

IMPROVEMENTS IN ACCESS, BUT PARTICIPATION RATES STILL A PROBLEM

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Introduction

The collapse of apartheid in 1994 was a watershed moment in South Africa's history, not only because it marked the onset of democracy, but mainly because it signalled the beginning of a deliberate and necessary process of undoing the effects of the many years of institutionalised racism, marginalisation and deprivation of a significant section of South African society. Despite laudable advances having been made in transforming the post-apartheid state and expanding access to opportunities and services, some persistent challenges serve to reinforce and, in some instances, exacerbate a legacy of poverty and inequality.

One of these is the field of higher education. Although the causal factors are manifold, the discussion here concentrates on funding-related issues, which, as acknowledged by educational economists, are intricately linked with issues of accessibility. The discussion attempts to highlight the various ways in which issues related to funding have constrained poor people's access to higher education in South Africa. The analysis first maps the changes realised in higher education access in South Africa since the end of apartheid; this is

followed by a discussion of various funding factors that have impacted on equitable access. The article closes with some concluding observations.

Access to higher education

Several realities characterise the question of access to higher education in South Africa, and this has implications for its expansion and the achievement of equity. Compared to the total headcount enrolment of 525 000 in 1994 (Bunting & Cloete 2008), the figure for 2010 of 892 943 represents a remarkable improvement (see Table 3.3.1).

Table 3.3.1 also shows that the greatest quantitative expansion in enrolments was experienced in the African population group, from 353 327 in 2001 to 595 791 in 2010. However, this significant increase in enrolments has not translated into major changes in the participation rates of the African and coloured population groups, in particular, which stood at 14.1 per cent and 15.0 per cent respectively in 2010 (see Table 3.3.2).¹

Table 3.3.1: Total headcount enrolment by population group, 2001–2010

Year	African	Coloured	Indian	White	Unknown	Total headcount enrolment
2001	353 327	32 900	43 436	173 397	1 879	604 939
2002	377 072	37 906	47 567	178 871	1 832	643 248
2003	403 235	42 390	51 611	184 964	2 270	684 470
2004	453 621	46 091	54 326	188 714	1 692	744 444
2005	446 945	46 302	54 611	185 847	1 331	735 036
2006	451 107	48 538	54 859	184 667	2 209	741 380
2007	476 680	49 001	52 579	180 435	2 194	760 889
2008	515 058	51 647	52 401	178 140	2 245	799 491
2009	547 686	55 101	53 629	179 232	2 131	837 779
2010	595 791	58 176	54 492	178 190	6 294	892 943

Source: DHET (2011)



The huge quantitative growth in access witnessed since the collapse of apartheid has not impacted significantly on higher education participation rates.

An obvious conclusion to be drawn from Table 3.3.2 is that access patterns in South African higher education reflect significant inter-group disparities. Reading the two tables together, it can be concluded that the huge quantitative growth in access witnessed since the collapse of apartheid has not impacted significantly on higher education participation rates, especially those pertaining to the African and coloured population groups. There is, therefore, a significant segment of these two population groups for whom the promise of access to higher education remains a mirage. In theory, it is within reach; in practice, it is almost impossible to obtain. In recent research on the so-called NEET (not in education, employment or training) group, Nico Cloete and his colleagues went to great lengths to describe the magnitude of this problem (see Cloete 2009). Their study showed that out of the 5 756 003 South Africans in the 18–24-year age cohort an astounding 41.6 per cent were neither employed, nor in education or training. Twenty-seven per cent, about 770 000, however, had the requisite academic qualifications to attend tertiary education institutions.

The data in Tables 3.3.1 and 3.3.2 also raise concerns about the higher education system's ability to expand in a way that would promote equity of access for the two least represented population groups. Looking at the headcount enrolment figures in Table 3.3.1, the African and coloured population groups accounted for 72 per cent of the total headcount enrolments in 2010, yet their participation rate averaged only 14.55 per cent. This means, *inter alia*, that if the entire enrolment in South Africa's higher education were to be made up of African and coloured students only, the impact on the participation rates of these two groups would still not be significant. This reality is critical and, as noted in the recent Green Paper on post-school education, should encourage a diversified post-school sector with well-developed college and further education and training sectors. On a positive note, enrolments by female students have improved significantly. Female students accounted for 52 per cent of all enrolments in 2000 and had reached 56 per cent by 2010. This is a laudable achievement, especially in Africa where female students tend to be in a minority.

The access challenge is not limited to low participation rates; the higher education system also has unacceptably high internal inefficiencies, which are manifested in low throughput rates. A recent analysis shows that only 45.6 per cent of the undergraduate cohort that entered the tertiary system in 2004 graduated in 2009; 40.3 per cent had dropped out, while the remaining 14.1 per cent were still studying towards obtaining their qualification (DHET 2011). Black African students had the lowest graduation rates. Further

Table 3.3.2: Higher education participation rates by population group, 2001–2010

Year	African	Coloured	Indian	White	Total
2001	9.9%	8.3%	40.1%	50.0%	13.6%
2002	10.3%	9.8%	43.9%	54.7%	14.4%
2003	10.9%	11.1%	46.4%	57.1%	15.2%
2004	12.2%	12.1%	47.8%	58.7%	16.4%
2005	11.9%	12.3%	47.3%	58.1%	16.1%
2006	11.8%	12.9%	47.0%	58.2%	16.0%
2007	12.2%	13.0%	44.7%	57.5%	16.1%
2008	12.8%	13.6%	44.2%	57.4%	16.6%
2009	13.3%	14.3%	44.9%	58.4%	17.0%
2010	14.1%	15.0%	45.6%	58.9%	17.8%

Source: DHET (2011)

analysis in this study showed that by 2009 only 38.3 per cent of African students, 42.1 per cent of coloured students and 48.5 per cent of Indian students from the 2004 cohort had graduated. The comparative figure for white students was 63.5 per cent. These poor graduation rates, especially those of black African students, have been confirmed by several studies. For instance, Bhorat, Mayet and Visser (2010) have shown that under existing conditions half of African males in the university system are likely to drop out before graduating. Students receiving financial aid have not fared much better than those studying without support. The recent review of the National Student Financial Aid Scheme (NSFAS) reported that 48 per cent of NSFAS beneficiaries (316 320) had dropped out or otherwise had not completed their studies (DHET 2009). Dropping out of college not only amounts to 'wasted access' that stunts the system's ability to absorb the challenge, but it also has equity implications, considering that those affected most by low completion rates are students from disadvantaged backgrounds.

Therefore, although expanded access has been achieved in South Africa's higher education system since 1994, a huge unmet demand, especially by (previously) marginalised communities, still exists. The system's current carrying capacity is woefully inadequate to make a significant impact on the magnitude of the challenge. As for equity, the higher education system is still characterised by gross discrepancies in the participation rates of students from different population groups, with the African and coloured groups being the worst affected. Lastly, it would seem that any gains made in terms of increased enrolment are negated by the high internal inefficiencies in the system. Again, students from marginalised communities are the worst affected.

Funding

Inequalities in higher education participation in South Africa have been occasioned and sustained by several factors, which include historical considerations, unequal access to critical infrastructure and resources that provide opportunity, the mediocrity of the school system, and financial difficulties that put education out of the reach of many. A convergence of these factors has ensured that the majority of those from historically marginalised communities remain marginalised, even in the post-apartheid era where social justice and service delivery are supposed to be key policy imperatives. From a Rawlsian perspective, justice in the education system should be interpreted as improving the educational position of the most disadvantaged in society. Considering the nexus between

the funding of higher education and the attainment of important policy outcomes, such as equity of access, the following important question is worth posing: Has the higher education funding regime supported the improvement of the educational position of the most disadvantaged prospective students in society?

As indicated above, funding is a key determinant of access to higher education. This is especially the case in South Africa, where the greatest demand for higher education comes from those who are still struggling to overcome the effects of the many years of economic and social deprivation. Students from these communities, on average, are challenged financially, which means that significant state funding – to cover both tuition and living costs, as well as support programmes that seek to mitigate the effects of poor schooling – is required for any impact to be realised. In addition, as behavioural economists have shown, low-income students tend to respond negatively to the increasing costs of higher education and are averse to taking commercial loans to support their studies (Vossensteyn & De Jong 2006). The prohibitive terms of these commercial loans play a significant role in further excluding the poor from access to educational opportunities, which, in turn, puts additional pressure on the state to fill the gap. In such a context, the overall funding of higher education by the state, financial assistance for students, and tuition fee regimes are critical factors in the realisation of equitable access to higher education in South Africa. This section explores how these funding considerations have been supportive of the development of the most disadvantaged in South Africa.

State funding of higher education

Globally, the funding of higher education is in decline. This phenomenon has been underpinned either by state funding cuts or by stable allocations and increases that have not kept up with the rising expenditures involved in running universities. In addition, a combination of the following factors has increased the financial difficulty facing universities:

- » per-student costs increasing (worldwide) at rates in excess of the average rate of cost increases in the general economy;
- » an acceleration in student enrolments, acting on the above-mentioned per-student (unit) cost increases; and
- » public revenues that generally (again worldwide) are unable to keep up with the trajectory of cost increases (a function of the two factors mentioned above), due, mainly, to the intense competition from other, also rapidly increasing, public needs, such as health, housing and security. (Johnstone & Marcucci 2010).

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To varying extents, the funding of higher education in South Africa has mirrored the above trends. State funding of higher education as a percentage of GDP declined from 0.72 per cent in 1995 to 0.69 per cent in 2012. The same downward trend was registered with regard to state funding of higher education as a percentage of total state finance. In addition to these two important indicators, it has been shown that state funding per full-time equivalent (FTE) student declined in real rands by 2.2 per cent per annum between 2000 and 2010 (DHET 2012).

Even though the diminishing state funding of public higher education in South Africa mirrors a global trend, this decline in state support for higher education is occurring at a time when the system is in great need of funding to achieve the policy goals articulated in the 2001 National Plan for Higher Education (MoE 2012). These include more equitable student access, improved quality of teaching and research, increased student progression and graduation rates, and greater responsiveness to social and economic needs.

To promote equitable access, through sustained high levels of enrolment, the government will have to make substantial investments. The introduction of enrolment caps in 2004 was probably the clearest indication that student enrolments in the sub-sector had exerted unsustainable pressure on the fiscus. The enrolment caps introduced in 2004 limited the number of students that institutions could enrol. In introducing the caps, the then Minister of Education, Naledi Pandor argued that the higher education system had grown more rapidly than the available resources. The enrolment caps effectively marked a shift from a policy of massifying higher education to one of affordability.

Declining state funding of higher education has meant that universities must seek income from alternative sources to make up for the shortfall. Since the emergence of the entrepreneurial university in the last years of the previous century, it is expected that universities increasingly tap income from various markets as a defence against 'government failure'. Despite the expectation that universities would seek income from so-called third-stream income sources, the South African experience has shown that students, through tuition fees, have become the most important source of non-government income. The heavy reliance on tuition-fee income by South African universities has obvious implications for equity of access.

Tuition fees

Tuition fees are essentially education prices and, as expected of prices, they impact on both the demand and supply of higher education. From the supply side, tuition fees are an important source of revenue to universities, especially in a context of declining or inadequate state funding. They impact on demand, too, since tuition fees are obligatory for student enrolment and participation in higher education. One reason why the state funds universities and provides financial aid

to students is to drive down tuition fee levels by enhancing purchasing power.

South African universities have increased tuition fees over the years, in part because of declining state funding. Between 2000 and 2009, student fee income per FTE enrolled student grew in real (2000) rand at an average rate of 2.5 per cent. Over the same period, government funding per FTE student declined at an average annual rate of 1.0 per cent (Wangenge-Ouma & Cloete 2008). However, the increases in tuition fees cannot be blamed entirely on declining state funding. Some universities, especially the historically advantaged institutions, have increased tuition fees, inter alia, to maintain parity with their so-called peer institutions, but also because a significant section of their students come from privileged backgrounds and can afford higher fees.

It should be noted, however, that these apparently 'high fees' often amount to a discount for a section of students and their parents, who paid even higher fees for secondary education. This is symptomatic of the unacceptably high levels of inequality in the country. Universities, especially historically advantaged universities, therefore, are confronted with the challenge of setting fees at levels that do not discourage poor students from accessing higher education, without making the fees unnecessarily cheap for students from privileged backgrounds.

The affordability of higher education in South Africa is a real challenge, considering NSFAS's inability to provide financial support to all deserving cases. In addition, while historically disadvantaged universities charge relatively low fees, most of their students, who come from poorly performing schools, still cannot afford these fees, as is evident in the high levels of student debt at these institutions. The bottom line here is that there are South Africans who are not able to afford any level of tuition fees, regardless of their ability as students. Overall, high student fees, though an important source of revenue to universities, have become an obstacle to widening access for the poor, especially in a context of inadequate financial aid. It is against this background that demands have been made recently for free higher education for the poor.

National Student Financial Aid Scheme

Student financial aid plays a critical role in expanding access, increasing the enrolment of economically disadvantaged students, and narrowing the access and achievement gaps between income and social groups. Generally, student aid is targeted at those who are regarded as poor for various reasons, with unaffordability of tuition fees, living costs and a relatively high price-sensitivity being considered.

NSFAS was established in 1999 to provide financial aid to intellectually talented but economically challenged students. Since its inception, NSFAS has provided financial aid to almost 700 000 students, and distributed more than R12 billion in student financial aid in the past ten years. The high number of students who have benefited from NSFAS support shows the



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crucial role the scheme has played in expediting access to higher education for South Africa's poor. Notwithstanding its laudable achievements, the scheme is confronted with challenges that have affected the scale of its impact. These challenges include inadequate state funding, which means that not all needy cases receive financial support or, in cases where it is offered, the amounts are insufficient to cover the full cost of studies.

The inadequate funding of NSFAS has been compounded by the increases in fees, discussed in the previous section. The impact of NSFAS has been diluted, because it cannot significantly increase the number of beneficiaries. This has implications for both the expansion of access and equity in the student population.

Conclusion

The achievement of expanded higher education access for South Africa's poor is an important policy imperative – not only as a social justice issue but also to address the skills shortages in the country. South Africa's unacceptably high levels of inequality, which are linked to the imbalance between the demand and supply of skills, require that concerted efforts be made to address access and retention of students in the higher education system.

As noted in this discussion, there have been significant achievements in terms of higher education access. Yet, the steady growth in enrolments has also been stymied by several interlinked and intractable factors. The mediocrity of the school system has kept many students from poor socio-economic backgrounds from qualifying to enter higher education. Furthermore, funding, which plays a key role in enhancing access, has not grown at levels that support the

increase in demand. Consequently, poor South Africans remain excluded from participation in higher education. This exclusion has been made worse by the high levels of wastage in the system, considering that almost 50 per cent of students who enrol drop out.

The funding challenge is a complex one, and is inimical to wider access and participation. For public universities, the challenge is how to provide expanded access in a context of declining state financial support and public disapproval of tuition fee increases. For the government, the challenge is how to support expanded access in an economic policy context that increasingly is leaning towards cost containment and is characterised by competing claims from other equally deserving sectors, such as basic education, health, security and infrastructure. To students, especially poor students, the challenge is to carry the costs of higher education in a context where tuition fees have increased and student financial aid remains inadequate.

Thus, the present higher education funding context is one that requires significant interventions to support equitable access. Recent policy proposals to develop middle-level colleges and the further education and training sector seem to offer a viable strategy of alleviating pressure on the higher education system.

Notes

1. The gross higher education participation rate is calculated on the basis of the total headcount enrolment in each year and the total population in the 20–24-year age group. Therefore, the gross participation rate refers to the proportion of a population enrolled in universities as a percentage of the total population in the 20–24-year age group, the official university-going age group.