

# Testimony before The Fees Commission

15 March 2017

# Who we are

- Equal Education is a membership-based, democratic movement of learners, parents, teachers, and community members.
- EE's core objective is working to achieve quality and equality in South African education.
- In order to achieve its objectives, EE conducts a broad range of activities, which include campaigns grounded in detailed research and policy analysis that is supported by public action and mobilisation, and where necessary legal action.
- The movement is driven primarily by its learner members in high schools across five provinces: the Eastern Cape, Limpopo, KwaZulu-Natal, the Western Cape, and Gauteng.

# Our Previous Submission

In our previous submission EE made the point that:

- The commission should consider the educational landscape of the country –bifurcated schooling system & an unequal & inequitable higher education system.
- The provision of fee-free higher education is in line with the policy framework of higher education in South Africa, based on chapter 5 of the Higher Education Act.

# Our Previous Submission

- The policy endeavours towards the following:
  - The redress of past discrimination.
  - Ensuring representation and equal access.
  - Providing optimal opportunities for learning and the creation of knowledge.
  - Promoting the values that underpin an open and democratic society based on: dignity; equality; freedom; respect for academic freedom; the pursuit of excellence; the promotion of the potential of every student; and appreciation for diversity.

# Our Previous Submission

The 2<sup>nd</sup> wave of FMF protests that occurred in 2016 proved the depth of the need for an intervention where high university fees & the exclusion of the poor is concerned. It was also an indictment on government for failing to take seriously the issues faced by its people.

# Our Previous Submission

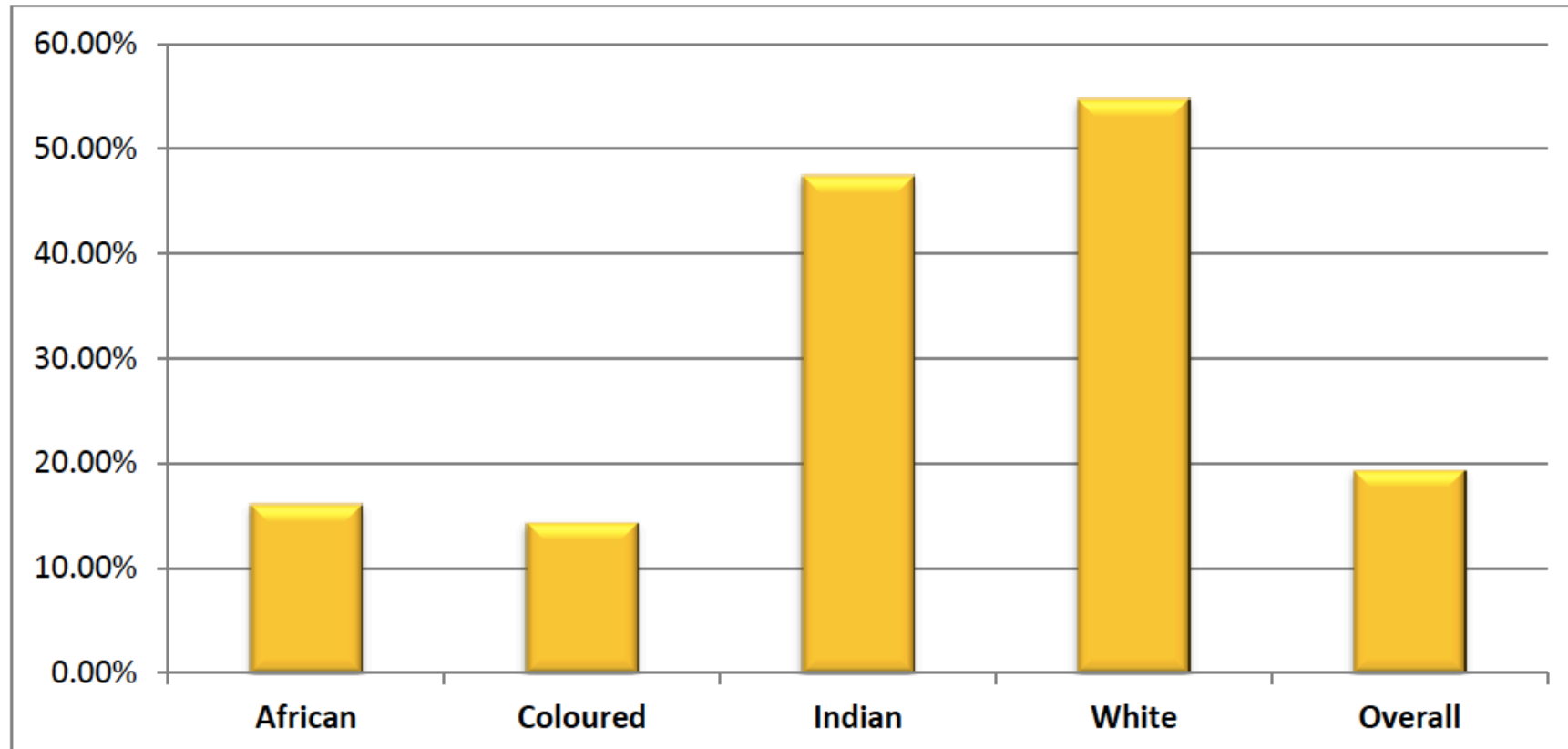
The racial participation in South African universities remains inversely proportional to the racial composition of the country.

	African	Coloured	Indian	White	Overall
Participation Rate	16.00%	14.20%	47.40%	54.70%	19.20%
Population	4 128 451	412 243	110 337	315 660	4 966 691
Public HE	662 123	58 692	52 296	172 650	953 373

*Information taken from the Council on Higher Education website, 17 June 2016.*

# Our Previous Submission

Figure 1: Participation Rates in Public Higher Education by Race, 2013



# Our Previous Submission

The prioritisation of Higher Education by the State has, up until the tabling of the 2017/18 budget, been profoundly negligible:

- In 2011 South Africa's State budget for universities was 0.75% of the GDP
  - More or less in line with Africa as a whole (0.78%)
  - Falls short in comparison to OECD countries (1.21%) and the rest of the world (0.84%).



# Updated Submission

Universities historically divided into:

- HBUs: intended only as teaching institutions
- HWUs: conceptualised as research institutions.

When government subsidies decline, pressure placed on universities' other forms of income:

- Student fees;
- And 3<sup>rd</sup> stream income (ie. research grants, contract income, donations, etc.)

# Updated Submission

This affects the institutions differently:

- HWUs:
  - Can hike fees, because students can afford them.
  - Parents and guardians in financial positions that enable them to donate to the institutions.
  - They tend to receive research grants more often (historically positioned as research institutions).

# Updated Submission

This affects the institutions differently:

- HBUs:
  - Students come from Q 1-3 schools, thus poor backgrounds – cant afford fees (even before fee hike).
  - Parent & guardian donations are impossible.
  - Minimal chances of receiving research grants (historically positioned as teaching institutions).

# Updated Submission

NSFAS cannot continue as a loan:

- Though the interest levied is low, it shackles new graduates with too heavy a debt.
- Students leave university already unsure of prospects:
  - Already have the burden of having to find a job.
  - Face the pressure of having to pull their families out of poverty.
  - Added pressure of loan repayments is far too much for young people to bear.

# Updated Submission

Rather...

- Convert NSFAS into a grant that prioritises the poor.
- State already knows who they are, since they often come from the “no-fee” schools.
- This will alleviate the burdens placed on the shoulders of young people from low-income backgrounds .

# Further Recommendations

- Government must increase university funding by an aggregate amount equal to the ratio achieved in OECD countries.
- Universities must receive a “per student” subsidy similar to the DBE’s funding of quintiles.
- Poor students must be prioritised in the endeavour for fee-free higher education in SA:
  - This includes the TVET sector, which accommodates millions of students, but remains dysfunctional & underfunded.
- PIT & CIT structures must be reassessed to ensure sufficient taxes are levied from the highest earning groups & companies.

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# Commissions Question and EE's Evidence



# What does EE understand by “Fee Free”?

- EE understands Fee-Free education as a process that guarantees education as a public good & should not be treated as a commodity.
- De-commercialisation of education has closed inequality gaps in many successful societies in the world.
- On the other hand, commodifying education serves to:
  - maintain socio-economic instabilities
  - results in a continued inability of ordinary citizens to improve their lives.
- As a result, education (& thus, upward mobility) is available only to the middle – high income brackets.

# What does EE understand by “Fee Free”?

- Some economists would suggest that there is no such a thing as a free lunch.
- But the majority of South Africans rely on greater access to education to improve their lives.
- Thus, State has a responsibility to make quality education accessible to them.
- To deny people quality education is reprehensible and goes against what is guaranteed in the Bill of Rights.

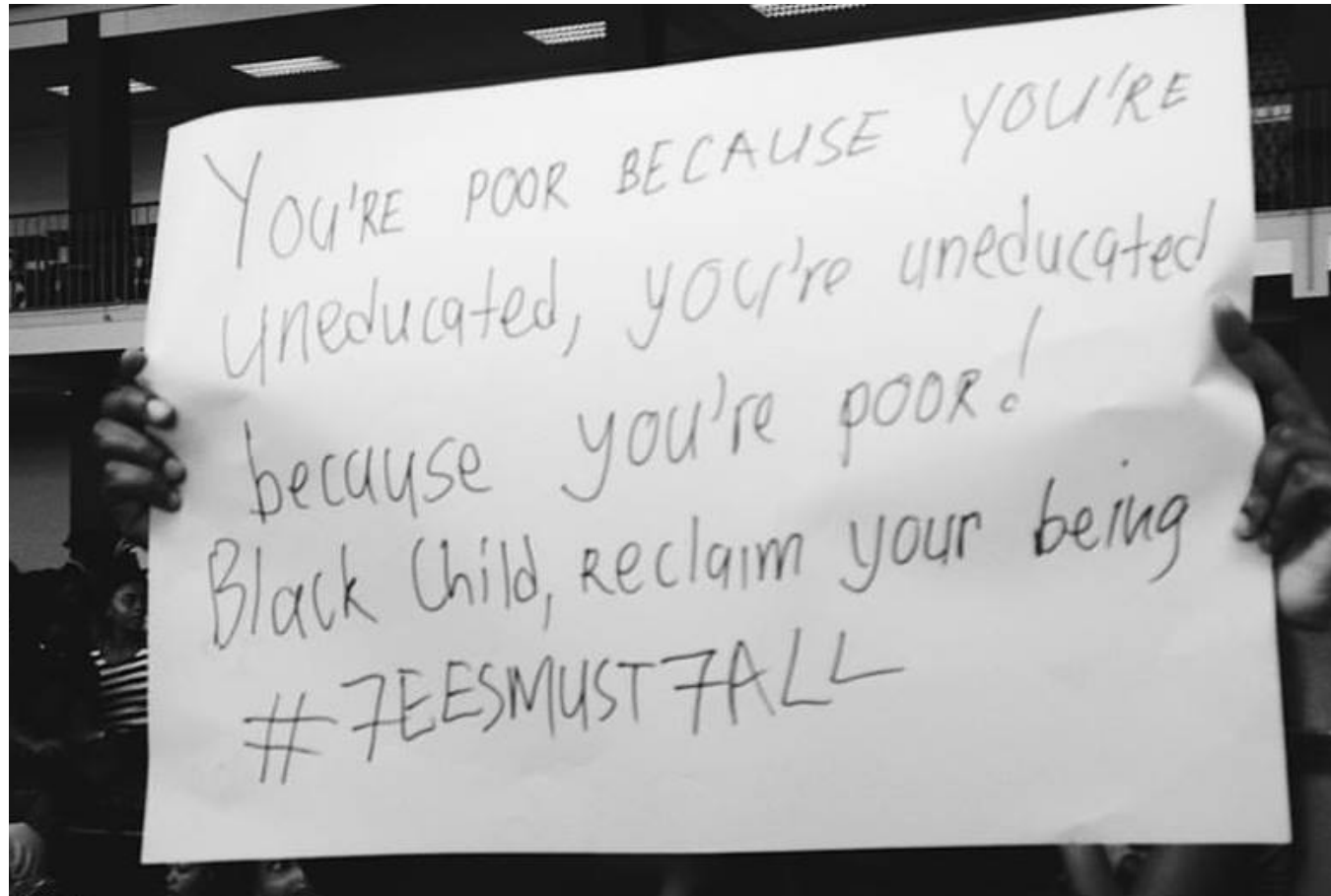
# What does EE understand by “Fee Free”?

- Becoming preoccupied with the question of what “Fee Free” education will entail, crystalizes the idea that education is a commodity.
  - Affordability must never be a barrier to people’s access to something that is a basic right
- Meanwhile State-Owned Enterprises (SOEs) are guilty of massively wasteful expenditure:
  - The consequence-less theft and a misappropriation of funds.
  - The repeated bail-outs of SOEs at the expense of tax payers.

# Is “Fee Free” possible or desirable in SA?

- Fee-free higher education is possible in South Africa
- The 2015 and 2016 FMF movements have highlighted that it is also the deep desire of many South Africans.
- Even the protest placards drove home the root of the protests:

# Is “Fee Free” possible or desirable in SA?



# Is “Fee Free” possible or desirable in SA?

- SA has a dark & harrowing past, with an economy that was exclusively designed to benefit a few.
- Refusing to right this past wrong has a human cost – the lives of poor, black SAns.
- If the SA economy could make a huge investment toward improving the lives of white communities by investing in education during Apartheid, why can this democratic State not do the same for the benefit of the rest of the country, those who remain poor and disenfranchised?

# Is “Fee Free” possible or desirable in SA?

SA has an abundance of resources & ability to deliver to millions of its people – we are not a poor country; we are a mismanaged country.

# Should “Fee Free” be applicable to all students from all backgrounds?

- Perhaps in the long term, and government should do all it can to achieve this.
- The country’s economy cannot currently achieve this without cutting into other much-needed sectors, such as TVET colleges.
- In the meantime, the priority should be the poor.



# Should “Fee Free” be applicable to all students from all backgrounds?

- Thus we propose that learners from quintile 1 - 3 schools be guaranteed free higher education in South Africa:
- These are “no-fee schools”, therefore the majority of these learners are provided transport and food by the State because they are so deeply in need.
- The State is already aware that these learners are in need & would have subsidised them throughout their primary & secondary school careers – this funding must merely be extended into tertiary education.
- Thus, no need for them to perform poverty in order to receive NSFAS.

# The proposed funding formula to fund “Fee Free”:

- NSFAS must be converted into a full grant rather than a loan scheme:
  - Result is the well-trained, educated workforce improving SA economy.
- Big corporates should be made to contribute to a grant scheme :
  - Primarily to target the students coming from quintile 1 – 3 schools
  - Residual to fund the “missing middle”

# The proposed funding formula to fund “Fee Free”:

- Subsidies provided to institutions of higher learning must first & foremost assist the HBUs :
  - These subsidy plans must be made transparent so that SAns can hold the government to account.
- Ensure that fee-free education is extended to TVET colleges :
  - Majority of the population depends on accessing this skills-based sector.
  - Monies in the SETAs would need to be put into active use for this sector to be improved.