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## **THE CRISIS IN STUDENT FUNDING IN 2021; HIGHER EDUCATION MUST BE RECOGNISED AS A SITE OF INVESTMENT RATHER THAN ONE OF EXPENDITURE**

At the beginning of another academic year the unaffordability of higher education for many students and their families has once again convulsed South Africa's 26 public universities. While the call for their shutdown from student organisations has captured the headlines, there is much work going on within the institutions to address the challenges facing the affected students though it must be said that the scale of student debt cannot possibly be resolved at the institutional level. This crisis has been ongoing for decades and Universities South Africa (USAf) is firmly of the view that it is now time for a government-led policy process that produces a long-term, sustainable solution. There are three important aspects to the current crisis that we are experiencing.

The first is the shortfall of R5.6 billion experienced by the National Students Financial Aid Scheme (NSFAS) to fund the government bursary programme that impacts first-year students who are admitted into a university and who meet the NSFAS threshold in family income. We are very pleased to hear that Cabinet has found a way to resolve this obligation and that NSFAS has provided lists of qualifying students to the universities. The registration of these first-entry students can now be completed. "USAf must signal now, as we did signal in December 2017, that the long-term sustainability of this bursary programme is of deep concern to us," Professor Ahmed Bawa, USAf's Chief Executive Officer stated this morning.

The second is the perennial challenge of the further accumulation of student debt accrued by students who fall outside of the NSFAS threshold in family income. Universities, while being anxious to ensure that students do continue their studies and graduate, are also committed to being financially viable and therefore seek to ensure that the debt levels are minimised. This negatively affects students by placing major hurdles in their paths to academic success. It is also deeply disruptive to the teaching/learning activities of universities. All 26 universities have committed themselves to finding ways to assist students who have been succeeding academically through various mechanisms open to them. Individual institutions will address these issues on the basis of their capacity to do so.

The third is the sustainability crisis being faced by our institutions. Student debt to universities has escalated to approximately R14 billion. In the context that universities are experiencing declines in government subsidy (on a per capita basis), together with government's proposal for the regulation of tuition fee increases, the cuts in funding for research and innovation and the challenges related to student funding all conspire to drive growing concerns over the sustainability of the institutions and the sector. Year-by-year, these budgetary constraints nibble away at the effectiveness of the higher education system undermining its status as the continent's strongest one and as one that is globally recognised as being highly productive.

In a democracy such as ours, the fact that the higher education system is unaffordable to the vast majority of households is antithetical to the purpose and role of our universities as drivers of national

development, of producing a more equal society, of strengthening and deepening our democracy and of contributing to the emergence of a more inclusive, competitive economy. Importantly, universities play a critical role in producing the next generation of engaged scholars and intellectuals. “To play the role we desire of them as social institutions, universities need to be properly funded and talented students should be able to access higher education irrespective of their financial condition. The higher education system has to be seen by government and society more generally to be a site of investment rather than one of expenditure. That would be an investment in the future of young South Africans and in the future of the nation,” the USAf CEO concluded.

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