Outline Ntsheoe, Track 6

Improving access to higher education in South Africa under democratic rule

Key issues
First, students are potentially well-informed customers, better able than planners to make choices that conform to their interests and those of the economy but that people from poor backgrounds might not be fully informed, emphasising the need for scholarships and bursaries. Second, a widely accepted assertion exists that beneficiaries from higher education including students should contribute to its costs.

This presentation highlights shifts in policy and practice away from first-stream money income funding (government as the sole financier) for higher education. This involves a move towards second-stream revenue, with the introduction of elements of privatisation in the form of tuition, student loans and other cost-recovery and cost-sharing mechanisms, and third-stream money income involving student loans.

The main question. How far can access to higher education be widened and efficiency be improved by financing the sector through second and third stream income and how these cost-recovery and cost-sharing mechanisms advance equality and equity in a democratic rule in South Africa?

The presentation will highlight competing government priorities of improving expansion of access to higher education and achieve efficiency driven by the changing economic conditions, by encouraging institutions to charge tuition fees and through government’s partnership funding through students loans on the one hand, and the extent to which tuition fees and student loans may promote institutional and equity and redress in different institutional types and individual students and families

The following issues, challenges and problems related to the topic are the focus of the presentation.

First, shifts from reliance on governments or taxpayers as exclusive financiers of higher education towards second stream money income generator (students and their families) and third money incomes (private sector) to improve access to higher education.

Second, cost-recovery mechanism and cost-sharing to improve access to higher education in different settings in general and in South Africa in particular.

Third, increasing trend of implementing students loans policy as means of improving access to higher education in developing countries and in South Africa.

Lastly, cost recovery and cost-sharing to improve access to higher education and enhance equity and redress on the one hand, and efficiency and accountability in higher education.

Background of the problem or issues including relevant literature
Issues examined: i) the indistinct nature of private and social costs and benefits of higher education and the accompanying convergence between private and public characteristics raise serious challenges about cost recovery through second (fees) and third stream money income can improves access to higher education especially for students from poor family backgrounds; ii) factors that induce the move from first stream to second and third streams (cost-recovery and
cost-sharing) models to expand access to higher education in South Africa under democratic rule; iii) Debt accumulation from non-payment of tuition fees in the different institutional types and the their effects on efficiency; iv) Cost-recovery and cost-sharing to improve access to higher education

Description of how the problem or issues will be approached
Purposeful sampling has been used to select eight higher learning institutional types comprising historically advantaged and historically disadvantaged institutions in South Africa.

Use is made of a variety of methods to collect both quantitative and qualitative data nationally and on each institution including data relating to levying of student fees as part of second-stream money income (cost-sharing) through tuition fees and student loans during apartheid and after.

Semi-structured interview guide will be employed to collect qualitative data in sampled institutions. Quantitative data will be augmented with qualitative data to be collected through interviews with key players.

Results including how findings relate to previous work
The results of this proposed study augment the findings of the previous study on the issue of diversification of funding sources for public higher education in South Africa and institutional responses and academic capitalism. The results will highlight extent to which cost-recovery and cost-sharing mechanisms improve access to higher education and reduce inequities and inequalities in developing countries and in South Africa.

Implications of work for others including how generalisability of findings
The findings will reinforce findings of earlier study of a gradual shift from the notion of government as the sole financier of public higher education to second- and third-stream income. It will reinforce findings elsewhere and in the post-apartheid South Africa that the burgeoning demand for higher education, and the inevitable shrinking of allocations to the sector as more urgent priorities compel governments and institutions to cost-recovery and cost-sharing mechanisms will be highlighted.

First, cost-recovery and cost-sharing mechanisms need to be carefully planned and applied to avoid possible aggravation and recreation of historical inequities. Thus, while all institutions are expected to charge tuition fees and make loans available to assist students from poor family backgrounds, these cost-recovery and cost-sharing mechanisms should be understood within a particular context and the history of an institution.

Second, the complementarities between public and private good of higher education and the competing imperatives of equity and redress on one hand, and global demands that introduced discourses of cost-effectiveness, cost saving and efficiency on the other are important consideration.

Third, any prospect of raising income from tuition fees depends on enrolment, which in turn depends on the history of an institution, its popularity and its location.

Despite problems the student loan seems a better option to recover the costs of higher education compared to tuition fees, even though it has some limitations itself. The South Africa case on National Financial Student Aid Scheme as part of earmarked funding is worth trying in other settings.
Cost-recovery and cost-sharing to promote efficiency through tuition fees can be counterproductive when accumulated student debts are written off, which may instead create inefficiencies in the system.

What you have concluded
Free higher education is untenable and this makes it unavoidable to explore funding of the sector from second and third streams money income. However, these funding mechanisms have potential of recreating and reproducing past inequities in the system.

A final paragraph to how the proposal fits the relevant track theme
Improving and widening access to higher education through second and third stream money to achieve efficiency and addressing and equity and equality imperatives fits well within the track 6: Financing higher education

References
Albrecht, Douglas and Ziderman, Adrian. Cost recovery for higher education: Are student loans an effective instrument? Washington, DC: The World Bank Research Observer, 8 1