GREEN PAPER ON HIGHER EDUCATION TRANSFORMATION

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DEPARTMENT OF EDUCATION

MAGISTER BUILDING

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Introduction

Higher education is one of the most important activities organised in modern societies. It creates a demanding but rewarding environment in which individuals may realise their creative and intellectual potential. Through high-level training across the disciplines, it equips people with the necessary knowledge, skills and values to play a wide range of social roles and to become effective citizens. Through research and the production of knowledge, higher education provides a society with the capacity to innovate, adapt and advance.

In fact, the ability of any higher education system to discharge these functions - to meet people's learning needs, to develop and transmit appropriate skills, and to create relevant and useful knowledge - is a key index of a society's cultural, social and economic vitality and well-being. There is a high correlation, globally, between excellent higher education and overall national achievements in development, growth, competitiveness and welfare. In South Africa, the crucial challenge is to ensure that higher education can play this role: that it can succeed in stimulating, directing and utilising the creative and intellectual energies of the entire population.

In February 1995 President Mandela appointed a National Commission on Higher Education (NCHE), which submitted its Report, **A Framework for Transformation**, in August 1996. The NCHE Report has been hailed locally and abroad for the rigour and reach of its analyses and recommendations. It is a pleasure to use this opportunity to thank the Chairperson and his fellow commissioners, as well as all who laboured on its task groups and technical committees, for their dedication and contributions. My gratitude is also extended to all the individuals and institutions who made submissions, attended public hearings and conferences, and engaged in intensive responses to the preliminary discussion document released by the NCHE in April of this year.

In broad terms, the Green Paper uses the NCHE Report as its primary resource. By its nature, the Green Paper cannot replicate the level of detail nor depth of analysis contained in the NCHE Report. As the detail and analysis underpin many of the recommendations that follow, the Ministry urges stakeholders, institutions and individuals to study and assess the Report in order to gain a fuller sense of the thinking behind the Green Paper.

Where the Ministry's proposals diverge from those in the NCHE Report the differences are mentioned and explained.

The Green Paper represents a further stage in the process of public consultation with as broad as possible a spectrum of interests and stakeholders concerned with higher education. It will be revised to reflect the feedback obtained from its release and from the process of consultation that is being organised with interest groups and stakeholders. The Green Paper signals the policy intentions of my Department in regard to the reconstruction and development of higher education in South Africa. I agree with the NCHE's point of departure: that while our higher education system has considerable capacity and internationally acknowledged areas of excellence, it is also fundamentally flawed by inequities, imbalances and distortions deriving from its apartheid history and present structure. As the NCHE Report puts it:

To preserve what is valuable and to address what is defective requires transformation. The system of higher education must be reshaped to serve a new social order, to meet pressing national needs, and to respond to a context of new realities and opportunities.

As this Green Paper makes clear, the agenda is demanding: the system of higher education must be both expanded and transformed, within the reality of limited resources. In order for such expansion and transformation to be effective, and to deliver the required results, redress is a further imperative. Redress must operate partly in terms of access: it must ensure that no-one with the capacities to succeed in higher education is barred from doing so. And redress must also operate at the institutional level, in ensuring that inherited inequities and disparities are identified and addressed. My Department is committed to a planned and targeted process of redress in the next few years, in order to ensure that in the longer term all students and institutions can contribute as fully as possible and on equal terms.

This Green Paper envisages that South African higher education should be planned, governed and funded as a single coordinated system. This requires the adoption of a range of new governing, planning and funding arrangements: details are contained in the chapters that follow. The task is enormous, and will require sustained commitment to transformation from all who work in higher education. Yet while the challenge is great, so too is the opportunity: that higher education can provide the cutting edge of the larger transformation of the nation's political, social and economic order.

Prof S M E Bengu
Minister of Education
December 1996

CHAPTER 1

VISION, PRINCIPLES, GOALS AND OBJECTIVES

This chapter defines the broad purposes of higher education; finds the existing system in South Africa deficient in important respects; outlines a vision for its transformation; specifies the principles and goals for realising that vision; and identifies certain key objectives as steps towards it.

South Africa's transition from minority rule and apartheid to a democratically elected government requires that all existing practices, institutions and values are viewed anew, rethought in term of their fitness for the new era. Higher education is a vitally important activity in any modern society. In South Africa the challenge is to ensure that it can succeed in stimulating, directing and using the creative and intellectual energies of the entire population. This Green Paper makes comprehensive proposals for its transformation through new planning, governing and funding arrangements.

1. THE PURPOSES OF HIGHER EDUCATION

Higher education has several related purposes:

1.1 To meet the learning needs and aspirations of individuals through the development of their intellectual abilities and aptitudes. Higher education equips individuals to make the best use of their talents and of the opportunities offered by society for self-fulfilment. Higher education is thus a key allocator of life chances.

1.2 Higher education provides the labour market, in a knowledge-driven and knowledge-dependent society, with the high-level competencies and expertise necessary for the growth and prosperity of a modern economy. It teaches and trains people to fulfil specialised social functions, enter the learned professions, or pursue vocations in administration, trade, industry and the arts.

1.3 Higher education is responsible for the socialisation of enlightened, responsible and constructively critical citizens. Citizenship of this nature presupposes a commitment to the common good, but it also implies a reflective capacity and a willingness to review and renew prevailing ideas, policies and practices.

1.4 Higher education is directly engaged in the creation, transmission and evaluation of knowledge. Its purpose is to ensure the continued pursuit of academic scholarship and intellectual inquiry in all fields of human understanding, through research and teaching.

2. DEFICIENCIES IN THE EXISTING SYSTEM

2.1 Assessing the current state of higher education in South Africa against the yardstick of these four general purposes, the Ministry finds reason for concern and an imperative for transformation. Despite acknowledged achievements and strengths, the present system of higher education is limited in its ability to meet the moral, social and economic demands of the new South Africa. Its deficiencies may be briefly summarised:

2.1.1 The present system perpetuates an inequitable distribution of access and opportunity for students and staff along lines of race, gender, class and geographical discrimination. There are gross discrepancies in the participation rates of students from different population groups and indefensible imbalances in the ratios of black and female staff compared to whites and males. There are equally untenable disparities between historically black and historically white institutions in terms of facilities and capacities.

2.1.2 There is a chronic mismatch between higher education's output 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 economic and social development.

2.1.3 Higher education has not succeeded in laying the foundations of a critical civil society with a culture of tolerance, public debate and accommodation of differences and competing interests. Nor has it contributed significantly to a democratic ethos and a sense of citizenship perceived as commitment to a common good.

2.1.4 While South Africa's higher education can claim academic achievement of international renown, it is still characterised by teaching and research policies which favour academic insularity and closed-system disciplinary programmes. There is inadequate consideration of and response to the needs of our society and insufficient attention to the problems and challenges of the broader African context.

2.2. The Ministry believes that higher education can make a potentially crucial contribution to the reconstruction and development of South Africa. Only higher education can deliver the requisite research, the training of highly skilled personpower, and the creation of relevant, useful knowledge to equip a developing society with the capacity to participate effectively in a rapidly changing national and global context. But the existing higher education system is unable to make this contribution adequately. It is fundamentally flawed by inequities, imbalances and distortions deriving from its history and present structure. The system of higher education must be reshaped to serve a new social order, to meet pressing national needs and to respond to new realities and opportunities.

3. VISION

The Ministry endorses the case made by the National Commission on Higher Education (NCHE) for a comprehensive transformation of higher education. The Ministry's vision is of a transformed system that will be able to:

3.1 Ensure equity of access and the possibility of success to those - irrespective of race, colour, gender, creed, age or class - seeking to realise their potential through higher-level education and learning.

3.2 Meet, through well-planned and coordinated teaching and learning programmes, as many as possible of the high-skilled vocational and employment needs presented by a growing economy which aspires to global competitiveness.

3.3 Support a democratic ethos and a culture of human rights by educational programmes and practices conducive to critical discourse and experimental thinking, cultural tolerance, and a common commitment to a humane, nonracist and nonsexist social order.

3.4 Contribute to the advancement of all forms of knowledge and scholarship, in keeping with internationally observed standards of academic quality, and with sensitivity to the diverse problems and demands of the local, national, southern African and African contexts.

The Ministry believes that its vision and ambitious programme for transforming higher education must be based upon certain underlying principles and explicit goals. Such principles provide values and tenets according to which the system and its institutions may be assessed. The goals are stated targets and outcomes towards which the system and its institutions are directed. These goals are a means of transforming the system and its institutions in accordance with stated principles.

4. PRINCIPLES

The Ministry regards the following as fundamental principles that should guide the process of transformation: equity and redress, democratisation, development, quality, effectiveness and efficiency, academic freedom and institutional autonomy and public accountability.

4.1 Redress

A major mechanism to attain equity in the higher education system is redress, which constitutes one of the most significant components of the transformation agenda. The inherited system of higher education is characterised by injustices, inequalities and imbalances, and opportunities and privileges are currently skewed as a result of racial and gender-biased policies, structures and practices. Applying the principle of equity implies, on the one hand, a critical identification of existing inequalities, and on the other a programme of transformation with a view to redress. Such transformation includes not only abolishing all existing forms of unjust differentiation, but also measures of empowerment to bring about equal opportunity for individuals and institutions.

4.2 Democratisation

The principle of democratisation requires that governance of the system of higher education and of individual institutions should be democratic, representative and participatory. Structures and procedures should ensure that those affected by decisions have a say in making them, either directly or through elected representatives. It requires that decision-making processes are transparent, and that those taking and implementing decisions are accountable for the manner in which they perform their duties and use resources. Governance of the system of higher education, and of its institutions, should be restructured to incorporate these conditions.

4.3 Development

The principle of development means that conditions must be created for a system and its components to improve through the realisation of their potential. Higher education is indispensable for realising the socioeconomic and cultural potential of the country, and should aspire to a balanced development of material and human resources.

4.4 Quality

The pursuit of the principle of quality means maintaining and applying academic and educational standards, both in the sense of specific expectations and requirements that should be complied with and in the sense of ideals of excellence that should be aimed at. The definition of these expectations and ideals can differ from context to context, partly depending on the specific purposes pursued. Applying the principle of quality entails evaluating services and products against set standards, with a view to improvement, renewal or progress.

4.5 Effectiveness and efficiency

The principles of effectiveness and efficiency are related though distinct. An effective system or institution functions in such a way that it leads to desired outcomes or achieves desired objectives. It does the right things in terms of a given framework of expectations. An efficient system or institution is one which works well, without unnecessary duplication or waste, and within the bounds of affordability and sustainability. It does things correctly in terms of making optimal use of available means.

4.6 Academic freedom and institutional autonomy

The principles of academic freedom and institutional autonomy are related though distinct. Academic freedom implies the absence of outside interference, censure or obstacles in the pursuit and practice of academic work. It is regarded as a precondition for critical, experimental and creative thought and therefore for the advancement of intellectual inquiry and knowledge. Institutional autonomy refers to a degree of self-regulation and administrative independence with respect to fulfilling academic and educational tasks.

4.7 Public accountability

The principle of public accountability bears upon decision-making and upon the spending of funds. Firstly, it requires that individuals or institutions should demonstrate responsible actions to one or more constituencies. Secondly, it requires that individuals or institutions receiving public funds should be able to report how, and how well, money has been spent.

The Ministry endorses these principles and will adopt them in the implementation of reforms and in reviews of progress.

5. GOALS

The principles detailed above establish the broad direction in which transformation should be steered. The goals listed below outline key targets and outcomes that should be set and pursued in implementing the actual steps of transformation.

At the national or system level the goals are:

5.1 To conceptualise, plan, administer and fund higher education in South Africa as a single, coordinated effective and efficient system.

5.2 To provide a full spectrum of advanced educational opportunities for an expanding range of the population, irrespective of race, gender, age, creed or class.

5.3 To diversify the system in terms of the mix of institutional missions and programmes that will be required to meet national and regional needs in social, cultural and economic development.

5.4 To facilitate horizontal and vertical mobility by developing a framework for higher education qualifications which incorporates adequate routes of articulation as well as flexible entry and exit points.

5.5 To ensure transparent and cost-effective management aimed at optimal use of available resources.

5.6 To secure and advance higher education's provision of high-level research capacity which can ensure both the continuation of self-initiated, open-ended intellectual inquiry, and the sustained application of research activities to technological improvement and social development.

5.7 To develop capacity-building measures to facilitate a more representative staff component, committed to standards and ideals of creative and internationally recognised academic work, while also sensitive to practical concerns and national needs.

5.8 To develop and implement funding mechanisms that will embody the principles of affordability, sustainability and shared costs, as well as those of equity, redress, development, democratisation, effectiveness and efficiency.

At the institutional level the goals are:

5.9 To transform the governance structures of higher education to incorporate in practicable ways the philosophy and procedures of democratisation. New structures should provide for cooperative decision-making between separate but functionally interdependent stakeholders who recognise their different

identities, interests and freedoms, while pursuing the common goal of a coordinated and participative polity and civil society.

5.10 To encourage extensive and intensive interaction among institutions of higher education and between such institutions and all sectors of the wider society. This would mean seeking cooperation and partnerships, and pursuing a viable balance between public accountability and appropriate autonomy.

5.11 To plan and offer qualification programmes which are focused on human resource and other forms of development. Such programmes should be responsive to the social, political, economic and cultural needs of the country and all its people, while maintaining high standards of academic scholarship and professional training.

5.12 To establish an academic climate characterised by free and open debate, critical questioning of prevailing orthodoxies, and experimentation with new ideas.

5.13 To demonstrate the social responsibility of institutions and their commitment to the common good by making expertise and infrastructure available for programmes of community service.

6. KEY OBJECTIVES

To realise the goals stipulated above, the Ministry believes that the following key objectives should be achieved:

6.1 The provision of assistance, where necessary, to enable institutions to submit mission statements and initial institutional plans to the Ministry by July 1997.

6.2 The commissioning of demographic and labour market studies to assist in planning the size and shape of the higher education system.

6.3 The appointment of a task team to review the structure and duration of degree, diploma and certificate programmes in South African higher education.

6.4 The appointment of a task team to investigate the current distance education institutions and plan for the creation of a single distance education provider.

6.5 The development of a integrated qualifications framework for higher education qualifications as part of the National Qualifications Framework (NQF).

6.6 The establishment of a quality assurance system for higher education.

6.7 The new Higher Education Branch of the Department of Education should be adequately staffed and fully engaged in meeting its responsibilities towards higher education.

6.8 A new Council on Higher Education, with stakeholder and expert membership, should be constituted and fully engaged in carrying out its statutory functions.

6.9 An audit of higher education institutions should be carried out as a basis for assessment criteria for earmarked redress funding.

6.10 A technical study will be undertaken to establish the terms and conditions for financing student places in the proposed funding grid.

6.11 Technical studies and audits will be undertaken in order to implement the new goal-oriented funding strategy comprising formula and earmarked funding components.

6.12 The National Student Financial Aid Scheme (NSFAS) will continue to operate in 1997 in its present form, but planning and implementation will start for its reassessment, long-term viability and the investigation of other sustainable options.

6.13 A technical study will be commissioned of performance indicators in higher education.

6.14 Specifications should be agreed and implemented for the design of a national Management Information System (MIS), which would facilitate the evolution of a three-year higher education planning framework.

6.15 A task team should be set up to investigate the research infrastructure, capacity, outputs and needs of the current system with a view to ensuring that the higher education system facilitates the production, application and transmission of knowledge in accordance with global and local needs and development. This task team should take into account the information generated by the National Research and Technology Audit and Foresight Initiative of the Department of Arts, Culture, Science and Technology.

CHAPTER 2

NEEDS AND CHALLENGES

The need to transform higher education in South Africa stems from two sets of factors: firstly, an historical legacy of inequity and inefficiency which inhibits its ability to meet the moral, social and economic demands of the new South Africa; and, secondly, a context of unprecedented national and global opportunities and challenges. Together, these factors require reorientation and innovation. Subsequent chapters specify changes in the goals, size, shape, structures, governance and funding of the system. This chapter identifies what needs to be changed as well as the context in which changes will have to be made.

1. HIGHER EDUCATION'S APARTHEID LEGACY

1.1 The existing higher education system in South Africa is profoundly shaped by its past. A highly unequal society evolved during centuries of colonialism and exploitation, and was stamped with extreme forms of segregation and discrimination during the decades of apartheid. Racial differentiation and discrimination within higher education created a divided and fragmented system in which:

- Resources were inequitably and inefficiently allocated.
- Governance structures were undemocratic.
- Access was highly skewed on racial lines.
- There was a lack of coordination, common goals or systematic planning.
- There was an inability to respond to the economic and social needs of the majority of the population.

1.2 These are the negative consequences of the apartheid legacy on higher education and this Green Paper is aimed at addressing them. At the same time, it must be noted that these distortions do not mean South African higher education has no positive features. The country possesses the most developed and best-resourced system of education and training in Africa, and some higher education institutions have developed internationally competitive research and teaching capacities. Their academic expertise and infrastructure should be regarded as national assets. It would be detrimental to the national interest and the future provision of quality higher education if the valuable features and achievements of the existing system were not identified, retained and used in the restructuring process.

1.3 Under apartheid, education was divided along racial/ethnic lines, excluding blacks from quality academic education and technical training. The Extension of University Education Act of 1959 applied this ideology to higher education. New universities were created, for African, coloured and Indian students, who were permitted entry to white universities only to pursue programmes not offered at black universities. Technikons, created from 1978 onwards, were also developed within the apartheid framework. The higher education sector reviewed by the NCHE comprised 21 universities, 15 technikons and about 140 single discipline vocational colleges (education, nursing and agriculture), all divided on racial lines.

1.4 Boundaries between the university, technikon and college sectors were defined according to their different functions:

- Universities educate students in scholarly disciplines with a view to high-level professional training, and engage in basic scientific research.
- Technikons train students in the application of knowledge with a view to high-level career training, and engage in developmental scientific research.

- Colleges prepare students for specific vocations such as nursing, teaching and policing, and are not expected to conduct research.

1.5 The existing higher education system has been described as an 'inverted pyramid' in that the enrolment figures for students in the college, technikon and university sectors respectively are in inverse proportions to patterns in many other countries. That black students are underrepresented at technikons and technical colleges is a direct result of those apartheid policies that reserved certain occupations and the acquisition of the relevant skills for whites. Furthermore, there has to be a shift in programmes largely from the humanities towards the natural sciences, engineering and technology at these institutions.

2. INEQUALITIES IN THE SYSTEM

The system outlined above has generated many racial and gender inequalities in higher education (which also give rise to inefficiencies and ineffectiveness within the system). These include:

2.1 Access

The first and most obvious inequality concerns access to higher education. Participation rates indicate stark and persistent racial inequalities in student access. Racial inequalities in access also exist across disciplines and are most pronounced at the more senior levels of study. Black students are notably underrepresented in natural sciences, technology and engineering.

2.2 Outputs and throughputs

Student access and student outputs are uneven across the higher education system. In 1993, 42% of qualifying students from the Historically Black Universities (HBUs) earned undergraduate diplomas - indicating that many did not meet the entrance requirements for degree studies - while only 2% of qualifying students from the Historically White Universities (HWUs) were in this category. The throughput rate (which measures the proportion of enrolments graduating in a given year) is an internationally accepted indicator of efficiency in higher education. Low throughput indicates high drop-out and/or failure rates, and HBUs have significantly poorer throughput rates than HWUs, from bachelor to doctoral degrees.

2.3 Staff

The staff composition in higher education bears little relation to demographic realities in South Africa, but reflects the racial and gender inequalities of the broader society. Taking the sector as a whole, the trend is that positions with greater prestige, status and influence are dominated by whites and men. The prevailing underrepresentation of black people and women in academic positions is of great concern for two broad reasons. Firstly, it flies in the face of equity and cannot be justified on moral grounds. Secondly, by artificially narrowing the potential skills base it flies in the face of successful development.

2.4 Research and research outputs

Further evidence of unjustifiable inequalities in the higher education system is provided by the research outputs of universities and technikons. The HWUs appear to have an overwhelming dominance in most fields of research. In 1993 they employed 51% of academic staff in the university and technikon sectors, but produced 83% of research articles and 81% of all masters and doctors graduates. The Ministry is concerned that research in South Africa is insufficiently connected to the needs of society. The White Paper on Science and Technology demonstrated the extent to which South African research has failed to keep up with the demands of technological progress and to address, in particular, the social and economic needs of the majority of the population.

2.5 Governance

In keeping with apartheid policy, universities, technikons and colleges were racially segregated and placed under the control of different departments. No fewer than fifteen departments of education were responsible for aspects or sections of the higher education system. This resulted in a fragmented, inefficient and ineffective system, with little coordination, few common goals and negligible systematic planning. Further divisions within the system sprang from the differential relations between the state and institutions. At the level of institutional governance, democracy and participation have been limited. The participation and representation of staff and students in institutional governance structures and procedures have varied from limited to nonexistent.

2.6 Funding

A subsequent chapter will analyse the existing funding mechanisms for universities and technikons as well as propose a reformed, goal-oriented funding framework. Here only two aspects are highlighted: firstly, in broad terms the funding of HBUs compares unfavourably with that of the HWUs in several respects, as detailed in the NCHE report. Secondly, a general assessment of the financial position of universities and technikons indicates a number of systemic weaknesses.

3. THE POLICY CHALLENGES OF TRANSITION AND GLOBALISATION

3.1 The transformation of higher education must be conceptually located, and carried out, within the broader process of South Africa's political, social and economic transition. That broader process includes political democratisation, economic development and reconstruction, and social policies aimed at redistributive equity. This national agenda, in turn, must be pursued within a distinctive set of pressures and demands characteristic of the late twentieth century - often typified as globalisation. This term refers to the intensification of worldwide social relations and to multiple changes in the economy, culture and communications of advanced economies. The associated 'knowledge society' has particular implications for the higher education system. Particularly in the context of higher education, developments in information technology effectively break down national boundaries and those between institutions. Access to higher education is not necessarily determined by physical space and location.

3.2 The South African Economy

Segregation and apartheid have shaped patterns of ownership, wealth distribution, employment practices and educational arrangements in the South African economy. A core economy has emerged with relatively sophisticated mining, manufacturing and service sectors, a developed technological infrastructure, a relatively skilled labour force and an advanced financial system. Certain features of this core economy affect the challenges to higher education. These include the following:

- The performance of the economy has been relatively poor, with per capita income lagging behind the average for middle-income economies worldwide, accompanied by low investment rates.
- Income distribution in South Africa is among the most unequal in the world.
- Even when the core economy grew at its fastest, its record in job creation and income distribution was dismal. South Africa has one of the world's highest unemployment rates.
- Within the formal employment sector there is an increasing shift towards those with skills developed through education and training, a trend conforming to industrialising and industrialised economies elsewhere.

These features of the economy create an agenda for higher education policy. Prominent items on this agenda are:

- Human resource development: the mobilisation of human talent and potential through the training and provision of personpower for a changing labour market.
- High-level skills training: the creation through higher education of professionals and knowledge workers with globally equivalent skills to strengthen this country's enterprises, services and infrastructure.
- Acquisition and application of new and relevant knowledge: any global survey of recent economic history will indicate that growth and competitiveness depend upon an industrial set-up characterised by continuous technological improvement and innovation, driven by a well-organised, vibrant research and development system.

3.3 Globalisation

The South African economy is confronted with the formidable challenge of integrating itself into the competitive arena of international production and financial activities. It faces multiform and accelerating changes in production, culture and communications. Knowledge, information and culture increasingly inhabit a borderless world with new computer and communication technologies transforming the way people work, produce and consume. As South Africa locates itself in this network of global exchanges and interactions, higher education will have to produce the skills and technological innovations necessary for successful economic participation in the global market. It must also socialise a new generation with the requisite cultural values and communication competencies to become citizens of an international and global community.

4. TRANSITION AND TRANSFORMATION

4.1 As the preceding sections demonstrate, higher education policy in South Africa confronts two sets of challenges simultaneously:

- The first set derives from the past. Successful policy will have to overcome an historically determined pattern of fragmentation, inequality and inefficiency; it will have to increase access for black students and for women; and it will have to generate new models of learning and teaching to accommodate a larger student population.
- The second set of challenges derives from the present and the future. Successful policy must restructure the higher education system and its institutions to meet the needs of an increasingly technologically oriented economy; and it must deliver the requisite research, the highly trained people and the useful knowledge to equip a developing society with the capacity to participate competitively in a rapidly changing global context.

4.2 These challenges effectively define the need to transform higher education in South Africa and the key elements of such transformation. As subsequent chapters in this Green Paper will make clear, the transformation of higher education intended by the Ministry is a far-reaching process. It has three central features:

4.2.1 Increased participation

A key feature of the new system is an expansion of student enrolments. The principles of equity and redress, as well as the imperatives of demography and development, require an expanded participation in

South African higher education. Greater numbers of students will have to be accommodated, and these students will be recruited from a broader distribution of social groups and classes. Such 'massification' of South African higher education will necessarily involve different patterns of teaching and learning, new curriculums and more varied modes of delivery. In a situation of financial constraints, planning and negotiations will have to ensure that wider participation is affordable and sustainable.

4.2.2 Greater responsiveness

Higher education will have to be more responsive to societal interests and needs. South Africa is a developing and modernising African country in a period of transition from racial discrimination and oppression towards a democratic order. Aspects of this context should be reflected in the content, focus and delivery modes of higher education programmes. Governance structures will have to provide for stakeholder consultation and participation in decision-making processes. Funding mechanisms will be introduced that are sensitive to, and able to address, the demands of redress and the challenge of development. In essence, heightened responsiveness and accountability express the greater impact of the market and civil society on higher education and the consequent need for appropriate forms of regulation.

4.2.3 Increased cooperation and partnerships

The new system will emphasise cooperation and partnerships in governance structures and operations of higher education. The model of cooperative governance, proposed by the NCHE and endorsed by the Ministry, reconceives the directive role of the state with a steering and coordinating role. The relationship between the state and higher education institutions should reconcile the self-regulation of institutions with the decision-making of central authorities. The relationship between civil society and higher education institutions will involve new linkages between institutions and commercial enterprises, parastatals, research bodies and nongovernmental organisations. Relations between higher education institutions will see new partnerships and cooperative ventures among regional clusters of institutions in order to optimise the use of scarce resources.

CHAPTER 3

STRUCTURE AND GROWTH

This chapter specifies the main features of a system of higher education transformed in order to realise the vision and goals and to meet the challenges described previously. The intention is to provide for expanded access over the next decade, within the context of limited increases in public spending. The only way in which the consequences of expansion can be planned and managed responsibly is through the creation of a single, coordinated system encompassing universities, technikons, colleges and public providers. The expansion, transformation and redress of the system will involve additional costs: these will require a more cost-effective system and institutions; they will also require further public expenditure in the long term. The size and shape of the single system will require a national higher education plan that coordinates student enrolments by levels and fields of learning. The programmes offered by institutions will be registered on the NQF and a new quality assurance system will be developed for higher education. Distance education and resource-based learning will play an expanded role in the delivery of programmes. The terms on which colleges should be located within the higher education system need further investigation, in parallel with the inquiry by the Task Team on Further Education. The fundamental importance of research within the new single system of higher education is emphasised.

1. INTRODUCTION

1.1 The fragmentation, inequity and inefficiency of the present higher education system mean that it cannot meet the challenges and goals of reconstruction and development. The system faces fundamentally new demands as the country determines its growth and development strategies, enters the world economy on new terms, and tackles the tasks of political, social and economic transformation.

1.2 The key challenges to the system in terms of its size and structure may be summarised as follows:

1.2.1 Higher education must be planned, governed and funded as a single coordinated system.

1.2.2 A significant expansion of the system is essential to meet the imperatives of equity, redress and development. Greater numbers of students will have to be accommodated, and these students will be recruited from a broader range of social groups and classes.

1.2.3 Such growth must occur within a planned framework, linked to capacity, available resources, enhanced quality and national human resource needs.

1.2.4 Increased participation in the system must simultaneously address race and gender inequity and must develop new programmes and capacities at historically disadvantaged institutions.

1.2.5 Expansion will mean more than a mere increase in enrolments. It will also see a series of concomitant changes that must accompany greater numbers and the maintenance of quality. These include: the composition of the student body; the diversification of programmes, curriculums and qualifications; the introduction of multiple entry and exit points; new relations between study and the workplace; and shifts in institutional functions and missions.

2. A SINGLE COORDINATED SYSTEM

2.1 The Ministry agrees with the NCHE that if the legacy of the past is to be overcome and the challenges of reconstruction and development addressed, a single national coordinated system of higher education must be established. It is the only way in which the consequences of growth and increased access can be planned and managed responsibly.

2.2 The Ministry also accepts the NCHE's proposal that the single coordinated system should be predicated on a programme-based definition of higher education:

Higher education should consist of all learning programmes leading to qualifications that represent a level of learning which is higher than the proposed further education certificate on the NQF, or the current Standard 10 certificate.

2.3 In the context of the new constitution which stipulates that tertiary education is exclusively a national competence, this requires, as the National Commission on Higher Education (NCHE) recommends, that tertiary education and higher education be defined as one and the same.

2.4 A higher education system planned, governed and funded as a single, coherent national system provides the basis for overcoming the fragmentation, inequalities and inefficiencies that characterise the present system. It will also ensure diversity by facilitating the development of a range of institutional and programme offerings that are articulated through a single qualifications framework.

2.5 The setting of systemwide targets and goals, and their pursuit through regulatory and funding mechanisms, will improve the flexibility and responsiveness of the higher education system to social and economic needs.

3. EXPANSION AND GROWTH IN A SINGLE COORDINATED SYSTEM

3.1 A key feature in the development of a coherent single system of higher education is an acceptance of systemic growth: that is, an expansion of student enrolments and participation rates, of feeder constituencies and of programme offerings.

3.2 The system will have to cater for a far more diverse student body as well as the traditional clients of higher education, namely school leavers. The system will also have to cater for mature students in the pursuit of multiskilling and reskilling, as well as providing places to adults previously denied access to higher education.

3.3 This will require replacing traditional models of discipline-based and sequential courses and qualifications with an open and flexible system that is modular and credit-based, with multiple entry and exit points and a range of delivery mechanisms.

3.4 While it endorses the major elements in the case made by the NCHE for a 'massification' of higher education, the Ministry believes that the report's suggestion that the participation rate of the 20-24-year cohort should be increased from 21% to 30% over the next ten years (a rise in student numbers from about 800,000 in 1995 to about 1,500,000 in 2005) should be treated as provisional until more detailed demographic and labour market analyses are available.

3.5 In preparation for a White Paper on Higher Education early in 1997, the Ministry will commission the relevant demographic and labour market studies to assist in identifying the planning parameters for the size and shape of the higher education system.

3.6 Broadly, the Ministry is committed to ensuring that the expansion of higher education should take place primarily in vocational courses, courses of short duration, and in science, engineering and technology programmes, mainly in the technikon and college sectors in order to restructure the 'inverted pyramid' of enrolments (see Chapter 2, 1.5 above). The inverted pyramid is a product of the apartheid legacy, especially the racially defined structure of the labour market which reserved most skilled, technical, professional and managerial positions for a minority.

3.7 Although there has been a significant increase in technikon enrolments in the past ten years, the technical colleges remain underresourced and underutilised. This is a waste of a key infrastructural resource. The Ministry believes that the technical colleges should constitute the core of a new further education sector.

3.8 Two factors in particular shape the Ministry's view that the main locus of growth should be in vocational programmes and in the fields of science, engineering and technology in the technikon and college sectors: affordability and skills needs. First, the unit costs of students in the technikon and college sector are substantially lower than those in universities. In 1995, the respective unit costs for three year programmes were R95,000 for contact universities, R68,000 for contact technikons, R50,000 for distance universities and colleges of education, and R10,000 for technical colleges. (These figures exclude efficiency gains possible across the system as a whole attendant on rationalisation, especially economies of scale.) Second, there is a clear need to increase the pool of technical and vocational personpower at all skills levels, a consideration critical to social and economic development.

4. EXPANSION AND GROWTH IN THE CONTEXT OF EQUITY

4.1 A central issue in relation to the general expansion of the higher education system is ensuring equity of access, given the disparities in black and white participation rates.

4.2 The Ministry is committed to ensuring that the composition of the student body in higher education reflects the demographic realities of the broader society. In this respect, a major focus of any planned expansion of the system must be on increasing the participation rates of black students in general, and of African and coloured students in particular, at all levels and in all disciplines. This must be reflected in targets of student intake and enrolment growth as part of the planning process.

4.3 Ensuring equity of access must be complemented by a concern for equity of outcomes. Increased access must not lead to a 'revolving door' syndrome for black students, with high failure and drop-out rates. This highlights the need to attend to the articulation gap between the demands of higher education programmes and the preparedness of school leavers for academic study.

4.4 Improving the quality of school education is a key goal of the Ministry, but this is a medium to long-term project given the time needed to reform curriculums, text books and teacher training. In the shorter term, as the NCHE argues, the higher education system is required to respond systematically to the articulation gap.

4.5 The Ministry believes that improving equity of outcomes requires change at the institutional level with respect to learning, teaching, curriculum and the structure of degree and diploma programmes. It also requires providing student support services which include career guidance, counselling and financial aid.

4.6 The Ministry agrees with the NCHE that the articulation gap can best be addressed by:

4.6.1 Restructuring the parameters and structure of first degree and diploma programmes to include flexible entry points and extended curriculums so as to 'enhance student access by providing a sound foundation of knowledge, concepts and academic skills as a basis for further study'.

4.6.2 Establishing and strengthening academic development structures at all higher education institutions to promote quality teaching and learning through staff, curriculum and materials development.

4.6.3 Supporting the shift in academic development from a narrow focus on access and bridging courses to the integration of academic development approaches in mainstream programmes.

4.6.4 Locating institutional academic development structures in a national network to facilitate interinstitutional cooperation in the development and design of programmes, curriculums and materials.

4.7 The Ministry further agrees with the NCHE that extended curriculums and academic development programmes should be funded through the new funding formula for higher education. Such programmes should be given due weight and status as integral elements of a higher education system committed to improving the quality of learning and teaching.

4.8 Given 4.7 above and the provision of earmarked funding for academic development, the Ministry does not support the inclusion of an 'institutional factor' based on the relative degree of educational disadvantage. The changing profile of students in higher education institutions would make it difficult to apply this factor.

4.9 The Ministry, in conjunction with the Council on Higher Education, will initiate a thorough review of the structure and duration of all degree, diploma and certificate programmes to ensure greater synergy between the school and higher education systems.

5. EXPANSION AND COSTS

5.1 The commitment to increase participation rates without sacrificing quality is a major challenge facing the higher education system. There are substantial additional costs involved in meeting the growth, transformation and redress objectives outlined above, and the obvious question is: how are these to be met?

5.2 The Ministry believes that the NCHE report gives a clear and balanced answer with two main emphases:

- First, that growth will need to be based on a strategy of greater cost-effectiveness given fiscal and budgetary limitations. A concerted effort must be made to implement systemwide and institutional reforms that reduce wasteful expenditure and improve efficiency gains. As part of the strategy for greater effectiveness, consolidation and quality improvement in higher education institutions need to be emphasised.

- Second, growth and transformation will require a careful allocation of available fiscal resources and continued growth of private expenditure flows to the higher education system. In the longer term, additional public expenditure will be required to sustain the growth of the higher education system.

5.3 The Ministry believes there are a number of measures that can be introduced which should improve the internal efficiency of the higher education system through reducing unit costs and increasing productivity. These include:

5.3.1 Regional rationalisation to reduce duplication and overlap in programme provision (not excluding the possibility of institutional mergers and closures).

5.3.2 Restructuring and where necessary closing programmes that do not achieve economies of scale.

5.3.3 Introducing new teaching and learning strategies, including open and resource-based learning, which are less labour-intensive. This would lead to significant changes to traditional modes of programme delivery and associated student:staff ratios.

5.3.4 Improving throughput and completion rates.

5.3.5 Shifting enrolment to the technikon and college sectors relative to universities with special emphasis on scientific and technological fields.

5.3.6 Recognising and encouraging the contribution made by private higher education providers to achieving wider access and higher participation rates.

5.4 In addition to measures designed to effect greater efficiency, institutions also need to broaden their funding base through, for example, a selective increase in fee income by introducing differential fee pricing policies; developing contract research and consultancy services; and developing new funding partnerships with industry, commerce and international funding agencies.

5.5 The Ministry recognises, however, that measures to increase efficiency and to broaden the funding base will not result in significant savings in the short term. Some additional budgetary outlays will be required to achieve internal efficiencies - for example, the development of resource-based learning strategies will require investment in materials development.

5.6 Moreover the Ministry believes that there is a case to be made for increasing real public spending on higher education in the short term if the goals of expansion, transformation and redress are to be met. Despite fiscal constraints, the central role of higher education in developing high-level skills and competencies essential for social and economic development requires investment in the higher education system. There is a high correlation internationally between quality higher education training and research, on the one hand, and national economic growth and competitiveness, on the other.

5.7 While it is possible to achieve rapid enrolment growth without extra expenditure, the penalties for doing so are harsh. Precedents for expansion without investment are to be found in African and Latin American higher education systems where this has resulted in overcrowded facilities, low morale of academic staff, poor quality programmes, a fall in research output and quality, and, ultimately, a loss of confidence by students, employers and funders in the devalued products of higher education.

6. INSTITUTIONS IN A SINGLE COORDINATED SYSTEM

6.1 The programme-based definition of higher education raises the issues of organisational form and institutional landscape within the new single system. A programme-based approach assumes a differentiated or diversified higher education system. The current structure of higher education in South Africa exhibits dual and binary characteristics. There is a binary distinction between the universities and technikons, based on the universities' role in general formative and professional education and basic and applied research, and the technikons' role in vocational and career education and 'product-related' research and development. Dual system features can be seen in the relationship between the universities and technikons, on the one hand, and the various kinds of colleges on the other. The latter have less autonomy than do universities and technikons and are subjected to external budget control and programme approval procedures.

6.2 Across the sector as a whole horizontal differentiation is further complicated by vertical differentiation related to status, prestige and resources between institutions in each sector, in particular between HBIs and HWIs.

6.3 The key challenge is to ensure diversity within a single system and to offset pressures for homogenisation.

6.4 Two major concerns have been raised in relation to a programme-based approach:

- That it will reproduce and intensify existing inequalities between HBIs and HWIs as the superior resources of the latter will see them better placed to take advantage of the opportunities offered by the programme-based approach.
- That it will lead to 'mission drift', with institutions focusing on high status academic programmes to the detriment of technical and vocational programmes.

The Ministry is sympathetic to the concerns raised and is acutely aware of the potential pitfalls if the programme-based approach is not sensitive to the historical context of higher education in South Africa, especially inherited disparities between institutions.

6.5 The Ministry is firmly of the view that a programme-based approach, complemented by an agenda for redress and capacity-building, provides the foundation for transforming and developing the HBIs. It offers them a unique opportunity to identify niche programmes in a range of academic and vocational fields, and to develop such programmes with earmarked funding. The development of quality programmes and centres of excellence in niche fields provides the building blocks for the transformation and reconstruction of the HBIs.

6.6 The success of the HBIs in developing quality programmes and centres of excellence will depend on the establishment of a new planning and regulatory framework for the new single system. A central element of such a framework will be mechanisms for building capacity, including earmarked funding directed to institutional redress.

6.7 The Ministry is also committed to ensuring that a programme-based approach does not result in 'mission drift' as this would negate the equity and development imperatives of the new system. The determination of programme mix in the planning process should take into account clear criteria to avoid 'mission drift'.

6.8 The Ministry agrees with the NCHE that the concerns raised and the potential pitfalls of a programme-based approach should be addressed in the short term by recognising the broad function and mission of universities, technikons and colleges as three types of institutions offering higher education programmes. The precise mix of programmes offered at each institution should be determined (as the NCHE puts it)
in terms of a planned process based on the recognition and pragmatic consideration of current institutional missions and capacities (and the need to overcome the distortions created by the apartheid legacy) on the one hand, and emerging national and regional needs and priorities on the other.

6.9 The Ministry believes that in the medium to long term the logic of the programme-based approach requires a reconfiguration of the institutional landscape. Two options require further investigation. First, the development of comprehensive multicampus institutions that offer the full range of programmes from diplomas and certificates to postgraduate degrees. Second, the development of regional consortia and partnerships involving a range of institutions in the development and delivery of programmes. This will reduce overlap and duplication in programme provision; help build academic and administrative capacity in HBIs; refocus the institutional culture and missions of HWIs; and enhance responsiveness to regional and national needs. The real import of such regional collaboration is that insofar as it transcends the current divides in the system, it is a potential harbinger of new institutional and organisational forms. In this respect the Ministry seeks to encourage the regional initiatives aimed at collaboration that have emerged recently.

6.10 The Ministry proposes to introduce incentives into the funding framework to encourage and facilitate regional planning and coordination. Accordingly, higher education institutions should seek means to review the relationship between their own plans and those of their regional stakeholders.

7. DISTANCE EDUCATION AND RESOURCE-BASED LEARNING

7.1 Distance education and resource-based learning have a crucial role to play in meeting the challenge of greater access and enhanced quality in a context of resource constraints and a diverse student body.

7.2 Distance education based on the principles of open learning leads to the development of a system which is organised for use by learners at different times, in different ways and for different purposes at various

stages of their lives and careers. It also means the quality and success of teaching are not dependent upon staff levels rising in tandem with increased enrolments, and it mitigates the underutilisation of physical and human resources due to the structure of the academic year.

7.3 Moreover, the reorganisation of learning and teaching in contact institutions involving the use of well-designed learning resources will result in improved quality and effectiveness.

7.4 Distance and resource-based learning are well placed for expansion given the current distance/correspondence infrastructure. Apart from private providers, there are about 225,000 students enrolled in UNISA, Technikon SA and VISTA, with an additional 7,000 students registered with Technisa College. At the same time, there are serious concerns about the efficacy, appropriateness and effectiveness of current distance education provision. These include:

- Low throughput and completion rates.
- Inadequate learner support.
- A large number of courses with low student enrolment.
- A focus on correspondence-type programmes which are less effective, especially at entry levels, rather than multimedia and open learning programmes.
- The failure of the current funding formula to encourage the development of a learner-centred model.

7.5 The Ministry is also committed to encouraging the development of resource-based learning materials, as well as distance education programmes in niche fields by contact institutions as a means for improving quality and cost-effectiveness. This, together with a single, dedicated distance education institution with a network of regional learning centres, will not only broaden access, but also facilitate and enhance quality, especially in rural and less well-endowed institutions, by developing and franchising well-designed learning resources and courses.

7.6 The Ministry endorses the NCHE's recommendation that if distance education is to fulfil its potential for integrating lifelong learning into the basic shape and structure of higher education, it requires the establishment of a single distance education institution offering quality distance education programmes and participating in the production of resource-based courses and course materials.

7.7 In planning for a single distance institution, the Department of Education, in conjunction with the Council on Higher Education, should conduct a thorough investigation to:

- Analyse existing distance education institutions in terms of the cost-efficiency and effectiveness of their current use of resources.
- Assess the quality assurance processes and the capacity of distance institutions to provide quality programmes based on the principles of open learning.
- Assess the role of distance education institutions in providing postgraduate programmes.

8. THE COLLEGE SECTOR IN A SINGLE COORDINATED SYSTEM

8.1 A key issue to be addressed in the context of a programme-based approach to higher education is the future role and location of the existing college sector. This comprises colleges of education, nursing, agriculture and others such as police and forestry - all of which offer higher education programmes - and technical colleges which offer some higher education programmes (N4-N6).

8.2 The role, location and governance of the college sector are further complicated as many colleges are structurally located outside the education system. Colleges of nursing and agriculture, for example, fall under the jurisdiction of the provincial Departments of Health and Agriculture, while police and forestry colleges reside under the national Departments of Safety and Security and of Water and Forestry, respectively. Colleges of education and technical colleges fall at present under the jurisdiction of provincial Departments of Education.

8.3 Colleges of education

8.3.1 Teacher training is the largest single field of study in higher education and is offered by a range of institutions, including universities, technikons, colleges of education, private colleges, nongovernmental organisations and provincial education departments. According to the National Teacher Education Audit (1995), there are 281 institutions offering the full spectrum of pre-service and in-service teacher education programmes.

8.3.2 The national audit found that the teacher education field is large, fragmented and increasingly diverse; that the quality of teacher education is generally poor despite pockets of excellence and innovation; that the system is inefficient as a result of high failure rates and diseconomies of scale; and that many students enrol in teacher education programmes with no intention of teaching but to obtain a higher education qualification. It recommended a restructuring of the sector.

8.3.3 In the light of these findings, the Ministry endorses the NCHE's proposal that the starting point for the restructuring of the sector must be to incorporate the programmes offered by colleges of education in the planning, coordination and quality assurance systems envisaged for the restructured higher education system.

8.3.4 The NCHE argued that the organisational basis on which colleges of education are incorporated into the single national higher education system must

promote the provision of a coherent set of quality programmes on a single qualifications ladder, limit the fragmentation and duplication of teacher education programme provision; ensure that local and regional teacher education needs are taken into account in planning; allow for national planning, funding and evaluation; and be sensitive to existing institutional missions and cultures, including their implications for the skills required of teacher educators and their conditions of service.

8.3.5 The NCHE assessed four possible organisational models for the integration of colleges of education into a single coordinated higher education system:

- Bilateral agreements between universities or technikons and colleges of education, with universities or technikons performing quality assurance and certification functions.
- Institutes of education involving partnerships between the providers of teacher education in the province to facilitate quality assurance, accreditation and planning.
- A collegium of colleges of education, involving the establishment of an autonomous college sector within the system, whereby individual colleges would retain relative autonomy but would cooperate as a sector via the collegium for quality assurance, accreditation and planning.
- Incorporation of colleges of education into universities and technikons, so that the colleges cease to be separate entities but become faculties or components of faculties of universities and technikons.

8.3.6 The NCHE recommended the last of these, incorporation, as best suited to a single coordinated system. This would bring the full range of teacher education programmes into a single institutional setting, thus facilitating planning, funding and cost-effective delivery of programmes.

8.3.7 The Ministry believes that given the complexities of the current situation it is premature to identify a single model on which to base teacher education. Due to the distant and rural location of some colleges it may not be feasible to incorporate them into universities or technikons. In such cases other models as outlined in 8.3.5 above will have to be explored. Two other sets of factors are operative - firstly, the provinces are rationalising teacher education colleges, and secondly, the National Committee on Further Education will undoubtedly address the college issue. In view of this fluid state of events the final location of teacher education colleges will have to be deferred. However, the Ministry endorses the NCHE proposal that teacher education programmes must form part of the single coordinated system of higher education for purposes of planning, governance and management.

8.4 Nursing, agricultural and other colleges

8.4.1 The NCHE's discussion of colleges other than colleges of education and technical colleges focuses on nursing and agricultural colleges and omits for e.g. police, military and forestry colleges etc. It recommends that nursing and agricultural colleges be incorporated into universities and technikons, and that they should be transferred to the jurisdiction of the Department of Education.

8.4.2 The Ministry is not willing to accept this recommendation without a detailed examination of the role and location of nursing and agricultural colleges (which the NCHE was unable to conduct because of time constraints), as well as of other colleges.

8.4.3 The Ministry favours a comprehensive review of such colleges to determine their future role and location in the context of a single coordinated system. Such a review would have to be undertaken in conjunction with the respective Ministries under whose jurisdiction these colleges fall. The Minister will initiate discussions with colleagues to take this matter forward.

8.5 Technical colleges and further education

8.5.1 In the case of the technical colleges and those colleges of education surplus to teacher training needs, the Ministry agrees with the NCHE that they should form the basis of a new further education college sector. This sector should offer a wide range of educational programmes from general and adult education and training through further education to higher education programmes.

8.5.2 The main function of the further education sector, crucial to the integration of the education and training system, will be to prepare individuals for the 'world of work' by developing combined general/academic-cum-technical/vocational curriculums.

8.5.3 In addition, by offering higher education programmes in targeted fields (especially access and bridging programmes) and at lower unit costs, the further education sector will broaden access to the higher education system.

8.5.4 The precise nature of the further education sector - its institutional configuration, governance, funding and programmes - is being investigated by the National Committee on Further Education which was recently appointed by the Minister.

9. PRIVATE INSTITUTIONS IN A SINGLE COORDINATED SYSTEM

9.1 There is, as the NCHE notes, a relatively well-developed private higher education sector in South Africa offering programmes under franchise from professional institutes or from local and international universities. In 1995 about 150,000 students were enrolled in such programmes.

9.2 The NCHE believes that private provision should be encouraged as part of a broader policy to increase participation rates in higher education. The key challenge in expanding the role of private institutions is to create an environment which neither suffocates educationally sound and sustainable private institutions with state overregulation, nor allows a plethora of poor quality, unsustainable 'fly by night' operators into the higher education market.

9.3 The Ministry endorses the recommendation that the role of private institutions in higher education be recognised and expanded, and that they should be encouraged to offer programmes accredited through procedures established as part of the NQF in terms of the South African Qualifications Authority (SAQA) Act.

9.4 The Ministry believes that a regulatory framework needs to be developed to ensure that private institutions providing programmes under franchise have the necessary infrastructure and resources to provide quality programmes that are sustainable.

9.5 The Ministry endorses the NCHE view that in principle private universities and technikons should be allowed to operate, on condition that the necessary regulatory framework is established to ensure quality and sustainability and to limit an adverse impact on public institutions in terms of equity and national human resource needs.

10. PLANNING IN A SINGLE COORDINATED SYSTEM

One clear implication of the proposed single coordinated system is that higher education will become a more planned environment, at the system level and at institutional level.

10.1 National higher education plan

10.1.1 The size and shape of the higher education system are currently determined by individual institutions which decide how many students to enrol and their distribution across programme levels and fields. This is untenable given fiscal constraints and the need to ensure a system responsive to national human resource needs.

10.1.2 Instead, the NCHE proposes an overall national higher education plan as an alternative to the existing practice of uncoordinated institutional decisions driving the national enterprise. It warns against the rigidities and inherent defects of top-down central planning and the failed methodologies of personpower planning. The NCHE argues that these can be avoided by developing 'rolling plans' which facilitate the setting of objectives and implementation targets, which are designed to be adjusted, updated and revised annually and allow for flexible responsiveness of educational institutions to market signals.

10.1.3 The Ministry agrees that a three-year rolling national higher education plan is a key instrument for developing a single coordinated system, linking labour market needs and higher education outcomes, and providing a more predictable and stable funding environment for institutions.

10.1.4 The national higher education plan will be developed by the Branch of Higher Education in conjunction with the Council on Higher Education on the basis of national policy and goals, in particular targets for the size and shape of the system, overall growth and participation rates and programme mixes that are set by the Minister of Education.

10.2 Institutional three-year plans

10.2.1 A key element in the planning process will be the development of institutional missions and three-year rolling plans, including proposed programme mixes and enrolment levels, race and gender equity targets, and developmental plans for new programmes. Institutional plans will also plan for academic development, research development and capital management.

10.2.2 The Ministry endorses the NCHE's proposal that approval of institutional plans should lead to the allocation of funded student places to institutions for approved programmes in particular levels and fields of learning. Individual institutions will determine student numbers for particular programmes within these levels and fields.

10.2.3 The NCHE recognised the importance of regional consultations in the planning process to promote collaboration, to enhance articulation and mobility between institutions, and to reduce unnecessary programme duplication and overlap. The Ministry believes that regional reviews of institutional plans should be carried out with a view to maximising regional coordination and planning as an integral component of the national planning process.

10.2.4 The successful development of a single coordinated system is critically dependent on building and enhancing academic, management and infrastructural capacity at all levels. The Ministry recognises that while higher education institutions are primarily responsible for capacity-building, there is a need for national initiatives to facilitate and support institutional and regional capacity-building programmes.

11. A QUALIFICATIONS FRAMEWORK FOR HIGHER EDUCATION

11.1 The current separate and parallel qualifications frameworks for universities, technikons and colleges have hindered articulation and transfer between institutions and programmes, both horizontally and vertically. The impermeability of multiyear degree and diploma programmes is a further obstacle to mobility and progression. This is clearly untenable in the light of the new NQF and the programme-based approach to higher education (premised on enhancing horizontal and vertical mobility through flexible entry and exit qualifications).

11.2 The NCHE recommended that:

A single qualifications framework should be developed for all higher education qualifications, as part of the NQF. The framework should include intermediate qualifications within multiyear qualifications and should consist of a laddered set of qualifications at higher education certificate, diploma and degree levels.

All higher education programmes should be registered on the NQF, minimally at the exit level of whole qualifications, with National Standards Bodies determining the appropriate form of registration.

The Ministry endorses these recommendations, particularly the principle of a single qualifications framework.

11.3 The Ministry acknowledges and appreciates the reluctance of the NCHE to propose a concrete new framework. While the higher education sector has accepted the principle of the NQF, the terms of the integration of higher education into the NQF have provoked debate and some controversy. There have been fears that as the NQF has been driven by the training sector it will require higher education to fit the narrow needs of the world of work. Concern has also been expressed that the notion of an outcomes-based approach may marginalise content and discipline-specific knowledge which is central to higher education.

11.4 While the Ministry recognises these and related concerns within the higher education sector, it believes that the problems are not insurmountable. The NCHE's recommendation that whole qualifications be recognised in the case of higher education programmes is a possible solution. However, greater discussion

and analysis are required. In this respect, the establishment of SAQA, which is responsible for the development of the NQF and on which higher education is represented, provides an institutional base for such discussions.

12. A QUALITY ASSURANCE SYSTEM FOR HIGHER EDUCATION

12.1 One of the principles underpinning the vision of a transformed higher education system is the improvement of quality. The Ministry has previously expressed its commitment to quality improvement for education and training in general, as in the White Paper on Education and Training:

The improvement of the quality of education and training services is essential. In many of the schools and colleges serving the majority of the population there has been a precipitous decline in the quality of educational performance, which must be reversed. But quality is required across the board. It is linked to the capacity and commitment of the teacher, the appropriateness of the curriculum, and the way standards are set and assessed.

12.2 In the context of limited resources and the need to make higher education more responsive to social and economic goals, quality is a key mechanism for ensuring the accountability and value for money of the higher education system. A single qualifications framework linked to the NQF is one of the main mechanisms for ensuring and promoting quality.

12.3 The Ministry considers that the primary responsibility for quality assurance rests with higher education institutions. However, the Ministry also agrees that quality assurance of programmes has been a priority within higher education internationally in recent years as a way of ensuring accountability and value for money. Accordingly, it endorses the NCHE's proposal that quality assurance in higher education be coordinated by a Higher Education Quality Committee (HEQC).

12.4 The Ministry proposes that the HEQC should be established as an independent umbrella body for quality assurance within the higher education sector. The Certification Council for Technikon Education (SERTEC) should form the nucleus of the HEQC. The HEQC should register with SAQA as the Education and Training Quality Assurer for higher education.

12.5 The functions of the HEQC should include programme accreditation and institutional auditing. It should operate within an agreed framework underpinned by:

- The formulation of criteria and procedures in consultation with higher education institutions.
- A formative notion of quality assurance, focused on improvement and development rather than punitive sanction. Quality assurance should not be linked directly to funding.
- A mix of institutional self-evaluation and external independent assessment.

12.6 Quality promotion should be undertaken by a Quality Promotion Unit (QPU) under the aegis of the CHE. The proposed QPU of the Committee of University Principals should be reconstituted to include the various institutional types within the single coordinated system.

13. ADMISSION AND SELECTION PROCEDURES

13.1 The development of a national plan for higher education and the establishment of a single qualification framework will require reform of current selection and admission practices.

13.2 At present there are different entry requirements for degree and diploma programmes with matriculation exemption as the statutory minimum for university degree purposes. This is clearly

inappropriate in the context of the NQF with its emphasis on horizontal and vertical mobility and flexible entry and exit points.

13.3 Further, if institutions are to have the right to determine additional entry requirements over and above the statutory minimum, they need to develop suitable selection instruments that are sensitive to the educational background of potential students. Selection also needs to incorporate recognition of prior learning, which is an essential component of the NQF and integral to the development of lifelong learning.

13.4 In addition, the successful development of the national higher education plan to determine the size and shape of the system is crucially dependent on the availability of accurate and relevant information. This is not available at present as admission is the preserve of individual institutions. Apart from a lack of information on overall student demand, the fragmented nature of admission procedures also hinders the free flow to students of information on institutions and programmes. It is also costly as each institution charges an application fee.

13.5 Accordingly, the Ministry endorses the NCHE proposals that:

- *The statutory minimum requirement for entry into all higher education programmes should, in the future, be a pass in the proposed further education certificate. This proposal should be implemented only once appropriate selection criteria and mechanisms are in place.*

- *A national service should be established to disseminate information to students and other learners seeking assistance on subject choice, guidance on application and admission, various options available for further study, as well as assessment of prior learning and experience. This service should, as soon as possible, be incorporated into a fully-fledged National Higher Education Information and Admission Service (with regional centres) that should be established to facilitate the administration of student applications and to satisfy the information needs of applicants. The national service should be in effect a set of regional centres operating on one national information and admissions data base.*

The Ministry recognises that establishing a national service of this sort will pose considerable problems of design and implementation, and it is therefore unlikely to be in operation in the short term. Accordingly, the Ministry favours regional initiatives that will in effect serve as pilot programmes for a national service.

14. RESEARCH AND POSTGRADUATE STUDY

14.1 Knowledge is the core business of higher education. The NCHE notes that:

Higher education is the repository of advanced knowledge: research creates it, scholarship preserves, refines and modifies it, teaching disseminates it and professional services use it in developing the wider community... Higher education, then, has a profound interest in research not simply as a site of innovation, or as a strategic national resource, but as the prime source of its core commodity... Without research and new knowledge, the higher education enterprise has no substance and no future.

14.2 Apart from this role in creating knowledge, research is fundamentally important to higher education in two other respects:

- Research in the course of postgraduate study is the prime source of higher education's own human resource needs - the provision of high calibre academic staff.

- High quality research is intimately linked to high quality teaching and curriculum renewal.

14.3 The Ministry shares concerns expressed in the NCHE report and in the White Paper on Science and Technology about the current capacity, distribution and outcomes of research in South African higher education. In particular:

- There is insufficient articulation between the research effort and national needs for social, economic, intellectual and cultural reconstruction.
- There is insufficient research capacity in higher education, and existing capacity is poorly coordinated and not sufficiently linked to graduate studies.
- There are stark race, gender and institutional imbalances in participation in research activity. South African science cannot reap the full benefit of its research potential if scientists remain overwhelmingly white and male.

14.4 In addition to these features of the existing system, there are also specific challenges to research arising from global trends in knowledge production and dissemination. These include:

- The development of multiple sites of research and knowledge production outside higher education.
- The importance and impact of transdisciplinary and transinstitutional research.
- The salience of new electronic forms of communication - the information highway - in speeding up and widening access to knowledge and research findings.

14.5 The Ministry agrees with the NCHE that the current capacity of research in higher education must be increased, current research resources protected, new sources of research funding found, and all these resources used more effectively. Existing and enhanced research capacity should not be allowed to wither in the face of the development of an expanded and diversified system, nor within the context of limitations on public expenditure on higher education. Specifically, the Ministry endorses the following proposals:

14.5.1 The proportion of South Africa's private and public funding of research and development that is spent in higher education should be increased.

14.5.2 Research and development activities in government departments, research councils and the private sector should increasingly be undertaken in partnership with universities and technikons.

14.5.3 The current mechanisms for funding research from the higher education budget should be changed. It is neither sensible nor appropriate to continue to link set-up research funding to overall student enrolments. Research set-up funding should be linked to enrolled masters and doctoral students. Direct funding of research projects by way of grants should continue.

14.5.4 There should continue to be incentive funding for research outputs, on the lines of a modified and streamlined version of the existing awards to institutions on the basis of an annual count of approved publications.

14.5.5 Funding mechanisms (including earmarked funding) should be used to develop research capacity at institutions where this is underdeveloped, and must occur on a targeted basis. The development of a broader institutional base for research will need incentives to encourage regional cooperation and research alliances, and the full use of the potential of information technology to reduce the negative effects of geographical distance on research collaboration.

CHAPTER 4

GOVERNANCE

The new expanded system of higher education will require new relations and structures of governance. While the Ministry endorses the NCHE's concept of cooperative governance, it believes that this model needs to be grounded in the context of autonomous institutions working cooperatively with a proactive government and in a range of partnerships. Academic freedom and institutional autonomy are key conditions for a vibrant higher education system. Both will be exercised within the new configuration of functions and responsibilities provided by the proposed model of governance. At the system level, there are two key elements of governance. First, a new independent advisory body, a Council on Higher Education (CHE), will be created. Its members will include stakeholder representatives as well as members external to the higher education sector, and the Council is intended to play a leading strategic role in the transformation of the system in accordance with the vision and goals of the Ministry. Second, a new Branch of Higher Education in the Department of Education will develop policy, undertake, national planning and allocate funds. At the institutional level, the onus is on institutions to review governance arrangements. The Ministry anticipates that institutions will review the composition and representativeness of their councils, senates and academic boards, and establish broad transformation forums as a mechanism for dialogue, consultation and dispute resolution. The Ministry will appoint independent assessors to investigate and report on institutions when circumstances require this.

1. A MODEL OF COOPERATIVE GOVERNANCE

1.1 The NCHE devoted considerable attention to issues of governance. It reviewed broad models of governance experienced elsewhere (state control, state supervision and state interference) and recommended a model of cooperative governance for the South African system. Cooperative governance assumes a proactive, guiding and constructive role for government. It also assumes the active participation by civil society constituencies which acknowledge their different interests, maintain separate identities, and recognise their mutual interdependence and responsibilities for attaining a common goal. These are the prerequisites for successful change and development. In short, it is the interaction between different constituencies, traditionally identified as the state and civil society, that provides the cornerstone of this approach to governance. The Ministry endorses this as an appropriate model of governance for higher education in South Africa.

1.2 The structures and relationships among stakeholders (including Government) outlined in this chapter are based on the assumptions that:

- No single actor or agency can claim sole responsibility or authority for determining the policies and priorities of the higher education system.
- Competing and complementary interests, interdependence and common goals must be recognised.
- Participation and effectiveness must be balanced.
- Power, shared accountability and responsibility require cooperative behaviour from all participants.
- Within the context of national goals the Government will play a steering and coordinating role with the participation of higher education stakeholders.

1.3 This approach recognises that different groups have varying expectations of and interests in the performance of higher education providers. Those directly involved in the processes of higher education

include students, academic and service staff and institutional managers. They sometimes have competing views and different priorities which can give rise to tensions. If not well negotiated, such tensions can lead to disaffection, conflict and underperformance. There are also broader social interests that have diverse views and expectations of higher education: employers of graduates, previous graduates, parents of current and prospective students, and the broader community that contributes to and benefits from higher education. To ensure cooperation, these different interests should be acknowledged and tensions negotiated in participative and transparent ways. Yet it is equally important that the common goals of the system and/or institution be recognised and accommodated. For cooperative governance to succeed, all stakeholders need to commit themselves to a code of conduct based on joint responsibilities.

1.4 The Ministry accepts that there are several public functions of and public resource provisions for higher education that involve the attention of Government. Government has the responsibility ultimately to determine priorities among competing claims, to set general policy objectives and regulatory frameworks, to allocate available resources according to principles such as equity and efficiency, and to monitor and report on progress towards achievement of objectives. Government should exercise its authority and its powers over higher education in a transparent, equitable and accountable manner and in pursuit of the public good.

2. ACADEMIC FREEDOM, INSTITUTIONAL AUTONOMY AND ACCOUNTABILITY

2.1 The White Paper on Education and Training of 1995 affirmed the Ministry's commitment to uphold 'both the tradition and the legal basis of autonomous governance' of higher education providers which are the responsibility of the national Government. The NCHE has recommended that 'the principles of academic freedom and institutional autonomy be maintained as key conditions for a vibrant higher education system'. Both the White Paper and NCHE related the concept of autonomy to that of increased accountability on the part of higher education providers. Academic freedom, institutional autonomy and accountability are analytically distinct but practically related issues.

2.2 The Ministry reaffirms its commitment to the principles of academic freedom and institutional autonomy within the framework of greater accountability as fundamental tenets of higher education.

2.3 Academic freedom means the right of individuals to pursue the goals and procedures of academic thinking free of interference or censure in terms of any political, religious or social orthodoxy.

2.4 Institutional autonomy refers to the degree of self-regulation and administrative independence that an institution enjoys in making decisions on its goals, programmes and priorities and on the means and procedures by which these will be pursued. Such autonomy is ineluctably limited by the demands of accountability: by the requirement to demonstrate responsible actions to one or more constituencies, and in particular to account for how funds have been spent.

2.5 The proposed new system for higher education will require, as far as the Ministry is concerned, the creation of a new organisational and regulatory framework which can facilitate negotiated planning, responsible interaction and productive partnerships. In general terms, these new developments will have an impact on the scope of institutional autonomy in the sense that they will require a culture of cooperation and will lead to increased accountability. More specifically, proposals outlined in the Green Paper would affect institutional autonomy in the following ways:

2.5.1 Through the proposed funding mechanism, student recruitment is made subject to overall targets and to the distribution of numbers between major fields of study decided upon within the context of the national

education plan (see par. 10, Chapter 3). Such allocation of funded student places implies a limit on institutional autonomy.

2.5.2 As far as course and curriculum planning is concerned, the proposals on accreditation and the NQF and the existence of SAQA do entail a degree of curtailment of existing autonomy.

2.5.3 Institutional autonomy will no longer be absolute in assessing academic performance. The review and evaluation of the activities of institutions will take place at the national level within the framework determined by a national management information and performance indicator system (although self-evaluation will play an important role in quality assessment procedures).

2.5.4 The Ministry will reserve the legal right to have independent assessments made and advice provided when it considers it necessary to do so, in circumstances such as those that may bring an institution into disrepute on the basis of mismanagement, corruption or persistent turmoil.

3. GOVERNANCE AT SYSTEM LEVEL

3.1 Governance of South Africa's higher education system is a matter of significance, complexity and sensitivity. The NCHE has argued that to transcend the adversarial relations between state and civil society arising from the apartheid era, a unique form of system level governance is required for South Africa. It notes that an integrated system still has to be created; that the planning, regulatory and administrative structures and capacity are lacking; and that the historical legacy makes it difficult for organised constituencies to prioritise their concerns and direct their behaviour for the common good.

3.2 In response to these challenges, the NCHE developed proposals underpinned by notions of responsiveness, partnerships and cooperation. It argued that the governance system should emerge in its social context:

This context is that of a developing and modernising African country in a period of transition from racial discrimination and oppression towards a democratic order with constitutional provisions for justice and equal opportunity.

The NCHE also indicated the need for a more inclusive set of governance arrangements that will enable higher education institutions to make the necessary social contributions:

The tendency towards academic insularity and institutional self-reliance will have to make way for a recognition of the functional interdependence between multiple actors and interests with a stake in higher education.

3.3 Accordingly, the NCHE concluded that governance structures will have to provide for stakeholder participation and consultation. The Ministry agrees with this position in principle and will give effect to it in practice. However, the system governance model proposed by the NCHE involves two new statutory bodies in addition to an enhanced role for the Department of Education. The Ministry considers such an arrangement to be neither appropriate nor efficient and will propose an alternative arrangement. The reasons for this are set out below.

3.4 The NCHE proposed a Higher Education Forum consisting of stakeholders (institutional managers, students, staff, business, labour, funders, et al). The Forum would have statutory functions which would include advising the Minister 'on all major policy determinations', lobbying, and initiation of proposals on issues of common interest. The NCHE also proposed a Higher Education Council consisting of people with

experience and expertise in higher education. The statutory functions of the Council would have included a range of planning and allocative powers and responsibilities.

3.5 The proposal to establish two statutory advisory bodies with different functions creates several problems. These include:

- Such an arrangement would in practice create complicated and potentially ambiguous relations between the Minister and the Department, the two statutory authorities, and stakeholders.
- The NCHE argued that the absence of certain preconditions during this phase of transition made the conventional model of state regulation (with a single buffer body) untenable. However, it would be unwise to establish permanent statutory structures to deal with temporary, transitional difficulties.
- There are also concerns about the costs of establishing and operating the proposed new bodies, and about the potential for duplication of work by the Forum, the Council and the Department. Given existing capacity constraints, it would be prudent to concentrate rather than disperse the available expertise.

4. THE COUNCIL ON HIGHER EDUCATION

4.1 The Ministry is of the view that a single advisory body should be established by statute to provide independent, strategic advice to the Minister of Education on matters relating to the development of higher education in South Africa. This body will be known as the Council on Higher Education.

4.2 The CHE will be supported by a small professional secretariat. Its independence will be assured through the provisions of the Act. The legislative provisions will allow the CHE to initiate work on its own volition and to undertake actions necessary for or convenient to the performance of its functions. This independence will be balanced by giving the Minister two particular powers under the legislation:

- The power to seek and receive formal advice on matters which are a priority for Government.
- The power to ask the CHE to take the Government's broader policy and budget framework into consideration when formulating advice.

4.3 The membership of the CHE will reflect a balance of stakeholder interests and expertise on the basis of knowledge and understanding of higher education issues.

- One possible model for its composition is a membership of nineteen, comprising a full-time chair and eighteen part-time members. This would include nine stakeholder representatives from the college, technikon and university sectors including three students, three academic staff members and three institutional managers; plus ten members, the majority of whom would be external to the higher education sector (e.g. from business, industry, labour, community bodies) and chosen for their expertise, experience and knowledge of higher education. They would be appointed by the Minister normally from nominees of representative groups.
- There may be an occasional need for the ministerial appointees apart from those formally nominated, for instance, to ensure adequate expertise or appropriate gender balance.

4.4 It would not be appropriate to include Members of Parliament nor officials of departments of state in an independent advisory body. To promote cooperative and effective working relations between the CHE and the Department, however, the Deputy Director-General of Higher Education (or his/her nominee) would be an ex officio member of the Council.

4.5 The CHE will be required to provide relevant, timely and independent advice on matters concerning the condition and development of higher education. The Ministry will be looking to the Council to play a leading strategic role in the envisaged transformation of the system, consistent with the visions and goals set out in Chapter 1. The particular functions of the CHE will be to advise the Minister on:

a. The needs and priorities of the higher education system, having regard *inter alia* to student demand, demography, labour supply and demand, and the availability of public resources.

b. The policies, principles and criteria that should govern the allocation of public funds among higher education providers and the private provision of higher education.

c. The policies and mechanisms for assisting disadvantaged students to begin and complete programmes; and the progress being made towards achieving national equity and human resource development goals.

d. The policies, principles and frameworks that should govern the private provision of higher education.

e. The quality of the system, including that of individual providers and programmes.

f. The principles and procedures that should govern the accreditation of providers and programmes.

g. The extent and adequacy of cross-sectoral linkages, including articulation of programmes between schooling, vocational education and training, higher education and further education, procedures for the recognition of prior learning, and the portability of credits and qualifications.

h. The performance of the system, having regard to available performance indicators, to identify where efficiency gains have been made and need to be made.

i. The policies, principles and criteria that should be adopted in considering options for rationalisation of the system, including collaboration among providers, and, where appropriate, the merger or closure of institutions.

j. The research capacity, performance and needs of the system, including postgraduate training and research infrastructure, and ways of developing research strength in historically disadvantaged institutions.

k. Relations between higher education providers and the Department of Education in exercising its functions. (*See 5.3 below*)

l. Measures to overcome impediments to achieving transformation goals.

m. Other matters that warrant advice in the opinion of the CHE and specific matters referred by the Ministry from time to time.

4.6 The functions specified above are similar to those proposed by the NCHE for the two advisory bodies it envisaged. There are some important differences, however, that reflect the Ministry's view of the appropriate responsibilities of the Minister and the Department of Education regarding goal-oriented resource allocation. Resource allocation functions will be the responsibility of the Higher Education Branch of the Department. While the Ministry seeks strong independent advice, and is committed to broad consultation as part of the approach of cooperative governance, it must also accept the ultimate responsibility for transforming higher education. To that end the Ministry needs to exercise its statutory authority, consistent with its undertaking to the electorate and with parliamentary accountability, to play its full role in the necessary processes of change.

4.7 To enable the Department to account for the effective use of public funds it must undertake those functions that link Government payments to providers by providing services according to agreed standards and achieving results according to agreed objectives.

4.8 The division of responsibilities between the CHE and the Department will provide two important protections for higher education institutions: first, against the Department's intrusion on the autonomy of institutions; and second, against a punitive approach to the reduction of differences between institutions on the basis of input factors and qualitative performance. The functions of the CHE include a 'watchdog' role over the Department's relations with institutions, so that if problems arise they can be brought to the attention of the Minister and Parliament.

5. AN ENHANCED HIGHER EDUCATION BRANCH OF THE DEPARTMENT OF EDUCATION

5.1 In response to the *NCHE Discussion Document* and in anticipation of its final report, the Department established a new Branch responsible for higher education functions. It will be enhanced by the appointment of staff with policy analysis, interpretive and comparative skills.

5.2 The Branch is headed by a Deputy Director-General. The relevant functions of the Department regarding policy development and planning, resource allocation and financing, information collection and analysis, and monitoring and reporting on higher education, will be consolidated in the Branch.

5.3 With regard to the objectives of transformation, the Branch will have the following main functions:

- Policy formulation and national planning for the higher education system.
- Specification of information to be provided by higher education institutions and the collection, recording, processing and analysis of such information, including the development of comparative performance indicators.
- Allocation of general and specific-purpose funds to institutions, having regard to the planned profiles of student enrolments by fields and levels of study.
- Allocation of earmarked funds for individual and institutional redress and to promote performance improvement.
- Establishment of measures of financial aid to students in need.
- Payment of funds to institutions in accordance with the requirements of laws relating to appropriations and conditions of funding.
- Provision of information services, including those required in support of the functions of the CHE.

5.4 The Branch will also provide normal services to the Ministry, such as the preparation of policy formulation, briefings and drafts of correspondence, participation in interdepartmental, intergovernmental and international consultative processes and programme negotiations.

5.5 Relations between the Higher Education Branch of the Department and the CHE should exemplify the imperatives of cooperation and partnership within governance at the system level. They will be expected to work closely and harmoniously together, particularly in the necessary collection, analysis and application of information necessary to develop and administer policy.

6. INSTITUTIONAL GOVERNANCE

6.1 Cooperative governance has implications for relations between the state and higher education institutions. The model developed by the NCHE seeks to mediate the apparent opposition between state intervention and institutional autonomy. The directive role of the state is reconceived as a steering and

coordinating role. The relationship between the state and higher education providers should reconcile the self-regulation of institutions with the planning and broad policies of central authorities.

6.2 It is not in the interests of higher education for Government to micro-manage institutions. Nor is it desirable for the Ministry to be too prescriptive in the regulatory frameworks it establishes. Diversity and flexibility are important aspects of institutional responses to varying needs and circumstances.

6.3 Currently there are varied mixes of governance models in different institutions, but no broadly accepted model. South African higher education is faced simultaneously with limited resources, demands for greater participation, expanded student numbers, and a need for more efficiency and accountability. In the light of these challenges, and while the Ministry has no wish to prescribe the details of institutional governance, it believes that the principles of cooperative governance should be generally applicable to institutions, for example:

- Acknowledgement of the existence of competing and complementary interests, interdependence and common goals.
- Balancing participation with effectiveness.
- Sharing powers, responsibilities and accountability among stakeholders.

6.4 Two central issues for institutional governance are the relationships between the institution and other external social interests (autonomy and accountability) and internal decision-making arrangements (representation, participation and structures). Autonomy and accountability have been discussed above. The NCHE has proposed a range of measures for transforming institutional governance structures and procedures. These include improving the balance of representation on Councils, restructuring Senates and Academic Boards, and the formation of Student Services Councils. The Ministry broadly supports these proposals and encourages institutions to give them detailed consideration. Many institutions are already engaged in intense debate about the composition, role and functions of bodies like councils, senates and faculty boards, and the relation to these of Transformation Forums. The Ministry believes that the onus is on institutions to review their internal governance arrangements and to make appropriate adjustments.

6.5 In particular the Ministry favours the establishment of broad transformation forums of institutional stakeholders as interim advisory bodies for restructuring and innovation, for identifying problems, for mediating interests and for advising structures such as councils, senates and student representatives' councils. The composition, functions and procedures of such forums would vary according to the needs and circumstances of institutions. However, the Ministry believes that agreement on codes of conduct and dispute resolution procedures merit urgent and early action.

6.6 Councils are the highest decision-making bodies of public institutions, responsible for institutional mission, financial position, performance, quality and reputation. The Ministry welcomes institutional reviews of the composition and representativeness of councils. To sustain public confidence, councils should include a majority of at least 60% of members external to the institution. Councils ought not normally to be involved in the day-to-day management of institutions as that is a responsibility of their executive management, which in turn is accountable to the council.

6.7 Consistent with its responsibility to ensure accountability for the use of public resources and having regard to the reputation of the higher education system, the Ministry will reserve the legal right to seek independent assessments and advice when it considers that necessary. Independent visitors or assessors

(respected individuals external to institutions, charged with investigative and reporting duties), of higher education institutions are a feature of democratic governance models. The Ministry will recommend the adoption of this practice in South Africa. Assessors will be appointed directly by the Minister with a brief to report directly to the Minister. Assessors will have powers to obtain the information necessary for them to make independent assessments. The right to send an assessor to an institution will be exercised in exceptional circumstances such as those that may bring the institution into disrepute on the basis of mismanagement, corruption or persistent turmoil.

6.8 The strengthening of institutional management capacity is a critical factor in the success of higher education transformation. New administrative functions, new structures and procedures, and new skills need to be developed at the institutional level. Training will be required for members of councils and for executive and middle management. Technical assistance and development support will be provided to institutions that submit capacity enhancement proposals but have inadequate resources for their implementation. (See par. 3.1, Chapter 6)

6.9 The NCHE has noted the prevalence of conflict on many campuses and has identified the need for institutions to address underlying issues:

Higher education institutions need to address the pervasive issues of race and gender on campuses through multifaceted mechanisms and policies. The major issues to be addressed are access (changing student and staff profiles), development (capacity-building and training), curriculum transformation (race, gender, context responsiveness) and institutional culture (creating an enabling and safe work and study environment).

CHAPTER 5

FUNDING

The current policies and mechanisms for funding higher education in South Africa are a mix of full funding of all activities at some institutions; itemised budget funding at other institutions; and allocations to universities and technikons in terms of 'mechanical' formulae. As the NCHE report has argued, the existing funding policies and practices have a number of shortcomings. They are not clearly linked to broader educational goals and policy objectives; they are based on principles which are neither valid nor sustainable in the present context; and they have given rise to effects which contradict some of the principles and goals which this Green Paper has endorsed. A new funding framework is proposed which is consistent with those principles and goals. It is also concerned with reflecting the key features of the envisaged higher education system: widened and increased participation, increased responsiveness to socioeconomic needs and more cooperative governance and partnership modes. The main thrust of the new funding proposals is to establish a goal-oriented public funding framework using explicit incentives to steer the development of the higher education system in accordance with national goals. The key mechanisms of the new framework are a formula funding component to generate block grants to institutions and an earmarked funding component to achieve clearly specified policy objectives.

1. PUBLIC EXPENDITURE ON HIGHER EDUCATION IN SOUTH AFRICA

The Ministry accepts the NCHE's finding that higher education generates significant benefits for the student concerned as well as for the public at large, and that accordingly the costs should be shared between public and private beneficiaries. The following details of public expenditure on higher education should be noted:

1.1 In 1995/96, 16.7% of government expenditure on education (1.2% of GDP) is estimated to be spent on higher education. Total government plus private expenditure on higher education is expected to amount to R9.5 billion or 1.9% of GDP for the 1995/96 fiscal year, of which the contribution from private sources is expected to be R3.9 billion.

1.2 During the 1980s government expenditure on higher education grew faster in real terms than other education spending and faster than real growth in GDP. Between 1991/92 and 1995/96 public spending on higher education grew at 5.9% a year, while growth in all other education has been 2.2% and GDP growth has been 1.2% a year.

1.3 South Africa's present level of public expenditure on higher education is high by international standards and has been growing at a faster real rate than in many other countries. It is unlikely that the public expenditure growth rates can be sustained over the next decade, given other pressing social needs. However, significant real expenditure increases would result if current levels of public spending on higher education as a proportion of GDP were maintained, given projected national economic growth estimates.

1.4 There are substantial additional costs associated with the imperatives of greater student participation, redress of current inequities, and restructuring existing provisions to meet student demand and labour market needs. These costs will have to be met from a strategic mix of funding sources, including increased private contributions, increased system and institutional efficiencies, and increased but redistributed and tightly targeted public sector outlays.

1.5 The NCHE has proposed earmarked funding as the key mechanism to deal with unacceptable inequalities and issues of redress. It concluded that to deal effectively with inequalities through a redress fund and targeted programmes

> *would probably require that substantial amounts of annual public funding for higher education be set aside for earmarking purposes during the next few years.*

Recognising that budgetary outlays for redress must be accommodated within the limits of the funds available for higher education, proposals for redress funding are set out in 4.6 below.

1.6 The Finance Task Team of the NCHE concluded that the overall strategy for improving the financing of higher education should focus on changing the mix of policies and mechanisms in ways that conform to the goals of increasing access and equity, of improving quality and efficiency, and of linking higher education activities more explicitly to national and regional development needs. With regard to public financing, the NCHE termed this approach 'goal-oriented funding incentives', meaning the use of explicit incentives to steer the development of the higher education system in accordance with national goals. The Ministry endorses this as an appropriate strategy. However, it needs to be complemented by strategies to harness increased private resources without unduly increasing student tuition and residence fees - and to achieve efficiency improvements in the unit costs of producing employable graduates.

2. NEEDS AND COST IMPLICATIONS.

2.1 The goals of higher education transformation present a substantial agenda of needs with significant cost implications. As discussed previously, there needs to be growth in the system to accommodate rising student demand and to facilitate equity in access and participation. Institutions will have diverse needs in recognition of the learning disadvantages of new students. Various forms of financial assistance for disadvantaged students are required to secure equity of participation and to retain participation.

2.2 With regard to academic staff, there is a need to increase the proportion with postgraduate qualifications, especially at the doctoral level.

2.3 There are substantial needs and related costs associated with the development of research capability and research infrastructure provision, maintenance and modernisation. These arise for all the universities and technikons but especially for historically disadvantaged institutions. There is also a need to expand postgraduate training for academic replenishment and broader labour market requirements. This has cost implications relating to equipment, libraries, student amenities and academic staff.

2.4 Not all needs can be met at once. There has to be a strict prioritisation of needs and selection of methods to address them. The extent and pace of transformation are largely dependent on the resources that can be brought to the task. Implementation of the transformation agenda will require a substantial increase in private sources of higher education funding. Bearing in mind that present contributions from students in the form of tuition and residence fees probably can not be increased much, forms of private funding nevertheless need to be more diversified to include: an expansion of private colleges; increases in various forms of employer contributions; bequests and donations from individuals and groups; and increased institutional income from investments, contracts and consultancies.

2.5 The Ministry will give close consideration to the mix of incentives that can be provided to encourage private investments in and contributions to higher education. Among options to be considered are the provision of land, tax concessions and direct subsidies. Noting that some institutions are better placed than

others to obtain and sustain increases in private income, the Government's immediate priority is to improve the equity of public funding allocations.

3. DEFECTS OF CURRENT ALLOCATION MECHANISMS.

The NCHE has identified a number of deficiencies in current policies and procedures for allocating public funds to higher education institutions. Various funding schemes in operation are largely shaped by the differentiation of the apartheid era. Some institutions are fully funded for all costs that they incur; others have line-item budgets approved in advance by the relevant state department; and others are funded by means of a formula that determines a block grant related to student numbers and other factors. The NCHE report discussed shortcomings specific to each of these forms of funding but here the focus is on formula-based funding. This is the basis on which universities and technikons are now funded, and colleges have been brought within a formula-funded approach in ad hoc ways.

3.1 Some of the deficiencies of the existing subsidy formulae for universities and technikons, and of the assumptions on which they are based, are:

- The complexity of the formulae inhibits transparency of resource allocation decisions and their effects.
- The formulae reward institutional overenrolment.
- The 'a-factors' (attempts by Government to regulate enrolments) have been ad hoc and arbitrary.
- Preparatory and remedial instruction are not subsidised for formula funding purposes - a position which ignores the legacy of apartheid schooling and the realities of current higher education participation.
- The output factors reward those institutions that take in the best prepared students, have the best facilities and can afford to hire the best qualified staff.
- The formulae are not linked to national goals and provide no incentives for performance improvement in respect of transformation objectives.

3.2 The NCHE reported a number of inefficiencies in the operation of universities and technikons, including indications that 'government funds are not always being put to the best use, and that unnecessary and expensive duplication of academic activities occurs'. Other indicators of inefficiency and lack of effectiveness include high drop-out rates, poor throughput rates and underutilisation of physical and staffing resources.

3.3 A major problem has arisen since 1988 and still persists. While FTE enrolments increased between 1988 and 1993 by about 23%, government subsidy income fell 1% in real terms and tuition fees rose 36% in real terms. An increasing financial burden was placed on students and their families during these years. However, as most of the increased enrolment was of black students, the shift in the burden of costs has fallen disproportionately on the most disadvantaged participants.

3.4 New allocative mechanisms are clearly required. They must be socially appropriate and operationally sustainable. They must be consistent with the principles and directed towards the goals of higher education transformation. While they must continue to allow institutions a high degree of autonomy over the use of resources, they must require accountability for the results they achieve. The new mechanisms should assist Government to steer the higher education system towards greater equity, efficiency and excellence.

4. GOAL-ORIENTED PUBLIC FUNDING.

4.1 The Government will establish a new public funding framework on the lines proposed by the NCHE. It will be characterised by:

- An appropriate balance between institutional autonomy and public accountability.
- Procedures intended to be simple, transparent, flexible and fair.

4.2 Goal-oriented public funding of higher education institutions is intended to result in**:**

- More equitable student access.
- Improved quality of teaching and research.
- Increased student progression and graduation rates.
- Greater responsiveness to social and economic needs.

4.3 The new public funding framework has two main distributional elements: a simplified mechanism for allocating general purpose, block funding of institutions on a rolling triennial basis; and the provision of earmarked funds to achieve specific purposes, including the redress of inequities in access and capacity, student financial assistance, academic development, staff development, curriculum development, research development, libraries and information technology, capital works and equipment, and planned improvements in operational efficiency.

4.4 The appropriate division of available funds between these two broad mechanisms is a complex issue. The subsidy formulae for universities and technikons currently represent about 85% of the public funding of these institutions. The remainder comprises funds for capital works, loan servicing, and in 1996 the allocation for student financial aid.

4.5 The Ministry is conscious of the need for institutions to obtain an adequate level of core funding to sustain their operations. However, it is evident that the current 15% share of funds provided through nonformula, ad hoc and targeted funding is too low to address urgent needs and to lay the foundations of a transformed system. To increase the proportion of budget outlays to the needs identified in 4.3 above, the Ministry will advise Government to increase the proportion of available funds for earmarked funding for each of the budget years 1998, 1999 and 2000. The extent to which the current 85:15 ratio will be shifted in the triennium 1998-2000 will be determined in consultation with the higher education institutions. This is consistent with the NCHE report:

The acceptance of the mechanism of earmarked funding, in particular, the acceptance of an earmarked redress fund as an integral part of a new public funding framework for higher education ... means that this proportion of 85% formula funds and 15% earmarked funds will have to change.

The NCHE report linked a shift in the 85:15 ratio with the notion of a redress fund with a clearly defined short-term lifespan. The NCHE proposed that to create such a redress fund and to address issues of redress effectively, it would be necessary to have new money voted for this purpose, and to approach the donor community for further assistance in this respect.

4.6 The NCHE report points to the importance and urgency of redress funding in a number of areas, particularly for the historically disadvantaged institutions. There is evidence at these institutions of a backlog of buildings, overcrowded residences, poorly resourced libraries, inadequate information technology and other similarly quantifiable deficiencies. The Ministry wishes to signal its commitment to redress by making an allocation to universities and technikons in the 1997 budget. It will use the R150 million dedicated to a capital works programme for this purpose. In the longer term, the Ministry believes that to reverse the

inequities of the past and for institutions to modernise and respond to socioeconomic imperatives, additional investment for redress and expansion of the higher education system is essential in the long term.

4.7 The provision of goal-oriented public funding is intended to result in more equitable student access, improved teaching, learning and research, increased student progression and graduation rates, and greater responsiveness to social and economic needs. Public funding will be conditional on institutions developing plans for their future development and providing evidence of the progress they are making to realise these goals. Institutions will be required to prepare a comprehensive strategic plan comprising a distinctive mission statement, an academic development plan, a research development plan and a capital management plan. The plans will contain measurable goals and target dates supported by key performance indicators. As a first step in developing a goal-orientated framework for public funding, institutions are requested to submit their first draft strategic plans, taking as a point of departure their present levels of funding in real terms.

5. A NEW PUBLIC FUNDING FORMULA

The Government favours a public funding framework that supports goal-oriented planning at the institutional and system levels. To this end it will move progressively to devise and introduce a new formula for providing block operating grants to institutions for their teaching and related recurrent costs. These block grants will be payable to institutions on the basis of their planned enrolments in different fields and levels of study.

5.1 In the context of its broader public administration reforms the Government will be moving to publish three-year forward estimates of budget outlays by programme each fiscal year. The Minister of Education, accordingly, will issue an annual statement in the Budget context that provides the estimated level of block grant funding to each higher education institution for each of the next three academic years.

5.2 Triennial plans of institutions will encompass all their planned enrolments - both publicly and privately funded. The plans will show the fields and levels of study in which institutions plan to expand or contract their enrolments according to their missions and goals and in response to changing demands. Institutions may enrol students in addition to the agreed number of student places to be publicly funded, but these additional student places will not be publicly subsidised. To maximise the flexibility of institutions under the new arrangements, Government will allow institutions to determine their own tuition prices in respect of the fees they charge for subsidised student places as well as student places outside the publicly funded quota.

5.3 Government funding rates per student place will vary according to the broad field of study and level of study but will be standard for all institutions. They will be based on normative costs informed by the actual costs of those activities that relate to teaching and learning typically engaged in by institutions. Prices per student place at research-based levels of postgraduate training, for instance, will include the costs of research supervision, infrastructure and consumables integral to research, but will exclude research projects which will be funded through earmarked funding.

5.4 The establishment of this two-dimensional 'funding grid' of rand values against broad fields of study and levels of study (see Table 2, NCHE report, p. 233) will require determination of relevant teaching and related activities, analysis of the indicative average costs of such activities, determination of broad fields and levels of study that have academic integrity and represent real cost differences, and the development and application of normative costs to each cell in the grid. These matters, and the relationship between fields and levels of study and the NQF and South African Post Secondary Education (SAPSE) categories, will be referred to the Council on Higher Education for early advice.

5.5 The Government-funded student quota will comprise the number of FTE student enrolments in an approved course of study. The use of FTE places is consistent with the Ministry's desire to develop a framework for lifelong learning, greater portability of learning credits and flexible modes of delivery. FTE calculations will have to be based on agreed definitions, principles and scaling factors. The Ministry is disposed to accept the NCHE's proposal that different normative student place prices should be set for contact and distance education, given the very real cost differences between these two modes.

5.6 The NCHE considered the need to recognise the considerable cost differential between teaching students from inadequate school backgrounds and teaching students from advantaged backgrounds. The Commission suggested that a basic provision for the funding of academic development programmes to accommodate such cost differentials ought to be reflected in the price per student place on the funding grid. It also suggested providing additional funding for academic development/extended curriculums 'by means of increasing the value of the institutional factor'. The Ministry recognises the cost differentials, but considers that they would be more appropriately addressed through earmarked funding for academic development programmes. The Ministry does agree that preparatory, remedial and bridging programmes should form part of institutional enrolment plans and be considered for inclusion in the funding grid as a level of study.

5.7 The NCHE considered the possible inclusion of output variables (such as student completions and research publications) in the funding grid. While it recognised the need to improve institutional efficiency and effectiveness, it concluded that the inclusion of output variables was inadvisable given the different apartheid legacies of existing institutions. In view of the wide variations in need and capacity, as well as the policy objective of encouraging diversity within the system, the Ministry believes it is more appropriate to base its negotiations with institutions on their academic plans on the progress being made by institutions towards achieving performance improvement targets outlined in their strategic plans. Despite these circumstances, the Ministry is of the view that output variables as part of the funding framework should be investigated.

5.8 Funding rates for student places at levels of research-based study will take account of the costs of postgraduate training. Negotiations on the number of places to be publicly funded at the research masters and doctoral levels will be informed by performance indicators of research capacity and output by faculty. The Ministry will firstly support and expand postgraduate training in those parts of institutions where there is demonstrable strength, and secondly it will use the mechanism of research earmarked funding to develop postgraduate training and research in selected departments at the HBUs.

5.9 In preparing for the introduction of the new funding formula, it will be necessary to assess the extent of any disparities in the current distribution of public recurrent funds among institutions. This will involve notionally applying the new funding norms against the present profile of student enrolments and identifying aggregate variations among institutions. Where redistribution is necessary to level the field for future formula-based allocation of block grants, a combination of measures, including adjustments to the number of publicly funded places and/or top-up allocations to relatively underfunded institutions, could be achieved over the medium term.

5.10 The Ministry agrees with the NCHE that much detailed work needs to be done to develop all the internal mechanisms for the funding formula proposed to constitute a practical mechanism for allocating public funds to higher education institutions.

6. EARMARKED FUNDING

6.1 Funding formulae cannot take account of all the differences between institutions without becoming too complex and unwieldy. Nor do funding formulae lend themselves to accommodating special needs, especially if such needs are expected to fluctuate or diminish over time. The mechanism of earmarked funding, however, readily lends itself to meeting specific and often short-term needs, and is therefore the second major component of the proposed new public funding framework.

The NCHE proposed three classes of earmarked funds:

- Funds for institutional redress.
- Funds for individual redress.
- Funds for other specific purposes.

The NCHE further proposed that funds for each of these three classes be grouped into three categories:

- Categorical funds, for fixed assets and current expenditures, allocated on the basis of applications plus assessment of need.
- Initiative funds allocated on the basis of applications plus assessment of merit.
- Incentive funds allocated on the basis of institutional achievement in designated performance areas.

6.2 Earmarked funds for institutional redress

6.2.1 The Ministry will estimate from budget outlays, initially for each of the budget years 1998, 1999 and 2000, an amount dedicated to a programme of funding to redress inequities and deficiencies experienced by historically disadvantaged institutions. Institutions applying for funding under this programme will be required to demonstrate the way in which they have been disadvantaged and to prioritise their needs. For each project for which funding is sought, institutions will need to indicate the measures they will use to evaluate their success in applying the funds to achieve stated outcomes.

6.2.2 Funds provided through this programme will be available to support improvements in the following areas: staff development, academic development, curriculum development, library holdings, student amenities, buildings and the development of institutional capacity.

6.2.3 The Ministry will conduct an audit of those institutions applying for funding through this programme in the 1998-2000 triennium. The audit will be undertaken to establish benchmarks for comparing the relative disadvantages of institutions and reference points for monitoring progress in ameliorating deficiencies. The audit will produce:

- A financial statement of revenues, expenditures, assets and liabilities.
- A financial projection and risk assessment.
- An inventory of buildings, residences and equipment (including information technology) by age, condition, utilisation and maintenance and replacement costs.
- An inventory of library holdings by volume, recency of acquisition and frequency of use.
- A profile of staff by post levels and qualifications.
- A profile of student enrolments by race, gender and educational background.

6.2.4 For the 1997 academic year an interim funding programme for institutional redress will be provided. Allocations for this fund will be based initially on the priorities identified by institutions and on the Department's assessment of relative institutional needs.

6.3 Earmarked funds for student financial aid

6.3.1 The NCHE has endorsed an approach to higher education funding based on a sharing of costs between private beneficiaries (students) and the public (government). At the same time the Commission has emphasised that there are limits on the capacity of many students and their families to pay, particularly first generation students from poor backgrounds. To ensure that capable students are not excluded from access to higher education because of their financial means, it is essential to have in place a well-functioning student aid scheme.

6.3.2 The Ministry accepts that an adequate and effective programme of financial assistance for needy students is essential to achieving transformation objectives and sustaining an equitable higher education system. For the 1996 academic year the Ministry allocated R300 million to an NSFAS which was managed by the Tertiary Education Fund of South Africa (TEFSA).

6.3.3 The Ministry will continue to operate an NSFAS in the higher education system for 1997, and has reappointed TEFSA to administer the allocation of loans and bursaries from government and donor funds.

6.3.4 The Ministry has opted for a multifaceted approach to student financial aid and will investigate the following elements for a sustainable long-term scheme:

- A loan component.
- A bursary/grant component.
- Scholarships.
- Employer-sponsored cadetships.
- Student work/study schemes.
- An endowment fund.
- A graduate tax.
- Bank loans.

6.3.5 With regard to the allocation of aid to particular students, the Ministry believes that institutions rather than a central body are best placed to identify those who are in most need of and can best benefit from assistance. Allocations to institutions by the agency from the earmarked fund for student financial aid will be based on the equity profiles of institutional enrolments and will have regard to their student progression and graduation rates.

6.4 Earmarked funds for other specific purposes

In addition to redress funding, there is a need for initiative funding for development purposes to encourage innovation and adaptation, and to build capacity in new areas. Institutions applying for funds through this programme will be required to relate their submissions to their strategic plans.

For the triennium 1998-2000, funding through this programme will be confined to three specific purposes: research capability development, postgraduate training and management information systems development.

6.4.1 The development of research capability in South Africa's higher education institutions is of fundamental importance to national self-reliance. The Government holds the view that participation in research, whether basic or applied, is a necessary function of higher education institutions. To give practical effect to this view, the Ministry will provide earmarked funds:

- To preserve and strengthen existing areas of research excellence.
- To develop areas of research excellence at the HBIs to realise redress and equity.
- To develop research links with industry and to facilitate industry-related collaborative research.

6.4.2 The Government recognises the urgent need to increase the supply of postgraduates to the academic and general labour markets. The attrition and ageing of well-qualified academic staff and the emigration of graduate labour compels attention. Current low levels of enrolment in and graduation from doctoral programmes are insufficient to satisfy future requirements. There are apparent shortages of high level graduates in science and technology, commerce, accounting, computer systems development and applications, law and management. Race and gender inequities are glaringly obvious at the postgraduate level. The new block funding mechanism will facilitate a redirection of publicly funded student places to research-based postgraduate levels of study. Under earmarked funding for other specific purposes, institutions will be able to apply for funds to enhance the infrastructure necessary to support expanded postgraduate training.

6.4.3 In addition, incentive earmarked funds will provide a mechanism for rewarding institutions for achievements in designated policy or performance areas such as research outputs.

6.4.4 The new funding framework establishes new requirements for planning and information collection, analysis and reporting. These demand more sophisticated information systems for institutional and system management. An element of the earmarked funding programme will be directed to assisting institutions to improve their management information systems.

6.5 Accountability

The basis for improving public accountability in higher education is making public funding for institutions conditional on their providing strategic plans and reporting their performance against their goals. The plans will provide a framework for continuous improvement within institutions and a reference point for quality assurance.

CHAPTER 6

IMPLEMENTATION STRATEGY

This chapter presents an implementation strategy for the key proposals on governance, funding and the establishment of a single, coordinated system of higher education in South Africa. The proposals in the preceding chapters are prioritised; the management of the implementation strategy is discussed with emphasis on the need to develop human resource capacity within the system; and a three-phase implementation approach is proposed with major activities indicated within each phase.

1. INTRODUCTION

1.1 In this Green Paper, the Ministry of Education has outlined the needs and challenges facing higher education in South Africa; presented its vision for a transformed higher education system; identified fundamental principles that should guide the process of transformation; indicated key targets and outcomes; and specified changes in the size, shape, structures, governance and funding of the system.

1.2 To give practical effect to these proposals, the Ministry will develop an implementation plan in consultation with stakeholders. Such a plan will include appropriate policies to support the proposals and specific implementation mechanisms. Here the contours or broad outlines of such an implementation plan are presented in the form of an implementation strategy.

2. PRIORITISATION OF PROPOSALS

2.1 Proposals have been made regarding the transformation of the higher education sector. In this Green Paper the Ministry sees these proposals as systemically linked and interrelated, often involving issues which require simultaneous development at the national, regional and institutional levels. Examples are the staffing of the Branch for Higher Education in the Department of Education in order to become fully operational, the establishment of the CHE, the development of the new funding framework and the MIS, regional consultations and the development of institutional missions and plans by transformed institutional governance structures. These elements of the transformation framework should proceed simultaneously. They are prerequisites for the meaningful development of the first comprehensive three-year national higher education plan.

2.2 Certain proposals are more self-contained in the sense that they may be implemented independently of others. Examples are the establishment of a sustainable NSFAS, transformation forums, Student Services Councils and selected forms of institutional redress funding. Each of these can be implemented more rapidly than the more interlinked proposals.

2.3 Accordingly, it is necessary that priorities be set for implementation. The interrelated nature of the proposals necessitates a comprehensive and holistic approach to transformation. The following issues are regarded by the Ministry as key tasks:

2.3.1 Governance

- The staffing of the Branch for Higher Education in the Department of Education should receive attention to enable the Department to play a leading role in implementing the proposals outlined; to develop, implement and monitor the detailed implementation plan; and to fulfil its other responsibilities envisaged in this Green Paper.

- Meaningful and systematic stakeholder participation structures should be established as soon as possible. At the national level, the establishment of the CHE is a priority, whereas the transformation

of councils, the establishment of effective Transformation Forums, Student Services Councils and the strengthening of the SRCs are key tasks at the institutional level.

2.3.2 Funding

- A number of financial analyses need to be carried out to develop the funding formula in the form of the proposed funding grid. Agreement should be reached on the number of fields and levels of learning, the activities of higher education institutions to be included in the normative prices per student place and the degree to which these have to be catered for through earmarked funding.

- Clarity should be obtained on the procedures and rules governing the calculation of FTE student places and on any eligibility criteria set by the Minister. The current distribution of student places in the cells of the funding grid should be analysed as soon as possible to ensure the development of a satisfactory approach for phasing in the new funding formula.

- The nature, scope and specifications of institutional audits should be developed and the audits carried out as part of the basis for allocating institutional redress earmarked funds. The nature and format of applications for redress and other funds, the criteria for assessing the relative need as outlined in the applications, and the areas of activity in which applications are to be considered have to be developed urgently. As far as individual earmarked funding is concerned, the present interim NSFAS needs to be supported while investigations of other more sustainable options are explored.

2.3.3 A single, coordinated system

The complex process of establishing a single, coordinated system does not require only new governance structures and the implementation of goal-directed funding. It also requires the development of information systems, planning procedures and guidelines underpinning the first three-year national higher education plan. At the national level, the development of the national MIS should proceed without delay. At the institutional level, mission statements and strategic plans preparing for the first three-year national plan have to be developed, reviewed or updated.

The inclusion of higher education within the NQF necessitates a considerable amount of urgent development work by SAQA, higher education stakeholders and the Department of Education. Work should include determining the nature of the single higher education qualifications framework and quality assurance mechanisms for higher education, as well as the relationship between higher education and SAQA.

3. THE MANAGEMENT OF THE IMPLEMENTATION STRATEGY

3.1 The successful implementation of the new higher education framework will depend not only on a commitment to transformation, but to a crucial extent on the development of human resource capacity to give practical effect to the new policies. The Ministry agrees with the NCHE that capacity will have to be enhanced at all levels in the system.

In particular the following areas need attention:

- Management, leadership and strategic planning at the national and institutional levels.
- Administrative skills and middle-level management skills to develop three-year rolling plans, facilitate admission of a diverse student body and service student councils, etc.
- Academic staff development - this includes upgrading qualifications and enlarging the pool of postgraduates, while recruiting staff in disciplines of science, medicine, computer science and technology is a special challenge.

- Improvement in the quality of teaching and learning processes which will involve developing resource-based learning materials, developing the most effective use of changing technology and dissolving the existing strict distinction between contact and distance teaching.
- The development of skills for the maintenance and use of an updated management information system and performance indicators.
- Research capacity - to access earmarked funding for niche areas of research it is necessary to build capacity particularly among young, black and female staff.
- Libraries and information technology - this is a special area of need and a vital aspect of infrastructure in order to promote quality in the higher education sector.

The Ministry agrees that a national policy framework for capacity-building and implementing the policy framework should be developed. This framework should include policy for human resources development in higher education. Informed by the national framework, all higher education institutions should, in their turn, develop institutional human resource development plans which include employment equity goals, staff development and academic development.

3.2 Although implementation of the proposals in this Green Paper depends to a crucial extent on the capacity and commitment of all stakeholders in higher education, the Ministry of Education accepts ultimate responsibility for the development, implementation and monitoring of the implementation plan.

3.3 The Ministry agrees with the NCHE that a small task team should be appointed to oversee the transformation process and to ensure the systemic interlinkages of the many developmental and preparatory initiatives outlined in this Green Paper. Such a team should ensure that the interlinked developmental tasks are conducted in parallel, and should establish mechanisms for the tasks in the implementation strategy. In view of its responsibility for implementing the framework, the Ministry is of the view that the team should be headed by the Deputy Director-General for Higher Education in the Department of Education and should include other members of the Department as well as external consultants.

3.4 As the implementation of the transformation framework has considerable legislative implications, a legislative task team should develop a framework as soon as possible within which the development of new legislation and the repeal of existing legislation, where applicable, can be structured and harmonised.

4. A PHASED IMPLEMENTATION STRATEGY

4.1 The Ministry supports the NCHE's proposal regarding a three-phase implementation strategy. During the initial phase (December 1996 - June 1998) the main focus should be on establishing the new governance and funding structures, which are also preconditions for the first comprehensive planning process in the second phase.

4.2 During the second phase (July 1998 - December 1999) the emphasis should be on planning and developing the first comprehensive national plan for higher education. By the end of the period, all outstanding issues regarding the new public funding framework should be finalised and institutions should submit their first three-year rolling plans.

4.3 In the third phase (January 2000 -) the new statutory structures and higher education organisations should assume their full responsibilities. The first full run of the funding formula takes place at the beginning of this phase, and institutions implement their first three-year rolling plans.

4.4 During the implementation period, a key challenge will be to balance the demands generated by the simultaneous maintenance and transformation of the system. It will be important not to allow the present levels of quality and academic standards to drop during this period, which would be detrimental not only to the transformation process, but also to the future of higher education in South Africa.

4.5 In Table 1, the Ministry proposes some major activities within each of the three phases, with time frames attached. The phases and time frames reflect workable scenarios and targets, given the present conditions and future prospects.

TABLE 1: IMPLEMENTATION STRATEGY

FIRST PHASE OF IMPLEMENTATION: DECEMBER 1996 - JUNE 1998

	GREEN/WHITE PAPER/ LEGISLATION	PLANNING/ INFORMATION	GOVERNANCE	FUNDING	CAPACITY-BUILDING
NOVEMBER 1996	Preparation of Green Paper Framework for higher education legislation is developed Preparations begin for bill on CHE		Preliminary restructuring of the Higher Education Branch (Department of Education)	Development of individual redress framework (NSFAS) **(CD[2] : November 1997) Investigation into the costing and investment needs for transformation (CD: July 1997)**	Investigation into capacity needs, priorities and development strategy options **(CD: July 1997)**
DECEMBER 1996	4 December: Presentation of Green Paper to Cabinet 10 December: Publication of Green Paper and invitation for written comments. (**CD : 15 March 1997**)	Development of MIS for higher education **(CD: December 1997**) (financial statements), May 1998 (other tables) Development of key performance indicators **(CD: December 1997**, integration with MIS: June 1998)			

TABLE 1 (cont.)

	GREEN/WHITE PAPER /LEGISLATION	PLANNING/INFORMATION	GOVERNANCE	FUNDING	CAPACITY-BUILDING
JANUARY 1997	Bilateral and multilateral consultations with stakeholders begin **(CD: 15 March 1997)** 247 negotiations on the Bill on the CHE begin pending outcome of implementation of new Constitution **(CD: March 1997)**	Beginning of first phase of institutional audits (buildings and equipment) **(CD: August 1997)** Investigation into personpower requirements of labour and employer expectations of graduates/diplomates begins **(CD: August 1997)** Investigation into a more flexible distance learning system **(CD: December 1998)**	The Advisory Council on Universities and Technikons (AUT) functions as an advisory body pending the establishment of the CHE by July 1997	Investigation into fields of learning **(CD: December 1997),** levels of **study (CD: December 1997),** cost of student **places (CD: June 1998)** and number of places **(CD: June 1998)** Development of criteria for institutional redress (buildings and equipment) **(CD: December 1997)** Investigation into other forms of institutional redress (academic development, staff development, research development, etc.) **(CD: June 1998 - follows**	Development of institutional information systems, information technology **(CD: June 1998)** Development of institutional financial and research planning capacity **(CD: June 1998)** Executive and middle management recruitment to Branch on Higher Education

				audit)	
				Development of criteria for incentive allocations based on research achievement **(CD: July 1997)** Development of criteria for allocations for research projects **(CD: June 1998)**	
FEBRUARY 1997	Bilateral and multilateral consultations with stakeholders (cont.)	Inappropriate institutional cultures are addressed by institutions, including safe work and study environments	Establishment/ improvement of the effectiveness of transformation forums		

TABLE 1 (cont.)

	WHITE PAPER /LEGISLATION	PLANNING/INFORMATION	GOVERNANCE	FUNDING	CAPACITY-BUILDING
MARCH 1997	15 March ; Bilateral and multilateral consultations completed 15 March : Closing date for written comments on Green Paper Revision of Green Paper and development of draft White Paper begin. **(CD : April 1997)** 247 negotiations with stakeholders on the Bill on CHE completed				
APRIL 1997	Preparatory work begins for the new Higher Education Bill **(CD : October 1997)** Draft White paper to Cabinet by the end of the month for approval to be published as a White Paper.				
MAY 1997		Reinterpretation by institutions of their missions and strategic plans in terms of the White Paper Development work with regard to higher education and the NQF, including the development of a qualification structure for higher education and quality assurance and quality promotion approaches **(CD: December 1997)** Investigation into the criteria for the establishment of private institutions in the light of the White Paper **(CD: December 1999)**	Transformation of councils and restructuring of senates/academic boards begins Development of mechanisms and codes of conduct between institutional stakeholder groupings such as management, staff, students and alumni begins Student Services Councils are established		

JUNE 1997					

TABLE 1 (cont.)

	LEGISLATION	PLANNING/INFORMATION	GOVERNANCE	FUNDING	CAPACITY-BUILDING
JULY 1997	Repeal of AUT Act		AUT ceases to function Establishment of CHE Central Admissions Service is established	Criteria for incentive allocations based on research achievement have been developed Submission by institutions of first strategic plans for funding in the 1998/99 cycle Institutions submit proposals for earmarked funding in areas like academic development, research development and staff development Investigation into the costing and investment needs for transformation completed	Completion of report on capacity needs, priorities and development strategy options
AUGUST 1997		First phase of institutional audit (buildings and equipment) completed. Second phase begins (academic development, staff development, research development, etc.) **(CD:**			Conducting of planning workshops for institutions

		April 1998) Investigation into personpower requirements of labour and employer expectations of graduates/diplomates completed			
SEPTEMBER 1997			Branch of Higher Education in the Department of Education adequately staffed		

TABLE 1 (cont.)

	LEGISLATION	PLANNING/INFORMATION	GOVERNANCE	FUNDING	CAPACITY-BUILDING
OCTOBER 1997	Higher Education Bill completed. Repeal of Universities Act and Technikons Act				
NOVEMBER 1997				Framework for individual redress has been established	Identification of capacity-building initiatives of earmarked funding
DECEMBER 1997		Investigation of key performance indicators completed Development of MIS (financial statements) completed		Completion of investigation into fields of learning and levels of study Criteria for institutional redress (buildings and equipment) developed	

TABLE 1 (cont.)

	LEGISLATION	PLANNING/ INFORMATION	GOVERNANCE	FUNDING	CAPACITY-BUILDING
JANUARY 1998					
FEBRUARY 1998					
MARCH 1998					
APRIL 1998		Second phase of institutional audit completed (academic development, staff development, research development, etc.)			
MAY 1998		Development of other tables (excluding financial statements) in MIS completed			
JUNE 1998		Key performance indicators		Completion	Development

		integrated into the MIS Institutional information systems developed		of investigation into the cost of student places and number of places Investigation into criteria for other forms of institutional redress (academic development, staff development, research development, etc.) completed Criteria for allocations for research projects developed	of institutional financial and research planning capacity completed

TABLE 1 (cont.)

SECOND PHASE OF IMPLEMENTATION: JULY 1998 - DECEMBER 1999

NOTES

December 1998 - development of national guidelines for three-year rolling plans.

August 1999 - institutional three-year plans submitted for funding.

December 1999 - development work regarding the NQF and higher education completed.

December 1998 - investigation into a more flexible learning system completed.

December 1999 - investigation into criteria for establishing private higher education institutions completed.

Table 1 (cont.)

THIRD PHASE OF IMPLEMENTATION: 2000 -

Development of national guidelines for three-year rolling plans for the 1999-2001 triennium (CD: December 1998).

Key performance indicators that have been developed have been integrated with the MIS.

Development of national guidelines for three-year rolling plans for the 1999-2001 triennium completed.

Development of institutional three-year plans (CD: December 1999).

Completion of development work with regard to higher education and the NQF, including the development of a qualification structure for higher education and quality assurance and quality promotion approaches.

Development of institutional three-year plans completed and submission thereof for funding.

Investigation into a more flexible distance learning system completed.

Investigation into the establishment of private institutions completed.

Appendices

Appendix I

ADDITIONAL RECOMMENDATIONS

The NCHE undertook investigations in three additional areas - health science education, libraries and information technology and language policy - but due to lack of time it was not in a position to make definitive proposals.

HEALTH SCIENCES EDUCATION

In responding to the terms of reference for the organisational and financial model of training in the health sciences, the Commission set up a Working Group to explore the complex interrelationships involving the Ministries of Education and Health, the provincial departments of health, the professional associations, the statutory bodies and a range of other stakeholders.

The Ministry notes with appreciation the extensive process of consultation and the valuable document produced by the Working Group. It supports its proposal of

'Close cooperation between the Departments of Education and Health for the balanced, efficient and effective training of health professionals.'

The Ministry intends discussing its other proposals, in particular the creation of a broad overarching body for the organisation and financial arrangements of health professional education and the incorporation of colleges of nursing into universities and/or technikons, with the Department of Health and other stakeholders.

The Ministry will undertake these discussions in the context of the vision, principles, goals and objectives for a transformed single coordinated system of higher education as outlined in the Green Paper.

LIBRARIES AND INFORMATION TECHNOLOGY

The Working Group on Libraries and Information Technology set up by the NCHE produced a comprehensive report containing 56 recommendations. It draws attention to the underresourcing of libraries and information technology (IT) in general and at the historically black institutions in particular.

The development of well-resourced libraries and state of the art information technology is pivotal for the effective functioning of the South African higher education system in the information age and as part of the global academic community.

The report sets out a number of key conditions which the Ministry endorses for the cost-effective development and delivery of IT and library capacity in the higher education system:

- Promotion of a cooperative approach to the sharing of resources and expertise.
- Identification and provision of minimal resource levels.
- Provision of appropriate human resource development for the management and maintenance of institutional and regional/national facilities and networks.
- Redress for the development of IT and library capacity.

Given the importance of a well-developed, integrated and internationally competitive IT capacity for the teaching, research, administrative and planning functions of higher education, the Ministry supports the setting up of a task team. It would coordinate the establishment and maintenance of a systemwide IT infrastructure and network with the following brief:

- A comprehensive national audit of IT facilities at higher education institutions to establish the current situation.
- The setting of goals for a minimal IT infrastructure for higher education institutions.
- The establishment of national norms and standards to promote the optimal use of resources.
- The development of a budget and implementation plan.
- An assessment of the human resource needs to support the IT infrastructure at institutional and regional/national levels.

LANGUAGE POLICY

The Ministry agrees with the NCHE that there should be clear policies at national and institutional levels providing guidelines on how language can facilitate higher education learning given the following:

- The language of tuition and communication can become a barrier to access or a factor contributing to failure.
- The dominance of Afrikaans and English as languages of tuition and communication.
- The position of English as the national and international academic *lingua franca.*
- The 'pre-academic status' of the African languages.
- The development of Afrikaans as a sophisticated medium of academic expression.
- The constitutional provision for the equal status of the eleven official languages of the country.

The Ministry supports the following studies advocated by the NCHE and which the Department will undertake in consultation with the CHE:

- The general question of how language can be overcome as a barrier to participation in the higher education system, with due regard to constitutional provisions, political reassurances, demographic realities, regional situations and possibilities and other practical considerations.
- The most effective measures that should be put in place to improve competence in English, as a language of tuition and learning and as a medium of broader academic communication, among all participants in higher education who do not have English as a first language.
- A longer-term strategy of appropriate programmes and projects to advance the academic viability, status and utility of African languages. This should include careful consideration of how many and which African languages would qualify for such a longer-term development strategy.
- The formulation of criteria and the setting up of consultation procedures at national and regional levels to decide, within the framework of a transformed higher education system, which institutions will have the right to maintain and advance Afrikaans as a medium of teaching and learning, and under what conditions, especially as far as accommodating speakers of other languages is concerned.

A further course of action will be based on the results of the discussions, consultations and investigations envisaged in the three additional areas explored by the NCHE.

Appendix II

Abbreviations

AUT Universities and Technikons Advisory Council

CHE Council on Higher Education

CUP Committee of University Principals

FTE Full-time equivalent

GDP Gross domestic product

HBI Historically Black Institution

HBT Historically Black Technikon

HBU Historically Black University

HEQC Higher Education Quality Committee

HWI Historically White Institution

HWT Historically White Technikon

HWU Historically White University

IT Information Technology

MIS Management Information System

NCHE National Commission on Higher Education

NQF National Qualifications Framework

NSBs National Standards Bodies

NSFAS National Student Financial Aid Scheme

QPU Quality Promotion Unit

SAPSE South African Post-Secondary Education

SAQA South African Qualifications Authority

SERTEC Certification Council for Technikon Education

TEFSA Tertiary Education Fund of South Africa

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1. Headcount enrolments in higher education for 1995 reveal 380 184 students in universities (43,7% of the total enrolment in higher education), 179 801 students in technikons (20,7%) and 309 625 students in agricultural, technical, teaching, nursing and private colleges (35,6%).

2. CD = Completion Date