



UNIVERSITIES
SOUTH AFRICA

Beyond the Hellscape: Higher Education reflections – *past, present and future...*

**Changes, challenges and opportunities for HE, and how
the way forward demands bold efforts and a strong focus
on collaboration and partnerships.**

Higher Education Challenges and Perspectives.

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Acknowledgement to Prof A.C Bawa

PURCO ANNUAL CONFERENCE

GO CONNECT 2022

24 August 2022

10h40 - 11h40



“If you do not change direction,
you may end up where you are heading.”

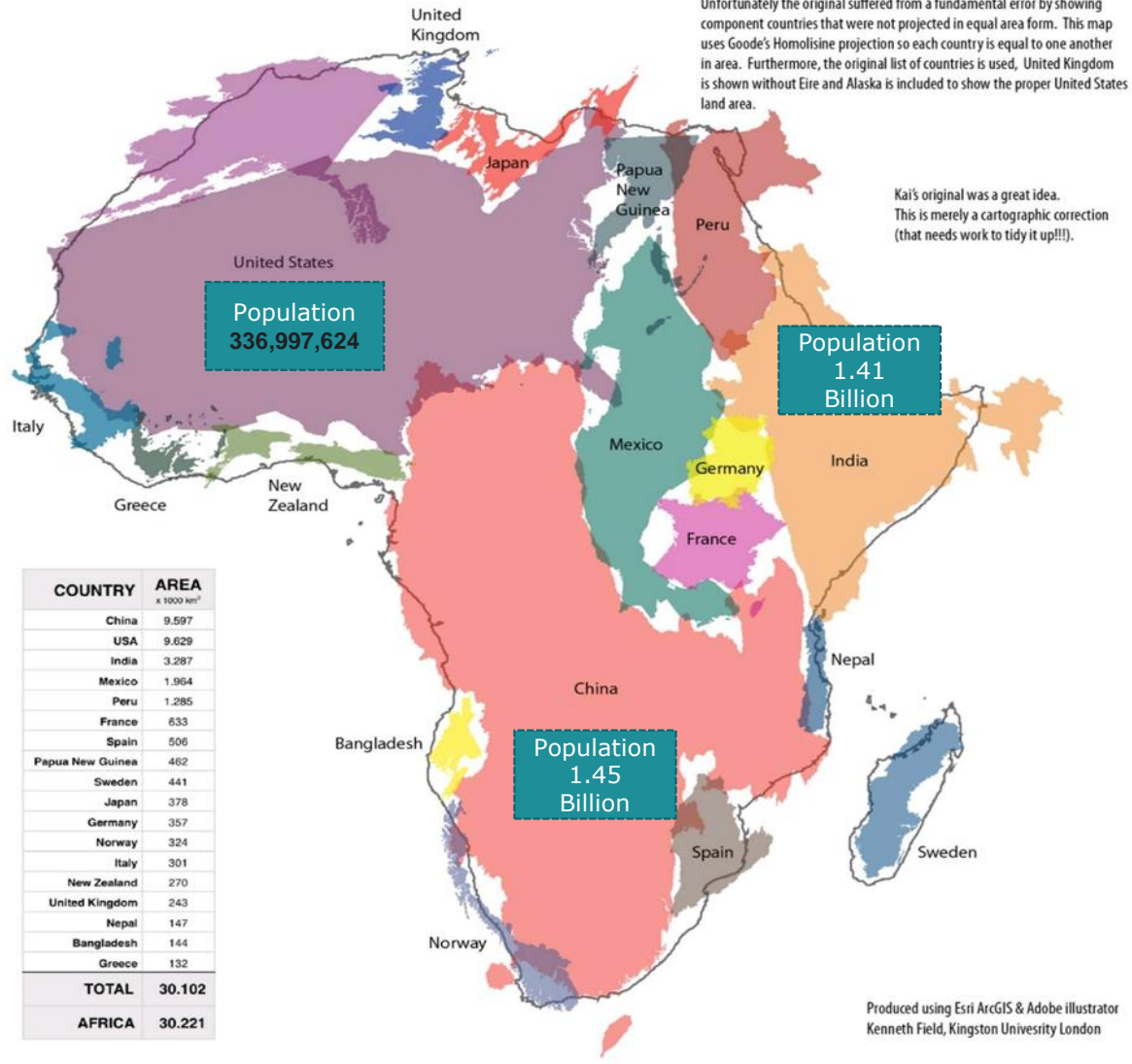
-Lao Tzu

The True Size of Africa

Correcting the fight against immappancy

The original image by Kai Krause was designed to graphically illustrate the true size of the continent of Africa in relation to various countries mapped by land area. The intention was to counter *immappancy* - that is insufficient geographical knowledge.

Unfortunately the original suffered from a fundamental error by showing component countries that were not projected in equal area form. This map uses Goode's Homolinsine projection so each country is equal to one another in area. Furthermore, the original list of countries is used, United Kingdom is shown without Eire and Alaska is included to show the proper United States land area.



THE ROLE AND PURPOSE OF UNIVERSITIES



- ***The World Declaration on Higher Education for the Twenty-First Century: Vision and Action***, sets out the **vision of the university; as a common good**, with an increased emphasis on **equity of access, enhancing the participation and promoting the role of women**, long-term orientation based on **relevance, diversification for enhanced equity of opportunity**, and innovative education approaches: **critical thinking and creativity** (UNESCO; 1998)



THE ROLE AND PURPOSE OF UNIVERSITIES



- Higher education has experienced tremendous challenges and undergone enormous transformation both locally and internationally.
- Mapping the changes, challenges and opportunities for Higher Education and how the way forward demands ***bold efforts and a strong focus on collaboration and partnerships.***
- **Universities should fulfil their core purposes**, that defines as (i) research (knowledge production), (i) teaching and learning, and (iii) community engagement.



THE REGIONAL CONTEXT

- ❑ **Regional mobility** and access to universities for students from the region is a strong theme of the protocol.
- ❑ SADC member states agreed on the undergraduate level that universities and other tertiary institutions in their countries **reserve at least 5% of admission of students from SADC** other than their own.
- ❑ **Less than 10%** of African students are enrolled in higher education, and of those that pursue post-basic education.
- ❑ The protocol encourages mobility, and member states have agreed to work towards the gradual relaxation and eventual elimination of immigration formalities that hinder free student and staff mobility at the undergraduate level.



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THE GLOBAL CONTEXT

- Globally, Higher Education is driven by **two conflicting trends: massification** and the **knowledge economy** (de Wit;2022).
- **Massification** increases the **demand for access** to higher education from countries with insufficient supply, resulting in **increased resourcing pressures**.
- **The knowledge economy** pushes higher education in a further international direction, as it asks for **world-class universities** which can operate on a global scale to compete for top talents and for top research.
- **Internationalisation** agendas should be used as a mechanism to improve the quality of learning and teaching, research and community engagement and drive a social justice agenda.

THE GLOBAL CONTEXT

- In today's age of global knowledge and technology, an **interconnected network and global awareness** are increasingly viewed as major and sought-after assets.
- With the current labour market requiring graduates to have international, foreign language and intercultural skills to be able to interact in a global setting, institutions are placing **more importance on Internationalisation.**
- The number of students enrolled in higher education outside their country of citizenship practically doubled from 2000 to 2010 (OECD, 2012a), and this trend is likely to continue.

THE LOCAL CONTEXT

▪ THE SOUTH AFRICAN HIGHER EDUCATION LANDSCAPE



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The Projected Size and Shape of the PSET System in 2022 & 2030 NDP



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2020

HE Enrolments
Public university = 1 110 361
PHEIs = 219 031

TVET Enrolments
508 000 – (number is
decreasing annually)

CET Enrolments
171 409 (2019)

SETA Enrolments
222 210 (2019)

The South African Public HE landscape includes 26 Public Universities, - 11 General Academic Universities; 9 Comprehensive Universities and 6 Universities of Technology & Approximately 135 PHEIs (DHET; 2021) & 50 TVET Colleges, 268 registered private colleges and 9 CET colleges.

2030

HE Enrolments
1 600 000

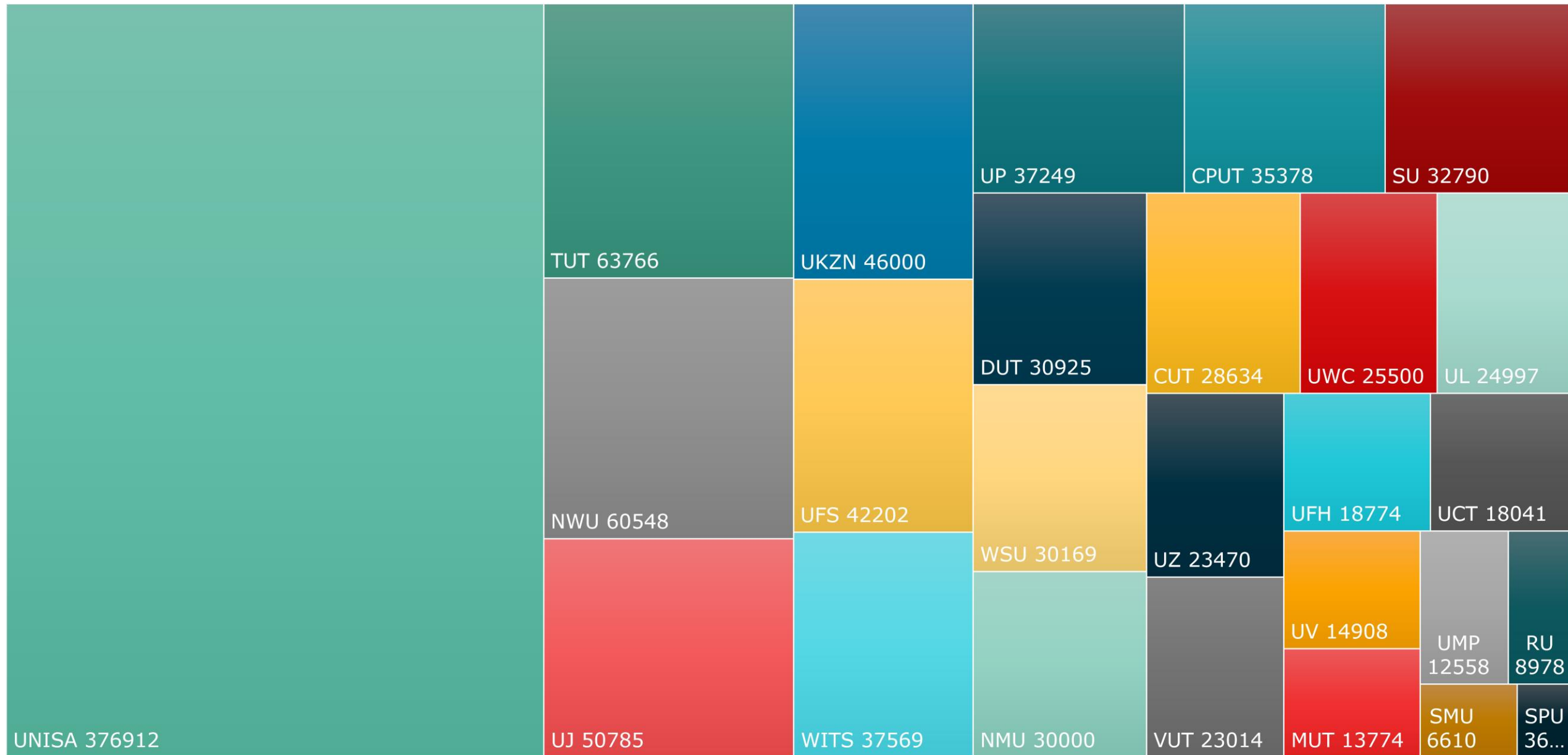
TVET Enrolments
2 500 000

CET Enrolments
1 000 000

SETA Enrolments
344 541

Source: (DHET; 2021)

SA PUBLIC UNIVERSITIES SIZE & SHAPE 2022



■ CPUT ■ CUT ■ DUT ■ MUT ■ NMU ■ NWU ■ RU ■ SMU ■ SPU ■ SU ■ TUT ■ UCT ■ UFH ■ UFS ■ UKZN ■ UJ ■ UL ■ UMP ■ UP ■ UV

PUBLIC UNIVERSITIES – OVERVIEW 2022



UNIVERSITIES
SOUTH AFRICA

- Total enrolment, including PHEIs, exceeds **1.35 million students**
- **Total university enrolment** is approximately **1,1 million** students for the 2022 AY.
- **2022 FTEN enrolment** in universities was approximately **210,000**
- **Gender split** - Female **60%** & Male **40%** **Contact & distance female (69.6%)** and **30.4% male**.
- **Student population** = **Black African 78.8%**, **Coloured 5,7%**, **Asian (3.8%)** & **White 10,8%**.
- **Distance learning = 37.7%** & **Residential universities = 62.3%**
- **PHEIs** now make up **20%+** of the Higher Education Market.

PUBLIC UNIVERSITIES – OVERVIEW 2022



UNIVERSITIES
SOUTH AFRICA

- Most students graduated with a **Higher Certificate (13 134 or 27.9%)**, followed closely by the **360 Credit Bachelor's degrees (12 704 or 27.0%)** and **360 Credit Diploma (10 227 or 21.7%)**. In comparison, fewer students completed **Postgraduate Diploma (2 500 or 5.3%)**, **Advanced Certificate (1739 or 3.7%)** and **Honours Degree (1 616 or 3.4%)**.
- The number of graduates with doctoral degrees was **3552** in 2020, and this was 3.1% (107) higher compared with 2019 (**3 445**). The Department plans to produce **4300** PhD graduates by 2024.
- A total of **104 310** students completed N3, N6 and NC(V) Level 4 in TVET colleges in 2020, which are key exit levels in this sector. **Graduate unemployment rate – degrees = 12,5%, Diplomas = 23,2% and HC 36,5%**(StatsSA; 2021)

PUBLIC UNIVERSITIES – OVERVIEW 2022



- **Total university graduates in 2020 - 237 882 from public HEIs in 2020**, most graduates were in the fields of Business and Management (27.5% - 65 336), followed by SET (27.2% - 64 721), other Humanities (25.5% or 60 547) and Education (19.9% - 47 271).
- Graduates from private HEIs reached **47 085** in 2020.
- **Youth unemployment rate** Q1 2022 = **63,9%** (StatsSA; 2022)
- **Graduate unemployment rate** – degrees = 12,5%, Diplomas = 23,2% and HC 36,5%(StatsSA; 2021)

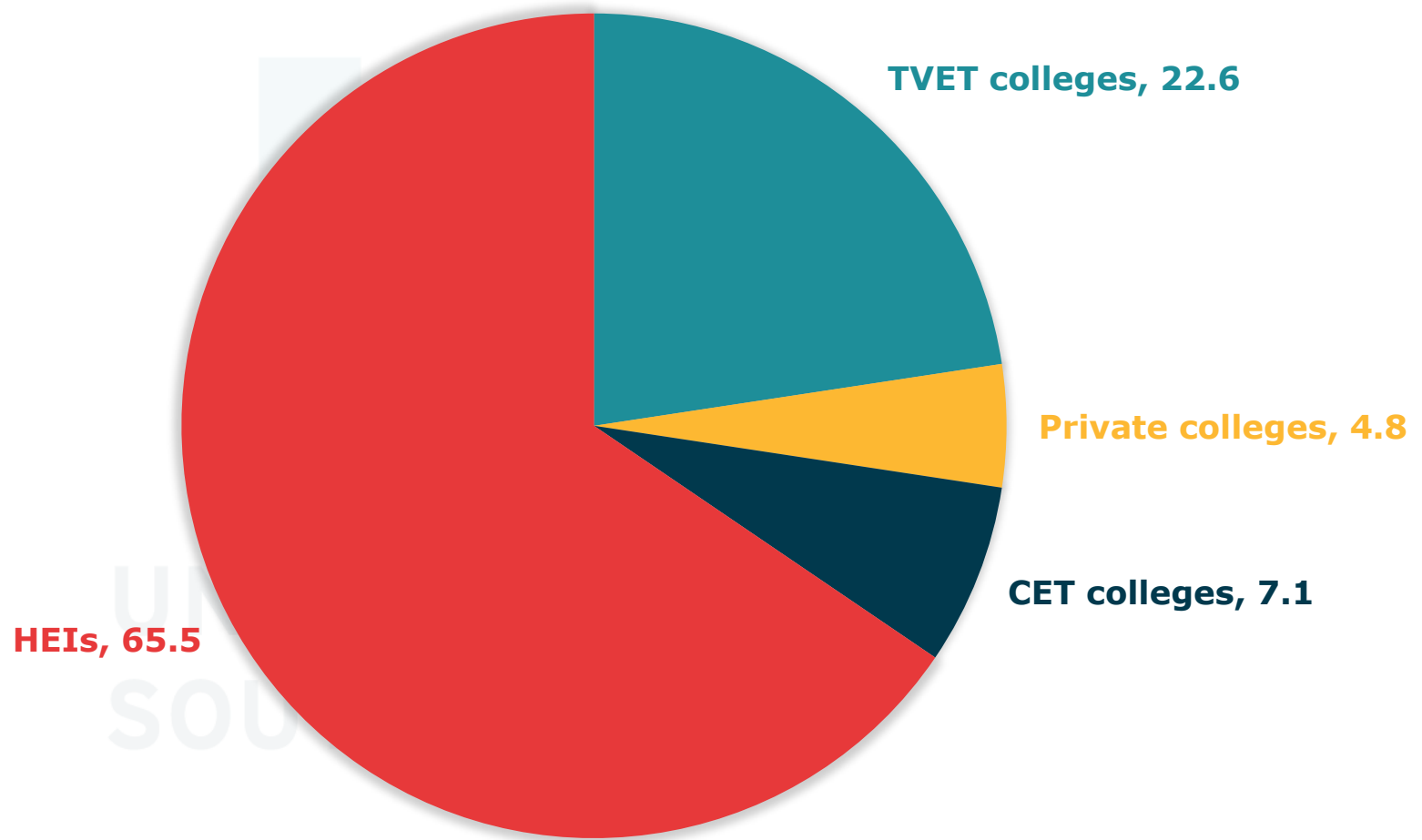
PUBLIC UNIVERSITIES – OVERVIEW 2022



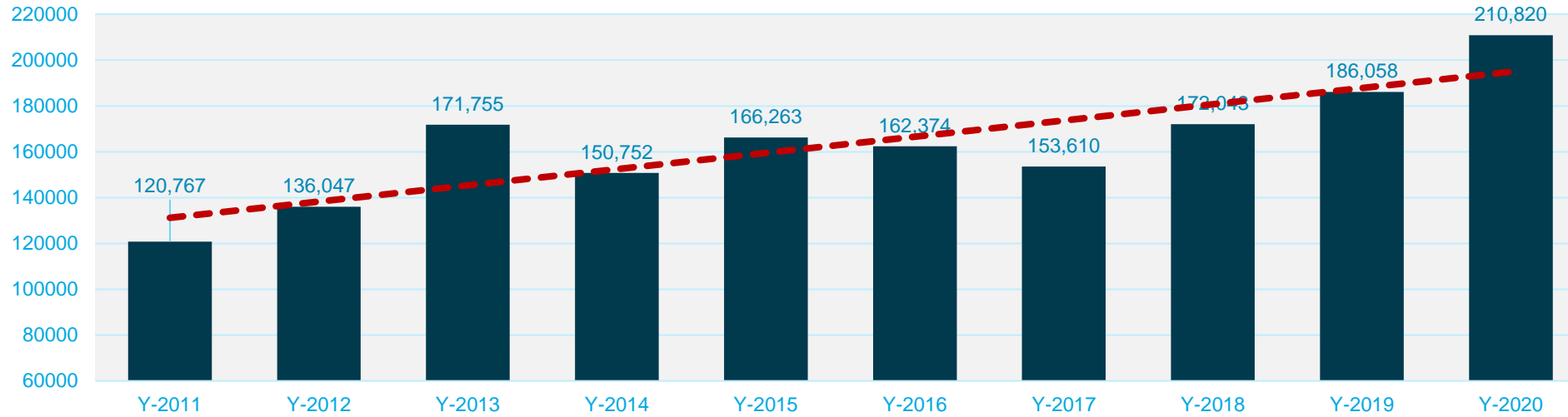
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SIZE %

Almost two-thirds (65.5%) of students were enrolled in public and private HEIs. Enrolment at TVET colleges was (22.6%), and CET and private colleges made up (7.1% and 4.8%, respectively) (DHET;2021)



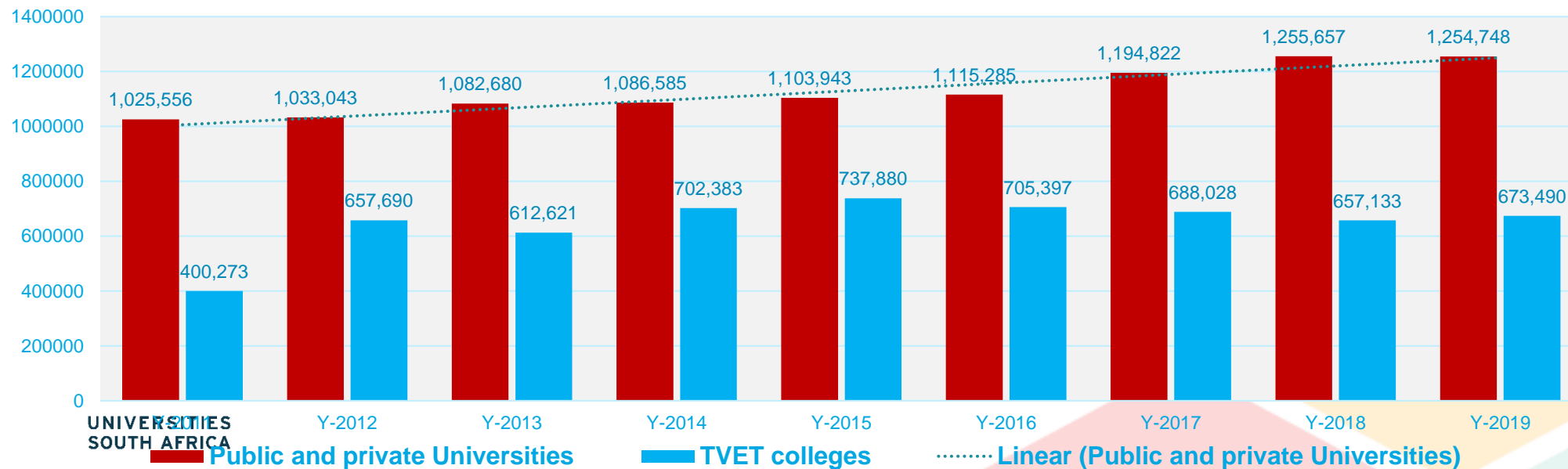
Schooling: NSC Bachelor Passes in South Africa 2011-2019 (Source: DBE Matric Reports)



Average annual increase in bachelor passes (2011→2020)

↑ 7%

Higher Education: Total enrolment in public and private universities and TVET colleges in SA 2011-2019 (Source: DHET, 2021: p.47; p55)



Average annual increase in...

University enrolment (2011→2019)
...**↑ 2.6%**

TVET enrolment (2012→2019):
...**↑ 0,6%**

UNIVERSITIES AND THE ECONOMY

Universities are expected (globally) to contribute to the development of competitive economies through their:

i. impact on the labour market with the **development of high-level professionals, experts**

ii. performance of research/innovation and IP development

iii. establishing long timeline platforms for R&D

iv. development of economic policy

Policy coherence
Rewards and incentives
Improve impact pathways
Partnerships and agreements
Enablers of impact



PRESSURES, CHALLENGES AND EQUILIBRIUM

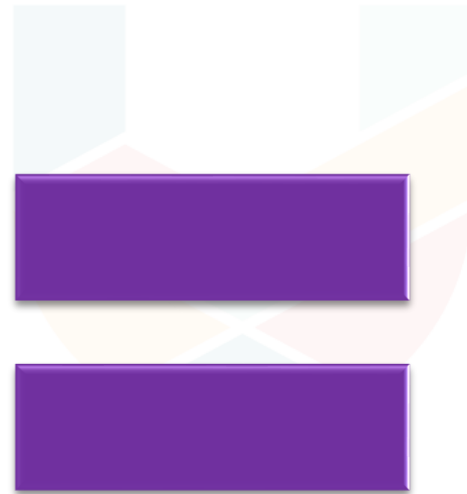


- Our universities **reside in a larger ecosystem**. (PSET, NSI, NRF, NSFAS, CHE, DHET, QCTO etc.)
- **Internal and external demands, pressures and challenges** must be **judiciously balanced** for **optimal institutional efficiency and effectiveness**.
- **Challenges include:**
 - ❑ Long-term sustainability
 - ❑ Compliance requirements
 - ❑ Efficiency and effectiveness of the ecosystem
 - ❑ Political destabilisation factors
 - ❑ Leadership and staffing capacity constraints - available PSET and sectoral expertise



SA HIGHER EDUCATION FUNDING

Costs of higher education shared between public and private interests the state in the form of subsidies the private sector, through investments in research, scholarships etc. and families themselves, whose children will have access to the private goods of productive engagement in the economy by virtue of their access to higher education (Parker;2019).



Three funding streams:

1. First stream (DHET subsidies) (Block and Earmarked grants)
2. Second stream (Student fees)
3. Third stream (Funding from donors/ research funding/ government departments/ other income from investments, beneficiation of intellectual property etc.)



UNIVERSITY FUNDING – OVERVIEW

- **Tuition fees make up 33%** of the operating budgets of universities, **government grants 44%** and **third-stream revenue 23%**.
- In **2020**, **46%** of university students and **58%** of **TVET college** students were **NSFAS beneficiaries** (DHET; 2022), and this is increasing annually.
- The PSET budget is allocated to the **public university sector, which received 65.4% of the PSET budget in 2020/21**, followed by TVET college sector (17.3%), with the CET college sector (1.9%) (DHET; 2022).
- **Block Grant** (discretionary) = 78% of the budget and **earmarked grants** (steer transformation) = 22% of budget.

UNIVERSITY FUNDING – OVERVIEW

- Declining **private sector** funding
- Pressure on **research funding**
- **NSFAS sustainability**
- Universities are required to be **going concerns**
- Universities must secure their **long-term sustainability**
- **Student Debt** is a **global reality** and an unavoidable debt load across the Academy

UNIVERSITY FUNDING – OVERVIEW

- Student debt in **Private Educational Institutions** **Privately held student loans** and other forms of debt are unknown.
- **Financial Aid and accumulating student debt** are increasing exponentially, and a **national solution must be implemented.**
- Since 2018, **tuition fees** have **increased at the rate of CPI.**
- **Higher Education Price Index.**



DHET – BUDGET OVERVIEW 2022

	2022/2023	2023/2024	2024/2025
Allocation – University Education	R 88 581.7BN	R 92 642.1BN	R 98 556BN
Total DHET Budget	R 130 134.2 BN	R 135 564.4 BN	R 143 747.1BN
CONSOLIDATED GOVERNMENT EXPENDITURE	R 2.16 TRILLION		

- ❑ The share of government expenditure on tertiary education as a percentage of GDP almost doubled from 0.7% in 2011/12 to 1.3% in 2020/21, while tertiary spending as a percentage of total education budget increased by over 7 percentage points in the last 10 years.
- ❑ Spend on PSET, 65.4% of spending was on university sector, 17.3% on TVET college sector and 1.9% on CET college sector in 2020/21 (DHET; 2022).



NSFAS – BUDGET OVERVIEW 2022

	2020	2021	2022
Allocation	28,5BN	R30,1 BN	R47,3BN
Revised Allocation	R30,2bn	R34,1bn	
Number of Students Funded	496 910	542,193	691,432

- To qualify for NSFAS the household income of a student must be R0 - R350 000.
- The share of NSFAS to total expenditure on tertiary education increased from 20% in 2011/12 to 43% in 2020/21.
- Total NSFAS expenditure 2020/21 is divided = 83.2% to universities; 16.8% to TVET Colleges.
- Teaching Agenda vs Research Agenda. - Knowledge Race & global positioning?

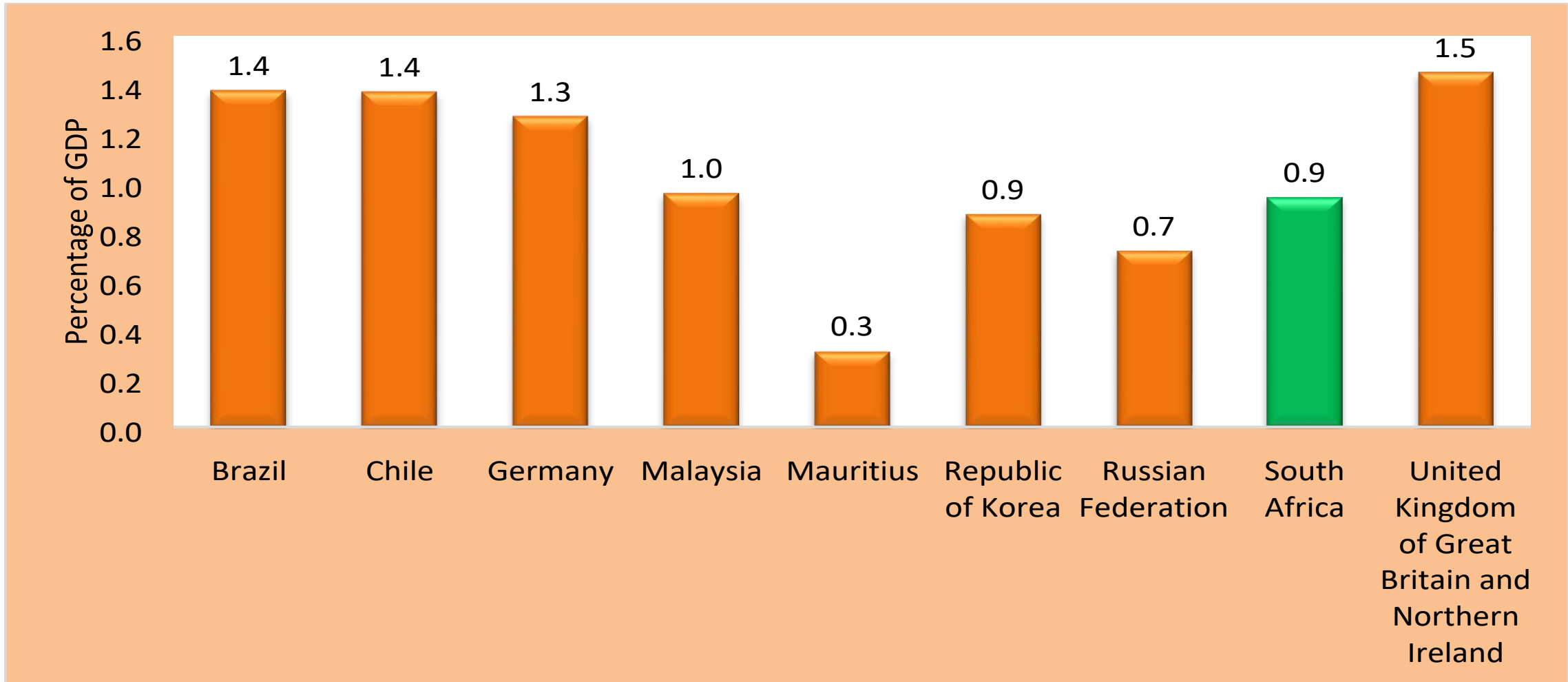
NSFAS CUMULATIVE UNIVERSITY DISBURSEMENTS 2021

INSTITUTION	NUMBER OF NSFAS STUDENTS	SUM OF AMOUNT PAID
UNIVERSITY OF JOHANNESBURG	14587	761,437,587.50
UNIVERSITY OF STELLENBOSCH	3830	241,106,972.00
UNIVERSITY OF CAPE TOWN	5877	407,140,867.00
UNIVERSITY OF ZULULAND	11023	347,848,355.00
UNIVERSITY OF THE WESTERN CAPE	11094	399,204,315.00
UNIVERSITY OF FREE STATE	21701	1,050,077,167.00
UNIVERSITY OF MPUMALANGA	3800	164,467,117.50
NELSON MANDELA METROPOLITAN UNIVERSITY	15447	675,254,837.50
CAPE PENINSULA UNIVERSITY OF TECHNOLOGY	15224	574,325,323.00
MANGOSUTHU UNIVERSITY OF TECHNOLOGY	8317	285,312,282.00
UNIVERSITY OF FORT HARE	7072	333,833,051.50
UNIVERSITY OF PRETORIA	11744	677,016,974.50
UNIVERSITY OF LIMPOPO	5190	25,580,697.50
WALTER SISULU UNIVERSITY	15921	679,098,226.50
UNIVERSITY OF KWAZULU NATAL	22465	1,064,282,537.00
SEFAKO MAKGATHO HEALTH SCIENCE UNIVERSITY	2322	125,320,686.50
VAAL UNIVERSITY OF TECHNOLOGY	13162	553,179,266.00
UNIVERSITY OF VENDA	8001	363,209,145.00
DURBAN UNIVERSITY OF TECHNOLOGY	20797	929,771,261.00
UNIVERSITY OF THE WITWATERSRAND	9474	598,524,722.50
NORTH-WEST UNIVERSITY	21624	973,806,639.50
SOL PLAATJE UNIVERSITY	1418	64,047,677.50
RHODES UNIVERSITY	3094	196,865,814.00
CENTRAL UNIVERSITY OF TECHNOLOGY	8276	278,004,460.00
UNIVERSITY OF SOUTH AFRICA	153422	1,824,198,484.00

Expenditure on tertiary education as a percentage of GDP by country, 2018



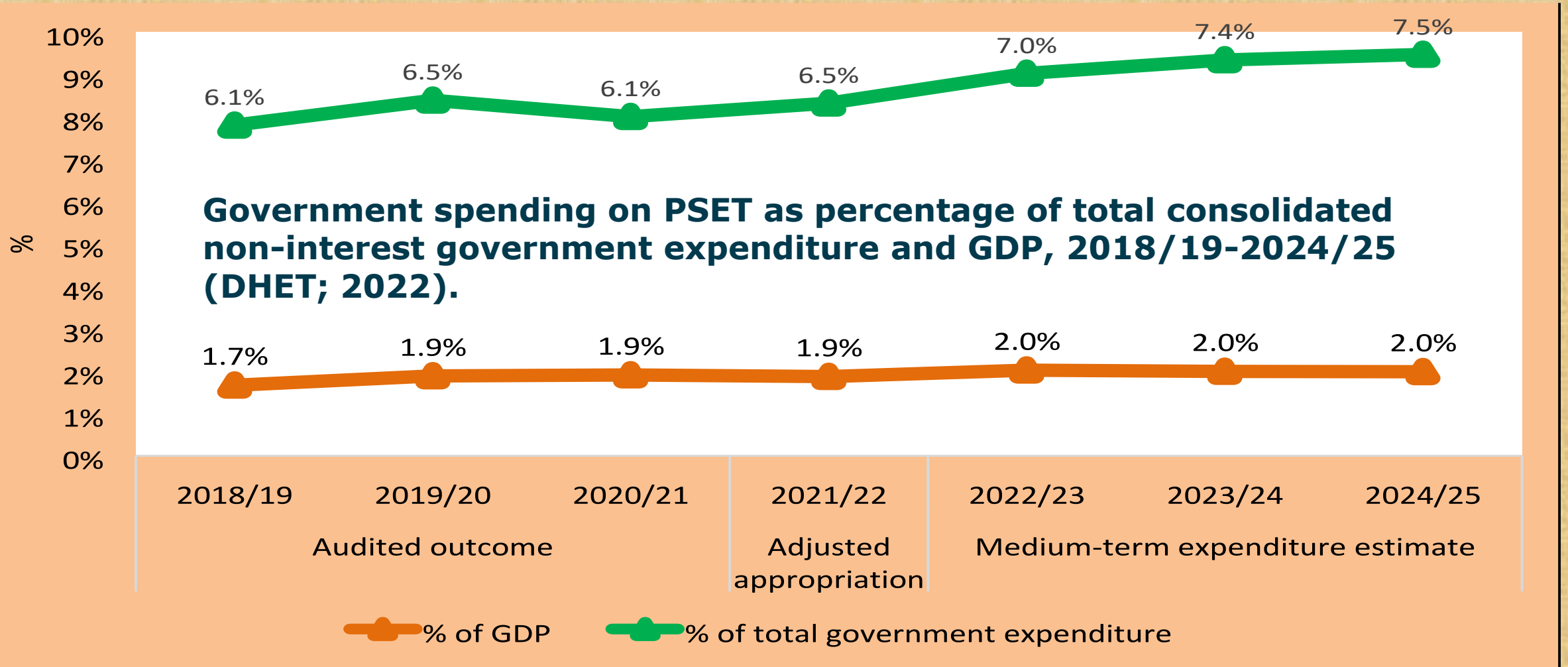
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SA HIGHER EDUCATION FUNDING



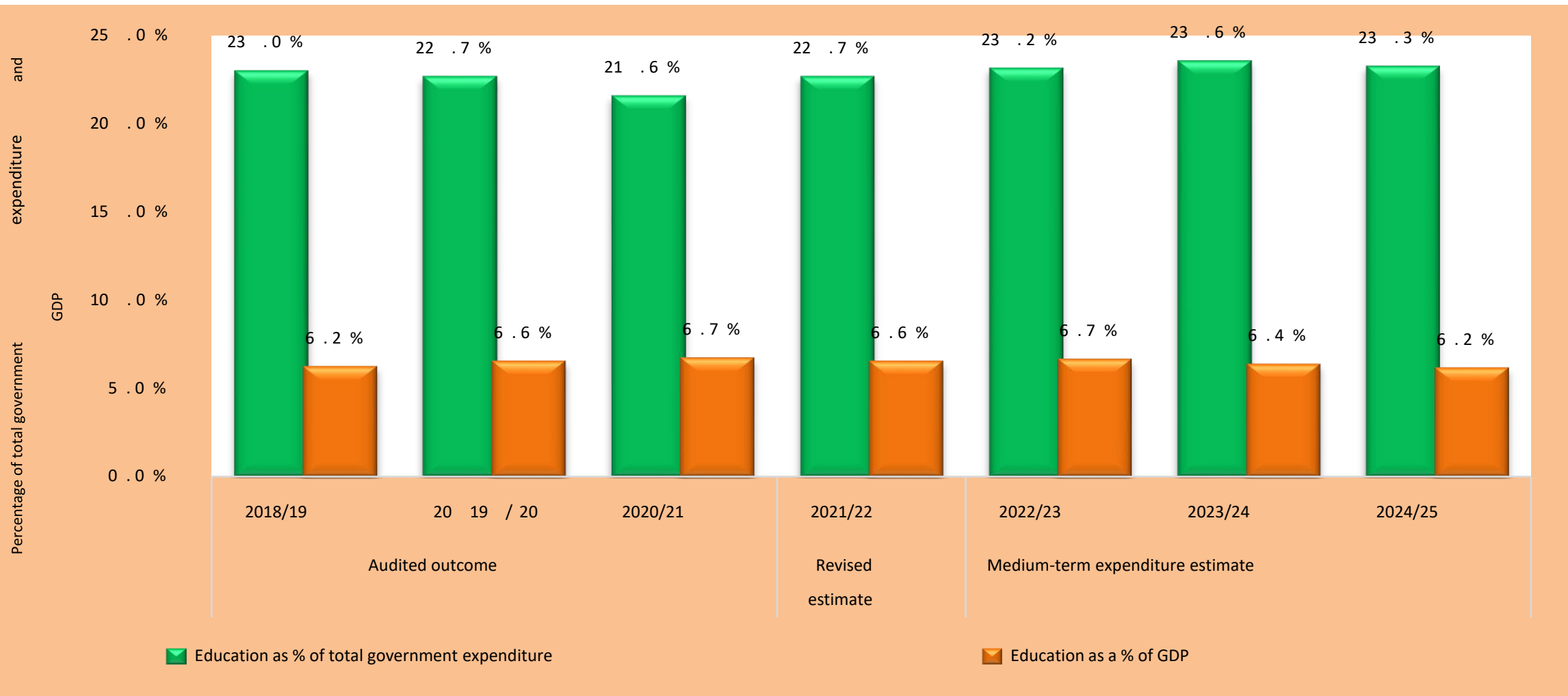
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Consolidated government spending on education as percentage of consolidated noninterest government expenditure and GDP, 2018/19-2024/25 (DHET; 2022)



UNIVERSITIES SOUTH AFRICA



AVERAGE FCS 2019 (PARKER;2020)



FULL COST OF STUDY DIFFERENTIATED ACROSS PUBLIC UNIVERSITIES

STUDENT DEBT IMPACT ON SA HIGHER EDUCATION INSTITUTIONS

1. Student debt is currently in excess of **R16,5 bn + (DHET;2022)**.
2. Extent of debt damaging to the future sustainability of HEIs.
3. Needs a national solution.
4. **Cost of debt is about R1,2 billion** per annum which could be directed towards infrastructure development and/or growing the academic system.
5. At beginning of 2021, the student debt of students who had graduated was R7bn – approximately 120 000 students.
6. Students in the **‘missing middle’ category** make up 15-20% of students (6% of SA households R350 001 and R600 000).

SUSTAINABLE AND INCLUSIVE GROWTH

- ESG' (environmental, social, and governance) was coined in 2005 as shorthand for a more responsible approach to doing business.
- ESG is now more essential, relevant, and quantifiable than ever before.
- Addressing ESG is imperative for companies that wish to demonstrate they deserve society's trust.
- Key components for an effective ESG strategy: benchmark regularly, think systematically about trade-offs, and let investors see how ESG meshes with the business model (McKinsey; 2022).

STUDENT DEBT IMPACT ON SA HIGHER EDUCATION INSTITUTIONS

THE CURRENT STUDENT DEBT CRISIS

No governmental support for students

Universities used existing instruments to allow students to continue

Kicking the can down the road

Minister to set up a task team to address 2022 and longer-term

Need to determine the long-term trajectory of NSFAS

Need for a national, comprehensive student funding system

UNIVERSITY SUSTAINABILITY CHALLENGES

Drivers of Challenges



Universities subjected to stagnant government subsidy (on a per capita basis)

Regulation of tuition fees / Keeping the subsidy intact

Cuts in government funding for research and innovation – NRF

Student Debt

Cuts in private sector funding for R&D

International funding for projects in decline

Impact of the CoViD-19 pandemic

Sustainability of the current NSFAS model

Future Demand for Higher Education - equitable access, lifelong learning, reskilling, upskilling, etc

Demand Outstripping Supply
NEETs – Exceeds 9 million in SA

Student Accommodation

Power and water security

Funding for 'missing middle' students

Societal relevance and impact – SDGs, AU's Agenda 2063, NDP, white paper PSET etc.

Labour market shifts and the rise of automation

Future Demand for Higher Education Demand Outstripping Supply

THE UNCERTAINTY OF DHET FUNDING

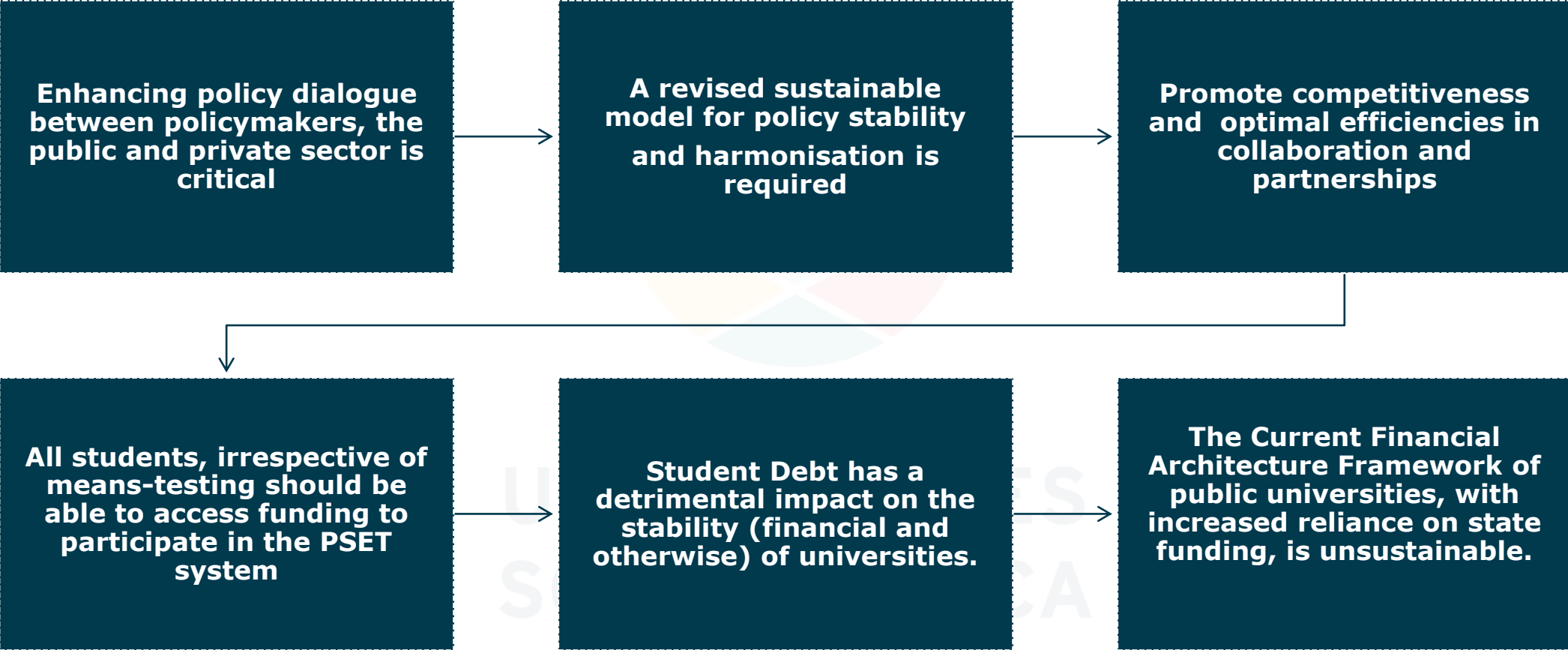
- ❑ DHET budget cuts over the MTEF: 2021/2022/2023/24.
- ❑ DHET's reductions over the 2021 MTEF: 4.969 billion in 2021/22, R6.429 billion in 2022/23 and R9.422 billion in 2023/24.
- ❑ NSFAS: R6.884 billion.
- ❑ Universities: R7.701 billion - R5 billion on university subsidies and R2.4 billion on university infrastructure.
- ❑ TVET Colleges: R1.426 billion - R947 million on TVET infrastructure and R400 million on TVET college subsidies.
- ❑ Increased institutional vulnerability and exposure.
- ❑ Subsidies are unlikely to grow significantly if at all.
- ❑ Universities must navigate fragmented funding streams.

CONCLUDING OBSERVATIONS

- *The White Paper on Post School Education and Training* affirms a **cost sharing model for HE Funding** and a promise government to **strengthen the National Student Financial Aid Scheme (NSFAS)** and **fully fund poor and working-class students** and find a **coherent solution for funding so called “missing middle”** students.
- The **White Paper aligns to the NDP**, confirming that by **2030** all NSFAS qualifying students for must have access **Full Cost Study** (FCS); **students who do not qualify for NSFAS** ought to have access to bank loans, underwritten by state sureties; and both the NSFAS and bank loans should be recovered through South African Revenue Service - Income Contingent

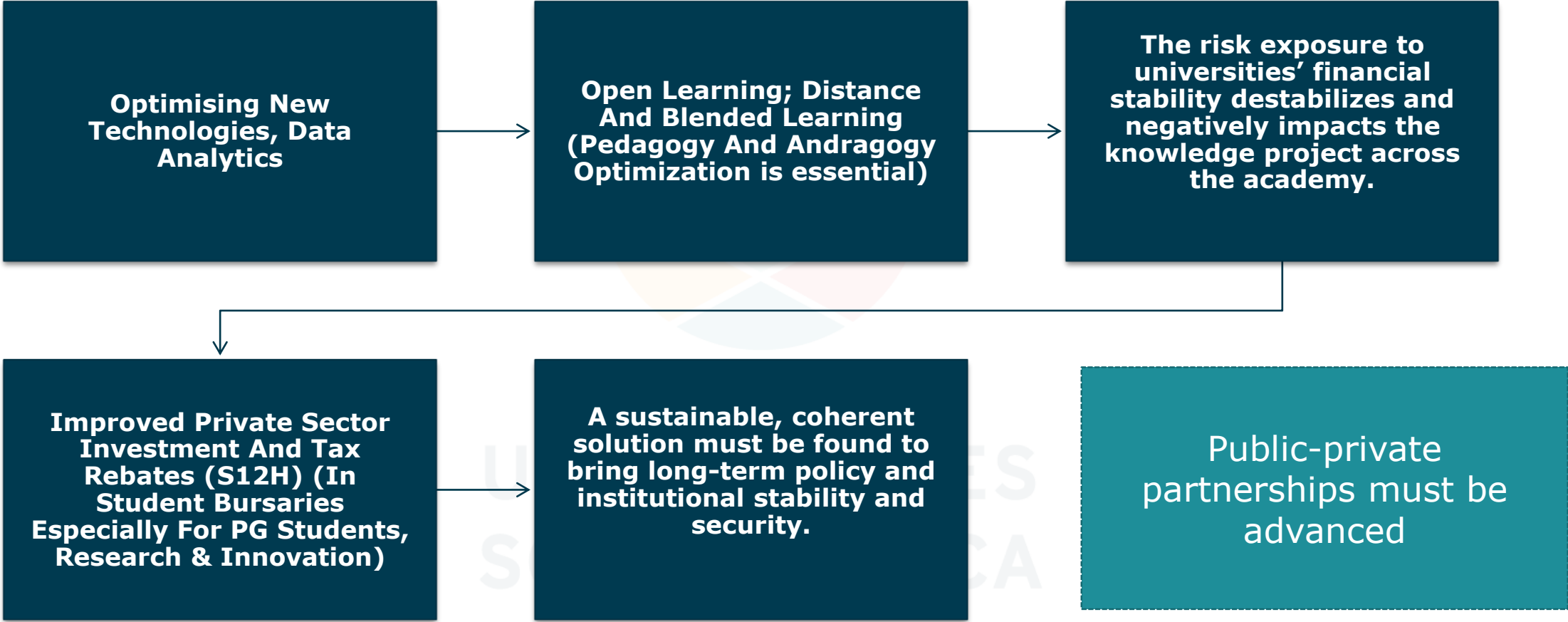


CONCLUDING OBSERVATIONS





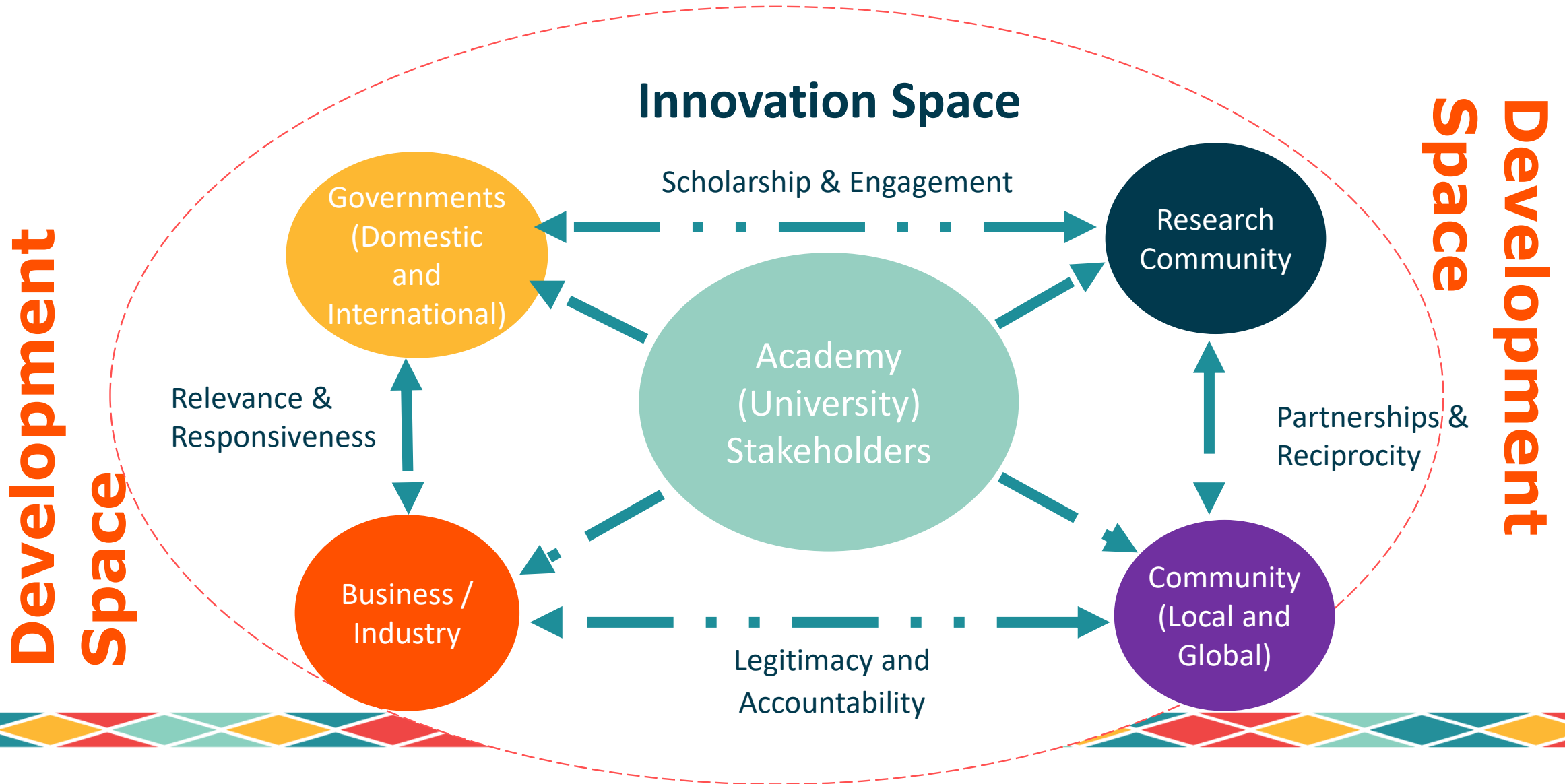
CONCLUDING OBSERVATIONS





WHAT WILL THE FUTURE HOLD?

HE QUADRUPLE HELIX



NGIYABONGA

THANK YOU

ENKOSI

KE A LEBOHA

DANKIE

NGIYABONGA NGIYABONGA KAKHULU

NDO LIVHUWA RO LIVHUWA NDO LIVHUWA

NGA MAANDA

NDZA NKHENSA NDZI KHENSE NGOPFU

INKOMU SWINENE



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