

# Private providers can widen access to higher education in South Africa

Issued by [Regent Business School](#)

3 Feb 2015

An academic revolution has taken place in higher education in the past half century marked by transformations unprecedented in scope and diversity. The academic changes of the past few decades are extensive due to their nature and the number of people they affect. Globally, public higher education is in the throes of a major crisis. For example, one of the most pressing problems of our time is the demand for places in higher education which far outstrips supply of available seats globally.



In many emerging economies the demand can be 20 to 50 percent higher than places available worldwide. The demand for places in higher education will have expanded from 97 million students in 2000 to over 262 million students by 2025.

In respect of the above, the South African higher education system is no exception. Although the budget for overall education in South Africa has progressively improved, the critical challenges of equity and access have been lagging. The process of globalisation and the new era of the Knowledge Society together with the financial crisis of 2008 have further exacerbated the predicament.

## ***The question of 'access' in higher education***

Since 1994 the question of access to higher education in South Africa has become ensconced in the lives of thousands of university hopefuls. Year in and year out we hear of the multitude of matriculants who are denied access to our universities. The problem seems to worsen annually, especially in terms of the number of youth who are denied access to university education and that despite the fact that South Africa has one of the highest rates of public investment in education in the world. At about 7% of gross domestic product (GDP) and 20% of total state expenditure, the government spends more on education than on any sector.

South Africans are constantly reminded about the mismatch between demand and supply for places in higher education institutions. Through the press, personal experiences and other communication media, we become witnesses to heart-wrenching stories of students who are denied access to a higher education institution because there is either a lack of place or finance to educate aspiring minds - a tragedy of our time, especially when one realises the importance of skills required in the development of our country.

The tragedy then compounds itself when those who are denied access to university become 'dropouts' in society and join the ever-growing unemployed of the country.

The *Mail & Guardian* (24/01/2015) quoting the Minister of Higher Education's submission to parliament, notes that in order to fund all new applications for higher education in South Africa, a budget of R51-billion was required. The higher education department's current budget, though, was in the region of R9.5 billion. The minister said the money would cover 425,095 new entrants (Universities and Technical and Vocational Education and Training Colleges) and this would be 28,646 more than last year. Consequently, a significant number of applicants would be denied access to higher education, and the backlog will continue to build up, unabatedly.

In a recent article in the (*Mercury*: 12/01/2015), journalists Leanne Jansen and Anna Cox revealed startling statistics about applications for places at four higher education institutions in KwaZulu-Natal. The headline strongly indicates that universities are 'bursting at their seams', and that school-leavers have only a one-in-eight chance of studying. They also note that in other parts of the country the demand for places is even higher.

The article then exemplifies the reality at the University of KwaZulu-Natal (UKZN), the University of Zululand (Unizulu), Durban University of Technology (DUT) and the Mangosuthu University of Technology (MUT). More than 90,000 prospective students jostled for 8,400 undergraduate places at UKZN, while Unizulu whittled down a list of 68,228 undergraduate applications, all vying for just 6,500 spots and MUT, which can accommodate only 3,100 first-year students, received 40,000 undergraduate applications.

In response to this calamity, the Ministry for Higher Education and Training has once again urged school-leavers to enrol at Technical and Vocational Education and Training colleges (formerly known as Further Education and Training Colleges) - institutions of learning which students generally consider being inferior in stature and quality, especially when compared with universities. It is now an accepted fact that those who have acquired a university-related qualification increase the likelihood of finding employment by 100 percent.

In a recent press conference, when questioned on what they perceived to be the major problem of access to higher education in South Africa, Vice Chancellors from the University of Witwatersrand and Pretoria University, Professors Cheryl de la Rey and Adam Habib were of the opinion that the imbalance between demand and supply is the single greatest failure in higher education since 1994.

The new South African National Development Plan also acknowledges that there is a serious mismatch in the demand and supply for places in public higher education institutions in South Africa.

Annually, the litany of press articles exemplifying the problems and challenges of access to higher education in South Africa also continue and signify very little hope of respite. Government officials, likewise, continue punting the same response - "if you are not successful at university entry, then try Technical and Vocational Education and Training colleges".

In contrast to the dismal news above, the Guardian of Britain (04/01/2014) carries an article titled "Private colleges widen access to education", authored by Professor Maurits Rooijen, Rector of London School of Business and Finance. In the article, Professor Rooijen notes that changes within the higher education sector introduced by the British government in 2011 have some profound effects on the question of access. In particular, he asserts that "educating students at a university level is not exclusively the public sector's role; private provision can make an equally positive contribution".

Quoting from the National Audit Office Report (02/12 2014), Maurits Rooijen further argues that *"when private colleges give mature students from disadvantaged backgrounds the opportunity to return to education, a completion rate of over 80 percent is surely a positive outcome. This stands in comparison with other publicly funded London institutions where the non-continuation rate in similar courses can be up to 24.5 percent"*.

In another article titled *"Higher education: learn from Brazil and let the private sector play its part"* (17/10/2012) Ann Bernstein of the South African Centre for Development & Enterprise, echoes similar sentiments when she states that despite the governments major spending on upgrading of higher education institutions, the demand for university places will outstrip the supply. She believes that South Africa can learn from other emerging economies which have expanded access to higher education by creating public-private partnerships. In particular, she quotes the case of Brazil.

Bernstein notes that after the Brazilian government improved its regulatory environment, the private sector in higher education made a major impact by increasing access. She notes further that the private higher education institutions have been innovative in developing new educational products, especially in terms of teaching and learning and have established large education chains that exploit economies of scale. Finally she avers that the Brazilian experience suggests that there is much to gain and little to fear from making the tertiary education accessible through public-private partnerships.

Back in 2009, the World Bank, similarly, made comparable observations about the dilemmas of public higher education in emerging economies and went on to suggest that the sector needs to reinvent itself (Patrinos *et al*, 2009). It also recommended that the public sector does not only need to continue its role as a provider of higher education, but also to make access an important priority of its higher education agenda. But perhaps more importantly, the World Bank endorsed

a strategy that "... public and private sectors can join together to complement each other's strengths in providing education services and helping developing countries to meet the Millennium Development Goals for education". The concept of public-private partnerships the Bank further contends recognises the existence of alternative options in the provision of higher education.

It is quite obvious from the preceding analyses that the dilemmas of higher education are not unique to South Africa. Governments throughout the world are increasingly admitting that they simply cannot provide for higher education on their own, and in this regard, they are progressively looking towards the private sector to help solve or alleviate the problem.

In this submission, the authors contend that private sector higher education institutions can assist in resolving or alleviating one of the worst perennial problems of our time - widening access to higher education, especially for the aspirant higher education students of South Africa.

The time is now ripe for new nexus of relationships to emerge to tackle the dramatic expansion of students demanding access to higher education in South Africa. The crisis of the mismatch between demand and supply requires a new approach to our critical understanding of the complexity of the question of access in this country. It should cajole us to explore new and innovative solutions to address the problematique and in this respect public-private partnerships in higher education become crucial.

### ***Public-private partnerships in the provisioning of higher education***

In examining the latest trends reflecting the issue of access to higher education, it becomes evident that the private sector is gravitating towards being an indispensable partner in the provision of education globally.

The approaches to public-private partnerships, however, vary considerably. According to Education International the term public-private partnerships is a sort of 'umbrella notion' covering a broad range of agreements between public institutions and the private sector, aimed at operating and delivering public services. Perhaps more importantly, the conceptual model of a public-private partnership recognises the existence of an alternative option for providing education services.

Given the exigencies of Higher education in South Africa, we outline a few conceptual models of public-private partnerships which we believe are appropriate. Fundamentally these are public-private partnerships which are premised on the principle that the state will guide the policy and provide the necessary funding for the private sector to deliver a specific education service.

These models are nuanced by an agreement in which the private sector delivers a specified educational service of a predetermined quantity and quality at an agreed price for a specific time period. Furthermore these contracts contain rewards and sanctions for non-performance and include circumstances in which the private sector shares the financial risk in the delivery of educational services. The World Bank has identified five such types of contracts - see Table 1 below:

<b>Table 1: Types of Contracts in Education</b>		
<b>What Government Contracts for</b>	<b>Definition</b>	<b>Contract Types</b>
<b>1. Management, professional services</b>	Government buys school management services or auxiliary and professional services	Management contracts Professional services contract (curriculum design)
<b>2. Operational services (process)</b>	Government buys school operation services	Operational contracts
<b>3. Education services (output)</b>	Government buys student places in private schools	Contract for education of specific services
<b>4. Facility availability</b>	Government buys facility availability	Provision of infrastructure services contracts
<b>5. Facility availability and education services (input and output bundle)</b>	Government buys facility availability combined with services (operational outputs)	Provision of infrastructure contracts with education service contracts

**Source: World Bank 2006**

It is option 3 in Table 1 which we believe has the greatest potential and relevance for a public-private partnership in the South African higher education sector. It is similar to the *charter* or *voucher* system which is now deployed globally. In this option, the state literally buys a place for a student who could not access public higher education and pays the private provider for the place - a subsidy. This subvention is equivalent to the financial value it apportions to public higher education institutions for every student they enrol.

In these circumstances, the state absolves itself the responsibility of physical and social infrastructural provisioning and passes the responsibility on the private sector higher education provider, thus lessening its financial burden and increasing access to higher education - a goal which is achievable in a regulated framework of public-private partnership in higher education - if there is a will on the part of the government to resolve the crisis of 'access'.

On another front, as much as private higher education institutions are accredited and quality assured by the Council on Higher Education (the same regulatory body that accredits and quality assures public higher education institutions), debates about the quality of education provided by private higher education institutions continue to emerge. They are tenuous, to say the least. In this regard and at the risk of over-simplification we submit that in the case of South Africa, the Council on Higher Education's accreditation and quality assurance regulatory provisions ensure that students are treated equitably in the private higher education sector.

To support our response, we assert that the time for a more innovative approach to tackle the problems and challenges of the higher education sector in South Africa has come.

We would like to recommend that the Department of Higher Education and Training in South Africa invokes the principle of a Social Contract within the constructs of a Development State. The success of this social compact will depend on the active involvement of all stakeholders - a strong emphasis on building a broad front and partnership between the government, the private sector and civil society.

We are of the sincere conviction that accredited private higher education institutions, and especially those whose mission is central to the question of access are contracted to assist. Furthermore, these private institutions should have the necessary 'know how' and appropriate infrastructure and be committed to nation-building. Collectively, we can resolve the crisis of access to higher education in this country.

International evidence confirms that higher education contributes decisively towards the economic, social and political development of a country. It is as former president Nelson Mandela nuanced - the equivalent to a passport for development and prosperity. This notion, though, has also coerced governments into believing that they should bear the sole responsibility for higher education. Global verification, confirms otherwise.

The responsibility of providing higher education is too large and complex for any government to meet adequately. It is important for governments, especially in emerging economies like South Africa to explore innovative ways of financing and providing education services that would widen the scope for access to higher education.

The time, therefore, has come to confront an 'inconvenient truth'. We need to boldly traverse new 'terrains' and public-private partnerships in the provisioning of access to higher education, as they are proving to be the most plausible resolution to an incommensurable problem.

We sincerely hope that our thesis will engender debate about the question of public-private partnerships in higher education and the role they could play in successfully addressing the issues of access, equity, success and finance. We are confident that given an opportunity, public-private partnerships will more than hold their own and could in time become vanguards in determining the outcomes of similar chronic exigencies in other emerging economies of Africa.

The time for a pioneering approach to resolve the question of access to higher education has arrived. We must act with

steadfastness, especially in the interest of our youth and the future of our country.

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