amongst the university and secondary school students who become the spearhead of the Black Consciousness Movement (BCM). The political victory of the Patriotic Front of Zimbabwe in the independence elections of March 1980 further confirmed a trend toward nationalism among black Southern Africans that made its impact felt throughout black South Africa.

EDUCATION AND REFORM

The student factor in the revival of black activism during the late 1960s was reflected in the formation of the South African Students Organization (SASO). SASO, as the vanguard movement of BCM which broadly defined blacks as all who experienced racial oppression under Apartheid. Africans, Coloreds and Asians were grouped in a 'black united front' in reaction to the Apartheid policy of exacerbating divisions between these groups as well as stressing ethno-linguistic divisions among Africans as the basis of the homelands strategy. An older generation of opponents to Apartheid in the banned ANC and PAC (but especially in the ANC) had been greatly influenced by a liberal multi-racialism involving collaboration with whites accompanied by Gandhian pacifism prior to the more rigorous enforcement of separate development at the beginning of the 1960s. The SASO generation were products of this more rigorously enforced system of racial separation which created its antithesis in a new black political culture.

As a focal point of youthful black revolt, the system of separate development in education was at the center of the urban black disturbances associated with the Soweto rebellion of June 16, 1976. At the same time, the South African Government's rejection of the Theron Commission Report on upgrading the status of Coloreds cemented an emerging alliance between a younger generation of Africans and Colored expressed in widespread disturbances amongst Colored students in Capetown. A renewed outbreak of African and Colored students unrest occurred in 1980 in the form of a wave of school boycotts, and have continued sporadically ever since. It is against this background of chronic unrest amongst African and Colored students during the late 1970s and early 1980s that the Human Sciences Research Council (HSRC) launched its hallmark inquiry into the system of South African education and the

1286

need for reform under the De Lange Commission. This inquiry into the education system was accompanied by a rapid series of changes on the labor front in the wake of the recommendations of the Wiehahn and Riekert Commissions, resulting in government concessions to the presence of black and nonracial trade unions. The emergence of these unions, combined with the increasing forces on black education and manpower training reflects a sense of urgency about the manpower requirements for further South African economic growth and stability in light of significant demographic patterns.

SOCIO-ECONOMIC PRESSURES

The urgency confronting the need for accelerated education and manpower training for black South Africans is reflected in the following: the projected decline over the next decade (and into the next century) of the white population and the available pool of white labor; and the projected inadequacy in the overall growth of the labor force for the 4.5 percent overall national output expansion needed to absorb the growth of the "economically active population" among Africans, Coloreds and Asians. This situation raises the prospect of unacceptably high levels of unemployment impacting these black groups with serious implications in terms of socio-economic and political unrest given a general climate of rising expectations. Thus, the drastic upgrading of black socio-economic status, including education and skills, is considered critical to the Republic's long-term economic health -- though not necessarily guaranteeing social and political stability (since a rising black middle class is already making political demands on the system for full and equal participation in society as a whole, not just in the economy). The question that arises is whether or not South Africa will have the resource capacity to accommodate these rising black socio-economic pressures? At this point, South Africa's regional policy becomes a relevant consideration.

Despite the spring 1984 regional agreements between Pretoria and Mozambique (The Nkomati Accord) on the one hand, and Pretoria and Angola on the other (the joint monitoring commission), it is much too early to determine how enduring these moves toward regional accommodations will be to have a positive impact with regard to domestic spending inside the Republic. Furthermore, although Namibian independence is considered critical to a reallocation of resources from the military to the social sector of black development (currently the annual military budget for Namibia was put by Foreign Minister Roelof Botha at in excess of \$900 million according to the Washington Post, May 6, 1984, p.A20), the independence time-table in Namibia is still highly uncertain (not to mention the continuing demands on South African resources that an economically weak independent Namibia would present). These uncertainties are part of the budgetary dilemmas which according to the Financial Time Survey of South Africa (February 20, 1984) confront South Africa: "At a time when 'reformist' policies have at last been embraced by the government," The Time further observes that "South Africa has to face up to the problem of paying for apartheid, or rather, reformist-apartheid. Reform can only be expensive since it requires heavy spending to bring social change for nonwhites (e.g., to answer the demand for housing, or to rise educational standards, which everyone knows is essential for the long-term needs of the economy). "Adding

139

that: "Defence is the other side of the coin and must be a particular nightmare to Mr. Horwood since the generals can argue that their needs are always and by definition a top priority." The dampening impact of South African military expenditure on social spending for blacks can be gleaned from the following report in the Christian Science Monitor (April 18, 1984): "In a white paper, the South African Defense Force (SADF), which wields increasing power in government, has called for a general military expansion -- arms, manpower, and money (emphasis added) --over the next decade" in what it calls a "renewal program" to "meet the threat of the Soviet arms stockpile." According to The Monitor, the SADF was granted a 21 percent increase in this year's budget "amid this country's worst recession since World War II," adding that the white paper claims that the military needs even more money "since in real terms defense spending is 2 percent less than it was six year ago, thank to inflation." Given this escalating military demand on the budget, the South African business community is expected to foot a large part of the bill for redressing community is expected to foot a large part of the bill for redressing the back-log in black development.

The tacit partnership between the South African Government and the Anglo-Afrikaner business establishment, growing out of the Carlton Conference of November 22, 1979, has encouraged the domestic private sector to help underwrite black socio-economic changes via such institutions as the Urban Foundation and a growing number of indigenous education and manpower training initiatives (See: Manpower: A Survey Supplement to Financial Mail, September 16, 1983). The American private sector represented in South Africa has also become heavily involved in such efforts as reflected in the PACE Commercial College of Soweto, established under the auspices of the South African Chapter of the U.S. Chamber of Commerce, as well as other educational innovations undertaken by various individual U.S. corporations under the inspiration of the Sullivan Principal, which by the way has long since been deemed inadequate. Nevertheless, the heavy financial-economic implications of redressing the black socio-economic backlog suggests a major role for international donors, both official and private. In this situation, the South African Government finds itself in a potential 'Catch-22' predicament. On the one hand, it desperately needs to expand its pool of skilled, educated black manpower as a corollary to long-term economic growth, and requires international assistance to do so; on the other hand, it is wary of the general Western preference for peaceful change toward a multi-racial political and economic system in South Africa which could be one of the long-term by-products of such aid. Thus the strong ambivalence that colors South Africa's relations with the U.S. and other Western countries in general, and the programs aimed at upgrading black education in particular. And yet, such aid is critical as a key component in current U.S.-South African relations since Washington feels more or less compelled to demonstrate benefits to the black majority alongside its felt need to improve relations with the Pretoria regime.

INSTITUTIONAL SETTING AND SELECTION PROCESS

The purpose of this section will be to discuss the applicability of both the internal and external programs to contemporary South Africa. A key question regarding the institutional framework within which U.S. internal and external scholarship aid is to be administered in South Africa has

1/10

had to do with the representativeness of executing institutions and their relationship with the apartheid system. These issues carry important political overtones. The founding of EOC in 1979, as an umbrella organization was intended to address the question of representation through the setting up of regional boards incorporating provincial branches of SACHED, ASIRR and the SACC in addition to local community leadership in the provinces. This structure reflected a heavy regional concentration on Johannesburg/Braamfontein-based institutions and internationally-prominent Soweto-based black leadership. However, by 1981, EOC representation, on its regional boards, incorporated ethnic and/or government-supported institutions such as the University of Zululand (Natal), Fort Hare (Eastern Cape), the North (Northern Transvaal), and the Western Cape (Bellville) as well as the so-called 'open' universities. This representation is also reflected in the integrated IIE/EOC national and regional Selection Panels which combine American with South African representatives. Consequently, it can be said that the EOC's regional representation has expanded to incorporate a broad cross-section of black political and educational interests in homeland areas as well as in the major urban center of each province. (Representation, for example, embraces members of such divergent political formations as the United Democratic Front and Inkatha.)

Nevertheless, despite the broad representation reflected in the EOC, there is an acknowledged weakness in terms of the reach of its selection process (in recruiting candidates for the education programs) into the rural areas although efforts are underway to redress this urban imbalance regarding selection.

As far as the selection process is concerned, the national and regional structures currently used in the selection of students for external programs can serve as useful examples for expanding this process beyond the major urban centers by the grantee under the new programs. Several of the individuals represented on the current national and regional structures are linked to political movements embracing hundreds of grassroots, community-based organizations as well as other national and regional interest groups within African, Colored and Indian communities. This is especially the case with the United Democratic Front (UDF) and the National Front Committee (NFC). The UDF, in particular, has organized itself nationally along federated regional lines tapping a diverse cross-section of black communities that might be especially useful to strengthening the selection process for the purpose of both the internal and external scholarship programs. Many of the organizations that make up the political networks of the UDF and the NFC would certainly fall well within the framework of the congressional mandate on avoiding involvement with apartheid institutions (and in many cases might go well beyond this mandate in terms of actively advocating the elimination of apartheid).

However, it is also instructive that the national and regional structures of the current selection process does accommodate the reality that "the bulk of black students have no alternative but to attend ethnic universities." Given the political realities of apartheid, such accommodation is unavoidable if programs aimed at ameliorating black socio-economic conditions are to have any real and lasting impact for the maximum number of Africans, Coloreds and Indians. Without totally

diluting the anti-apartheid structures of the congressional mandate governing U.S. external and internal scholarship aid, such flexibility would seem to be essential to the effective implementation of such programs. Within this context, more consideration might be given to a special role for nonhomeland government-supported black institutions such as the University of the North, or the University of the Western Cape which, in effect, have begun to develop the characteristics of 'open' universities in terms of multi-racial enrollments.

An additional consideration, in terms of the issue of the institutional framework governing the selection process for applicants for the internal and external scholarship programs concerns a role for black and nonracial labor unions. Although the USAID effort in South Africa provides for a special trade union assistance program (involving the African-American Labor Center), the major black and nonracial trade unions and federations (such as FOSATU and CUSA) might be considered in terms of expanding the selection process to reflect greater worker participation and input. This influence might be particularly useful with regard to addressing the need to expand skilled black labor via technical and vocational education.

Part Three

IMPACT ON BENEFICIARIES

SOCIO-CULTURAL IMPLICATIONS OF U.S. SCHOLARSHIP/BURSARIES AID

In addition to the institutional setting influencing efforts to upgrade black education in South Africa, there is a more fundamental level at which the impact of such efforts must be examined. This level touches on the sociocultural dimension cited earlier and the implications of U.S. scholarship aid in light of this consideration. An examination of these implications focuses on the question of socio-cultural adaptations that might accompany the more visible "multiplier effect" of benefits to individuals and communities flowing from such aid. The "multiplier effect" is defined as the ability of an individual to pass to others in the community skills through increased political, economic and social participation. These socio-cultural dynamics cannot be separated from the "collective unconsciousness" of South African society that shapes the identity and roles of blacks as subordinate members of a white-dominated system. And since education is part and parcel of a socialization process that is intended to instill this "collective unconsciousness," there is a need to assess the role that U.S. assistance programs might play in this process -- both in terms of their intended and unintended consequences.

With regard to the negative impact of apartheid on the socialization of black South Africans, education may be seen as having an ambivalent impact on black social development. Black educators and scholars such as Manganyi (1982) and Mphahlele (1980) have tended to highlight the ability of black South Africans to differentiate between negative and positive introjects (sentiments and ideas regarding individual identity and self-definition. Manganyi, in particular, explores the 'Western' mode of

148

black South African behavioral repertoire as indicative of an adapted universal Western mode of behavior rather than as symptomatic of an uncritical acceptance of role definition dictated by a white-dominated social system. This ultimate rejection of a negative definition of self has been amply demonstrated in the chronic disorders in urban black schools in African and Colored townships. At a sociological level, these disturbances (eg. boycotts, demonstrations, etc.) are indicative of the educational system's failure at getting Black South Africans to internalize a subordinate status consonant with the dictates of apartheid. Furthermore, the education system attempts to reinforce a particularly negative identity among Africans through the tendency to devalue traditional culture while attempting to reinforce separate ethnic loyalties among African students. Nevertheless, education is still seen by blacks as instrumental to social advancement in keeping with a basic acceptance of "universal Western cultural patterns" linked to economic advancement. The problem confronting educators and manpower training specialists in using the educational system as a vehicle for socio-economic advancement is essentially the quality of curriculum imposed upon blacks and the overall educational environment.

However, it is important to indicate that there are variations in the curriculum content available to Africans, Coloreds and Indians which in term corresponds with their stratified position in the overall social order. This variation in quality is further affected by whether the school is public or private. Given the generally higher quality of instruction for blacks at private black schools as opposed to public schools, U.S. assistance which is presumably aimed at upgrading black education should allow these private black schools some consideration as vehicles of project implementation.

Consequently, there are two major implications, in terms of socio-cultural adaptation, that may be associated with an expansion of the availability of quality education for black South Africans. First, the critical intellectual content of the curriculum (depending on its liberal versus technical emphasis) may, over time, contribute to the "conscientization" of the individual. This would be reflected in a general rise in the level of consciousness of the beneficiaries with regard to the urgency of effecting change in the social environment (and its political and economic underpinnings) to accommodate a rising level of expectations that can be anticipated from rising levels of education. To the extent that this phenomenon is already evident in generally rising aspirations of black South Africans, an expansion in quality education for blacks via access to U.S. scholarship aid (internal or external) would further reinforce this trend. This quantitative expansion addresses more generally the pressing issue of manpower training in terms of the urgent need to upgrade black technical skills.

This focus has led to a re-evaluation of black education and training in response to the urgency of redressing the backlog in basic communication skills that are considered a precondition to successful training. Thus, despite the fact that some 15 percent of all employees in South African industry are undergoing training of one kind or another, trainers are said to be frustrated by the reality that "the inadequate black education system has provided a massive stream of people who are simply incapable" of "being satisfactorily trained" due to "low literacy and numeracy

levels" (See: "Building on Sand?" in Manpower/Industrial Relations Survey: Financial Mail, September 16, 1983, p.9). This situation is also reflected in the observation that very few black teachers have reached matriculation (equivalent to U.S. high school diploma). In this context, the quantitative expansion of educational opportunities involves a fundamental question of quality in terms of the need to upgrade basic communication skills as a precondition for technical and vocational proficiency. In this case, the question of socio-cultural adaptation is less controversial from the donors point of view in terms of its socio-political implications since the focus of adaptation is more integrative in the neutrally functional sense of the incorporation of the individual into a modern industrial economy without making corresponding changes in the apartheid social structure.

Whether black socio-cultural adaptation is influenced by the qualitative upgrading of a more liberal oriented critical education or by the more neutrally functional technical/vocational variety, social change is implicit in terms of the multiplier effect of education and training over the long-term. Therefore, U.S. scholarship aid to South African blacks can be expected to contribute indirectly to this process, particularly at the university level where there is more of a focus on instilling some critical intellectual perspective that may lead to a challenging of the basic political, cultural and economic assumptions of racial domination by the beneficiaries. At this point, there is a need to elaborate more fully on the socio-cultural adaptive implications for the beneficiaries of: 1) the external scholarship aid program and 2) the internal scholarship and bursaries assistance programs.

I. THE INTERNAL PROGRAMS

The distinguishing characteristics of the internal scholarship/bursary programs is that they remain within the racially stratified socio-cultural context in which black peoples' collective experiences are marked by white domination. This is a context in which positive identity formation is a process accompanied by a constant process of affirmation and denial of attributes defining black in relation to whites. Further, this process is illustrated within the educational system by the disturbances within the school system described earlier in this analysis. Consequently, positive identity formation within the black community requires a dynamic interchange between the community and the institutions. This relationship especially holds in the case of the educational system which is aimed at socializing blacks to fill certain defined functional roles in society.

The striking feature within the South African system of education is that the learners, especially black learners, have no role in defining the process of learning. In short, the objective of the educational system is to influence the learner without being influenced by them in return. This is possible because the value system embracing the educational system is that of the dominate white culture. The objective is to make blacks into nonquestioning "functionaries." It is this objective of the educational system that has given rise to increasing student revolt.

The proposed programs will therefore be implemented within this cultural milieu. The curriculum will remain circumscribed and the students will

11/14

remain essentially uninvolved in defining their curriculum or learning environment. The nature of the educational system and the government's reluctance to change the structure of education is the largest obstacle in the potential achievements of the internal programs. If one defines true pedagogy as one that encourages a critical evaluation of political and social realities in which the learners find themselves, then it is difficult to describe these programs as being able to achieve this educational goal. What can be achieved -- and is not unimportant in an ameliorative sense -- is some technical, social and language skills necessary for survival in a complex modern industrial sector.

THE MULTIPLIER EFFECT

The "multiplier effect" alluded to in terms of the internal programs should be perceived in their true context. The vertical and horizontal multiplier effect have to be placed within the overall context of the society. The vertical effect will become immediately more visible because the participant in these programs will be able to complete either high school or undergraduate schooling which will make them more confident in terms of self-worth. They would be able to get better paying employment and improve their earning capacities. The potential horizontal multiplier effect will not be as visible. The horizontal effect, which in the technical analysis appears to be synonymous with social change as a result of successful participation in these programs, requires a little qualification. For the intended projected benefits to occur, it is essential that restrictive integration into the labor force be eliminated. It is in reference to this central structural limitation that black South African leaders refer to when they state that the educational programs such as those proposed for U.S. government support are peripheral to the ultimate issue of political power. Political power after all would facilitate the required changes that are ultimately needed in the education system to truly benefit the majority of South Africans. However, given the prevailing political and social conditions within which the internal programs will operate, there are several socio-cultural considerations to be taken into account in the implementation of these programs.

BURSARIES

The proposed plan to provide black students with scholarships to attend integrated white schools has important implications for the socio-cultural adaptation of the recipients. The placement of black students in white schools, whether integrated or not, can not be viewed in isolation. If one is concerned with the quality of students going through high school this action might not generate reservations. However, one has to study this particular program in a socio-cultural context, meaning in terms of the South African political and social reality. Briefly, school integration in these terms would be taking place in the absence of corresponding change in the wider social system, let alone the educational system itself, which the Government refuses to tamper with. This could conceivably place a great deal of stress on the student who, themselves will be going through the adolescent phase characterized by identity formation. Provision should be made for support services in helping these students cope with a predominantly

189

white school environment in which they are likely to be perceived by fellow students as different in a negative sense. Black students could easily develop serious identity problems with respect to their own self-esteem as black people if forced into a school situation that differs radically from the conditions in the society at large which continue to present a picture of black inferiority. These considerations suggest that U.S. policy makers seriously consider the possible dysfunctionalities of an otherwise laudable effort, to the point of continuously urging the South African government in the direction of acceptable behavior in broad social policy.

There is however, another method by which the same objective -- quality education -- can be obtained. Some emphasis ought to be placed on providing students with scholarships to attend black private schools. These schools, although usually located in urban or semi-urban areas have a strong pull in terms of applicants from different regions. Little Flower School (Ixopo), Marian Hill (Tatal), Pax (Pietersburg), Holy Rosary Convent (Cradock), and Sacred Heart Convent (Aliwal North). All of these schools are first rate. They have been popular because their curriculum content surpasses that of the public school system for blacks, even though the students are subject to the same qualifying exams. These schools would be able to provide the students with the technical, language and social skills in a much less stressful environment. Another possibility which should be seriously considered once it comes into existence is the multi-racial educational project of former University of Witwatersrand Professor G.R. Bozzoli called the New Era School Trust. This project promises to bring together African, Colored, Asian and white students in a new learning environment.

COUNSELLING OF STUDENTS IN BRIDGING PROGRAMS

The provision for scholarships for undergraduate training will fill a small void. One of the biggest contributing factors in the high attrition rate of black students has been the poor quality of education in black secondary public schools.

In the past, some criticism has been leveled at the black universities by faculty from the so-called 'open' universities. This criticism has focused on what has been described as the black universities' reluctance to invest in bridging programs for students. The most important factor to bear in mind with respect to black universities is that they are totally state controlled. In addition, they have limited budgets and have to place funds directly into curricular activities. The 'open' universities, on the other hand, are supported by wealthier communities which can afford some money for bridging programs without affecting regular programs. There are faculty members at the black institutions, however, who can be involved in bridging programs for entering students. A program such as the one planned by USAID should give black faculty opportunities for being involved in bridging programs adjacent to their universities.

GRADUATE SCHOLARSHIPS

The awards at the graduate level reflect that of many scholarship agencies such as the U.N., AAI, and IIE. The professions mentioned

14/8

embrace such high-level practitioners as medical doctors, lawyers and engineers. However, in technical fields such as engineering, the South African manpower surveys, (Manpower: A Survey Supplement to the Financial Mail, September 16, 1983) expressed despair regarding the training of Black engineers. Graduate programs in such fields could go far in dispelling such despair especially those bordering on the stereotyping of blacks as incapable in these fields for self-serving reasons, while providing needed highly skilled black manpower in such areas. However, the evaluation of students in such programs must take into account that most black students will be coming from poor scholastic environments. A year of grace given for undergraduates is equally important in these programs. Such a year should be spent in the following manner:

- a. Medical school and engineering students should be given intensive instruction in sciences which would make their adjustment in these programs smoother;
- b. Although law schools seem more manageable, one of the serious problems facing black lawyers once they leave school is that they are unable to find established law firms willing to provide them with internships. A general complaint is that black lawyers tend to lack writing and analytical skills necessary for successful law practice in the modern economic sector. If lawyers in this program are provided the necessary time to develop these basic skills, it is perhaps possible for this program to provide the means for overcoming the excuses provided by established law firms in South Africa.

This analysis indicates that given the importance of assisting black South Africans in mastering these and other graduate fields, it is important that additional components such as those suggested above be developed in order to minimize the frustrations of career development as a part of post-graduate adaptation.

SUMMARY

The internal programs, as in the external scholarship program, requires the utmost in care on the part of USAID in terms of implementation. This will mean accounting for the socio-cultural context in which these programs will operate. Special attention should be given to the following items:

1. Placement in Private Schools: Because of serious implications having to do with identity formation in the socializing process that unfolds with a educational environment, black private schools or creative experimental projects that aim to properly integrate African, Colored, Asian and White students should receive priority in placing black students in black versus white private schools. Otherwise, support services in terms of counseling should be seriously considered to assist students in coping with adaptive problems. Black counselors should be used, and these can be obtained from neighboring black communities. Wherever possible, school social workers should be used.
2. Bridging Programs: Such programs are essential in upgrading the language and writing skills necessary for success in obtaining a

university education. However, such a program should provide an opportunity for black faculty from black institutions to become involved in such programs adjacent to their universities.

Furthermore, careful attention should be paid to areas of study that students select with more encouragement given to technical and vocational fields.

3. Counseling: With respect to bridging programs, efforts should be made to see that students without easy access to major urban centers benefit from such programs, particularly in terms of counseling services. This may require more active intervention on the part of the South African executing agency

THE EXTERNAL PROGRAMS

The external scholarship program raises issues of socio-cultural adaptation in at least two respects:

First, in terms of the black South African student's adaptation to a more democratically pluralistic environment, considering race, along with introduction to a more dynamic style of instruction; secondly, in terms of readjustment to realities of the existing system of apartheid upon return to the Republic after completion of a scholarship program within the American socio-cultural context.

In terms of the former, an important feature of the external scholarship program is that although the concept of providing scholarship assistance to students is acceptable and strongly supported by U.S. institutions very often the schools do not fully comprehend the support needs of South African blacks. For the first time these students are encountering major differences in pedagogic style (in addition to the problems of student selection, and transportation from one socio-cultural environment to another) which could prove immobilizing for a while and could even be permanent if not attended to early.

INSTRUCTIONAL STYLE CONFLICTS

Classroom style in U.S. colleges and universities have more dialogue, open and reciprocal in expectations. Students coming from school systems where these attributes are absent, where the social context of the classroom is one of dominance of the teacher accompanied by direct response by the student, will likely experience a kind of dissonance. They will see a free flowing open dialogue, realize that this is expected of them also, but by training and prior experience, be unable to participate. This could constitute a destabilizing emotional experience for the South African students, and could impact negatively on their classroom performance.

The implementing agency should be acutely aware of this, and should make every effort to sensitize the universities and colleges where these students are placed, to the possibility of such developments.

Furthermore, black South African students will be coming from an experience shaped by a circumscribed curriculum where their cognitive

11/8

abilities are under-evaluated given poor curriculum content a situation which generally reflects the functional as opposed to the intellectual role of education for black South Africans. It is therefore important that their placement in American universities be done in a way that challenges their potential. While supportive measures are essential, it will also be important to encourage the student to explore the complex social environment at the university during their stay at the institution.

Additionally, the students should be encouraged to participate fully in the life of the institution. This dictates living on campus as the best approach to living arrangements. In that way, the South African student experiences the more unofficial and less obvious aspects of the culture of the institution. This is as much a determinant of the kind of human development which is hoped for among the target student population as is the more formal cognitive aspects of the college experience. It is not inconceivable that these two are mutually reinforcing.

That other students at the institution benefit greatly also by this exposure to persons who are deeply caught up in concerns about important social change and structural reorganization of their society, cannot be doubted.

SELECTION OF UNIVERSITIES:

Selecting the university is a critical factor determining the success of the external programs. In the past, other scholarship programs have lost students because the student either felt culturally isolated at the institution or the curriculum was not challenging enough.

The question of isolation in American colleges and universities cannot be sufficiently emphasized. In the past, some students have been placed in small predominantly white institutions where they have actually been the only blacks in the school. In addition, the surrounding communities may be predominantly if not all white. Such an environment can have a serious impact on black students from South Africa, especially at the undergraduate level. It is critically important that, whenever possible, students be placed in institutions where there are a representative number of black students. For example, there is a difference between the student population in a small Vermont College and Springfield College. The latter does have some black students and is surrounded by other colleges with black faculty and students. Furthermore, the surrounding community has a substantial number of black Americans. Contact between black South African and black Americans is important for both groups. In short, it is critical that black South African students be placed at institutions which, in terms of their environment, can afford some potential substitute social network for the students.

Very often colleges are selected purely on the basis of whether or not they can offer tuition waivers. If this becomes the single most deciding factor in the placement of students, mismatching will continue in those cases where the students find themselves in isolated communities. This can also result in the student finding him or herself in an educational environment that may be less than challenging.

SOCIO-CULTURAL CONSIDERATIONS IN RE-ENTRY ADAPTATION

Upon return to South Africa, the former student must readjust to the realities of a socio-cultural context characterized by white domination -- a social milieu in which blacks are still perceived as inferior. The returning student must find a niche for him or herself in a social system which has essentially remained unchanged despite the fact that the student's perception about the world may have undergone considerable transformation. The executing agencies on the U.S. side often speak of a "multiplier effect" without taking into consideration the internal constraints that make it difficult for this effect to emerge. If the "multiplier effect" is to fully unfold, the restrictive integration of blacks into the labor market would have to be completely eliminated. Consequently, U.S. executing agencies involved in these programs may be overly optimistic about the "multiplier effect" which cannot be considered in isolation from the economic, political and social context of apartheid. An example of such over optimism is reflected in the following testimony before the House Subcommittee on Africa in which "an important multiplier effect in the training that the scholarship holders acquire" was anticipated (See: Bok & Smock, March 31, 1981, p.5). It was envisioned that some grantees would become:

"professors or teachers and impart their new skills and knowledge to their students. Others will become entrepreneurs and create employment for other South Africans. Others will work for corporations, and urge those organizations to become more socially responsible in their employment and business practices. With the high quality academic training they receive and the psychological benefits that will accrue from their time in racially open and democratic society, we can anticipate that many of these scholarship holders will assume positions of importance in South Africa" (Bok & Smock, p.5).

On the other hand, the fear that the external scholarship program would "create new refugees" was dispelled, noting that all participants in the SAEP who completed their studies returned to South Africa. It was pointed out further that: "A careful assessment of the Fulbright and the Ford Foundation experience suggests that the future return rates should be high, since 96 percent of the black South Africans who have completed their study programs over the past five years have returned to South Africa, a rate surpassing that for most other African and Asian countries" (Bok & Smock, p.8).

The other side of this optimism are the political realities that such scholarship holders must confront in an environment where black South Africans have generally grown more and more suspicious of U.S. intentions. In the absence of far-reaching internal changes -- which would certainly benefit the beneficiaries of U.S. scholarship programs -- an overall U.S. policy toward South Africa that is seen as overly solicitous of the white minority may not enhance the credibility of the scholarship holders in the eyes of their peers who may be increasingly critical of any U.S. connection. These are realities that cause black South African students to be very sensitive to any actions taken by U.S. officials that might be interpreted as their seeking to politically capitalize on U.S. aid to them in the absence of corresponding pressure on Pretoria to make far-reaching reforms away from apartheid.

150

The U.S. organization responsible for the students and EOC should be sensitive to the need of participants returning to South Africa for moral and material support. EOC could hold seminars for example on how students can cope with reentry stress. Job placement counseling and assistance is needed by most of the students. Support to the recently established alumni association of returned students would provide an important means of mutual support and the opportunity to develop over time an information network regarding job openings, business and other opportunities.

CONCLUSION

The External scholarship program requires that AID take great care in accomodating the needs of black South Africans during their stay in the U.S. to ensure the success of the program. Success will depend on a great deal of sensitivity on the part of the U.S. executing agency as well as on the representativeness of the selection process on the South African end. Particularly on the American end of this equation, it will be important that these scholarships be administered in a manner that benefits not only the student's academic needs, but his/her social and financial needs as well which impinge on academic success and therefore the general success of the program. Success of the program will depend on the following:

1. COUNSELLING:

The critical issue in the external program is embedded in the transition of socio-cultural milieu experienced by the students. This transition can be made less traumatic if there is a sound counseling program integrated into the scholarship program. This is particularly relevant since the project purpose is to provide students with new skills although the racial caste system within which they must live remains the same. The counselling method should focus on value clarification given the diametrically opposed value based embedded in both the South African and American instructional methods.

2. STUDENT SELECTION:

The selection process should be representative in terms of both the participants selected and the entity carrying out the selection. This recommendation is, as mentioned earlier, only applicable if these programs are open to all black South Africans.

3. UNIVERSITY PLACEMENT:

The universities in the U.S. should have a student body reflecting at least a fair sample of black students and should be within easy access to black communities. Furthermore tuition wavers should not be the overriding consideration for selecting universities. One recognizes that tuition waivers are a major factor in expanding the number of students who can be offered scholarships under this program; however, the U.S. student placement organization must bear in mind that a black South African student who has lived all or most of his/her life in an urban area is likely to have significant adjustment problems if obliged to attend school in an isolated rural setting. The reverse would be equally true for a rural black suddenly thrust into a large urban environment for the first time. Because of the legal restrictions separating the races in South Africa the U.S. experience will be a new one for blacks in the program. These students will need the potential support afforded by nearby black churches, civic groups and the black community in general.

MONITORING AND EVALUATION:

The proposed evaluation mechanism is worth discussing because evaluation is as central with regard to the internal and external programs as are the selection and counseling components. It is through the evaluation process that representation in selection and the quality of counselling can be ensured.

The evaluation should be conducted by a neutral individual or institution with no ties to the grantee or donor agency. This type of evaluation will focus on the process rather than on financial accountability per se. Its scope should focus on the following: the selection process, relevance of training, adjustment to institutions and the appropriateness of the counseling programs. This type of evaluation should be fairly frequent.

The evaluation conducted internally should focus more on administrative matters of accountability to donor and relate managerial strengths of the grantee to successfully execute stated program objectives. The need to separate the process and logistical issues cannot be sufficiently stressed because while they are both equally important, it is critical that they be separated for evaluation purposes. Otherwise, if the grantee undertakes a process related evaluation it is quite possible that a critical evaluation of these issues might become clouded by the considerations of continued funding.

Finally, in evaluating these programs, it is critical that a representative sample of a diverse cross-section of the beneficiary communities be consulted.

ANNEX D

SOCIAL SOUNDNESS ANALYSIS

Contents

A. Introduction..... 1

Part One

I. Socio-Cultural Environment in South Africa..... 1
II. The Justification for U.S. Assistance Programs..... 3
III. The Target Group..... 4
IV. Survey of U.S. Assistance Programs: The Internal and External Programs..... 4

Part Two

V. Political and Socio Economic Factors..... 6
VI. Background..... 6
VII. Education and Reform..... 6
VIII. Socio-Economic Pressures..... 7
IX. Instructional Setting and Selection Process..... 8

Part Three

X. Socio-Cultural Implication of U.S. Scholarships/Bursaries Aid..... 10
XII. Internal Programs..... 12
XIII. The Multiplier Effect..... 13
XIV. Bursaries..... 14
XV. Counseling of Students in Bridging Programs..... 14
XVI. Graduate Scholarships..... 14

B. Summary.....15

XVII. Placement in Private Schools.....15

XIX. Bridging Programs.....15

XX. Counseling.....16

XXI. The External Programs.....16

XXII. Instructional Style Conflicts.....16

XXIII. Selection of Universities.....17

XXIV. Socio-Cultural Consideration in Re-entry Adaptations.....18

C. Conclusions.....18

 Student Selection

 University Placement

 Monitoring & Evaluation

INTRODUCTION

Any serious consideration of the impact of the proposed U.S. Agency for International Development (USAID) education programs for black South Africans has to take into account the overall South African social policy framework from which is drawn the organizing principals and institutions of the society. From a social policy perspective, it can be said that the official racially based policy of "Apartheid," along which human relations and the overall social order are structured, is predicated upon the basic premise of racial inequality. According to this value base, individuals are perceived as inherently differing in worth, giving rise to differential treatment and expectations in terms of the society's benefits. Such differential treatment and expectations give rise to a rigidly racially stratified social system, with some members entitled to more benefits than others solely based on race and color. Within this social order, whites are dominant and receive most of the political social and economic rewards while legally disadvantaged South Africans (black Africans, Colored and Asians) fill a differentiated subordinate social position receiving fewer benefits. This order of things, in which race in effect coincides with class, permeates all socio-cultural environments, including those found in education.

Part One

I. SOCIO-CULTURAL ENVIRONMENT IN SOUTH AFRICA

South Africa's socio-cultural environments are dynamically linked to the social structure and defined as structured interactional patterns governed by norms and values of South Africa's cultures within which they occur. They are, therefore, very subjective experiences. In the case of South Africa, the norms and values governing human relations within these socio-cultural environments -- occurring throughout all institutions -- are drawn by virtue of the existing national social policy from the dominant white culture. Consequently, it can be stated that within the overall social policy framework indigenous subordinate cultures fall on the periphery in matters of national policy consideration (except when the fragmentation of the black African majority is pursued). As a result of this social ontology, there exists within the South African setting two parallel groupings of culture:

- the Western culture in the modern industrial white-dominate sector; and
- the traditional African culture and modernized adaptations thereof in the urban and rural periphery.

This quality of white and black cultures has serious implications for human adaptations. This is particularly true in education. Considering that the universal goal of education in all societies is, generally to:

- perpetuate the values and norms of a given society; and
- produce citizens who will support and actively promote these values (Guttman, unpublished, undated paper).

These goals presuppose that the value system upholding a given society, and contained within the curriculum, be consonant with that of the student. More specifically, the curriculum must be one with which the individual student can identify. Application of this analysis to the underlying philosophy of South African education in such recent reports as the Buthelezi Commission Reports confirm that education for all South Africans is based on the Christian National ethos that undergirds Afrikaner volk-nasionalisme which is rooted in the Calvinist doctrine of the Dutch Reform Church. This philosophy (which predestines the dominant-subordinate paradigm in race relations) flows from a religious belief that whites have the prerogative of determining the curriculum of blacks. This ensures that black education is compatible with the Christian National ethos which underpins the social order. These values would do not include the value base of a non-Christian orientation, and would tend to result in the de-emphasis of such important African values as respect of elders rooted in the various spiritual traditions and systems of authority and legitimacy. Respect based on the values of affiliation and experiential knowledge rather than on technical abilities and skills. On the contrary the South African curriculum is aimed at neutralizing the validity of these more traditional belief structures by avoiding a synthesis of the two cultures (Manganyi, 1982). Within the current framework, the teacher is given greater authority over the students, resulting in the curriculum-event becoming the strongest socializing agent. Within this socio-cultural environment, the authority of adults, based on their wisdom accumulated through the years takes secondary place to authority acquired through the command of technical knowledge. Furthermore, by virtue of the economic realities of South Africa, parents very often opt for the child to be educated in English which they assume to assure a smoother transition into the industrial sector.

More important is the fact that the curriculum is centrally controlled and circumscribed in black schools. This reality has undermined the transmitting of a quality education and underlies the current crisis in manpower training experienced throughout South Africa. The dearth of skilled labor is consequently felt most keenly in the black community. (For a useful reference work on black education in South Africa, see: "The "Bantu Education" System: A Bibliographic Essay," by Victoria Evalds in Current Bibliography on African Affairs, Vol. 10, No. 3, 1977-78.)

Most South African manpower experts such as Hofmeyer of the University of South Africa and Sadie of the University of Stellenbosch find a correlation between the serious manpower problems and the poor

158

educational system for blacks. The prognosis is that if the problem of the lack of skilled black manpower is not addressed and corrected, the situation can reach critical proportion within the next seventeen years (Sadie, 1983).

The contemporary crisis in skilled manpower is reminiscent of the urgent need for labor during the massive wartime expansion of the South African economy in the 1940's. During that time, South Africa was experiencing a socio-ecological crisis brought on by massive drought which resulted in deteriorating conditions on white farms (Lodge, 1983). Similar conditions currently exist, which force more and more blacks to migrate to the cities and townships in search of employment. Conditions within the market place have, however, significantly changed from the 1940's. The contemporary demand for labor places a premium on skilled as opposed to unskilled workers. However, this demand is impeded by an educational system that denies blacks the same social, language and technical skills to enable them to compete in the modern economic sector. Although there is varied access to private schooling -- mainly religious affiliated -- among Africans, Coloreds and Indians, public education for blacks does not stimulate the development of creative and analytical abilities (Marcum, 1982). The overall emphasis is on the development of memory without questioning. In effect, the current national debate in South Africa on the status of black education is precipitated by economic manpower realities rather than by any real commitment to upgrading the curriculum content of education for blacks. This point is confirmed by the government's response to the outcome of the De Lange report which led some South African academics such as Hartshorne of Witwatersrand University to be extremely pessimistic about real change in black education. It is within this context that the proposed educational programs supported by USAID are intended to operate. The question raised by the social soundness analysis is, what can these programs achieve within the prevailing socio-political and economic realities of contemporary South Africa.

II. THE JUSTIFICATION FOR U.S. ASSISTANCE PROGRAMS

The proposed scholarship programs (internal and external) are justified on the premise that: "The case for education as a priority concern is powerful because it brings a capacity for participation, self-help, communication, and management. While education is the responsibility of Pretoria, its failure until recently even to recognize the problem justifies a determined external push backed by official and nongovernmental facilities and inducements" (Crocker, Winter 1980/81: p.347). It was observed that little had been done "by Western governments and educational institutions to focus on upgrading internal opportunities or to support overseas study by persons committed to return to their country" (Crocker: p.347). In light of these prevailing conditions the role for the U.S. Policy was described as follows: "In selected areas such as education and cultural exchange, expanded U.S.

funding support could play a useful role through the intermediary of nongovernmental institutions with expertise in these fields" (Crocker: p.347). This justification -- which expresses the rationale of current U.S. policy, has been acknowledged by some of the private executing agencies involved in such programs before the U.S. Congress (See: Bok & Smock, March 31, 1981).

III. THE TARGET GROUP

While black South Africans in general -- Africans, Coloreds and Asians -- are the target group of the external and internal scholarship programs, the intermediary institutions through which these programs will be administered (in South Africa) tend to highlight the natural dominance of the Johannesburg metropolitan region ('natural' in terms of historical and contemporary demographic trends) relative to the rest of the Transvaal and other provinces. This over emphasis on the Johannesburg area has tended to reflect the fact that the desired private South African institutions that meet the legislative criteria of USAID's congressional mandate such as SAJRR, SACHED, SACC, are all headquartered in and around Johannesburg. However, over the years, efforts have been made -- with the formation of the Educational Opportunities Committee (EOC) -- to offset this Johannesburg dominance.

IV. SURVEY OF U.S. ASSISTANCE PROGRAMS: THE INTERNAL AND EXTERNAL PROGRAMS

The forerunner of the external "Training (Scholarship) program for Disadvantaged South Africans" (Project 690-0213) is the South African Education Program (SAEP) started in 1979 under the auspices of the Institute of International Education (IIE) and funded privately by the Ford Foundation, Carnegie and several of the corporate signatories of the Sullivan Principles on corporate conduct in South Africa. This program, which operates under the supervision of the U.S. based National Council of the SAEP (composed of 7 universities presidents, 5 corporate representatives, Ford, Carnegie and several African affairs organizations) and the South African-based Educational Opportunities Council (EOC) -- an umbrella Organization that embraces the South African Committee of Higher Education (SACHED), the South African Council of Churches (SACC) and other organizations and community representatives from throughout the Republic -- sponsors the study of black South African undergraduates and graduate students at American universities. Operating under IIE, this program started out with a handful of students. In 1981, 35 undergraduates and graduates were sponsored.

The U.S. Government component to the IIE program was introduced in 1982 as a result of legislation which aimed to provide a much higher level of support for black students. Fifteen of the 35 undergraduate and graduate students sponsored under the IIE program were supported by a \$380,000 AID grant to IIE in FY'81, channeled through the U.S. Information Agency (USIA). Under an additional AID

grant in 1982, 80 new students were sponsored under the IIE program with a further 80 to 85 students anticipated (See: "Furthering Higher Education in South Africa: The Status of the United States Role, Private and Public Sector," USSALEP, June 15, 1983, p.17). At that point, 125 students had been through the IIE program of which 25 had returned to South Africa.

Despite some initial opposition from the Congress to funding assistance to educational programs within South Africa, this position changed under subsequent study although differences still exist with regard to both "the broad nature of the program in which the United States should be involved, as well as the specific proposals currently under consideration" (USSALEP, June 15, 1983, p18). The House Subcommittee tended to be skeptical of the notion that education per se would help "wear away" apartheid while stressing the need for an assistance program that would eschew apartheid institutions including government-aided educational institutions.

Hence the current operational framework for the "Bursaries Scholarship Program" (Project 690-0230) that stresses working with private South African institutions so as to avoid "contact with apartheid institutions."

The proposed internal programs, unlike the external scholarship program, covers several different areas, raising different sets of questions with regard to the socio-cultural adaptation of the beneficiaries. The questions of adaptation raised by the external program concern the adjustments that a black student from an almost cast-like racial system must make in a more open, egalitarian, multi-racial environment followed by readjustments that confront the same student upon returning home. In the case of the internal programs, when legally disadvantaged South African students are awarded bursaries to attend white private secondary schools they may need support from nearby black communities to insure that the students maintain an appropriate sense of perspective and continued links with their own communities. The undergraduate program raise questions about the probability that many of the legally disadvantaged students will not be able to cope with the level of academic work in South African universities until they receive some remedial bridging assistance to upgrade basic communications and analytical skills.

These considerations relating to the undergraduate programs also affect proposed graduate study in such specialized fields as law and medicine.

The one area that embraces both the internal and external programs is the process of selecting the students for these programs. The question of selection is critical because it relates to the issue of the representativeness of the group selecting the participants and the students selected.

Before these questions regarding the internal and external programs are addressed, there is a need to briefly explore the overall context of black social and political unrest as it relates to black education and manpower training in contemporary South Africa. Some understanding of

this context is necessary in order to draw socio-cultural implications from the likely implementation of such programs.

Part Two

V. POLITICAL AND SOCIO-ECONOMIC FACTORS

BACKGROUND

The institution of U.S. assistance programs for black South Africans in the education field takes place against a general political backdrop of rising expectations among Africans, Asians and Coloreds. Education, has been one of the key battlegrounds in the post-Sharpville black political generation of the late 1960s and throughout the Seventies. External developments beyond South Africa's borders in the rest of Southern Africa have had much to do with this internal black 'revolution of rising expectations' reflected in unrest among legally disadvantaged South Africans. The coming to independence of Angola, and especially Mozambique during the mid-seventies as a result of anti-colonial insurgencies did much to fuel black militancy among the university and secondary school students who become the spearhead of the Black Consciousness Movement (BCM). The political victory of the Patriotic Front of Zimbabwe in the independence elections of March 1980 further confirmed a trend toward nationalism among black Southern Africans that made its impact felt throughout black South Africa.

EDUCATION AND REFORM

The student factor in the revival of black activism during the late 1960s was reflected in the formation of the South African Students Organization (SASO). SASO, as the vanguard movement of BCM which broadly defined blacks as all who experienced racial oppression under Apartheid. Africans, Coloreds and Asians were grouped in a 'black united front' in reaction to the Apartheid policy of exacerbating divisions between these groups as well as stressing ethno-linguistic divisions among Africans as the basis of the homelands strategy. An older generation of opponents to Apartheid in the banned ANC and PAC (but especially in the ANC) had been greatly influenced by a liberal multi-racialism involving collaboration with whites accompanied by Gandhian pacifism prior to the more rigorous enforcement of separate development at the beginning of the 1960s. The SASO generation were products of this more rigorously enforced system of racial separation which created its antithesis in a new black political culture.

As a focal point of youthful black revolt, the system of separate development in education was at the center of the urban black disturbances associated with the Soweto rebellion of June 16, 1976. At

the same time, the South African Government's rejection of the Theron Commission Report on upgrading the status of Coloreds cemented an emerging alliance between a younger generation of Africans and Colored expressed in widespread disturbances among Colored students in Capetown. A renewed outbreak of African and Colored students unrest occurred in 1980 in the form of a wave of school boycotts, and have continued sporadically ever since. It is against this background of chronic unrest among African and Colored students during the late 1970s and early 1980s that the Human Sciences Research Council (HSRC) launched its hallmark inquiry into the system of South African education and the need for reform under the De Lange Commission. This inquiry into the education system was accompanied by a rapid series of changes on the labor front in the wake of the recommendations of the Wiehahn and Riekert Commissions, resulting in government concessions to the presence of black and nonracial trade unions. The emergence of these unions, combined with the increasing forces on black education and manpower training reflects a sense of urgency about the manpower requirements for further South African economic growth and stability in light of significant demographic patterns.

VIII. SOCIO-ECONOMIC PRESSURES

The urgency confronting the need for accelerated education and manpower training for black South Africans is reflected in the following: the projected decline over the next decade (and into the next century) of the white population and the available pool of white labor; and the projected inadequacy in the overall growth of the labor force for the 4.5 percent overall national output expansion needed to absorb the growth of the "economically active population" among Africans, Coloreds and Asians. This situation raises the prospect of unacceptably high levels of unemployment affecting these black groups with serious implications in terms of socio-economic and political unrest given a general climate of rising expectations. Thus, the drastic upgrading of black socio-economic status, including education and skills, is considered critical to the Republic's long-term economic health -- though not necessarily guaranteeing social and political stability (since a rising black middle class is already making political demands on the system for full and equal participation in society as a whole, not just in the economy). The question that arises is whether or not South Africa will have the resource capacity to accommodate these rising black socio-economic pressures? At this point, South Africa's regional policy becomes a relevant consideration.

Despite the spring 1984 regional agreements between Pretoria and Mozambique (The Nkomati Accord) on the one hand, and Pretoria and Angola on the other (the joint monitoring commission), it is much too early to determine how enduring these moves toward regional accommodations will be to have a positive impact with regard to domestic spending inside the Republic. Furthermore, although Namibian independence is considered

113

critical to a reallocation of resources from the military to the social sector of black development (currently the annual military budget for Namibia was put by Foreign Minister Roelof Botha at in excess of \$900 million according to the Washington Post, May 6, 1984, p.A20), the independence time-table in Namibia is still highly uncertain (not to mention the continuing demands on South African resources that an economically weak independent Namibia would present). These uncertainties are part of the budgetary dilemmas which according to the Financial Time Survey of South Africa (February 20, 1984) confront South Africa: "At a time when 'reformist' policies have at last been embraced by the government," The Time further observes that "South Africa has to face up to the problem of paying for apartheid, or rather, reformist-apartheid. Reform can only be expensive since it requires heavy spending to bring social change for nonwhites (e.g., to answer the demand for housing, or to rise educational standards, which everyone knows is essential for the long-term needs of the economy). "Adding that: "Defence is the other side of the coin and must be a particular nightmare to Mr. Horwood since the generals can argue that their needs are always and by definition a top priority." The dampening impact of South African military expenditure on social spending for blacks can be gleaned from the following report in the Christian Science Monitor (April 18, 1984): "In a white paper, the South African Defense Force (SADF), which wields increasing power in government, has called for a general military expansion -- arms, manpower, and money (emphasis added) --over the next decade" in what it calls a 'renewal program' to 'meet the threat of the Soviet arms stockpile." According to The Monitor, the SADF was granted a 21 percent increase in this year's budget "amid this country's worst recession since World War II," adding that the white paper claims that the military needs even more money "since in real terms defense spending is 2 percent less than it was six year ago, thanks to inflation." Given this escalating military demand on the budget, the South African business community is expected to foot a large part of the bill for redressing the back-log in black development.

The tacit partnership between the South African Government and the Anglo-Afrikaner business establishment, growing out of the Carlton Conference of November 22, 1979, has encouraged the domestic private sector to help underwrite black socio-economic changes via such institutions as the Urban Foundation and a growing number of indigenous education and manpower training initiatives (See: Manpower: A Survey Supplement to Financial Mail, September 16, 1983). The American private sector represented in South Africa has also become heavily involved in such efforts as reflected in the PACE Commercial College of Soweto, established under the auspices of the South African Chapter of the U.S. Chamber of Commerce, as well as other educational innovations undertaken by various individual U.S. corporations under the inspiration of the Sullivan Principal. Nevertheless, the heavy financial-economic implications of redressing the black socio-economic backlog suggests a major role for international donors, both official and private. In this

situation, the South African Government finds itself in a potential 'Catch-22' predicament. On the one hand, it desperately needs to expand its pool of skilled, educated black manpower as a corollary to long-term economic growth, and requires international assistance to do so; on the other hand, it is wary of the general Western preference for peaceful change toward a multi-racial political and economic system in South Africa which could be one of the long-term by-products of such aid. Thus the strong ambivalence that colors South Africa's relations with the U.S. and other Western countries in general, and the programs aimed at upgrading black education in particular.

IX. INSTITUTIONAL SETTING AND SELECTION PROCESS

The purpose of this section will be to discuss the applicability of both the internal and external programs to contemporary South Africa. A key question regarding the institutional framework within which U.S. internal and external scholarship aid is to be administered in South Africa has had to do with the representativeness of executing institutions and their relationship with the apartheid system. These issues carry important political overtones. The founding of EOC in 1979, as an umbrella organization was intended to address the question of representation through the setting up of regional boards incorporating provincial branches of SACHED, ASIRR and the SACC in addition to local community leadership in the provinces. This structure reflected a heavy regional concentration on Johannesburg/Braamfontein-based institutions and internationally-prominent Soweto-based black leadership. However, by 1981, EOC representation, on its regional boards, incorporated ethnic and/or government-supported institutions such as the University of Zululand (Natal), Fort Hare (Eastern Cape), the North (Northern Transvaal), and the Western Cape (Bellville) as well as the so-called 'open' universities. This representation is also reflected in the integrated IIE/EOC national and regional Selection Panels which combine American with South African representatives. Consequently, it can be said that the EOC's regional representation has expanded to incorporate a broad cross-section of black political and educational interests in homeland areas as well as in the major urban center of each province. (Representation, for example, embraces members of such divergent political formations as the United Democratic Front and Inkatha.)

Nevertheless, despite the broad representation reflected in the EOC, there is an acknowledged weakness in terms of the reach of its selection process (in recruiting candidates for the education programs) into the rural areas although efforts are underway to redress this urban imbalance regarding selection.

As far as the selection process is concerned, the national and regional structures currently used in the selection of students for external programs can serve as useful examples for expanding this process beyond the major urban centers by the grantee under the new programs. Several

of the individuals represented on the current national and regional structures are linked to political movements embracing hundreds of grassroots, community-based organizations as well as other national and regional interest groups within African, Colored and Indian communities. This is especially the case with the United Democratic Front (UDF) and the National Forum Committee (NFC). The UDF, in particular, has organized itself nationally along federated regional lines tapping a diverse cross-section of black communities that might be especially useful to strengthening the selection process for the purpose of both the internal and external scholarship programs. Many of the organizations that make up the political networks of the UDF and the NFC would certainly fall well within the framework of the congressional mandate on avoiding involvement with apartheid institutions.

However, it is also instructive that the national and regional structures of the current selection process does accommodate the reality that "the bulk of black students have no alternative but to attend ethnic universities." Given the political realities of apartheid, such accommodation is unavoidable if programs aimed at ameliorating black socio-economic conditions are to have any real and lasting impact for the maximum number of Africans, Coloreds and Indians. Without totally diluting the anti-apartheid structures of the congressional mandate governing U.S. external and internal scholarship aid, such flexibility would seem to be essential to the effective implementation of such programs. Within this context, more consideration might be given to a special role for nonhomeland government-supported black institutions such as the University of the North, or the University of the Western Cape which, in effect, have begun to develop the characteristics of 'open' universities in terms of multi-racial enrollments.

Part Three

IMPACT ON BENEFICIARIES

X. SOCIO-CULTURAL IMPLICATIONS OF U.S. SCHOLARSHIP/BURSARIES AID

In addition to the institutional setting influencing efforts to upgrade black education in South Africa, there is a more fundamental level at which the impact of such efforts must be examined. This level touches on the socio-cultural dimension cited earlier and the implications of U.S. scholarship aid in light of this consideration. An examination of these implications focuses on the question of socio-cultural adaptations that might accompany the more visible "multiplier effect" of benefits to individuals and communities flowing from such aid. The "multiplier effect" is defined as the ability of an individual to pass to others in the community skills through increased political, economic and social

1/2

participation. These socio-cultural dynamics cannot be separated from the "collective unconsciousness" of South African society that shapes the identity and roles of blacks as subordinate members of a white-dominated system. And since education is part and parcel of a socialization process that is intended to instill this "collective unconsciousness," there is a need to assess the role that U.S. assistance programs might play in this process -- both in terms of their intended and unintended consequences.

With regard to the negative impact of apartheid on the socialization of black South Africans, education may be seen as having an ambivalent impact on black social development. Black educators and scholars such as Manganyi (1982) and Mphahlele (1980) have tended to highlight the ability of black South Africans to differentiate between negative and positive introjects (sentiments and ideas regarding individual identity and self-definition. Manganyi, in particular, explores the 'Western' mode of black South African behavioral repertoire as indicative of an adapted universal Western mode of behavior rather than as symptomatic of an uncritical acceptance of role definition dictated by a white-dominated social system. This ultimate rejection of a negative definition of self has been amply demonstrated in the chronic disorders in urban black schools in African and Colored townships. At a sociological level, these disturbances (eg. boycotts, demonstrations, etc.) are indicative of the educational system's failure at getting Black South Africans to internalize a subordinate status consonant with the dictates of apartheid. Furthermore, the education system attempts to reinforce a particularly negative identity among Africans through the tendency to devalue traditional culture while attempting to reinforce separate ethnic loyalties among African students. Nevertheless, education is still seen by blacks as instrumental to social advancement in keeping with a basic acceptance of "universal Western cultural patterns" linked to economic advancement. The problem confronting educators and manpower training specialists in using the educational system as a vehicle for socio-economic advancement is essentially the quality of curriculum imposed upon blacks and the overall educational environment.

Consequently, there are two major implications, in terms of socio-cultural adaptation, that may be associated with an expansion of the availability of quality education for black South Africans. First, the critical intellectual content of the curriculum (depending on its liberal versus technical emphasis) may, over time, contribute to the "conscientization" of the individual. This would be reflected in a general rise in the level of consciousness of the beneficiaries with regard to the urgency of effecting change in the social environment (and its political and economic underpinnings) to accommodate a rising level of expectations that can be anticipated from rising levels of education. To the extent that this phenomenon is already evident in generally rising aspirations of black South Africans, an expansion in quality education for blacks via access to U.S. scholarship aid (internal or external)

117

would further reinforce this trend. This quantitative expansion addresses more generally the pressing issue of manpower training in terms of the urgent need to upgrade black technical skills.

This focus has led to a re-evaluation of black education and training in response to the urgency of redressing the backlog in basic communication skills that are considered a precondition to successful training. Thus, despite the fact that some 15 percent of all employees in South African industry are undergoing training of one kind or another, trainers are said to be frustrated by the reality that "the inadequate black education system has provided a massive stream of people who are simply incapable" of "being satisfactorily trained" due to "low literacy and numeracy levels" (See: "Building on Sand?" in Manpower/Industrial Relations Survey: Financial Mail, September 16, 1983, p.9). This situation is also reflected in the observation that very few black teachers have reached matriculation (equivalent to U.S. high school diploma). In this context, the quantitative expansion of educational opportunities involves a fundamental question of quality in terms of the need to upgrade basic communication skills as a precondition for technical and vocational proficiency.

Whether black socio-cultural adaptation is influenced by the qualitative upgrading of a more liberal oriented critical education or by the more neutrally functional technical/vocational variety, social change is implicit in terms of the multiplier effect of education and training over the long-term. Therefore, U.S. scholarship aid to South African blacks can be expected to contribute indirectly to this process, particularly at the university level where there is more of a focus on instilling some critical intellectual perspective that may lead to a challenging of the basic political, cultural and economic assumptions of racial domination by the beneficiaries. At this point, there is a need to elaborate more fully on the socio-cultural adaptive implications for the beneficiaries of: 1) the external scholarship aid program and 2) the internal scholarship and bursaries assistance programs.

XII. THE INTERNAL PROGRAMS

The distinguishing characteristics of the internal scholarship/bursary programs is that they remain within the racially stratified socio-cultural context in which black peoples' collective experiences are marked by white domination. This is a context in which positive identity formation is a process accompanied by a constant process of affirmation and denial of attributes defining black in relation to whites. Further, this process is illustrated within the educational system by the disturbances within the school system described earlier in this analysis. Consequently, positive identity formation within the black community requires a dynamic interchange between the community and the institutions. This relationship especially holds in the case of the educational system which is aimed at socializing blacks to fill certain

163

defined functional roles in society.

The striking feature within the South African system of education is that the learners, especially black learners, have no role in defining the process of learning. In short, the objective of the educational system is to influence the learner without being influenced by them in return. This is possible because the value system embracing the educational system is that of the dominate white culture.

The proposed programs will therefore be implemented within this cultural milieu. The nature of the educational system and the government's reluctance to change the structure of education is the largest obstacle in the potential achievements of the internal programs. If one defines true pedagogy as one that encourages a critical evaluation of political and social realities in which the learners find themselves, then it is difficult to describe these programs as being able to achieve this educational goal. What can be achieved -- and is not unimportant in an ameliorative sense -- is some technical, social and language skills necessary for survival in a complex modern industrial sector.

XIII. THE MULTIPLIER EFFECT

The "multiplier effect" alluded to in terms of the internal programs should be perceived in their true context. The vertical and horizontal multiplier effect have to be placed within the overall context of the society. The vertical effect will become immediately more visible because the participants in these programs will be able to complete either high school or undergraduate schooling which will make them more confident in terms of self-worth. They will be able to get better paying employment and improve their earning capacities. The potential horizontal multiplier effect will not be as visible. The horizontal effect, which in the technical analysis appears to be synonymous with social change as a result of successful participation in these programs, requires a little qualification. For the intended projected benefits to occur, it is essential that restrictive integration into the labor force be eliminated. It is in reference to this central structural limitation that black South African leaders refer to when they state that the educational programs such as those proposed for U.S. government support are peripheral to the ultimate issue of political power. Political power after all would facilitate the required changes that are ultimately needed in the education system to truly benefit the majority of South Africans. However, given the prevailing political and social conditions within which the internal programs will operate, there are several socio-cultural considerations to be taken into account in the implementation of these programs.

XIV. BURSARIES

The proposed plan to provide black students with scholarships to attend integrated white schools has important implications for the socio-cultural adaptation of the recipients. The placement of black students in white schools, whether integrated or not, can not be viewed in isolation. If one is concerned with the quality of students going through high school this action might not generate reservations. However, one has to study this particular program in a socio-cultural context, meaning in terms of the South African political and social reality. Briefly, school integration in these terms would be taking place in the absence of corresponding change in the wider social system, let alone the educational system itself, which the Government refuses to change. This could conceivably place a great deal of stress on the student who, themselves will be going through the adolescent phase characterized by identity formation. Provision should be made for support services in helping these students cope with a predominantly white school environment in which they are likely to be perceived by at least some fellow students, as different, in a negative sense.

XV. COUNSELING OF STUDENTS IN BRIDGING PROGRAMS

The provision for scholarships for undergraduate training will fill a small void. One of the biggest contributing factors in the high attrition rate of black students has been the poor quality of education in black secondary public schools.

In the past, some criticism has been leveled at the black universities by faculty from the so-called 'open' universities. This criticism has focused on what has been described as the black universities' reluctance to invest in bridging programs for students. The most important factor to bear in mind with respect to black universities is that they are totally state controlled. In addition, they have limited budgets and have to place funds directly into curricular activities. The 'open' universities, on the other hand, are supported by wealthier communities which can afford some money for bridging programs without affecting regular programs. There are faculty members at the black institutions, however, who can be involved in bridging programs for entering students. A program such as the one planned by USAID should give black faculty opportunities for being involved in bridging programs adjacent to their universities.

XVI. GRADUATE SCHOLARSHIPS

The awards at the graduate level reflect that of many scholarship agencies such as the U.N., AAI, and IIE. The professions mentioned embrace such high-level practitioners as medical doctors, lawyers and engineers. However, in technical fields such as engineering, the South

African manpower surveys, (Manpower: A Survey Supplement to the Financial Mail, September 16, 1983) expressed despair regarding the training of black engineers. Graduate programs in such fields could go far in dispelling such despair especially those bordering on the stereotyping of blacks as incapable in these fields for self-serving reasons. The evaluation of students in such programs must take into account that most black students will be coming from poor scholastic environments. A year of grace given for undergraduates is equally important in these programs. Such a year should be spent in the following manner:

a. Medical school and engineering students should be given intensive instruction in sciences which would make their adjustment in these programs smoother;

b. Although law schools seem more manageable, one of the serious problems facing black lawyers once they leave school is that they are unable to find established law firms willing to provide them with internships. A general complaint is that black lawyers tend to lack writing and analytical skills necessary for successful law practice in the modern economic sector. If lawyers in this program are provided the necessary time to develop these basic skills, it is perhaps possible for this program to provide the means for overcoming the excuses provided by established law firms in South Africa.

This analysis indicates that given the importance of assisting black South Africans in mastering these and other graduate fields, it is important that additional components such as those suggested above be developed in order to minimize the frustrations of career development as a part of post-graduate adaptation.

SUMMARY

The internal programs, as in the external scholarship program, requires the utmost in care on the part of USAID in terms of implementation. This will mean accounting for the socio-cultural context in which these programs will operate. Special attention should be given to the following items:

XVII. Placement in Private Schools: Because of serious implications having to do with identity formation in the socializing process that unfolds with a educational environment, private schools or creative experimental projects that aim to properly integrate African, Colored, Asian and White students should receive priority in placing black students in white private schools. Otherwise, support services in terms of counseling should be seriously considered to assist students in coping with adaptive problems. Black counselors should be used, and these can be obtained from neighboring black communities.

XIX. Bridging Programs: Such programs are essential in upgrading the

171

language and writing skills necessary for success in obtaining a university education. However, such a program should provide an opportunity for black faculty from black institutions to become involved in such programs adjacent to their universities.

XX. Counseling: With respect to bridging programs, efforts should be made to see that students without easy access to major urban centers benefit from such programs, particularly in terms of counseling services.

XXI. THE EXTERNAL PROGRAMS

The external scholarship program raises issues of socio-cultural adaptation in at least two respects:

First, in terms of the black South African student's adaptation to a more democratically pluralistic environment, considering race, along with introduction to a more dynamic style of instruction; secondly, in terms of readjustment to realities of the existing system of apartheid upon return to the Republic after completion of a scholarship program within the American socio-cultural context.

In terms of the former, an important feature of the external scholarship program is that although the concept of providing scholarship assistance to students is acceptable and strongly supported by U.S. institutions often the schools do not fully comprehend the support needs of South African blacks. For the first time these students are encountering major differences in pedagogic style (in addition to the problems of student selection, and transportation from one socio-cultural environment to another) which could prove immobilizing for a while and could even be permanent if not attended to early.

XXII. INSTRUCTIONAL STYLE CONFLICTS

Classroom style in U.S. colleges and universities have more dialogue, are more open and reciprocal in expectations. Students coming from school systems where these attributes are absent, where the social context of the classroom is one of dominance of the teacher accompanied by direct response by the student, will likely experience a kind of dissonance. They will see a free flowing open dialogue, realize that this is expected of them also, but by training and prior experience, be unable to participate. This could constitute a destabilizing emotional experience for the South African students, and could negatively affect their classroom performance.

The implementing agency should be acutely aware of this, and should make every effort to sensitize the universities and colleges where these students are placed, to the possibility of such developments.

172

Furthermore, black South African students will be coming from an experience shaped by a circumscribed curriculum where their cognitive abilities are under-evaluated given poor curriculum content; a situation which generally reflects the functional as opposed to the intellectual role of education for black South Africans. It is therefore important that their placement in American universities be done in a way that challenges their potential. While supportive measures are essential, it will also be important to encourage the student to explore the complex social environment at the university during their stay at the institution.

Additionally, the students should be encouraged to participate fully in the life of the institution. This dictates living on campus as the best approach to living arrangements. In that way, the South African student experiences the more unofficial and less obvious aspects of the culture of the institution. This is as much a determinant of the kind of human development which is hoped for among the target student population as is the more formal cognitive aspects of the college experience. It is not inconceivable that these two are mutually reinforcing.

That other students at the institution benefit greatly also by this exposure to persons who are deeply caught up in concerns about important social change and structural reorganization of their society, cannot be doubted.

XXIII. SELECTION OF UNIVERSITIES:

Selecting the university is a critical factor determining the success of the external programs. In the past, other scholarship programs have lost students because the student either felt culturally isolated at the institution or the curriculum was not challenging enough.

The question of isolation in American colleges and universities cannot be sufficiently emphasized. In the past, some students have been placed in small predominantly white institutions where they have actually been the only blacks in the school. In addition, the surrounding communities may be predominantly if not all white. Such an environment can have a serious impact on black students from South Africa, especially at the undergraduate level. It is important that, whenever possible, students be placed in institutions where there are a representative number of black students. For example, there is a difference between the student population in a small Vermont College and Springfield College. The latter does have some black students and is surrounded by other colleges with black faculty and students. Furthermore, the surrounding community has a substantial number of black Americans. Contact between black South African and black Americans is important for both groups. In short, it is critical that black South African students be placed at institutions which, in terms of their environment, can afford some potential substitute social network for the students.

Very often colleges are selected purely on the basis of whether or not they can offer tuition waivers. If this becomes the single most deciding factor in the placement of students, mismatching will continue in those cases where the students find themselves in isolated communities. This can also result in the student finding him or herself in an educational environment that may be less than challenging.

XXIV. SOCIO-CULTURAL CONSIDERATIONS IN RE-ENTRY ADAPTATION

Upon return to South Africa, the former student must readjust to the realities of a socio-cultural context characterized by white domination -- a social milieu in which blacks are still perceived as inferior. The returning student must find a niche for him or herself in a social system which has essentially remained unchanged despite the fact that the student's perception about the world may have undergone considerable transformation.

The U.S. organization responsible for the students and EOC should be sensitive to the need of participants returning to South Africa for moral and material support. EOC could hold seminars for example on how students can cope with reentry stress. Job placement counseling and assistance is needed by most of the students. Support to the recently established alumni association of returned students would provide an important means of mutual support and the opportunity to develop over time an information network regarding job openings, business and other opportunities.

CONCLUSIONS

The External scholarship program requires that AID take great care in accommodating the needs of black South Africans during their stay in the U.S. to ensure the success of the program. Success will depend on a great deal of sensitivity on the part of the U.S. executing agency as well as on the representativeness of the selection process on the South African end. Particularly on the American end of this equation, it will be important that these scholarships be administered in a manner that benefits not only the student's academic needs, but his/her social and financial needs as well which impinge on academic success and therefore the general success of the program. Success of the program will depend on the following:

1. COUNSELLING:

The critical issue in the external program is embedded in the transition of socio-cultural milieu experienced by the students. This transition can be made less traumatic if there is a sound counseling program integrated into the scholarship program. This is particularly relevant since the project purpose is to provide

171

students with new skills although the racial caste system within which they must live remains the same. The counselling method should focus on value clarification given the diametrically opposed value based embedded in both the South African and American instructional methods.

2. STUDENT SELECTION:

The selection process should be representative in terms of both the participants selected and the entity carrying out the selection.

3. UNIVERSITY PLACEMENT:

The universities in the U.S. should have a student body reflecting at least a fair sample of black students and should be within easy access to black communities. Furthermore tuition wavers should not be the overriding consideration for selecting universities. One recognizes that tuition waivers are a major factor in expanding the number of students who can be offered scholarships under this program; however, the U.S. student placement organization must bear in mind that a black South African student who has lived all or most of his/her life in an urban area is likely to have significant adjustment problems if obliged to attend school in an isolated rural setting. The reverse would be equally true for a rural black suddenly thrust into a large urban environment for the first time. Because of the legal restrictions separating the races in South Africa the U.S. experience will be a new one for blacks in the program. These students will need the potential support afforded by nearby black churches, civic groups and the black community in general.

MONITORING AND EVALUATION:

The proposed evaluation mechanism is worth discussing because evaluation is as central with regard to the internal and external programs as are the selection and counseling components. It is through the evaluation process that representation in selection and the quality of counselling can be ensured.

The evaluation should be conducted by a neutral individual or institution with no ties to the grantee or donor agency. This type of evaluation will focus on the process rather than on financial accountability per se. Its scope should focus on the following: the selection process, relevance of training, adjustment to institutions and the appropriateness of the counseling programs. This type of evaluation should be fairly frequent.

The evaluation conducted internally should focus more on administrative matters of accountability to donor and relate managerial strengths of the

grantee to successfully execute stated program objectives. The need to separate the process and logistical issues cannot be sufficiently stressed because while they are both equally important, it is critical that they be separated for evaluation purposes. Otherwise, if the grantee undertakes a process related evaluation it is quite possible that a critical evaluation of these issues might become clouded by the considerations of continued funding.

Finally, in evaluating these programs, it is critical that a representative sample of a diverse cross-section of the beneficiary communities be consulted.

Document V

The De Lange Committee Report on
Education in South Africa (1981)

In June 1980 the South African government commissioned the independent but state-funded Human Sciences Research Council (HSRC) to carry out a comprehensive review of all levels of South African education. The HSRC chose Professor J. P. de Lange, the Rector of Rand Afrikaans University, to serve as chair of a distinguished steering committee of twenty-seven members, including several leaders in black education (e.g., A.C. Nkabinde, Principal, The University of Zululand; F.A. Sonn, Director, Peninsula Technikon; and R.E. van der Ross, Principal, University of the Western Cape). De Lange organized a massive research effort and a year after its creation the steering committee submitted a unanimous report to the government. The fifth and final chapter of the report proposed "A Programme to Attain Education of Equal Quality for All Inhabitants." THE abridged text follows.

Introduction

The meaning of education of equal quality and the manner in which it should be achieved have received much attention during the past decade or two. Only limited success has been attained in introducing such education in different parts of the world.

The limited success can mainly be ascribed to bias, incorrect premises, and over estimating the (importance) of, for example, symbolic measures.

An attempt has been made to learn from experience in this regard. What follows is an exposition of

Premises

- A short evaluation of the present educational system (with) quality as a criterion
- Problems in formulating operational criteria relevant to education of equal quality.
- Proposed policy guidelines
- Implications of these guidelines
- Priority recommendations

Premises

The pursuit of equality basically involves the desire to adhere to a particular social-ethical concept regarding the structure of society, namely that the right of every individual to receive equal treatment in the allocation of collective benefits in the social structure should be recognized and guaranteed. This goal is not based on an assumption of sameness or uniformity between people. It does however postulate a common humanity and the right every person has to expect the organized society will acknowledge the intrinsic values of individuality and humanity and promote the realization of these values.

The demand for equality in education is of special relevance as a result of the restriction of available resources and when the real danger exists that as a consequence of the existing obstruction persons or groups may be denied their rightful share in the benefits that education offers. The term "rightful share" cannot be interpreted as an "equal share" in the arithmetical sense of the word, since no society can function on the basis of unqualified equality...."Rightful share" should therefore be understood as being related to the concept "distributive justice". The demand for equal share in education is only viable as a principle of distributive justice-"equality-in-the-light-of-justice."

"Rightful distribution" in the first place demands that the rules of distribution be formulated and applied in an unprejudiced manner and, secondly, that the demand for fairness should be met.

Since distribution rules in themselves can be unjust, even if they are applied in an unprejudiced manner, the demand for justice with regard to distribution rules implies that in the rules there should be no discrimination between people unless relevant differences can be indicated, necessitating differentiation. The principal of "equality-in-the-light-of-justice" therefore does make provision for differentiation in the distribution rules and for this reason "rightful share" does not merely mean "the same share for everybody." Equal education therefore does not imply identical education for everybody.

The main problem in determining what a fair share is, lies in the differences between people that could be raised as conditions for distributive differentiation and consequently for categorizing. Justice demands that such differences should be relevant differences, i.e., they should relate to the benefit that will be considered for distribution. The operational criteria for the application of the principle of equality (in the sense of "for each and everybody his rightful share") should therefore be related to the character and

171

meaning of education.

A further problem is to determine what should be regarded as the "character and meaning of education." This question is basically concerned with the mutual relation between the education curriculum and those matters that are regarded as important by society. Which aims should be served by institutionalized education?

The answer probably lies in the balance between the following community values:

1. Formative religious education, i.e., to give the persons taught an opportunity to experience formative religious education in accordance with his own convictions.

2. The maintenance and elaboration of cultural values, i.e., to equip the educational client (sometimes the learner, sometimes the parent, sometimes the community) with an appreciation of cultural heritage as well as with the critical and creative abilities essential for cultural renewal, taking into full consideration the requirements of the different cultural groups: and to give them a share in the control of the contents of the curriculum for the members of the cultural group concerned.

3. Raising the material standards of living, i.e., to equip the educational client with the necessary skills to be economically productive in accordance with his individual potential, as part of the trained and active labour force; also to enable him to meet his individual needs as well as the collective needs of society.

4. The development of innovative and adaptive abilities with regard to the demands of cultural change, i.e., to equip the recipient of education with knowledge and understanding of the requirements of continual cultural change, for example how to adjust to new situations, to cultivate a productivity-oriented ethic of work, and to master new technological knowledge and skills.

5. The improvement of interpersonal relationships, i.e., to equip the educational client with knowledge, interaction skills, and a sense of social responsibility which can promote mutual respect, trust, and cooperation between individuals and groups.

6. The cultivation of positive civil attitudes, i.e., to equip educational clients with knowledge regarding the history, geography fauna and flora, system of government, etc. of the country, as well as with the problems and challenges facing society.

7. The promotion of the overall quality of life, i.e., to give the educational client the opportunity to develop as a complete, responsible individual: for example the cultivation of language, arithmetic, and manual skills; the cultivation of the ability to learn and evaluate independently; the cultivation of a personal system of values; the identification and development of the largest possible variety of individual talents; the improvement of physical and

mental health; the cultivation of specialized professional skills as well as social and leadership skills.

Evaluation of the Present Educational Dispensation in South Africa

In the existing provision of education, differentiation occurs in different ways and on different grounds between educational clients. The same advantages are not available to everyone.

Some of the grounds on which differentiation occurs, for example ability, interest, aptitude, and occupational orientation, are probably relevant and consequently meet the demand for justice insofar as they have a bearing on the nature and meaning of education and its requirements as a social practice.

However, differentiation also rests purely on the basis of race or colour, which cannot be regarded as relevant for inequality of treatment. Examples of this are the treatment of different racial groups in a way that is strikingly unequal, for example in the distribution of education in terms of per capita expenditure, proportion of qualified teachers, quality and quantity of facilities such as buildings, equipment, and sports facilities. A further example is where admission to educational institutions is regulated mainly on a racial basis. The result is that an individual owing to his being a member of a particular racial group, does not or cannot receive his rightful share in the provision of education. Differentiation based purely on differences of race or colour, (which) cannot be regarded as relevant grounds for inequality of treatment, is contrary to the social and ethical demands for justice.

If provision has to be made for a programme of education of the same quality for all population groups, the distribution of education will have to be organized in such a way that everyone will receive a rightful share, regardless of race, colour, socioeconomic context, ethnic context, religion, sex, or geographical location.

Problems Connected with the Formulation of Operational Criteria with Regard to the Concept "Equal Quality in Education"

The approach to the concept "equal quality in education" can be narrowed down to two points of view: That of educational achievements and that of educational opportunities.

The interpretation of "equal quality in education" in terms of achievement refers to the level of education or proficiency attained by the educational client attributable to educational activities. This interpretation creates several problems. To ensure that every individual attains the same level of achievement, all possible factors which may prevent equality of the end result, e.g., differences in aptitude,

mental abilities, and ambition, will have to be eliminated. The implications of such an ideal will be a programme of levelling which cannot be implemented and which in any case is ethically unacceptable.

The interpretation of "equal quality in education" in terms of opportunities means that everybody, regardless of race, colour, language, socioeconomic status, faith, or sex, is given the same opportunities to obtain a fair share in the benefits that education offers. However, this interpretation also creates several practical problems if the educational system is expected to give all educational clients an equal opportunity to exercise their claim to education as a social benefit. These problems are revealed in a clear definition of what is meant by "equal opportunities" and in the determination of where this same "starting line" is, with due advantage for some participants. Attention will have to be paid to matters such as the socioeconomic position of the individual's family and other environmental factors which influence his school readiness and learning ability. Attention will also have to be paid to the position of the community of which the individual is a member, for example the extent of its effective participation in decision-making with regard to policy issues such as the allocation of resources, the determination of priorities, and its executive function. For the rest, attention will have to be paid to the question of admission to available educational institutions, for example the range of choices, the degree of freedom of choice, the geographical distribution of school facilities, the extent of compulsory education, compulsory schooling, and "free" instruction, the quality of available educational facilities. Absolutely equal opportunities can be achieved only if all impediments in as well as outside the school are eliminated. Owing to the many causes of inequalities outside the school, little success has been achieved to date in creating equal educational opportunities in both developed and less developed countries.

Because of the extremely complex problems standing in the way of a positive definition of "a programme for equal quality in education for all population groups," an answer could perhaps (be) found (by adopting) the following as a point of departure: The reduction and elimination of demonstrable inequality in the provision of education available to members of the different population groups. Such inequalities can be clearly defined and documented as concrete, empirically determinable facts on the basis of several specific indicators:

1. Accessibility, including freedom of choice in the sense of the absence of educationally irrelevant limitations.
2. Curriculum content and standards, for example subject choice, syllabuses, textbooks, evaluation criteria, examination standards, certification, and general administration.

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3. General compulsory education, for example a specific number of years agreed upon.
4. Teacher, for example level of training, teacher-pupil ratio, etc.
5. Physical educational facilities, for example the number and quality of buildings, equipment, sport facilities, etc.
6. Financial resources, for example per capita expenditure.

Proposed Policy Guidelines

1. The progressive provision of adequate means to enable every inhabitant to obtain the essential minimum of knowledge, skills, and values will be recognized and maintained as the highest priority in the programme for the provision of education.
2. No person will on educationally irrelevant grounds be debarred from available educational opportunities from which he might benefit.
3. In the formal organization of the education system in respect of matters such as buildings and equipment, pupil/teacher ratios and the qualifications of teaching staff, the provision of equal advantages for all pupils and students of a particular educationally relevant group will be recognized and maintained as a priority.
4. Where educationally irrelevant inequalities are indicated in the provision of education, educational reforms in the interests of justice will be aimed at the elimination of such inequalities.

Implications

The above guidelines are collectively aimed at establishing a new educational dispensation to promote the progressive implementation of the principle of education of equal quality for the different population groups. This does not mean that on a given date the education system will be reformed to such an extent that "equal quality education" will immediately be provided in an absolute sense. It is unrealistic to expect that such an objective can suddenly be achieved. The achievement of this general objective can nevertheless be systematically striven for through the achievement of definite aims and the determination of clear priorities in terms of specific action programmes.

The first guideline implies that provision should be made for the introduction of general compulsory education and compulsory education and compulsory schooling linked with "free education for a certain number of years. It is self-evident that the pace at which compulsory schooling can be progressively extended will depend mainly on the availability of manpower and funds. The guideline implies, however, that (increasing the extent and duration of) compulsory education should receive the highest priority.

157

The second guideline (implies the need for) clarity on the methods and pace (of) eliminate(ing) restrictions on access to and the provision of educational facilities based purely on racial or colour discrimination. Methods (include) the use of statutory, organizational, financial, and other arguments, while pace (refers) to the phasing of measures to ensure an appropriate transitional and adjustment period. The guideline does not mean that the provision of education at all levels for all population groups should be identical with regard to curriculum. In a country such as South Africa with its heterogeneous cultural and social values it would be unfair to (exclude) cultural and social community values from the curriculum.

The third guideline (implies the need for) clarity concerning the model that will be used (to) determine(e) the quality of the benefits to be provided for a particular category of educational clients.... On the basis of available resources, the level of provision to date available to Whites only will have to be progressively adapted and reformed to a level that can be made available to all relevant groups of educational clients, regardless of race, colour, language, creed, areas, or sex.

The most important implication of th fourth guideline is that educationally irrelevant inequalities that are evident in the provision of education should be identified as clearly as possible and eliminated through educational reforms. The principle of justice requires that should educational strategies be devised to compensate for genetic or environmental disadvantages in the system of education provision.

Recommendations on Priorities

A system for the provision of education that is aimed at the pursuit and achievement of equal standards in education cannot be accomplished immediately. However, this should not be used as an excuse for sluggish and feeble attempts. It is regarded as a bounden duty to commence with a practical programme as soon as possible and to move purposefully towards the ultimate objective. The series of recommendations contained in this report were made with a view to establishing a basis for such a programme. The recommendations relate to the whole system for the provision of education and it is regarded as desirable to indicate which recommendations should be implemented as soon as possible.

Education Management: Interim Council for Education

The restructuring of the system for the provision of education should occur with the highest degree of consolation and it is therefore recommended that:

1. an Interim Council for Education be appointed by the Cabinet or by a Minister appointed by the Cabinet, within the next few months;
2. the Council be appointed for a maximum period of three years;
3. the function of the Council be to advise on the consideration and implementation of the recommendations of the HSRC investigation into education;
4. attention be paid particularly to the establishment of norms and standards for the provision of education in the RSA;
5. the Interim Council for Education be established through an act of Parliament;
6. the Cabinet appoint one Minister as its agent in the matter;
7. the proposed Council should have access to any data relevant the execution of its function;
8. the Council report regularly to Parliament on its activities and the progress made.

Educational Structure

It is recommended that the following matters be given priority:

1. The progressive introduction of nine years' compulsory education, six years of which should be compulsory schooling devoted to basic education.
2. The introduction of a pre-basic bridging period aimed at school readiness as soon as possible where the need is the greatest.
3. The expansion of preparatory vocational education, in addition to preparatory academic education, to meet the manpower needs of the country.
4. The establishment as soon as possible of the necessary infrastructure for the provision of nonformal education.
5. The granting of the right to Councils of autonomous educational institutions in higher education to decide who should be admitted as students.

Supporting Services

Supporting services are of primary importance in the improvement of the provision of education and it is therefore recommended that the planning and establishment of a cooperative education service should be given priority.

Curriculum Services

The effectiveness of the pre-basic bridging period, basic education, differentiation at the senior intermediate level, the teaching of languages, the natural sciences, and mathematics, and the development of nonformal education is dependent on a thorough and expert curriculum design and development service. The service should not only be planned and provided on a national basis but should also be developed simultaneously at second level and local level by means of

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regional centers and within teacher centers. At national level the services should be provided on a contract basis.

The provision of the service at the national and second levels is dependent on the immediate training of curriculum specialists.

Educational-Technological Services

The role that educational technology can play in improving the quality of education, bridging the gaps, and expanding nonformal education has been indicated and it is felt that the service together with the curriculum service at all three levels, should be developed. Action research on computer-assisted instruction and the involvement of the Post Office and the SABC should be given priority.

Guidance Services

The meaningfulness of decisions made by learners and their parents regarding learning or progress within system of formal education, choice of fields of study in formal and nonformal education, etc., is dependent on well grounded guidance. Concentration of manpower needs and therefore actual job opportunities is a prerequisite for linking education and work, which is why guidance, especially vocational guidance, is an essential service. It is therefore recommended that.

1. a comprehensive guidance service should be developed at all three levels with the inclusion of the private sector;
2. recommendations on the training of school guidance officers and their career prospects should enjoy top priority.

Health and Social Services

The utilization of learning opportunities is also determined by the physical health and social well-being of the learner. It is therefore recommended that the necessary cooperation should be obtained, the infrastructure created progressively, and decisions made concerning the minimum standards so that this service for all learners can be placed on an acceptable level.

Evaluative and Diagnostic Services for Learners with Handicaps

The provision of services should be developed gradually as part of the tool cooperative educational service as recommended, but the field training of professional staff and cooperation between medical, paramedical, psychological, social work, and pedagogical professional staff should be given priority.

The cooperative educational service should be developed simultaneously at the national or first level, the second level, and the third or local levels, are dependent on

156

sophisticated research and development assistance but should also be close as possible to the user for effective rendering of services and involvement.

Recruitment and Training of Teachers

The key factor in the provision of education is the teacher. It is recommended that.

1. a registration authority where all teaching staff may register should be instituted;
2. the registration authority should as its first priority after the necessary consultations decide on the categories in which teaching staff may register;
3. a model recruitment and selection programme should be developed for use by educational authorities after adaptations;
4. geographically well-situated institutions should be planned and constructed for groups requiring additional facilities, and that a training programme for the staff who are to man institutions of this kind should be implemented as soon as possible;
5. the training of teachers for general formative and preparatory career education (technical education in particular) should enjoy top priority;
6. the recommendations in respect of the training of teachers of the natural sciences and mathematics should receive immediate attention;
7. "Standard ten" as the minimum admission requirement for teacher training should be applied as soon as possible and that facilities for those wishing to obtain this qualification should be provided and the continuous need for in-service training satisfied;
8. statutory machinery for negotiation should be introduced;
9. the conditions of service should be improved to and maintained at a level that ensures reasonable numbers are drawn to the profession and the retention of serving teachers;
10. the coordination of training of teaching personnel, should be one of the tasks of the proposed South African Council for Education.

Physical Facilities

The backlog with regard to the provision of the necessary facilities of an acceptable standard in respect of existing facilities, present shortages, and additional needs as result of increased numbers is matter of extreme urgency. It is recommended that .

1. national space and cost norms be established;
2. a survey should be made of under utilized and unused facilities after it has been decided if and to what extent the facilities can be used to solve problems created by shortages. The necessary steps should be taken to implement the decision in an effort to eliminate inequalities;
3. a study should be undertaken to ascertain where inadequate

provision has been made and a plan drawn up to satisfy the needs by way of programmes according to acceptable norms and design criteria;

4. a structured national inventory of existing facilities should be compiled and kept up to date to assist in national planning;

5. a national budget programme should be drawn up in the light of the findings in respect of (recommendations) 1, 2, 3 and 4, the available means, and the recommendations on the financing of education that follow.

FINANCING OF EDUCATION

There is no doubt that the provision of education of equal quality will require more funds. Bearing in mind that means are not unlimited, it is recommended that

1. financially realistic norms for the provision of an adequate standard of education should be drawn up and revised from time to time by the central educational authority and should be used for the central authority's financing of education for the total population;

2. an effort should be made to aim at achieving parity in government expenditure on education over the shortest possible period on the basis of the norms proposed in (recommendation) 1, bearing in mind limitations in respect of budgets, manpower, etc.;

3. taking the aim in (recommendation) 2 as the point of departure, each educational authority should table its annual budget with a view to achieving parity within specified periods of time. The budget request should be coordinated centrally;

4. backlogs existing in comparison with the norm proposed in (recommendation) 1 should be estimated in respect of the quantity and quality of schooling buildings, the qualifications of teaching staff, the ratio of pupils per teacher, and the salaries of teaching staff. Provision should also be made for eliminating backlogs within the shortest possible period with due consideration for budgetary and other restrictions;

5. a reliable statistical basis for the educational expenditure of the central government should be developed as soon as possible and used to promote and secure parity and enable a centralized evaluation of this progress to be made;

6. attention should be paid to the application of measures in education that will lead to better utilization of scarce resources (teachers, buildings, and grounds) in education;

7. the growth-dependent financing of universities should be reconsidered so that the pressure on recruitment of students can be reduced with a view to more rational canalization of learners towards preparatory career education instead of the present one-sided and excessive movement towards academic preparatory education.

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PLANNING FOR THE PROVISION OF EDUCATION

A sophisticated and continuous survey of the need for and change in the demand for education as a result of, inter alia, trends in population growth and shifts and changing manpower needs should enjoy top priority as the basis for the flexible planning of the provision of education.

DOCUMENT VI:

The Provisional Response of the Government to the de Lange Committee Report (1981)

The government released the (de Lange committee) report of the HSRC and its own initial response simultaneously. Commenting on the government's Interim Memorandum, the text of which follows, HSRC committee member Franklin Sonn alleged: "This, in fact, reestablishes apartheid education and places us back where we started: (Rand Daily Mail, October 9, 1981).

1. The Government wishes to express its appreciation of the extensive inquiry instituted by the Human Sciences Research Council into a system for the provision of education for all population groups in the Republic of South Africa. The inquiry covered a wide field, and the fact that the task was completed within the record time of thirteen months deserves special mention.

The Government wishes, too, to express its thanks to the literally hundreds of individuals who, it is clear from the Report, assisted in the inquiry, to the HSRC, which provided the expert guidance and made its scientific infrastructure available under the South African Plan for Research in the Human Sciences, and to Professor J.P. de Lange, who was Chairman of the Head Committee of the Inquiry.

The Government wishes to point out that the main report, entitled "The Provision of Education in the SRA," was subscribed to and signed by the HSRC and its Head Committee, but that the Head Committee does not necessarily associate itself with the recommendations in the eighteen supporting reports of the Working Committees.

As was stated in the terms of reference which the HSRC received from the Government in June 1980, the Government trusts that this inquiry will make a real contribution towards the improved provision of education in the SRA at all levels of education, in order to ensure that the potential of its inhabitants is realised, the economic growth of the RSA is promoted, its manpower needs are met, the quality of life of all its inhabitants is enhanced, and that education of equal quality is achieved for all population groups- all of this with due regard to the diversity of peoples in South Africa society and the resources available in the country's economy

460

as a whole.

The Government sees the provision of education in the RSA as one of its top priorities and in this spirit will give urgent and serious attention to the findings and recommendations in the Report.

2. The Report contains numerous positive recommendations that will certainly promote the provision of education. That the Government is in earnest about the Report is evident from its statement that it accepts the (following) principles for the provision of education proposed in (chapter 2) of the Report, subject to points of departure already decided on by the Government which are out in paragraph 3 below. The Government would emphasise that these principles are to be understood in context with one another and that no one principle is to be interpreted on its own in isolation. The principles concerned are the following:

1. Equal opportunities for education, including equal standards in education, for every inhabitant, irrespective of race, colour, creed, or sex, shall be the purposeful endeavour of the State.

2. Education shall afford positive recognition of what is common as well as what is diverse in the religious and cultural way of life and the languages of the inhabitants.

3. Education shall give positive recognition to the freedom of choice of the individual, parents, and organizations in society.

4. The provision of education shall be directed in an educationally responsible manner to meet the needs of the individual as well as those of society and economic development, and shall inter alia, take into consideration the manpower needs of the country.

5. Education shall endeavour to achieve a positive relationship between the formal, nonformal, and informal aspects of education in the school, society, and family.

6. The provision of formal education shall be a responsibility of the State provided that the individual, parents, and organized society shall have a shared responsibility, choice, and voice in this matter.

7. The private sector and the state shall have a shared responsibility for the provision of nonformal education.

8. Provision shall be made for the establishment and state subsidization of private education within the system of providing education.

9. In the provision of education the processes of centralization and decentralization shall be reconciled organizationally and functionally.

10. The professional status of the teacher and lecturer shall be recognized.

11. Effective provision of education shall be based on continuing research.

3. There are, however, certain aspects and possible

139

implications of the Report about which the Government has reservations. Accordingly the Government has decided to lay down the following guiding principles as points of departure in the consideration of the Report.

The Report distinguishes between the principles for the provision of education in the RSA, which it proposes, and the more philosophical connotation of "principles of education", which it does not go into. In the light of this, the Government reaffirms that it stands by the principles of the Christian character and the broad national character of education as formulated in section 2 (1) (1) and (b) of the National Education Policy Act, 1967, (Act 39 of 1967), in regard to White education and as applied in practice or laid down in legislation in regard to the other population groups. Any changes or renewal in the provision of education will have to take these principles into account, with due regard to the right of self-determination which is recognised by Government policy for each population group.

The Government remains convinced that the principle of mother-tongue education is pedagogically valid, but appreciates that in the case of certain population groups the question of the language medium in teaching may give rise to particular problems of a special nature.

The Government reaffirms that, in terms of its policy that each population group should have its own schools, it is essential that each population group should also have its own education authority/department. The need for coordination is recognised, but this policy will have to be duly taken into account in any proposals relating to structures for central coordination and cooperation between the educational structures for the various population groups, and also in any proposals relating to educational structures at the regional or local levels. Education departments of their own are also essential to do justice to the right of self-determination which is recognised by Government policy for each population group.

The Government finds acceptable the principle of freedom of choice for the individual and for parents in educational matters and in the choice of a career, but within the framework of the policy that each population group is to have its own schools.

All decisions taken in terms of the recommendations in the Report will have to take due account of, and fit in with, the constitutional framework within which they are to be implemented.

4. In considering the findings and recommendations in the Report, the Government will concentrate mainly on the further improvement of the quality of education in the SRA and achieving education of equal quality for all population

140

groups. The Government will not take any decisions on the recommendations in the Report until interested parties have had the opportunity of commenting and the Government has had a chance to consider thoroughly both the recommendations and the comments. On the basis of the guiding principles it has already decided on, as set out in paragraph 3, the Government will in due course take its stand on all the recommendations in the Report in a White Paper to be tabled in Parliament.

All official and recognised education bodies may submit their comments through the prescribed channels before 31 March 1982, and all other persons and organizations may send their comments direct to the Director-General: National Education, Private Bag X122, Pretoria, 0001.

5. For the coordinated consideration and possible implementation of the recommendations in the Report by the Government, the Minister of National Education will act as the convener of the three possible Ministers, namely the Ministers of Internal Affairs, of Education and Training, and of National Education. These Ministers will be advised by an interim Education Working Party consisting of the heads of all education departments (both central and provincial), the Chairmen of the National Education Council, the Council for Education and Training, and the Education Council (coloured), a nominated educationist in respect of the Indians, for whom there is no Education Council, the Chairman of the Committee of University Principals, the Chairman of the Committee of University Rectors, and the Rector of the University of the Western Cape. The Department of National Education will provide the Secretariat for the Education Working Party.



ACADEMIC VICE CHANCELLOR

SANTA CRUZ, CALIFORNIA 95064

October 24, 1983

Earl Yates
Agency for International Development
Room 3921
Department of State
Washington, D.C. 20520

Dear Earl:

Enclosed is a copy of my report on the South African Education Program (SAEP). It will be discussed at the November 9th meeting of the National Council of the SAEP. For that meeting, I have also prepared a suggested "action list" (also enclosed) currently under review by Council Chair, Derek Bok. I anticipate action along the general lines indicated, but would ask that you treat this list as tentative and confidential for the time being. Thanks.

Sincerely,

A handwritten signature in cursive script, appearing to read "John A. Marcum".

John A. Marcum
Academic Vice Chancellor

Enclosures

THE SOUTH AFRICAN EDUCATION PROGRAM (SAEP)

A Status Report

The 1983-84 academic year began with over 150 SAEP students enrolled in American colleges and universities. In the years ahead, continued public and private funding should boost SAEP enrollment to approximately 400 students. Annually, as many as 100 of these students will complete courses of study and return to South Africa. Understandably, the growth of what was initially a small, private sector program into a major educational venture has brought complexity along with opportunity.

This summer seemed an appropriate time to review the experience of the program and to consider some of the issues and challenges facing it. Accordingly, during a study mission of some four weeks in July and August, I interviewed a wide range of interested parties. These included U.S. government officials; SAEP National Council members; IIE staff; Educational Opportunity Council (EOC) staff, council members, regional committee members and alumni; and diverse educational, professional, and business leaders in South Africa.

I discerned an increasing though unevenly spread awareness of the SAEP. Many of those with whom I talked perceived it to be moving from a modest beginning toward a significant, catalytic role in the educational and social development of South Africa. What follows is a series of observations and suggestions intended to be helpful to those who will guide the program to maturity.

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The SAEP links a diversity of professional groups and political interests in support of a common goal: higher education for black South Africans. Individuals and institutions that support and administer segments of the program may, however, perceive and relate to economic and political issues posed by South Africa in quite different ways. It should be expected, therefore, that the program may be buffeted by chronic tensions arising out of conflicting interests, constituencies, and personalities among the program's supporters. The SAEP coalition for education will function well only so long as its partners successfully subordinate such differences to their common educational purpose.

History: Initial discussions and initiatives looking toward the creation of an American scholarship program for black South Africans date back to the mid-1970s. Concrete steps taken within the private sector led to the generation of tripartite college/university, corporate, and foundation support for a fledgling South African Education Program (SAEP). At about the same time, U.S. cultural affairs personnel in South Africa began suggesting public sector action. Two aspects of this history subsequently complicated program development. The first was a difference of opinion over whether government funding should be channeled through the existing private sector mechanisms of the SAEP or through a framework modeled on the Fulbright program. The second was a destabilizing propensity for persons and agencies, both private and public, to take proprietary credit for a program whose genesis and continuing support cannot be ascribed to any single source. Most, though not all, of those I interviewed felt that this history might now be put behind given that a basic decision

194

seemed to have been taken to continue to fund and administer the program within its existing format.

The short but complex history of the SAEP suggests one general lesson. Particular importance should be attached to the quality of communications both within and out from the program. Full, clear, and timely communications can help to allay suspicion, correct misperceptions, reduce misunderstandings. Rather than viewing the program protectively as requiring a defensive stance against those who might wish to undermine it, those who lead it might best act on the assumption that not only are its educational goals legitimate, they are perceived to be so in both the United States and South Africa. Keeping all concerned parties within a suffusive information flow may help to prevent personality issues from becoming political issues. It may also serve to concert energies behind the development of a qualitatively excellent program.

I. FUNCTIONAL ISSUES

Given the complex context and pioneering nature of the SAEP, its achievements to date are impressive. The purpose of this report, however, is to focus on the challenges that lie ahead. How best might we act to build, perfect and secure a program of maximal significance? How might we further improve or develop SAEP functions, ranging from the selection of new students to the career placement of SAEP alumni?

STUDENT SELECTION

Outreach: This past year (1982-83) the EOC advertised the SAEP in some sixteen newspapers. In addition, the U.S. Embassy issued a press release. By developing press contacts of their own, as well as by using those of the U.S. Embassy, however, the EOC staff might achieve a more prominent placement of SAEP announcements. EOC staff, with posters and announcements in hand, will need systematically to visit universities, teacher training colleges, secondary schools (including such special institutions as St. Barnabas and PACE), and public libraries. Additionally, they will need to disseminate program information through such education-related organizations as SACHED, the South African Institute of Race Relations, and the Council for Black Education and Research, and business and professional associations such as the American Chamber of Commerce, Harvard Business School Alumni and teachers associations.

The SAEP is less well known in areas of demographic dispersion or rural remoteness such as Eastern Cape. Special effort will be needed to reach the local press, community organizations, and educational institutions (e.g., the Center for Continuing Education at the University of Port Elizabeth).

If placed in local papers, human interest stories about returned alumni might help to draw positive attention to the SAEP. To this end, it will be important to collect, write up, and disseminate

such information, including data on educational achievement and career plans. This effort will require "public relations consciousness" on the part of SAEP staff in both the United States and South Africa.

Screening Process: Regional selection committees appear to focus principally upon academic merit and personal character. Checking into the several cases of alleged political bias in selection that had been brought to my attention, I found that all of the incidents cited dated back at least two years. (Professor William Scott [Oberlin], who participated in this year's process, found no incidence of political or personal bias).

In order to insure against an intrusion of political patronage in the future and to achieve a fuller more consistent level of member participation, however, it might be wise to fix terms and rotate membership on the selection committees. The academic character and effectiveness of the selection committees would be reinforced, moreover, were there an increased participation by mathematicians, scientists, and economists whose fields are stressed within the program. In order that service on such committees come to be seen as an honor, not just a chore, appropriate EOC authorities might wish to send letters to members' employers signaling the prestigious and significant nature of the role.

With timely budgeting and sufficient staff assistance, the EOC office should be able to provide regional selection committees with applicant files early enough for the committees to prepare for well-focused, probing interviews. It should also be able to schedule the interviews, over a somewhat earlier and longer period, permitting a less hectic, more reflective sequence of individual encounters.

In light of three years of experience, the role of the American academic participating in the selection process might now be reviewed. Ought the person be someone whose own professional field is one of those stressed in the program? What admissions-related expertise is this person expected to infuse into the process? Should the person be rotated every year or might multi-year terms increase the consistency and effectiveness of the role? Ought the person to be asked to write a brief annual evaluation of the experience and process?

Close coordination with the Fulbright selection process and with the scholarship programs of the South African Institute of Race Relations will be necessary to assure that the SAEP selection process does not impinge negatively on those programs. In particular, the Institute is concerned that its bursary students not be enticed away midstream with SAEP grants.

7

Hard comparative data concerning the qualifications of students selected should be collected and analyzed annually. Without suggesting that SAT, disciplinary achievement, and other test scores constitute the only valid criteria for selection, it can be helpful to know whether successful candidates are scoring higher or lower. Impressionistic evidence (e.g., selective interviewing at the Denison orientation) may prove contradictory, unreliable.

The increasing percentage of MA as over against undergraduate grantees is moving the program in a direction widely endorsed in South Africa and the United States. Those who fear that "immature" undergraduates may prove too impressionable and have a hard time readjusting to South African society at the end of their studies advocate a predominantly graduate program. Shorter, sharply defined courses of study serving larger numbers of rotating students are widely preferred to four-year undergraduate scholarships. A number of South African educators, citing the importance of teachers education, have asked whether short courses of study (upgrading programs) could be arranged for early or mid-career teachers at American schools of education.

The preference for MA studies suggests a need for some SAEP institutional research. Given a continuing decline in the quality of black education (the proportion of black students passing the matriculation examination is still declining), but an increase in

199

the total number of blacks entering higher education at institutions of uneven quality, what will the potential "SAEP pool" look like over the next five years? Is there a near term possibility of becoming entirely or almost entirely graduate? What does this pool and the experience of SAEP students so far suggest about which American programs and institutions do, and will, most effectively meet SAEP needs? What range of programmatic options is the pool likely to allow?

Notification that one has made the "short list" of approximately 150 (from which some 100 are placed in the U.S.) includes due warning that this step does not represent final selection. Nonetheless, some read wishfully, not carefully. Such notification letters might be even more forcefully worded or more boldly designed (e.g., capital letter warnings) so as hopefully to eliminate futile preparation and bridge-burning.

Orientation in South Africa: The EOC provides a brief pre-voyage orientation of its own, leaving the major orientation thrust for the United States (Denison). The EOC also invites successful applicants to attend orientation programs organized for Fulbright students by U.S. cultural centers. (USIS centers in Johannesburg, Pretoria, Cape Town, and Durban also provide considerable informal counseling and advice to SAEP applicants and grantees throughout the selection process.) These orientation sessions might provide a convenient context for highlighting the magnitude of U.S. government funding for the program.

200

Travel documents: Few students have been deterred from applying for or accepting a scholarship because they have been denied a South African passport. Many use South African "travel documents," which are accepted by the American government. Some use homeland passports (one student gave up his scholarship rather than accept such a passport). The United States admits all students, while contriving not to recognize homeland documents.

Administrative issues: Understaffed and plagued by budget uncertainties and delays (USAID), the EOC staff has functioned remarkably well under disabling circumstances. In order to establish its credentials as an independent professional body, however, the EOC needs to enhance its administrative capability. It is seeking to fund a much needed staff office manager through existing foundation support. Future AID contracts should be so written as to permit more adequate support of the selection agency. Above all, the EOC needs assured and timely funding. Without this, planning and deadlines mean little. With it, EOC morale and efficiency would rise.

The EOC Council and staff view themselves as institutionally independent of their catalytic host, the South African Council of Churches. They should be able to achieve increased recognition of such status and to insulate themselves against political criticism

201

to the extent that they are able to establish and sustain a reputation for strong professional competence--a potent reason for seeking to enhance the EOC's administrative capability.

To perfect and administer the SAEP selection process poses a major challenge. The EOC would probably be well advised to concentrate on this function and forego other subsidiary educational activities, at least until the process has been fully developed and proven. The return flow of students will need assistance with career placement. This suggests a demanding new task for regional EOC councils and alumni, and, consequently, the need for concentrating energies on the SAEP proper.

Communications will, as suggested earlier, be crucial to success. Regional selection committees and councils need to be kept informed of university placements, achievement records, and return plans of their students. All levels of the EOC need to know in detail from the IIE how students are faring in the United States. At the same time, a new EOC newsletter may help SAEP students in the United States keep in contact with relevant developments at home.

213

STUDENT PLACEMENT IN THE UNITED STATES

"Go, no go" delays in AID contracting cause delays in institutional placement, anxieties among applicants and, ultimately, demands for "administrative catchup" by a hard pressed EOC office. This points again to the relationship between timely budgetary and administrative performance.

Fields of study: There is widespread agreement that the fields of science, mathematics, economics, and agriculture should be stressed. There is less awareness of the Fulbright program's focus on the Humanities and Social Sciences. Among the fields suggested that may already be accommodated but are assumed by interested observers to fall outside the program's scope: academic administration, economic planning, print and electronic journalism, science teaching, and social science methodology.

The EOC is reviewing this issue of fields in the midst of a broader national discussion. Some critics of South African educational policy cite the report of the De Lange Committee and argue that too much emphasis is being placed upon a utilitarian, technological as opposed to a basic liberal arts approach to education. These critics suggest that a science/technology and business emphasis in the SAEP program may reflect an American commitment to "safe and self-interested" commercial education. Contrastingly, most of those I interviewed stressed the need to open the doors to scientific knowledge and management skills long denied to South African blacks and agreed with the program's priorities.

203

Denison orientation program: Feedback to South Africa is generally positive although some have questioned whether the Denison program need be so long. Might it be more helpful for students to plunge quickly into the local realities with which they will have to cope?

Internships: One aspect of the American study experience that evokes great enthusiasm is the summer internship. An opportunity to gain practical professional experience in corporate, research, public service and other institutions is seen as a formidable plus. It promises to add measurably to the job prospects of returning students. The IIE staff might do well to further develop the range of internships available within the program and to feature this educational dimension in SAEP information disseminated within both the United States and South Africa.

Research on student experience: Data and analysis on the performance of SAEP students may offer insights of value to the program itself, and beyond. What, for example, are proving to be the best indicators of success: matriculation examinations, EOC interviews, language ability, or participation in bridging programs? What is the impact of the American social and academic climate upon student performance as measured in test scores, grades, other forms of academic achievement? How does the experience weigh upon their stated intent to return to South Africa at the conclusion of their studies? (There is considerable apprehension in South Africa that SAEP might yet develop into an unintended brain drain.) An imaginative but unobtrusive research

program might enhance the real and perceived value of the program as a significant educational experiment. It would also enable the IIE to feedback to EOC selection committees information that could help guide them in their labors.

American degrees: American degrees are not equally recognized by South African professional associations. For example, an engineering degree from Brown will be recognized, while that of another institution will not, obliging the degree holder to take a professional examination upon returning to South Africa. The SAEP needs to determine in advance what status will be accorded a prospective degree and to inform the student early on thus avoiding any unhappy surprises at a later stage.

Placement agencies: The entry of a second university placement agency, Aurora Associates, has not proven a major complication. Drawing upon the EOC selection process, Aurora has constructed its own placement network and hopes to raise scholarship funds in communities surrounding host institutions. The IIE and Aurora staffs have coordinated their work so as to avoid what might otherwise have become a source of confusion.

STUDENT RETURN TO SOUTH AFRICA

The return flow of SAEP graduates has just begun. Approximately twenty-five (largely short-term MA and MBA) students have returned and formed the nucleus of an alumni association. Though their time

500

in the United States was relatively short, they have found the "trauma" of re-entry more difficult than expected. The fledgling alumni association, organized regionally, will hopefully develop into a much needed support group.

When the return rate reaches 85 to 100 students per year, the exigencies of social re-entry and job placement will pose a major, new programmatic challenge. Some may return with unrealistic expectations. They may anticipate high level jobs to which neither whites or blacks might immediately aspire. Others may find that they are offered what are perceived to be "window-dressing" jobs, jobs that are sequestered or relate narrowly to a black clientele. They may encounter work situations in which white managers and staff have not been adequately prepared for the entry of black university graduates. They may confront a subtle hostility based on expectations that they will manifest acquired "American attributes"--aggressiveness, impatience, informality.

The alumni association has assumed a lead role in discussions and planning for how to meet these problems. It is already apparent, however, that there will be a need for the coordinated cooperation of a wide spectrum of persons and institutions to assure that the SAEP passes its "re-entry and placement" test.

Pre-return: Students should be encouraged (and instructed how) to prepare resumes. These might be sent to South Africa some months in advance of their return. EOC regional committees reinforced with alumni members might then assume a central role in disseminating these resumes and making advance arrangements for interviews. It seems likely that much career placement activity will take place within regional and local contexts.

National networking: The SAEP will need to establish and nurture contacts with a broad range of organizations. These will logically extend from such national associations as the South African Society of Engineers to American-linked groups such as USSALEP and the Harvard Business School Alumni Club. Indeed, it might be desirable to pull together a more or less formal group of "friends" from these and other organizations such as NAFCOG, Ford Motor, SACHED, the Education Information Center (Johannesburg), and the American Chamber of Commerce to help and advise on placement.

Administrative responsibility: Responsibility for initiating and coordinating placement efforts needs to be clearly fixed, for example with an alumni office or the EOC staff. In order for them to open doors and not erect new barriers, these efforts will need to be handled with consummate professionalism and sensitivity. Early placements will be watched and their success or failure widely noted. The prestige of the SAEP will grow or decline accordingly. Hence the

207

importance of planning, building, and coordinating a multileveled program in which alumni and professional organizations are mobilized to prepare and facilitate the career placement of SAEP graduates.

These efforts might usefully be extended to include returned students who studied under the Fulbright program. And cultural and commercial affairs officers of the American Embassy may be counted upon for informal suggestions and assistance.

The entrepreneurial leadership of the SAEP alumni association may be sternly correct in counseling against paternalism and for self-reliance ("SAEP alumni should muscle in, not be cradled in"). But the unprecedented magnitude of the task, placing up to 100 blacks each year in career positions from many of which they would have been excluded only a short time ago, must not be underestimated. If handled well, however, the results might stand forth in exhilarating contrast with less positive social realities of South Africa.

II. PROGRAM SUPPORT

Were the SAEP to lose either its public or its private funding, it would diminish in scope and significance. It is a symbol of public and private cooperation for racial justice.

200

U.S. government role: The need to give full and appropriate credit to the role of (bipartisan) public funding is accepted at all levels of the SAEP. The form that such credit should take, however, may occasionally become an issue of some sensitivity. Given the possibilities for misunderstanding in this regard, patience, goodwill, ingenuity, and energetic diplomacy will be needed in abundance. The acknowledged need to accord due credit must, of course, be met without undermining the perceived academic independence of the program and without alienating its essential partners. In principle, everyone is agreed. How to implement this agreement poses a major challenge to program leadership.

Hopefully, diversion and delay associated with annual AID contracting may be resolved by proposals for multi-year AID contracting. Unless and until this change is made, however, the corrosive danger of politicization will threaten the scholarship program. (Already, SAEP students express anxiety concerning allegations by formerly funded exile students that a "political" decision to fund the SAEP has left them, South African exile students, destitute.)

National Council: This may be an opportune time for the National Council to speak clearly and constructively on issues and challenges facing the program. The future of the program may depend upon it asserting its advisory role more forcefully.*

* It should be noted that Aurora Associates has set up its own national advisory committee.

200

Specifically, the National Council might consider forming a small executive committee able to meet more frequently than the full Council and thus better able to monitor and advise on SAEP administration. The National Council might also consider sending a delegation to Washington to meet and discuss the scholarship program with key government officials.

At the level of the full Council, it might be useful to discuss and formulate views on other proposed educational initiatives such as an internal American bursary program in South Africa and the Indiana University experiment in "distance learning." For the Council to function as a policy advisory body for the SAEP, let alone for it to develop reasoned views on other projects, however, it will need to develop an organizational capacity it now lacks. (In asking ourselves how we might develop such capacity, we may find that the Council for the International Exchange of Scholars' (CIES) longer meetings provides a possible model. The aforementioned idea of an executive committee suggests another.)

This summer's interviews and discussions with nearly 100 persons firmly convinced me of the nobility and feasibility of our undertaking and of the talent and integrity of those guiding it. It also persuaded me of the need for the National Council to accept a more demanding role, both within the South African Education Program and with policymakers in Washington.

John A. Marcum

October 1, 1983

To: Derek Bok

From: John Marcum

Possible action items for National Council

- (1) Program Outreach: Council encourages outreach initiatives designed to make SAEP more widely and generally known to prospective students and employees in South Africa. This is to include more effective placement of advertising; special efforts to reach rural and remote areas; use of flyers and posters as well as staff and alumni visits to schools and other education-oriented institutions; collecting, writing and placing of human interest stories about SAEP student academic exploits and job placements in local press.

[To illustrate: (1) When a SAEP student makes a dean's list, graduates with honors, or otherwise achieves distinction, such information (with his or her permission) might be funneled back to the student's home press with a copy to the EOC office. (2) In order to achieve more prominent placement for program advertisements EOC staff needs to cultivate press contacts and to draw on the experience or contacts of the USIS, SAIRR and others.]

- (2) Student Selection: Council suggests further improvement of selection process. To this end it recommends consideration of the following:
- (a) Regional selection committees be appointed for fixed, rotating terms and be augmented by more persons with science, mathematics and economics backgrounds;
 - (b) Membership and active participation in regional selection committees be encouraged by recognition letters from SAEP/EOC authorities and by other appropriate means;
 - (c) Earlier access to applicant file by the selection committees and more extended period for interviewing;
 - (d) "First cut" notification letters that even more boldly caution that placement is not assured;
 - (e) System of regular feedback to selection committees concerning the progress, achievements and return plans of students chosen so as to help guide future selection.
- 211

[Note: SAEP alumni may be especially helpful in identifying and recruiting selection committee members.]

- (3) Role of U.S. Academic in Selection: Council recommends this role be more fully defined in light of experience to date. Specifically, consideration should be given to multi-year service, knowledge of priority study fields, admission expertise, and submission of an annual report to SAEP.

[Note: The experience of Prof. William Scott points to the advantage of having a black American in this role. It facilitates full and direct communication with SAEP applicants.]

- (4) Program Research: Council recommends systematic and comparative analysis of student applicant pool, admissions qualification profiles, and how these relate to performance and university placement.

[Such analysis will serve better to inform the student selection and placement process as well as public reportage and discussion of the program.]

- (5) EOC Administrative Capacity: Council urges upon AID the desirability of multi-year contracts that also allow for financial support of EOC administrative functions.

[At stake is the professional capability and effectiveness of the EOC, its regional committees and alumni/placement functions.]

- (6) Internships: Council recommends further expansion of opportunities for student internships and field studies.

[Such internships constitute a potentially distinctive and publicly attractive feature of the SAEP.]

- (7) Inter-Program Relations: Council notes the importance of cooperation and coordination with other South African scholarship activities such as the Fulbright Program and internal South African Institute of Race Relations' administered bursary programs.

[Objective: Avoid dysfunctional competition and consolidate some functions when appropriate, e.g. bridging programs, orientation and advertising.]

- (8) Career Placement: Council notes the magnitude and importance of issues related to the return of SAEP graduates to South Africa. Of particular

importance: pre-return professional contacts and preparation of resumes; clear location of administrative responsibility for job placement functions including definition of regional alumni and EOC roles; creation of an organized network of "friends" to facilitate career placement and development.

[Note: Council may also wish to encourage linkage between SAEP, Fulbright and other U.S.-educated alumni.]

- (9) National Council: Recommends (a) creation of council executive committee to monitor and advise on SAEP administration and to explore the advisability of expanding the programmatic purview of the Council's deliberations; and (b) sending a delegation to Washington to discuss the SAEP with appropriate government officials.

[An executive committee might also wish to discuss the pros and cons of full day National Council meetings.]

- (10) Problems and Priorities: Council recognizes (a) the need to assure appropriate recognition of American government funding; (b) the high priority to be attached to perfecting present SAEP structures and processes, including communications; and (c) the importance of enhancing SAEP public relations capabilities (including materials and media contacts.)

[Taken together these "action" items project a pro-active advisory role for the National Council.]

CATEGORICAL EXCLUSION

Project Country: Southern Africa Regional

Project Title: Entrepreneurial Training for Disadvantaged South Africans (690-0213)

Funding: DA: FY 84 \$3,000,000

Categorical Exclusion Prepared by: AFR/PD/SAP Asst. Project Development Officer, L. Jackson

This activity meets the criteria for a Categorical Exclusion in accordance with section 216.2 (c) and is excluded from further review because:

The funds will be used primarily for scholarship assistance and other forms of financial aid to legally disadvantaged South Africans, thereby fitting into the class of action 216.2(c)(2)(i).

APPROVED

Bassel L. Bayl
Bureau Environmental
Officer

DISAPPROVED

Date

6/14/84

Clearance: GC/AFR M.A. Kleppner Date 6/15/84

drafter: L Jackson, AFR/PD/SAP; Doc. no. 604L

FY 1984 Addendum to Statutory Checklist

1. Country Checklist, Part A - General Criteria for Country Eligibility

"1. FAA Sec. 481, FY 1984 Continuing Resolution. Has it been determined or certified to the Congress by the President that the government of the recipient country has failed to take adequate measures or steps to prevent narcotic and psychotropic drugs or other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse and Prevention Control Act of 1971) which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully?"

NO

2. Country Checklist, Part A - General Criteria for Country Eligibility.

Add the new following provision:

"18. FY 1984 Continuing Resolution. Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States?"

NO

5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only: B.1. applies to all projects funded with Development Assistance Funds, B.2. applies to projects funded with Development Assistance loans, and B.3. applies to projects funded from ESP.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT? N/A YES

A. GENERAL CRITERIA FOR PROJECT

1. FY 1982 Appropriation Act Sec. 523; FAA Sec. 634A; Sec. 653(b).

(a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

Congressional Notification expired on 6/15/84

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,00, will there be

NO

2/8

b. ISDCA of 1981, Sec. 725(b). If ESF is to be furnished to Argentina, has the President certified that (1) the Govt. of Argentina has made significant progress in human rights; and (2) that the provision of such assistance is in the national interests of the U.S.?

N/A

c. ISDCA of 1981, Sec. 726(b). If ESF assistance is to be furnished to Chile, has the President certified that (1) the Govt. of Chile has made significant progress in human rights; (2) it is in the national interest of the U.S.; and (3) the Govt. of Chile is not aiding international terrorism and has taken steps to bring to justice those indicted in connection with the murder of Orlando Letelier?

N/A

(a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

NOT REQUIRED

4. FAA Sec. 611(b); FY 1982 Appropriation Act Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? (See AID Handbook 3 for new guidelines.)

N/A

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

N/A

216

PAGE NO. 3M-12	EFFECTIVE DATE September 30, 1982	TRANS. MEMO NO. 3:43	AID HANDBOOK 3, App 3M
-------------------	--------------------------------------	-------------------------	------------------------

6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

Project not susceptible to regional or multilateral orientation

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

This participant training project have positive results on (a) (b) (c) (d) and (e)

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

Increased training of local workforce will enhance attractiveness of future invests.

219

- 9. FAA Sec. 612(b), 636(h);
FY 1982 Appropriation
Act Sec. 507. Describe
steps taken to assure
that, to the maximum
extent possible, the
country is contributing
local currencies to meet
the cost of contractual
and other services, and
foreign currencies owned
by the U.S. are utilized
in lieu of dollars.

N/A

- 10. FAA Sec. 612(d). Does
the U.S. own excess
foreign currency of the
country and, if so, what
arrangements have been
made for its release?

NO

- 11. FAA Sec. 601(e). Will
the project utilize
competitive selection
procedures for the
awarding of contracts,
except where applicable
procurement rules allow
otherwise?

YES

- 12. FY 1982 Appropriation Act
Sec. 521. If assistance
is for the production of
any commodity for export,
is the commodity likely
to be in surplus on world
markets at the time the
resulting productive
capacity becomes
operative, and is such
assistance likely to
cause substantial injury
to U.S. producers of the
same, similar or
competing commodity?

N/A

- 13. FAA 118(c) and (d).
Does the project comply
with the environmental
procedures set forth in
AID Regulation 16? Does

YES

111

PAGE NO. SM-14	EFFECTIVE DATE September 30, 1982	TRANS. MEMO NO. 3:43	AID HANDBOOK 3, App SM
-------------------	--------------------------------------	-------------------------	------------------------

the project or program take into consideration the problem of the destruction of tropical forests?

14. FAA 121(d). If a Sabel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?

N/A

otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

YES

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

NO

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

N/A

PAGE NO. 3M-16	EFFECTIVE DATE September 30, 1982	TRANS. MEMO NO. 3:43	AID HANDBOOK 3, App 3M
-------------------	--------------------------------------	-------------------------	------------------------

e. FAA Sec. 110(b).
Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character.

N/A

f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

YES

g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage

Social Soundness analysis supports project goal, purpose

224

3. Economic Support Fund
Project Criteria

- a. FAA Sec. 531(a). Will
this assistance promote
economic or political

274

stability? To the extent possible, does it reflect the policy directions of FAA Section 102?

YES

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

NO

c. FAA Sec. 534. Will ESP funds be used to finance the construction of the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives?

NO

d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

N/A

725

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? YES
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? YES
3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? N/A
4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be N/A

276

PAGE NO. 3M-20	EFFECTIVE DATE September 30, 1982	TRANS. MEMO NO. 3:43	AID HANDBOOK 3, App 3M
-------------------	--------------------------------------	-------------------------	------------------------

financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)

5. FAA Sec. 604(a). Will construction or engineering services be procured from firms of countries otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one or these areas?

N/A

6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates?

NO

7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other

YES

727

Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

8. International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? YES

9. FY 1982 Appropriation Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? YES

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services to be used? N/A

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A

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PAGE NO. SM-22	EFFECTIVE DATE September 30, 1982	TRANS. MEMO NO. 3:43	AID HANDBOOK 3, App 3M
-------------------	--------------------------------------	-------------------------	------------------------

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)?
- N/A

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?
- N/A

2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights?
- N/A

3. FAA Sec. 620(b). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries?
- N/A

4. Will arrangements preclude use of financing:

YES

a. FAA Sec. 104(f); FY 1982 Appropriation Act Sec. 525: (1) To pay for performance of abortions as a method of family

224

planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?

b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? YES

- 4

c. FAA Sec. 650. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? YES

d. FAA Sec. 662. For CIA activities? YES

e. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? YES

f. FY 1982 Appropriation Act, Sec. 503. To pay pensions, annuities, retirement pay, or YES

720

PAGE NO. 3M-24	EFFECTIVE DATE September 30, 1982	TRANS. MEMO NO. 3:43	AID HANDBOOK 3, App 3M
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adjusted service
compensation for military
personnel?

g. FY 1982 Appropriation Act, Sec. 505. To pay U.N. assessments, arrearages or dues? YES

h. FY 1982 Appropriation Act, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? YES

i. FY 1982 Appropriation Act, Sec. 510. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields? YES

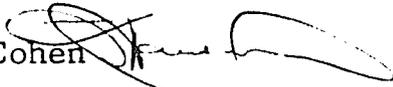
j. FY 1982 Appropriation Act, Sec. 511. Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? NO

k. FY 1982 Appropriation Act, Sec. 515. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? YES

24

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: AFR/PD, Norman Cohen 

SUBJECT: Sole Source Waiver - Southern Africa Regional,
Training for Disadvantaged South Africans, 690-0213

REFERENCE: Action Memorandum dated March 21, 1984

Problem: The subject project requires the procurement of technical services for the continued support of students who begin their academic studies in the U.S. this fall, for the remainder of their undergraduate or graduate studies. You are requested to approve a waiver allowing non-competitive procurement of up to approximately \$2.25 million of student support services from the International Institute of Education (IIE) on the grounds that procurement from any source other than IIE would impair foreign policy objectives, and would be inconsistent with fulfillment of the foreign assistance program. A waiver to continue the services of Aurora Associates at the same time is not required since the firm has 8(a) status designated by the Small Business Administration.

Background: In March 1984, \$1 million was authorized as an amendment to the FY 1983 obligation to facilitate arrangements for the placement of the FY 1984 student contingent in U.S. universities by providing funding for their first year of study. The existing contracts signed in FY 1983 with IIE and Aurora were extended for the amounts of \$750,000 and \$250,000, respectively. At that time it was planned that (1) the project paper would be designed and approved and (2) the final contractor for the remaining \$20.9 million included in the attached fourth amendment to the FY 1983 project authorization would be selected through a fully competitive contractor selection process by the end of FY 1984.

Discussion:

In accordance with AIDPR 7-3.101-50(d), a contractor may be selected without competition if the Assistant Administrator "makes a formal written determination with supporting findings that procurement from any other source would impair foreign assistance objectives, and would be inconsistent with fulfillment of the foreign assistant program." Such a determination for the support of FY 1984 students already placed in U.S. institutions pursuant to the referenced memo, for the remainder of their course of study, is justified for the following reasons:

1. IIE has a proven capacity to place South African students in U.S. educational institutions with tuition waivers on a timely basis. IIE has been successfully conducting this program since 1976, predating AID's involvement by four years. It has in place an established network with American schools and universities granting tuition waivers to South African students which substantially reduces the average cost per student placed.

232

2. IIE has established a selection and student processing relationship with the Educational Opportunities Council (EOC) in South Africa which cannot be replaced quickly by another firm. This relationship has been in existence since 1976. As a result of EOC and IIE experience over the past 5 years in selecting and placing South African students and IIE's role in assisting EOC with the selection of the FY 1984 new starts, IIE has unparalleled familiarity with the academic weaknesses and strengths of college-bound disadvantaged South Africans, which is of critical importance in planning and supporting these FY 1984 new starts in U.S. institutions.

3. There is a support network for corporations and universities which serve on a National Council overseeing the South African Educational Program (SAEP) of IIE. To disrupt this important relationship would jeopardize the important private domestic support to this program in terms of financial aid and scholarships.

4. The EOC is affiliated with the South African Council of Churches (SACC) headed by Bishop Tutu, and is currently the only South African mechanism for screening 800-1,000 students annually, and arriving at a selection of around 150. The SACC under Tutu is one of the most important organizations in South Africa representing black, colored and white opinion with respect to the need for social change in South Africa. The Bishop has asked that AID not undertake major management changes in this scholarship program without close consultation with EOC and SACC. The continuation of a close working relationship between these organizations and AID is an important aspect of the administration's "constructive engagement policy."

5. With the provision of \$1 million through the second project authorization amendment, the selection and initial placement of FY 1984 has been ensured. It will minimize disruption and hardships on the students, as well as project management if the two firms continue their relationship with the students currently in their charge until these students have completed their full course of studies in the U.S.

6. With only two months remaining before the end of the fiscal year it will not be possible to select competitively the new U.S. contractor(s) to implement the remainder of this \$20.9 million program. Realistically, the competitive selection process will require a minimum of from 90-120 days to complete properly. Any efforts on AID's part to save time by reducing the period of competition would probably result in objections from organizations interested in bidding on the project but who may require additional time to develop a proposal for a project of this size and complexity, especially one which must take account of South Africa's unique problems. Bearing in mind that this project is specifically earmarked by Congress and evokes continuing Congressional interest, it is also important that every effort be made to include as many interested U.S. firms in the bidding process as possible.

233

Recommendation:

That you sign below indicating your determination that procurement of up to approximately \$2.25 million of technical services for support for FY 1984 new starts for the full term of their studies in the Training for Disadvantaged South Africans Project from a source other than the Institute for International Education would impair foreign assistance objectives, and would be inconsistent with the fulfillment of the foreign assistance program.

Approved: Mark S. Goldman

Disapproved: _____

Date: 8-22-84

231

Clearance:

AFR/PD/SAP: MGilbert MR.
AFR/PD: LHausman [Signature]
AFR/SA: RCarlson [Signature]
AFR/SA: MFeldstein (draft)
AFR/TR/EHR. CPerry (info)
AFR/DP: JGovan (draft)
GC/AFR: MAKleinjan MAX
AFR/S: RNorland (phone)

DAA/AFR/ESA: PBirnbaum: PB; Date: 8/17/84

AFR/PD/SAP: LJack [Signature] Sen: byt: 7/24/84: X28818: X1391L

[Handwritten mark]