

FOREWORD

In 1997 the *White Paper 3 A Programme for the Transformation of Higher Education*, characterised the higher education inherited from apartheid as follows:

- ❖ There is an inequitable distribution of access and opportunity for students and staff along lines of race, gender, class and geography. There are gross discrepancies in the participation rates of students from different population groups, indefensible imbalances in the ratios of black and female staff compared to white and males, and equally untenable disparities between historically black and historically white institutions in terms of facilities and capacities.
- ❖ There is a chronic mismatch between the output of higher education and the needs of a modernising economy. In particular, there is a shortage of highly trained graduates in fields such as science, engineering, technology and commerce (largely as a result of discriminatory practices that have limited the access of black and women students) and this has been detrimental to social and economic development.
- ❖ Higher education has an unmatched obligation, which has not been adequately fulfilled, to help lay the foundations of a critical civil society, with a culture of public debate and tolerance which accommodates differences and competing interests. It has much more to do, both within its own institutions and in its influence in the broader community, to strengthen the democratic ethos, the sense of common citizenship and commitment to a common good.
- ❖ While part of the South African higher education system can claim academic achievement of international renown, too many parts of the system observe teaching and research policies which favour academic insularity and closed-system disciplinary programmes. Although much is being done, there is still insufficient attention to the pressing local, regional and national needs of the South African society and the problems and challenges of the broader African context.
- ❖ The governance of higher education at a system level is characterised by fragmentation, inefficiency and ineffectiveness, with too little coordination, few common goals and negligible systemic planning. At the institutional level, democratic participation and the effective representation of staff and students in governance structures is still contested in many campuses. (WP 1.4)

The challenge posed by this higher education system was to redress past inequalities and transform the system to serve a new social order, to meet pressing national needs and to respond to new realities and opportunities. (WP 1.1)

Funding, planning and quality assurance were the three elements singled out in the policy-making process to help steer the higher education system through its transition towards a transformed state defined by equity and redress, democratisation, development, quality, effectiveness and efficiency, academic freedom, institutional autonomy and public accountability. It is interesting that in an international climate in which state funding of higher education is decreasing and cost/efficiency and entrepreneurialism become the guiding principles of subsidy allocation, South Africa is still, to some extent, focusing on broader issues of social justice.

From this perspective it is important to remember the role and modality of higher education funding under apartheid. The apartheid state developed different administrative and accountability systems for the disbursement of the funds directed to historically white and historically black institutions. Funding in all cases was used as a weapon to curb political contestation at institutions,

and, to a large extent, as a powerful mechanism to dampen the various degrees of institutional autonomy exercised by different institutions.

Contrary to this framework, funding under the new democratic dispensation is conceptualised as a way to achieve more equitable student access, improved quality of teaching and research, increased student progression and graduation rates and achieve greater responsiveness to social economic needs (WP 4.14) within a framework of greater accountability on the institutions' part. The process of development of a new Funding Framework has been long and complex. The new Funding Framework was only introduced in the 2004/5 financial year and is still too early to assess whether it has made possible the achievement of the objectives suggested in the White Paper, or to what extent it has contributed, together with planning and quality assurance to overcoming the legacy of apartheid in higher education. Yet understanding the current state and level of public funding to higher education is a necessary point of departure for any analysis of the impact of the new Funding Framework.

This issue of the *Higher Education Monitor* presents to the higher education community, its direct stakeholders as well as to the interested public a piece of research that goes a long way in providing an analysis of the different sources of funding of higher education, how have they changed over time and with what consequences for institutions and students.

The work of Gert Steyn and Pierre de Villiers was done in the context of larger project of the CHE*. This project, funded by the Rockefeller Foundation, focused on the production of a series of specialised research pieces dealing with change taking place in several areas of higher education such as access, funding, modes of delivery and pedagogic issues, institutional culture and institutional autonomy. While the different pieces of research commissioned by the CHE will be published together in book form during this year, the CHE decided to publish this particular research report in its entirety due to the topicality and importance of the issue of funding for all public higher education institutions as well as for the broader South African society.

The research is published under the CHE *Higher Education Monitor* series because it also raises important methodological issues about the development of indicators to analyse the levels of public funding of higher education and how to measure both cost efficiency and academic efficiency. The CHE hopes that, as we understand better the mechanisms and modalities of higher education funding and the macro-economic context within which they operate, we will be able to produce increasingly sophisticated studies focused on the relationship between funding, planning and quality assurance and the outcomes of their combined effect on the higher education system.

The CHE hopes that the material and ideas presented in this report will generate further discussion among higher education institutions, higher education analysts and government officials, and also that the non-specialist public will find it helps them to understand some of the vexing questions about the funding of higher education.

Dr Lis Lange
Director: Monitoring and Evaluation
Council on Higher Education
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* The views and analyses in the report were based on documents available to the researchers up to the 30 September 2005