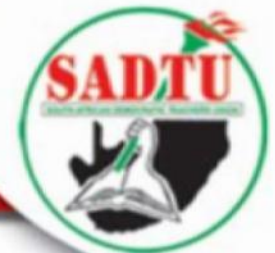


We Are The Missing Middle: SADTU's Position on Higher Education Fees

South African Democratic Teachers Union



INTRODUCTION

Socio-Economic Realities of Public Servants:

1. A newly qualified educator in SA with less than 5 years experience earns R228 984 (Post level 1)
2. Tuition fees range between R29 093 and R43 320. The national average is R36 206.
3. Residence fees can range from R10 315 to R49 000.
4. Average meal costs R23 980 or roughly R2400 per month for 10 months
5. Books and stationery can cost R6000.
6. The average annual total costs of higher education are just below 50% of the average annual salary of teachers.

INTRODUCTION CONT....

EDUCATORS' HISTORICAL SALARY SCALES / NOTCHES										
Designation	Notch	YEARS								
		2008	2009	2010	2011	2012	2013	2014	2015	2016
Post Level 1	85	127 392	141 408	152 016	162 354	173 718	185 184	198 888	212 811	228 984
Post Level 2 (HOD)	108	160 152	177 771	191 108	204 102	218 388	232 803	250 029	267 531	287 862
Post Level 3 (DP)	126	191 556	211 671	227 547	243 021	260 031	277 194	297 705	318 543	342 753
Post Level 4 (Principal)	180	327 828	360 612	397 660	414 021	443 001	472 239	507 186	542 688	583 932

Commodification of Education

1. Most of the students who are largely from poor and working class backgrounds are denied access to higher education simply because they do not have the monetary means to buy education.
2. We need to develop systems and opportunities that allow the poorest of the poor to attain education without the burden of the cost.
3. The commodification and commercialisation of education remains the biggest challenge facing our higher education and further training sector
4. Education is treated as a good by the institutions which is sold to customers who are students in exchange for money.

Education as a Public Good

1. Education as a public good should be regarded as essential to the development of citizens in a democratic society.
2. Any discussion about the provision of health, education and similar public and social goods is unavoidably about a view of society and its transformation.
3. We are opposed to the running of institutions of higher learning like businesses because if not stopped, it has capacity to reverse the gains that have been made so far.
4. Making education a public good is a humanistic approach based on the respect for life, human dignity, cultural diversity and social justice (UNESCO)

People's Education for People's Power

1. The Freedom Charter (1955) lays down the basis for democratic 'government of the people, by the people' in a united, non-racial and just South Africa.
2. Central to the notion of educational democracy in South Africa is the idea that democracy entails, and should enhance, greater participation and access.
3. Regrettably, the Freedom Charter's concept of 'people's power' and by implication of 'people's education', was undermined during the transition from apartheid to democracy.
4. The National Education Conference of 1992 said: education shall be based upon the principles of co-operation, critical thinking and civic responsibility, and shall equip individuals for participation in all aspects of society. This is in line with the Freedom Charter objectives.

Link between education and economic growth

1. Education increases the human capital inherent in the labour force, increasing labour productivity and thereby engendering transitional growth toward a higher equilibrium level of output.
2. Education adds to the innovative capacity of technology to produce new products and processes, and therefore growth
3. Education can facilitate the diffusion and transmission of information needed to understand and process new ideas and to successfully implement new technologies devised by others.

Limitations of the Current System

1. A major problem which began to emerge in 1998, and which ran counter to key goals of the White Paper, was a drop in the retention rates of students in the public higher education system.
2. The historically white universities continue to have considerably higher retention percentages than the historically black universities.
3. The large numbers of 'financial exclusions' which are still pervasive in the system are probably a major cause of the low retention rates.
4. Financial Exclusion refers to students who are refused permission to register at an institution of higher learning either because they have debit balances on their fee accounts from the previous year or because they are not able to pay in advance a proportion of their fees for the current year. (CHET)

Limitations of the Current System (Cont.)

1. Large-scale financial exclusions began in 1998 when a number of historically black institutions were forced by commercial banks to produce cash-flow plans showing both their government subsidy income and their private income before extensions could be given to their overdraft facilities.
2. Because most of the private income of the institutions affected came from the tuition fees paid by students, the cash-flow plans had to assume that students with fee debts would settle these before registering (CHET)
3. Those not able to satisfy these financial requirements were refused permission to register, and enrolment totals at the historically black institutions dropped sharply as a consequence.

Limitations of the Current System

1. The level of wage inequality results directly from a failure to invest sufficiently in higher education.
2. High tuition at both public and private universities keeps many individuals from receiving the training needed to shrink wage inequality and to make the country more equal and competitive globally.

Teachers as the “Missing Middle”

1. The financially able students or those parents are, are able to pay university fees or to access commercial loan facilities for education.
2. NSFAS provides financial support to the poor.
3. The family income threshold for one to qualify for NSFAS is very low at R120 000 per annum.
4. While catering for the poor, the NSFAS excludes the lower middle class and children of professionals like teachers.

Teachers as the “Missing Middle” (cont)

1. The assumption was that the “missing middle” would be able to access commercial loans for education.
2. This has proven difficult since most do not have fixed assets like property as required by risk averse banks.
3. With an average Post Level 1 salary at notch 85 of R228 984 a great majority of teachers are within the “missing middle”.
4. The problem remains the large gap between rich and poor (the missing middle).

Teachers as the “Missing Middle” (cont.)

1. The annual average number of teacher resignations per annum over the last 5 financial years is 14 000.
2. Whilst some resign due to ill-health, death and retirement; a significant number exit the system for financial reasons.
3. They prefer to exit the system (only to re-enter as temporary teachers) and access GEPF benefits to pay off home loans and settle education related debt; this has proven to be disruptive to the system.

Way Forward: A SADTU Perspective

1. SADTU firmly believes that the call for free higher education is necessary but it must be for the poor only in the short to mid term: The poor must not subsidise the rich.
2. The parental income threshold must be revised as an immediate urgent measure to accommodate the missing middle.
3. Finance capital through institutions and big monopolies like the South African Chamber of Commerce and the South African Banking Council and many others must contribute in covering the cost of education.
4. The concept of an “education tax” targeting capital must be properly researched and the relevant legislative framework must be developed.

Way Forward: A SADTU Perspective (cont)

1. While still in the process of establishing how free education should be implemented, the government must ensure that Universities do not increase the fees for the coming academic years and measures are put in place to reduce the cost of learning.
2. The outsourcing of university services must be halted as a cost cutting measure.