

2. WHAT SHOULD THE HIGHER EDUCATION SECTOR BE AIMING TO ACHIEVE?

Assessment of the effectiveness of the higher education sector depends on what it should be expected to achieve. This section does not attempt any detailed discussion of the topic but rather offers some brief observations on the question of what South Africa (most) needs from higher education.

2.1 THE SIGNIFICANCE OF GRADUATE OUTPUT

Internationally, the importance of higher education is well established, being ‘founded on recognising that countries which have managed to sustain high levels of economic growth with significant improvements in the living standards of the masses of their populations are those which have given priority to excellent education and training, and to higher education and training in particular as an agent of socio-economic change and development’ (CHE 2004: 14). There are also strong arguments that higher education has particular significance in developing countries because of their acute need for high-level capabilities, to address their often extensive social problems and, in the context of economic globalisation, to establish a productive niche or at least avoid falling steadily behind the developed world in international competitiveness. A number of writers have considered the significance of higher education in South Africa as both a public and a private good with key implications for development and equity (for brief overviews see, for example, CHE 2004:14-20; Moleke 2005).

The value of all the main functions of higher education is fully acknowledged, particularly the production of research, which is vital for the country’s competitiveness. However, we seek to make a case in this paper for recognition that there is a special need and obligation for the higher education sector to produce an appropriate number and mix of good graduates, sufficient to meet the country’s developmental requirements. *Prima facie*, the high-level skills shortages that have been identified are one clear indicator that the needs are not being met, and the concurrent existence of graduate unemployment points to a level of mismatch between output and the requirements of the economy (see for example Moleke 2005).

The case has to be informed by an assessment of the current educational performance of the sector, so is outlined later, in section 4. However, a few general points can be made here:

- The South African higher education sector is primarily an undergraduate teaching system. This is not to minimise the value of postgraduate education, research or the other higher education functions but rather to emphasise that undergraduate education needs to be given full value in policy and practice.
- The production of graduates is exclusively the responsibility of the higher education sector (including private providers, but this source is at present relatively small), which underlines the sector’s obligations to its educational function.

- It can consequently be argued that the production of good graduates (at all levels) is at the core of the higher education sector's 'core business'.

It should be emphasised that it would be counter-productive to see the educational role of higher education, including its direct contribution to human resource development, in a narrow or technicist way. In the first instance, the complex but critical inter-relationship between research, teaching and social responsibility, on which there is a growing literature, warrants full recognition and realisation. Moreover, South Africa in particular has reason to understand that development, personal as well as national, has many facets, and that the need for representivity and social inclusion is interwoven with the need for competence. This paper will in fact argue that the 'development' and 'equality' agendas (Wolpe, Badat and Barends 1993) are converging in South Africa. The key point, however, is that graduate output matters, is a necessary condition for development, and merits foregrounding as a central focus of the sector's work.

2.2 OUTPUT TARGETS AND POLICY

It may seem self-evident that appropriate graduate production should be accepted unequivocally as a central goal of the sector. However, given the importance of the outcomes, it is necessary to consider to what extent the goal is operationalised in existing policy and practice.

It is widely recognised that the practice of 'manpower planning', involving setting specific output targets on the basis of detailed forecasting of skills needs, has largely been discredited. However, while there is considerable contestation, analysts and stakeholders in the economy identify broad areas of need for advanced skills and capabilities. The government's current major skills development initiative, the Joint Initiative for Priority Skills Acquisition (Jipsa 2006), and the debate around it have raised complex planning issues, not least the difficulty of reconciling the importance of clear 'strategic direction' with uncertainty about future output needs.

In terms of national policy, the DoE's 2001 National Plan for Higher Education (NPHE) sets a number of broad output-related goals, addressing growth and widening of participation, the shape of the output (aiming for a 40:30:30 ratio for Humanities, SET and Business/Commerce graduates), efficiency in terms of graduation rates, and quality (DoE 2001). Some of the goals are broadly quantified, others not. It is evidently in line with the concept of 'strategic direction' that the NPHE identifies an 'endemic shortage...of high-level professional and managerial skills...[particularly] in the science and economic-based fields...in which future demand is likely to be the greatest' (DoE 2001:2.1.1).

Since the publication of the NPHE, the DoE has addressed shape and output in various ways, including introducing steering elements in the funding framework, specifying a 'Programme and Qualification Mix' for each institution, and, recently, engaging with individual institutions

on enrolment and output planning. However, what it takes to translate broad national goals into meaningful institutional targets, and actual output, is not straightforward.

A key question, then, is to what extent current policy – in relation to clarity of goals, setting and monitoring of output targets, focusing the use of resources, and accountability for progress – is able to gear the sector to meeting priority national needs. Again, this question must be addressed in relation to an assessment of the sector's current educational performance, so is taken up later, in sections 4 and 8 below.

2.3 DEVELOPMENTS IN THE RELATIONSHIP BETWEEN THE STATE AND HIGHER EDUCATION

There have been substantive shifts in government approaches to the provision of public services in a number of countries over the last two decades, designed inter alia to improve responsiveness to social and developmental needs and ensure value for money. Higher education provides a noteworthy example of this kind of shift. Referring in the first instance to Britain, Williams (2003) characterises 'a radical transformation in the financial relationships between universities, government and the wider community' as follows:

In brief the transformation was from institutions subsidized by government to fulfil certain broad academic missions, to suppliers of specific teaching and research services available for direct purchase, or for purchase by government on behalf of student consumers. ... Similar changes have occurred in most countries of the world, although the extent and speed of "marketization" varies very considerably between different countries (Williams 2003:1).

South African higher education has experienced a relationship change of this kind, albeit relatively recently. The core higher education policy documents to date, particularly the 1997 White Paper, the Higher Education Act and the NPHE, established a framework for government steering of the sector through planning, regulation and funding (DoE 2003: 1.4). Within this framework, one of the potentially most far-reaching reflections of the international trend is in the new approach to state funding of higher education. The essence of the change is that the state is no longer prepared to be the 'funder of last resort' but rather sees its role as being 'to pay for the delivery of teaching and research-related services ... which contribute to the social and economic development of the country' (DoE 2003: 1.8).

The changing relationship between higher education and the state has been highly controversial internationally and often contested by academic communities. Discussion of this complex topic is not within the scope of this paper. It may be noted, however, that among the implications in South Africa, the change in the state's approach not only reinforces the call for the higher education sector to be responsive but also highlights the need to develop as clear as possible an understanding of what is expected of the sector. If services are to be effectively 'purchased' on behalf of the country, it is important that what is being purchased, and how it meets the national interest, should be understood and agreed by the key parties.

This paper will argue that the national interest would be served by the development of a 'compact' between higher education and the state: a compact, however, that does not reduce the relationship to a narrow business arrangement or further commodify education, but rather one that enables the expectations and obligations of both the sector and the state to be clarified, to ensure that the key needs are met. This is discussed in section 8.