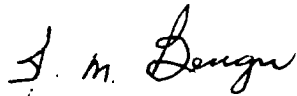FOREWORD

The release of the Education White Paper 3- *A Programme for Higher Education Transformation,* is the culmination of a wide-ranging and extensive process of investigation and consultation that was initiated with the establishment of the National Commission on Higher Education (NCHE) in February 1995 by President Mandela, and the subsequent release of the Green Paper on Higher Education in December 1996 and the Draft White Paper on Higher Education in April 1997,

This extended consultation is a concrete expression of the democratic will that is the motorforce of our emerging nation and reflects my Ministry's commitment to stakeholder participation in the development and formulation of policy, The consultative process has resulted in the building of an all-embracing consensus around the broad policy framework outlined in this White Paper and has ensured that it commands the support of all the key stakeholders in higher education. It has also laid the foundation, in line with my Ministry's commitment to co-operative governance, for all of us together, to jointly embark on the long and exciting journey towards the transformation of the higher education system.

The transformation of the higher education system to reflect the changes that are taking place in our society and to strengthen the values and practices of our new democracy is, as I have stated on many previous occasions, not negotiable, The higher education system must be transformed to redress past inequalities, to serve a new social order, to meet pressing national needs and to respond to new realities and opportunities.

The White Paper outlines the framework for change, that is, the higher education system must be planned, governed and funded as a single national co-ordinated system. This will enable us to overcome the fragmentation, inequality and inefficiency which are the legacy of the past, and create a learning society which releases the creative and intellectual energies of all our people towards meeting the goals of reconstruction and development.

I have no doubt that the journey is not likely to be easy. However, I am confident that if we collectively commit ourselves to completing it in the spirit of the consensus that has already been achieved, we will reach our destination, that is, a higher education system that contributes to the building of a better life for all.

Prof S M E Bengu, MP

Minister of Education

August 1997

CHAPTER 1

CHALLENGES, VISION AND PRINCIPLES

INTRODUCTION

1.1 South Africa's transition from apartheid and minority rule to democracy requires that all existing practices, institutions and values are viewed anew and rethought in terms of their fitness for the new era. Higher education plays a central role in the social, cultural and economic development of modern societies. In South Africa today, the challenge is to redress past inequalities and to transform the higher education system to serve a new social order, to meet pressing national needs, and to respond to new realities and opportunities. It must lay the foundations for the development of a learning society which can stimulate, direct and mobilise the creative and intellectual energies of all the people towards meeting the challenge of reconstruction and development.

1.2 This White Paper outlines a comprehensive set of initiatives for the transformation of higher education through the development of a single co-ordinated system with new planning, governing and funding arrangements.

PURPOSES

1.3 Higher education has several related purposes. In the context of present-day South Africa, they must contribute to and support the process of societal transformation outlined in the Reconstruction and Development Programme (RDP), with its compelling vision of people-driven development leading to the building of a better quality of life for all. These purposes are:

. To meet the learning needs and aspirations of individuals through the development of their intellectual abilities and aptitudes throughout their lives. Higher education equips individuals to make the best use of their talents and of the opportunities offered by society for self-fulfilment. It is thus a key allocator of life chances an important vehicle for achieving equity in the distribution of opportunity   and achievement among South African citizens.

. To address the development needs of society and provide the labour market, in a knowledge-driven and knowledge-dependent society, with the ever-changing high-level competencies and expertise necessary for the growth and prosperity of a modern economy. Higher education teaches and trains people to fulfil specialised social functions, enter the learned professions, or pursue vocations in administration, trade, industry, science and technology and the arts.

. To contribute to the socialisation of enlightened, responsible and constructively critical citizens. Higher education encourages the development of a reflective capacity and a willingness to review and renew prevailing ideas, policies and practices based on a commitment to the common good.

. To contribute to the creation, sharing and evaluation of knowledge. Higher education engages in the pursuit of academic scholarship and intellectual inquiry in all fields of human understanding, through research, learning and teaching.

NEEDS **AND CHALLENGES**

1.4 Assessing the current state of higher education in South Africa against the yardstick of these four general purposes, and the principles that are outline under 1.17 below, 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, political, social and economic demands of the new South Africa. It is characterised by the following deficiencies:.

- There is an inequitable distribution of access and opportunity for students and staff along lines of race, gender, class and geography. There are gross discrepancies in the participation rates of students from different population groups, indefensible imbalances in the ratios of black and female staff compared to whites and males, and equally untenable disparities between historically black and historically white institutionst in terms of facilities and capacities.

- There is a chronic mismatch between the output of higher education and the needs of a modernizing economy. In particular, there is a shortage of highly trained graduates in fields such as science, engineering, technology and commerce (largely as a result of discriminatory practices that have limited the access of black and women students), and this has been detrimental to social and economic development.

- Higher education has an unmatched obligation, which has not been adequately fulfilled, to help lay the foundations of a critical civil society, with a culture of public debate and tolerance which accommodates differences and competing interests. It has much more to do, both within its own institutions and in its influence on the broader community, to strengthen the democratic ethos, the sense of common citizenship and commitment to a common good.

- While parts of the South African higher education system can claim academic achievement of international renown, too many parts of the system observe teaching and research policies which favour academic insularity and closed-system disciplinary programmed. Although much is being done, there is still insufficient attention to the pressing local, regional and national needs of the South African society and to the problems and challenges of the broader African context.

- The governance of higher education at a system-level is characterised by fragmentation, inefficiency and ineffectiveness, with too little co-ordination, few common goals and negligible systemic planning. At the institutional-level, democratic participation and the effective representation of staff and students in governance structures is still contested on many campuses.

1.5 Despite the negative consequences of the apartheid legacy, some higher education institutions have developed internationally competitive research and teaching capacities. Their academic expertise and infrastructure are 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.

1.6   However, if higher education is to contribute to the reconstruction and development of South Africa and existing centres of excellence maintained, the inequities, imbalances and distortions that derive from its past and present structure must be addressed, and higher education transformed to meet the challenges of a new non-racial, non-sexist and democratic society committed to equity, justice and a better life for all.

The policy challenges of transformation, reconstruction and development

1.7   The transformation of higher education is part of the broader process of South Africa's political,   social and economic transition,   which includes political democratisation, economic reconstruction and development, and redistributive social policies aimed at equity. This national agenda is being pursued within a distinctive set of pressures and demands characteristic of the late twentieth century, often typified as globalisation. This term refers to multiple, inter-related changes in social, cultural and economic relations, linked to the widespread impact of the information and communications revolution, the growth of trans-national scholarly and scientific networks, the accelerating integration of the world economy and intense competition among nations for markets.

1.8   These economic and technological changes will necessarily have an impact on the national agenda given the interlocking nature of global economic relations. The policy challenge is to ensure that we engage critically and creatively with the global imperatives as we determine our national and regional goals, priorities and responsibilities.

1.9   In particular, the South African economy is confronted with the formidable challenge of integrating itself into the competitive arena of international production and finance which has witnessed rapid changes as a result of new communication and information technologies. These technologies, which place a premium on knowledge and skills, leading to the notion of the "knowledge society", have transformed the way in which people work and consume.

1.10 Simultaneously, the nation is confronted with the challenge of reconstructing domestic social and economic relations to eradicate and redress the inequitable patterns of ownership, wealth and social and economic practices that were shaped by segregation and apartheid, This has resulted in the emergence of a sophisticated urban core economy with a relatively well-developed technological infrastructure and an increasingly highly educated skilled labour force, co-existing side-by-side with a peripheral rural and informal urban economy from which the majority of the population, previously denied access to education and training and restricted to unskilled labour, eke out a living.

1.11 Against this backdrop, higher education must provide education and training to develop the skills and innovations necessary for national development and successful participation in the global economy. In addition, higher education has to be internally restructured to face the challenge of globalisation, in particular, the breaking down of

national and institutional boundaries which removes the spatial and geographic barriers to access.

1.12 These economic and technological changes create an agenda for the role of higher education in reconstruction and development. This includes:

- Human resource development: the mobilisation of human talent and potential through lifelong learning to contribute to the social, economic, cultural and intellectual life of a rapidly changing society.

- High-level skills training: the training and provision of personpower to strengthen this country's enterprises, services and infrastructure. This requires the development of professionals and knowledge workers with globally equivalent skills, but who are socially responsible and conscious of their role in contributing to the national development effort and social transformation.

- Production, acquisition and application of new knowledge: national growth and competitiveness is dependent on continuous technological improvement and innovation, driven by a well-organised, vibrant research and development system which integrates the research and training capacity of higher education with the needs of industry and of social reconstruction.

1.13 In summary, the transformation of the higher education system and its institutions requires:

- *Increased and broadened participation.* Successful policy must overcome an historically determined pattern of fragmentation, inequality and inefficiency. It must increase access for black, women, disabled and mature students, and generate new curricula and flexible models of learning and teaching, including modes of delivery, to accommodate a larger and more diverse student population.

- *Responsiveness to societal interests and needs.* Successful policy must restructure the higher education system and its institutions to meet the needs of an increasingly technologically-oriented economy. It must also deliver the requisite research, the highly trained people and the knowledge to equip a developing society with the capacity to address national needs and to participate in a rapidly changing and competitive global context.

- *Cooperation and partnerships in governance.* Successful policy must reconceptualise the relationship between higher education and the state, civil society, and stakeholders, and among institutions. It must also create an enabling institutional environment and culture that is sensitive to and affirms diversity, promotes reconciliation and respect for human life, protects the dignity of individuals from racial and sexual harassment, and rejects all other forms of violent behaviour.

VISION

1.14 The Ministry's vision is of a transformed, democratic, non-racial and non-sexist system of higher education that will:

- promote equity of access and fair chances of success to all who are seeking to realise their potential through higher education, while eradicating all forms of unfair discrimination and advancing redress for past inequalities

- meet, through well-planned and co-ordinated teaching, learning and research programmed, national development needs, including the high-skilled employment needs presented by a growing economy operating in a global environment

- support a democratic ethos and a culture of human rights by educational programmed and practices conducive to critical discourse and creative thinking, cultural tolerance, and a common commitment to a humane, non-racist and non-sexist social order

- contribute to the advancement of all forms of knowledge and scholarship, and in particular address the diverse problems and demands of the local, national, southern African and African contexts, and uphold rigorous standards of academic quality.

1.15 This vision for higher education is located within the government's broader view of a future where all South Africans will enjoy an improved and sustainable quality of life, participate in a growing economy, and share in a democratic culture.

1.16 The Ministry's vision and programme for transformation are based on a set of underlying principles and goals which provide guidelines for assessing the higher education system.

PRINCIPLES

1.17 The Ministry regards the following as fundamental principles that should guide the process of transformation in the spirit of an open and democratic society based on human dignity, equality and freedom:

Equity and redress

1.18 The principle of equity requires fair opportunities both to enter higher education programmed and to succeed in them. Applying the principle of equity implies, on the one hand, a critical identification of existing inequalities which are the product of policies, structures and practices based on racial, gender, disability and other forms of discrimination or disadvantage, and on the other a programme of transformation with a view to redress. Such transformation involves not only abolishing all existing forms of unjust differentiation, but also measures of empowerment, including financial support to bring about equal opportunity for individuals and institutions.

Democratisation

1.19 The principle of democratisation requires that governance of the system of higher education and of individual institutions should be democratic, representative and participatory and characterised by mutual respect, tolerance and the maintenance of a well-ordered and peaceful community life. 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 at the systemic, institutional and departmental levels are transparent, and that those taking and implementing decisions are accountable for the manner in which they perform their duties and use resources.

Development

1.20 The principle of development means that conditions must be created to facilitate the transformation of the higher education system to enable it to contribute to the common good of society through the production, acquisition and application of knowledge, the building of human capacity, and the provision of lifelong learning opportunities.

Quality

1.21 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. These expectations and ideals may 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.

Effectiveness and efficiency

1.22 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. 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.

Academic freedom

1.23 The principle of academic freedom implies the absence of outside interference, censure or obstacles in the pursuit and practice of academic work. It is a precondition for critical, experimental and creative thought and therefore for the advancement of

intellectual inquiry and knowledge. Academic freedom and scientific inquiry are fundamental rights protected by the Constitution.

Institutional autonomy

1.24 The principle of institutional autonomy refers to a high degree of self-regulation and administrative independence with respect to student admissions, curriculum, methods of teaching and assessment, research, establishment of academic regulations and the internal management of resources generated from private and public sources. Such autonomy is a condition of effective self-government. However, there is no moral basis for using the principle of institutional autonomy as a pretext for resisting democratic change or in defence of mismanagement. Institutional autonomy is therefore inextricably linked to the demands of public accountability.

Public accountability

1.25 The principle of public accountability implies that institutions are answerable for their actions and decisions not only to their own governing bodies and the institutional community but also to the broader society. Firstly, it requires that institutions receiving public funds should be able to report how, and how well, money has been spent. Secondly, it requires that institutions should demonstrate the results they achieve with the resources at their disposal. Thirdly, it requires that institutions should demonstrate how they have met national policy goals and priorities.

GOALS

1.26 The principles outlined above establish the steering mechanism for transformation of the higher education system. The goals are key targets and outcomes that should be pursued in implementing the transformation strategy.

1.27   At the national or system level the goals are:

(1)   To conceptualise, plan, govern and fund higher education in South Africa as a single, co-ordinated system.

(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 or other forms of discrimination.

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

(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)   To improve the quality of teaching and learning throughout the system and, in particular to ensure that curricula are responsive to the national and regional context.

(6)   To promote the development of a flexible learning system, including distance education and resource-based learning based on open learning principles.

(7)   To secure and advance 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.

(8)   To promote and develop social responsibility and awareness amongst students of the role of higher education in social and economic development through community service programmed.

(9)   To produce graduates with the skills and competencies that build the foundations for lifelong learning, including, critical, analytical, problem-solving and communication skills, as well as the ability to deal with change and diversity, in particular, the tolerance of different views and ideas.

(lo)   To develop capacity-building measures to facilitate a more representative staff component which is sensitive to local, national and regional needs, and is committed to standards and ideals of creative and rigorous academic work.

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

(12)   To develop and implement funding mechanisms in line with the principles outlined above and based on need, affordability, sustainability and shared costs, and in support of the goals of the national higher education plan.

1.28   At the institutional level the goals are:

(1)   To transform and democratise the governance structures of higher education. New structures should provide for co-operative decision-making between separate but functionally" interdependent "stakeholders who recognise their different identities, interests and freedoms, while pursuing the common goal of a co-ordinated and participative polity and civil society.

(2)   To encourage interaction through co-operation and partnerships among institutions of higher education and between such institutions and all sectors of the wider society.

(3)   To promote human resource development through programmed that are responsive to the social, political, economic and cultural needs of the country and which meet the best standards of academic scholarship and professional training.

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

(5)   To demonstrate social responsibility of institutions and their commitment to the common good by making available expertise and infrastructure for community service programmed.

(6)   To encourage and build an institutional environment and culture based on tolerance and respect.

CHAPTER 2

STRUCTURE AND GROWTH

A SINGLE COORDINATED SYSTEM

2.1   Higher education must replanned, governed and funded as a single national co-ordinated system, in order to overcome the fragmentation, inequality and inefficiency which are the legacy of the past, and successfully address the present and future challenges of reconstruction and development. This is a fundamental point of policy on which all stakeholders in the higher education system are agreed.

2.2 A key feature of a single co-ordinated system will be the broadening of the social base of the higher education system in terms of race, class, gender and age. The system will cater for a considerably more diverse body of learners than at present. They will become increasingly representative, at all levels of the system and in all programmed, of the racial and gender composition of the South African population. Access for disabled learners will increase. The system will open its doors, in the spirit of lifelong learning, to workers and professionals in pursuit of multiskilling and reskilling, and adult learners whose access to higher education had been thwarted in the past.

2.3   The structure and culture of the present system are not well suited to accommodate the varying backgrounds, needs, interests and abilities of the student body of the future, to enable them to realise their potential, and contribute the necessary range and quality of knowledge, insight, skill and capability to the development and reconstruction of our country. The system has no alternative but to re-make itself in order to realise the vision and achieve the goals set out in the previous chapter.

2.4 The most significant conceptual change is that. the single co-ordinated system will be premised on a programme-based definition of higher education:

> *Higher education comprises all learning programmed leading to qualifications higher than the proposed Further Education and Training Certificate or the current Standard 10 certificate.*

2.5 A programme-based approach

● recognises that higher education takes place in a multiplicity of institutions and sites of learning, using a variety of methods, and attracting an increasingly diverse body of learners

● is fully compatible with all the functions and integral components of higher education, which include learning and teaching, scholarship and research, community development and extension services.

2.6 A programme-based higher education system which is planned, governed and funded as a single, coherent, national system will enable many necessary changes to be undertaken.

- It will promote diversification of the access, curriculum and qualification structure, with programmed developed and articulated within the National Qualifications Framework (NQF), encouraging an open and flexible system based on credit accumulation and multiple entry and exit points for learners. This will remove obstacles which unnecessarily limit learners' access to programmed, and enable proper academic recognition to be given for prior learning achieved, thus permitting greater horizontal and vertical mobility by learners in the higher education system. It would also break the grip of the traditional pattern of qualification based on sequential, year-long courses in single disciplines.

- It will promote the development of a flexible learning system, progressively encompassing the entire higher education sector, with a diversity of institutional missions and programme mixes, a range of distant and face-to-face delivery mechanisms and support systems, using appropriate, cost-effective combinations of resource-based learning and teaching technologies.

- It will improve the responsiveness of the higher education system to present and future social and economic needs, including labour market trends and opportunities, the new relations between education and work, and in particular, the curricular and methodological changes that flow from the information revolution, the implications for knowledge production and the types of skills and capabilities required to apply or develop the new technologies.

- It will require a system-wide and institution-based planning process, and a responsive regulatory and funding system, which will enable planned goals and targets to be pursued. The process will ensure that the expansion of the system is responsibly managed and balanced in terms of the demand for access, the need for redress and diversification, the human resource requirements of the society and economy, and the limits of affordability and sustainability.

PLANNING IN A SINGLE CO-ORDINATED SYSTEM

2.7 At present, the size and shape of the higher education system is determined by uncoordinated institutional decisions on student enrollments and programme distribution. This is untenable in the context of fiscal constraints and the need for greater responsiveness of the higher education system to the national development agenda.

2.8 The development of a planning framework and process at the system-wide and institutional levels is critical to ensuring that the single co-ordinated system can successfully address the legacy of the past, respond to national needs, link labour market opportunities and higher education outcomes, and provide a more predictable and stable funding environment.

2.9   The key instruments in the planning process will be the development of an overall national and institutional three-year "rolling plans", indicative plans which facilitate the setting of objectives and implementation targets that can be adjusted, updated and revised annually. A participatory, multi-year planning process will avoid the inherent defects of the old top-down central budgeting system. This is in line with the government's budget development process as reflected in the Medium-Term

Expenditure Framework. A three year planning cycle, with data, resource estimates, targets and plans annually updated, enables the planning of growth and change in higher education to be more flexible and responsive to social and economic needs, including market signals (while avoiding the rigidity of old-style "manpower planning"), permits adjustments to be made on the basis of actual performance, and introduces greater predictability and hence stability into the budget process.

National higher education plan

2.10 The national higher education plan will establish indicative targets for the size and shape of the system, overall growth and participation rates, and institutional and programme mixes, which advance the vision, principles and policy goals for the system. In particular, attention will focus on:

. establishing new programmed
. discouraging obsolete programmed
. building new capacities
. reshaping the institutional landscape
. promoting individual and institutional redress and equity goals.

2.11 The national plan will provide the framework within which institutional plans will be developed, and will in turn be influenced by regional and institutional concerns and proposals. This inter-active process will require entirely new consultative and negotiating processes, new databases and considerably enhanced modelling and computing capacities, at the national, regional and institutional levels.

2.12 The national plan will be developed by the Department of Education after consultation and on the advice of the new statutory advisory body, the Council on Higher Education (CHE).

Institutional plans

2.13 The three-year rolling institutional plans, will be developed within the framework of the national plan, according to procedures which will be negotiated between the Department of Education and the institutions with the advice of the CHE.

2.14 Institutional plans will be expected to include the mission of the institution, proposed programmed, indicative targets for enrolment levels by programme, race and gender equity goals and proposed measures to develop new programmed and human resource development plans and developmental plans for new programmed. They will also include plans for academic development, research development and infrastructural development.

2.15 The Ministry will request the CHE to advise on the criteria to be used to assess the suitability and sustainability of institutional plans. In broad terms, there will have to be a fit between institutional plans and national policy and goals, as well as consistency with institutional missions and capacity.

2.16 In addition, emphasis will be placed on regional reviews of institutional plans as an integral part of the national planning process. This will be intended to promote regional co-ordination and collaboration as part of the national plan enhance articulation

of programmes, mobility of learners between institutions, the sharing of resources, including scarce academic and technical staff, library and information facilities. It is also intended to reduce programme duplication and overlap. The Ministry will provide incentives to encourage and facilitate regional planning and co-ordination.

2.17 In cases where there is a mismatch between institutional plans and the national plan, adjustments to institutional plans will be negotiated by the Department of Education with the relevant institutions.

2.18 The approval of institutional plans will lead to the allocation of funded student places to institutions for approved programmed in particular levels and fields of learning. Individual institutions will determine student numbers for particular programmed within these levels and fields. They would also have the option of running new programmes or augmenting state-funded programmed from their own resources.

2.19 Institutional redress will play an important role in the planning process to ensure that inherited inequalities between the historically black and historically white institutions are not intensified, but diminished. This will require the Department of Education and the CHE proactively assisting institutions to develop planning capacity and appropriate institutional missions, as well as ensuring that new programmed are appropriately located within the existing institutional landscape. In this respect, redress funding will be allocated where needed to enable institutions to offer the agreed programme mix in an effective manner.

2.20 The planning process will also take into account that the historically advantaged institutions will require additional resources to deal with the learning needs of disadvantaged students as a result of the changing composition of the student body, with large and increasing numbers of black students enrolled in these institutions.

2.21 As each institution in the higher education system clarifies its institutional mission based on appropriate programme choices and combinations, as the body of learners diversifies, as the teaching, research and management profiles become more representative of our people, as quality promotion and quality assurance processes take hold, as the institutional landscape changes, as centres of excellence are recognised and promoted across the system, the distinction between historically advantaged and historically-disadvantaged will become less and less relevant.

EQUITY AND GROWTH

2.22 There is a clear case for the expansion of the higher education system if it is to meet the imperatives of equity, redress and development. According to the National Commission on Higher Education (NCHE), the total number of African students at universities and technikons increased by an annual average of 14% between 1986 and 1993, as against 0.4% for whites. However, the overall participation rates, that is the percentage of the 20-24 age cohort enrolled in higher education, which is the international norm adopted by UNESCO, continued to be characterised by gross inequalities. In 1993, the overall participation rate in all post-Standard ten programmed in public and private institutions was about 20 per cent. However, the participation rate for white students was just under 70 per cent, while that for African students was about 12 per cent (NCHE Report, 1996:64). Since 1993, such disparities have significantly

diminished, but they are still substantial, especially when analysed on a programme basis, and by level of qualification.

2.23 What is not clear, however, is what increases in participation rates for black students, and overall, are possible within the foreseeable future in the context of the government's macro-economic framework and fiscal policies. The Department of Education is developing a planning model that will provide estimates of the cost of expanding the higher education system based on different scenarios, based on a variety of growth estimates and taking into account demographic and labour market indicators. After appropriate evaluation and consultation, the outcome of this study will inform the development of the first national higher education plan.

2.24 The Ministry of Education is committed to the planned expansion of the system. In this context, the twin goals of equity and development can be achieved through:

. ensuring that the composition of the student body progressively reflects the demographic realities of the broader society. A major focus of any expansion and equity strategy must be on increasing the participation and success rates of black students in general, and of African, Coloured and women students in particular, especially in programmed and levels in which they are underrepresented.

* expanding career-oriented programmed at all levels, but in particular, in shorter cycle (one and two year) programmed at certificate and diploma levels, and in science, engineering and technology prograrnmes

* expanding enrollments in postgraduate programmed at the masters and doctoral levels, to address the high-level skills necessary for social and economic development and to provide for the needs of the academic labour market

* expanding the range of programmed and increasing enrolments based on open learning and distance education, especially for young and older adults, with particular emphasis on women

2.25 The focus on science, engineering and technology programmed is necessary to correct present imbalances, in particular, the shortage of trained personnel in these fields. However, this will not diminish the importance of programmed in the social sciences and humanities which contribute to knowledge production, in particular, to the understanding of social and human development, including social transformation. They also play an important role in career-oriented training in a range of fields such as education, law, private and public sector management, social development and the arts. In addition, in the context of the communications and information revolution, the social sciences and humanities, as well as the sciences and technologies, must contribute to the development of the analytic, intellectual, cultural and ethical skills and competencies necessary for participation in the knowledge society.

EQUITY **AND REDRESS**

2.26 The Ministry of Education's commitment to changing the composition of the student body will be effected through the targeted redistribution of the public subsidy to higher education. The relative proportion of public funding used to support academically able but disadvantaged students must be increased.

2.27 In addition, in the present context of limited real growth in public expenditure, making progress in achieving equity and redress goals will require institutions, in turn, to mobilise greater private resources as well as to reallocate their operating grants internally. This is already happening at many institutions in response to the recent rapid increases in black student enrollments.

2.28 The Ministry will require institutions to develop their own race and gender equity goals and plans for achieving them, using indicative targets for distributing publicly subsidised places rather than firm quotas.

2.29 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 students, with high failure and drop-out rates. In this respect, the Ministry is committed to ensuring that public funds earmarked for achieving redress and equity must be linked to measurable progress toward improving quality and reducing the high drop-out and repetition rates.

2.30 This highlights the need to attend to the articulation gap between the demands of higher education programmed and the preparedness of school leavers for academic study. The effects of Bantu education, the chronic underfunding of black education during the apartheid era, and the effects of repression and resistance on the culture of learning and teaching, have seriously undermined the preparedness of talented black students for higher education.

2.31 The government has launched an ambitious programme to transform the school system in the medium to long term, to remedy the previous deficiencies and to improve the quality of school education. To cite examples, the RDP Presidential Lead Projects, in particular the Primary School Nutrition Programme and the National School Building Programme, attend to the environment of learning, Curriculum 2005 will progressively introduce new outcomes-based learning programmed throughout the school system, and the national Campaign on the Culture of Learning, Teaching and Service seeks to empower communities, learners and educators to reclaim learning institutions for their true purpose, and develop a growing solidarity of all participants in the learning process around the disciplines and joys of learning, teaching and service.

2.32 In the short to medium term, in order to improve equity of outcomes, the higher education system is required to respond comprehensively to the articulation gap between learners' school attainment and the intellectual demands of higher education programmed. It will be necessary to accelerate the provision of bridging and access programmed within further education, but the learning deficits are so widespread that systematic changes in higher education programmed (pedagogy, curriculum and the structure of degrees and diplomas) will continue to be needed. The development and provision of student support services, including career guidance, counseling and financial aid services, are other essential requirements. In addition, an enabling environment must be created throughout the system to uproot deep-seated racist and sexist ideologies and practices that inflame relationships, inflict emotional scars and create barriers to successful participation in learning and campus life. Only a multi-faceted approach can provide a sound foundation of knowledge, concepts, academic, social and personal skills,

and create the culture of respect, support and challenge on which self-confidence, real learning and enquiry can thrive.

2.33 Thus academic development structures and programmed are needed at all higher education institutions to promote the development of teaching skills, curricula, courseware and student support services as a mainstream programme development.

2.34 The Ministry will ensure that the new funding formula for higher education responds to such needs for academic development programmed including, where necessary, extended curricula. Such programmed will be given due weight and status as integral elements of a higher education system committed to redress and to improving the quality of learning and teaching.

2.35 The Ministry, in co-operation with the CHE, through its Higher Education Quality Committee, will initiate a thorough review of the structure and duration of degree, diploma and certificate programmed, aimed at achieving a more appropriate fit between the school, or (more broadly) further education and training, and higher education systems. The review will necessarily entail an assessment of the broad curriculum in higher education in terms of content, relevance, design and delivery.

2.36 The Ministry is highly receptive to the growing interest in community service programmed for students, to harness the social commitment and energy of young people to the needs of the Reconstruction and Development Programme, and as a potential component of the National Student Financial Aid Scheme (NSFAS). The Ministry will consult the CHE and the National Youth Commission on this matter. In principle, the Ministry will encourage suitable feasibility studies and pilot programmed which explore the potential of community service

. to answer the call of young people for constructive social engagement
. to enhance the Culture of Learning, Teaching and Service in higher education, and
. to relieve some of the financial burden of study at this level.

RESTRUCTURING AND DIVERSIFICATION

Institutional landscape

2.37 The Ministry of Education favours an integrated and co-ordinated system of higher education, but not a uniform system. An important task in planning and managing a single national co-ordinated system is to ensure diversity in its organisational form and in the institutional landscape, and offset pressures for homogenisation. Such pressures exist at present, and will intensify as the demand for higher education places escalates, and as the system responds to the acknowledged needs to widen access and diversify the curriculum.

2.38 The risk the Ministry wishes to avoid is a laissez-faire proliferation of higher education programmed by a-n increasing range of providers, without benefit of a planning framework and without adequate safeguards to ensure the quality of provision. This would almost certainly result in the unplanned blurring of institutional roles and functions, and, given resource constraints, a strong tendency to over-provide low-cost programmed in low-priority curriculum areas.

2.39 The homogenizing pressures, and risks of lowest-common-denominator expansion, can be avoided by

. recognizing the broad function and mission of universities, technikons and colleges as three types of institutions offering higher education programmed

. insisting on a rigorous planning and screening process for the approval of publicly-funded programmed, which must serve the mission and goals of the system, and

. rigorous quality control of providers.

2.40 The three institutional types will not continue to be regarded as discrete sectors with mutually exclusive missions and programme offerings. What the Ministry seeks is an easing of the boundaries between colleges, technikons, and universities. This should facilitate a recognition of the scope for collaboration on the basis of common purposes and mutual interests, and of their distinctive roles.

2.41 The precise mix of programmed offered at particular institutions will be determined in the planning process on the basis of the fit between the institution's proposed programme mix and regional and national needs, as well as an assessment of current institutional missions and capacities. Such an assessment will include assessing the need for an institution to develop or elaborate its mission, and the need for capacity-building strategies to redress the imbalances and distortions inherited from apartheid.

2.42 The programme-based approach to planning and development, by ensuring greater articulation between the different sectors of the higher education system, promoting flexibility and diversity in the range of programmed offered, and fostering co-operation between institutions, will result in structural changes and a reconfiguration of the institutional landscape in the medium to long-term.

2.43 The Ministry of Education encourages the development of regional consortia and partnerships involving a range of higher education institutions. They offer wide scope for collaboration in

• developing and delivering programmed, including the production of courseware

• reducing the overlap and duplication of programme provision

• refocusing the institutional culture and missions of both Historically White Institutions (HWIs) and Historically Black Institutions (HBIs) within the national system

• helping build academic and administrative capacity where it is needed, especially in HBIs, and

• enhancing responsiveness to regional and national needs, for academic programmed, research, and community service.

2.44 The deeper import of such regional collaboration is that, by transcending the current divides in the system, it is a harbinger of new institutional and organisational forms.

2.45 A vital task, which the **Ministry** will undertake in collaboration with the CHE, is to assess the optimal number and type of institutions needed to meet the goals of a transformed higher education system. Many institutions either require consolidation or retooling for new missions and goals. Narrow self-interest cannot be allowed to preclude planning which may lead to institutional mergers and closures, and the development of new institutional forms where these are **necessary**. The new planning and governance systems will enable appropriate investigations to be undertaken, and consultation at national, regional and local levels. The Minister will then be in a position to make informed decisions on these matters in terms of the Higher Education Act.

Colleges

2.46 The **Ministry** is committed to ensuring that the integration of colleges into the higher education system will allow a range of organisational models to **evolve** based on regional and national needs, sound educational practice, and efficiency and **cost**-effectiveness criteria.

2.47 Access to higher education will be improved *by* a planned expansion of *college*-based programmed in targeted fields, especially access and foundation programmed. Colleges will also be expected to encourage a wider range of career-oriented education and training that is more relevant to the changing structure of employment and social and economic needs. The flexibility provided by the **NQF** will ensure that students choosing college programmed are not precluded from pursuing more advanced study elsewhere, leading to degrees.

2.48 At present, higher education programmed are offered by a range of publicly funded post-secondary colleges, including colleges of education, nursing, agriculture, veterinary, **forestry**, police and military colleges.

2.49 In terms of the constitutional provision that tertiary education is an exclusive national competence (Schedule 4 of the Constitution of the Republic of South Africa, 1996, Act No. 108 of 1996), the **Ministry** is advised that all higher education colleges fall under the jurisdiction of the Ministry of Education. They will be planned, governed and funded as part of the single **co-ordinated** higher education system.

2.50 The colleges listed in 2.48 will in the interim, continue to be administered, controlled and funded by the departments under whose jurisdiction they presently fall. This will ensure stability while their future location is decided. The **Ministry** has opened discussions with the affected line ministries at both the national and provincial levels, and will institute a comprehensive review of the colleges in consultation with all stakeholders to determine their future role and location.

2.51 The Minister of Education will, however, discharge his constitutional responsibility to determine and monitor national policy with regard to all colleges that offer higher education programmed, and in particular to ensure that the necessary accreditation and quality assurance mechanisms are in place.

2.52 The colleges of education were previously a provincial responsibility and continue currently to be administered at the provincial level. They are now a national competence and their transfer to the national level will be transacted with the provincial ministries

through the mechanism of the Council of Education Ministers (CEM) and the Heads of Education Departments Committee (HEDCOM).

2.53 Technical colleges, which primarily offer post-compulsory education programmed constitute part of the core of the proposed further education sector, whose institutional configuration, governance, funding and programme base is presently under investigation by the National Committee on Further Education and Training. They will therefore continue to be administered at the provincial level. However, it is expected that they will continue to offer higher education programmes in targeted fields, including **access** and bridging or foundation programmed and the existing technician-level higher education programmes (N4-N6). This will be subject to the planning and funding criteria and processes of the integrated higher education system.

Private institutions

2.54 There is a relatively well-established private higher education sector in South Africa, offering programmed under franchise from professional institutes or from local and international universities, and in some cases under their own auspices. The programmed offered range from certificates and diplomas in fields such as human resource development, business administration, communications and information technology (in particular, computing), to tuition leading to degrees awarded by UNISA and universities based abroad. In 1995, according to the NCHE, there were some 150 000 learners enrolled in such programmed (NCHE Report 1996:159).

2.55 The Ministry recognises that private provision plays an important role in expanding access to higher education, in particular, in niche areas, through responding to labour market opportunities and student demand. 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 over-regulation, nor allows a plethora of poor quality, unsustainable 'fly by night' operators into the higher education market.

2.56 A regulatory framework will be established under the Higher Education Act, to ensure that only private institutions with the necessary infrastructure and resources to provide and sustain quality higher education programmes will be registered. Such programmed will need to be accredited through procedures established by the South African Qualifications Authority (SAQA) as part of the NQF.

Distance education and resource-based learning

2.57 Distance education and resource-based learning, based on the principles of open learning, have a crucial role to play in meeting the challenge to expand access, diversify the body of learners, and enhance quality, in a context of resource constraint. They enable learning to take place in different contexts, at a multiplicity of sites, at the learner's own pace, using many media and a variety of learning and teaching approaches.

2.58 In addition, the development of resource-based learning throughout the higher education system means that the quality and success of teaching need not be dependent upon staff levels rising in tandem with increased enrollments. In other words, by achieving a national framework of flexible learning, better use can be made of scarce and costly physical resources, scholarship and teaching expertise.

2.59 Distance education and resource-based learning are particularly appropriate for learners who are already in employment, or who need to earn in order to meet study costs. Many of these learners will offer prior learning and experience of an unconventional kind, and distance education and resource-based providers are ideally placed to pioneer the evaluation of prior learning and experience for access purposes.

2.60 Distance education and resource-based learning are well placed for expansion given the existing infrastructure in these fields, in both the public and private sectors. Clearly, expansion cannot take place without additional investment, especially in learning technology, staff development and student support. However, just as other parts of the higher education system have many deficiencies, the Ministry of Education is concerned about the efficiency, appropriateness and effectiveness of much current distance education provision. There is considerable evidence of self-examination and change among distance education providers, but major transformation requirements are still far from being met in many institutions, and there is still considerable work to do to re-focus institutional missions, modernise courseware, improve student support, and undertake essential efficiency reforms and cost-effective planning, so that the quality of provision and performance is improved.

2.61 The Ministry supports the development of a national network of centres of innovation in course design and development, as this would enable the development and franchising of well-designed, quality and cost-effective learning resources and courses, building on the expertise and experience of top quality scholars and educators in different parts of the country.

2.62 In addition, contact and distance education institutions will be encouraged to provide effective and flexible learning environments on a continuum of educational provision, in which educators will be able to select from an increasing range of educational methods and technologies those that are most appropriate to the context within which they operate. This development, together with a regional network of learning centres, will not only broaden access, but also facilitate and enhance quality education, especially in rural areas and less well-endowed urban institutions.

2.63 In summary, distance education and resource-based learning approaches have huge potential for integrating lifelong learning into the basic shape and structure of higher education, and increasing access by learners to quality programmed. The Ministry of Education is committed to help harness the new teaching and learning technologies, especially through its technology enhanced learning initiative (TELI).

2.64 The viability of creating a coherent national framework for facilitating distance education and resource-based learning throughout the higher education system needs a nationally-sponsored study. The investigation must include a comprehensive audit of existing public and private distance education and resource-based learning provision, in terms of programme quality, cost-efficiency and effectiveness, in order to assess strengths and weaknesses. The outcome should be a clear agenda for improvement, and guidance on future policy, planning and investment. The Ministry will appoint a Task Team to undertake this investigation, in collaboration with the CHE, after appropriate consultation with the distance education and resource-based learning community.

A QUALIFICATIONS FRAMEWORK FOR HIGHER EDUCATION

2.65 Separate and parallel qualification structures for universities, technikons and colleges have hindered articulation and transfer between institutions and programmed, both horizontally and vertically. The impermeability of multi-year degree and diploma programmed 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, which is premised on enhancing horizontal and vertical mobility through flexible entry and exit qualifications.

2.66 The Ministry endorses the principle that a single qualifications framework should be developed for all higher education qualifications in line with the NQF. In principle, the framework should comprise a laddered set of qualifications at higher education certificate, diploma and degree levels, including intermediate exit qualifications within multi-year qualifications. In addition, all higher education programmed, national or institutional, should be registered on the NQF, minimally at the exit level of whole qualifications.

2.67 The incorporation of academic qualifications within a national framework is not a straightforward matter and, quite properly, it has been the subject of intense debate. SAQA has determined that both unit standards and whole qualifications may be presented for registration on the NQF. This should meet the serious concern among many academic staff that unit standard methodology, and the construction of qualifications from multiple units of learning, are inappropriate foundations for certain academic programmed. The Ministry is confident that other issues of concern to the higher education system in the development of the NQF can be satisfactorily resolved within the relevant SAQA structures.

2.68 The establishment of SAQA with the full and active participation of higher education providers was a milestone and puts the evolution of the NQF in South Africa in the forefront of such systems world-wide.

A QUALITY ASSURANCE SYSTEM FOR HIGHER EDUCATION

2.69 The primary responsibility for quality assurance rests with higher education institutions. However, there is an important role for an umbrella national authority responsible for quality promotion and assurance throughout the system.

2.70 Accordingly, the Higher Education Act will provide for the co-ordination of quality assurance in higher education through a Higher Education Quality Committee (HEQC) which will be established as a permanent committee of the CHE. The establishment of the HEQC, its registration with SAQA and its modus operandi will be determined by the CHE within the framework and procedural guidelines developed by SAQA.

2.71 The functions of the HEQC will include programme accreditation, institutional auditing and quality promotion. 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

. a mix of institutional self-evaluation and external independent assessment.

ADMISSION AND SELECTION PROCEDURES

2.72 The Ministry is committed to ensuring that the minimum statutory requirement for entry into all higher education programmed will in future be a pass in the proposed Further Education and Training Certificate (FETC). Institutions will continue to have the right to determine entry requirements as appropriate beyond the' statutory minimum. However, in exercising this right, they should ensure that selection criteria are sensitive to the educational backgrounds of potential learners, and incorporate the recognition of prior learning which is an essential concept in the elaboration of the NQF.

2.73 The NQF provides for different routes—formal schooling, adult basic education and training and recognition of prior learning, or a combination of these—for obtaining the proposed FETC. However, many able, mature applicants for standard-entry and open learning programmed may not have had the chance to fulfil ail the requirements for the FETC. The Ministry strongly supports developmental work and pilot projects which will help institutions to develop criteria to assess applicants' prior learning and experience, so that those with clear potential to succeed in higher education can be admitted.

2.74 In the period prior to the full operationalisation of the NQF and the introduction of the FETC, the existing matriculation requirements will remain in force, but the policy directions in 2.67 and 2.68 are just as applicable in the interim.

2.75 A National Higher Education Information and Admission Service (with regional centres) will be established to facilitate the administration of student applications, satisfy the information needs of applicants, and provide careers guidance, including information on labour market trends.

2.76 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 serve as pilot programmed for a national service. The regional consortia and the CHE will have important roles in advising on their development.

LANGUAGE POLICY

2.77 The Constitution gives full recognition to the fact that South Africa is a multilingual country, and multilinguism is a prime objective of national language policy in general and further education, as determined by the Minister in terms of the South African Schools Act, 1996. South Africa's rich language inheritance offers many opportunities and challenges to the higher education sector, but thus far there has been no national policy framework within which the higher education institutions could establish their own institutional language policies and programmed, and which would enable the Ministry of Education to lend support to the achievement of national language goals.

2.78 The creation of an authoritative and representative Council on Higher Education will enable the higher education sector to take collective responsibility for investigating the language situation in higher education institutions and offering advice on language

policy to the Ministry of Education. This matter is sufficiently urgent that the Ministry will request the Council to advise on the development of a national language framework for higher education as an integral component of the first national higher education plan. In doing so, the Council will be expected to seek the advice and collaboration of the Pan South African Language Board.

2.79 The new national framework will be founded on the constitutional language provisions, the vision, *mission,* principles and goals for higher education described in chapter 1, and the final report of the Language Plan Task Group (LANGTAG), *Towards a National Language Plan for South Africa (1996).* The policy framework will need to address the following questions:

. the language or languages of learning (medium or mediums of instruction) in higher education institutions, bearing in mind the fundamental right of persons to receive education in the official language or languages of their choice in public educational institutions, where it is reasonably practicable to do so, and the duty of the state to ensure effective access to and implementation of this right (section 29(2) of the Constitution)

. the language or languages of communication within higher education institutions

● the role of higher education in promoting, and creating conditions for the development of, all South African languages, including the official languages, the Khoi, Nama and San languages, and Sign Language, and in elevating the status and advancing the use of the indigenous languages of our people

. the role of higher education in preparing sufficient language teachers, interpreters, translators and other language practitioners, to serve the needs of our multilingual society

. the role of higher education in promoting the language-based arts.

. the role of higher education in preparing South Africans for effective linguistic communication with the rest of Africa and the world in the fields of culture, diplomacy, science and business.

2.80 Once the national higher education language policy framework is approved, after full consultation, it will be given effect through the three-year rolling national higher education plan and the respective institutional plans, through which the public funding of higher education institutions will be negotiated.

2.81 Higher education institutions will be empowered, in terms of the Higher Education Act, to determine their institutional language policies, subject to the Constitution. In their institutional plans, they will have the opportunity to demonstrate how their institutional language policies will contribute to the achievement of the goals of the national higher education language policy framework.

RESEARCH

2.82 The production, advancement and dissemination of knowledge and the development of high-level human resources are core functions of the higher education system. Research plays a key role in both these functions. It is the principal tool for creating new knowledge. The dissemination of knowledge through teaching and collaboration in research tasks are the principal tools for developing academic and research staff through postgraduate study and training.

2.83 The current capacity, distribution and outcomes of research in the higher education system are cause for concern. In particular:

. there is insufficient articulation between the different elements of the research system, and between the research system and national needs for social, economic, cultural and intellectual reconstruction

. there is insufficient research capacity in higher education, and existing capacity is poorly co-ordinated and not adequately linked to postgraduate studies

. there are stark race and gender imbalances in the demographic composition of researchers in higher education, research councils, and private sector research establishments

. the distribution of research capacity in higher education institutions is skewed: under apartheid, the development of research capacity in black universities was severely limited, and the HDIs have only recently integrated research into their core functions; and a research mandate has only in recent years been included in the institutional mission of technikons.

2.84 At the same time, the nature of the research enterprise has undergone radical change through:

. the development of multiple sites of research and knowledge production which are partly or wholly separated from higher education, including industrial laboratories, corporate research units, parastatals, statutory research councils, and NGOS, or through collaboration among these research organisations

. the impact of transdisciplinary and transinstitutional research

. new forms of communication—the information highway—which have accelerated and widened access to data and research findings.

2.85 The accountability processes that flow from the changing nature of the research enterprise are much wider than those associated with traditional research in the higher education system. The outcomes of research are not only measured by traditional tools such **as** peer-reviews, but also by a broader range of indicators such as national development needs, industrial innovation and community development.

2.86 In South Africa today, therefore, the research system faces two main challenges. It must redress past inequalities and strengthen and diversify research capacity. It must also keep abreast with the emerging global trends, especially, the development of participatory and applications-driven research addressing critical national needs, which

requires collaboration between knowledge producers, knowledge interpreters and knowledge managers and implementers.

2.87 This has far-reaching implications for higher education, if it is to maintain and strengthen its pre-eminent role in the national research system and contribute to reconstruction and development. It needs to broaden its capacity to undertake research across the full spectrum, that is, traditional or basic research, application-driven research, strategic research, and participation-based research, in partnership with other stakeholders in the national research system.

2.88 There are encouraging developments in this direction which need to be further enhanced, such as the Technology and Human Resources for Industry Programme (THRIP) which comprises a partnership between higher education institutions, business, industry and government. THRIP aims to develop the competitiveness of South African industry, small and large, through the development of skills in science, engineering and technology.

2.89 The capacity of the national research system to develop innovative projects that cut across the research spectrum is critically dependent on the continued growth and development of traditional or basic research within the higher education system. The importance of traditional or basic research must be underscored, as it is crucial in nurturing a national intellectual culture, generating high-level and discipline-specific human resources, and providing opportunities for keeping in touch with international scientific developments—all of which facilitates innovation. The higher education system is, in fact, an integral component of the National System of Innovation (NSI) described in the White Paper on Science and Technology (1 996).

2.90 Strengthening the role of higher education in the national research system requires increasing current research capacity, protecting current research resources, finding new sources of research funding, and using all these resources more effectively. In addition, existing research capacity, in particular the nation's centres of research excellence, must be sustained, and essential new centres created, despite the pressures of numerical expansion, diversification and budget stringency.

2,91 The Ministry of Education therefore supports the following measures:

. The development of a national research plan which will identify national priorities for research and postgraduate training, processes for the identification and establishment of centres of excellence and niche areas, targets and performance indicators to achieve redress by developing a more representative research community, and incentives for collaboration and partnerships, especially at the regional level, in research and postgraduate training. The National Research and Technology Audit and the Research and Technology Foresight, currently being undertaken by the Department of Arts, Culture, Science and Technology (DACST) and the Industry Cluster Studies currently-being conducted by the Department of Industry (DTI), will provide valuable resources in the development of a national research plan. For its part, the Ministry will request the CHE, in conjunction with the National Research Foundation (NRF), to provide early advice on the current state and future needs of research infrastructure and capacity, including institutional redress in the higher education system.

- Greater articulation and co-ordination of research activities and funding between different government departments and the Science Councils. In the case of the Department of Education and DACST, such articulation is given concrete expression by recognizing the concurrent competencies of the two ministers in the establishment of the proposed NRF and recognizing DACST, in the case of non-voting members and the NRF as stakeholders for purposes of nomination to the CHE.

- Increasing the proportion of private and public funding of research and development expenditure that is spent in higher education, through fostering partnerships between the relevant government departments, science councils, higher education institutions, NGOS and the private sector.

- Targeted expansion of the institutional base for research through redress funding for the HDIs, in line with national priorities and the overall development of an expanded and diverse higher education system. Earmarked funds for the development of the research capacity at technikons will also be considered.

- Prioritizing access of black and women students to masters, doctoral and postdoctoral programmed, and designing a human resource development plan for higher education.

- The development of appropriate funding mechanisms (described in chapter 4).

CAPACITY BUILDING AND HUMAN RESOURCE DEVELOPMENT

2.92 The successful development of a single co-ordinated system requires more than a commitment to transformation. It is critically dependent on building and enhancing capacity in all spheres—academic, management, governance and infrastructural—to give effect to new policies and to ensure the efficient functioning of the expanded and transformed higher education system. In particular, attention will be paid to:

- management, including the management of change, leadership and strategic planning at institutional and national levels

- co-operative governance of the system at all levels

- development of Student Representative Councils

- development and maintenance of a management information system for higher education

- quality teaching and learning in the context of an expanded and diverse system

- promotion of research

- provision of administrative, infrastructural (including library and information technology) and other support for teaching, learning and research.

2.93 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 programmed. The Department of Education, in collaboration with the CHE, will develop a policy framework and funding mechanisms to support and promote institutional, regional and national capacity building programmed. These will be require partnerships between higher education institutions, NGOs, the private sector and international agencies, with support from the Department of Education.

2.94 Human resource development for the higher education system is particularly important. Unlike the changing student profile, especially in undergraduate programmed, the composition of staff in higher education fails to reflect demographic realities. Black people and women are severely underrepresented, especially in senior academic and management positions.

2.95 The Ministry recognises that the barriers to access are complex and that the building of human resource capacity poses the dual challenges of equity and development. The problem is broader than the redress of the apartheid legacy. In the case of women, it reflects deeply embedded sexist ideologies that cut across race and class, An enabling environment is needed which overcomes the social constraints that impede the mobility of women. These include inadequate or absent child-care facilities and inadequate maternity benefits.

2.96 Institutions will be required to submit human resource development plans, including equity goals, as part of their three-year rolling plans. HRD plans will need to include:

- staff recruitment and promotion policies and practices

- staff development, including academic development, that is improved qualifications, professional development and career pathing, instructional (teaching) development, management skills, technological reskilling, and appropriate organisational environment and support

- remuneration and conditions of service, taking into account the increasing competition from the public and private sectors for well-qualified black people, and women

- reward systems, including sabbaticals, conference attendance, academic contact visits, and

- the transformation of institutional cultures to support diversity.

CHAPTER 3

GOVERNANCE

TRANSFORMATION

3.1   The transformation of the structures, values and culture of governance is a necessity, not an option, for South African higher education. Higher education institutions are vital participants in the massive changes which our society is undergoing, and in the intellectual, economic and cultural challenges of the new world order. For the first time in their history, our higher education institutions have the opportunity to achieve their full potential, but they will not do so until their system of governance reflects and strengthens the values and practices of our new democracy. Furthermore, wholly transformed governance arrangements are needed to chart and steer the development of a single, integrated national system of higher education. The transformation of governance in the national system and its institutions is therefore a fundamental policy commitment of the Ministry of Education.

A MODEL OF GOVERNANCE

3.2   Governance arrangements reflect values about the distribution and exercise of authority, responsibility and accountability. The Ministry is well aware that governance in higher education institutions continues to be characterised by struggles for control, lack of consensus and even conflict over differing interpretations of higher education transformation. Among employers, past students, parents, and other members of the wider community, many different views and expectations about higher education abound. Among those currently involved directly in the process of higher education--in particular, students, academic staff, administrative staff, service staff, and institutional managers--there are often competing views and priorities which give rise to tensions and sometimes to turmoil.

3.3 Good governance must be based on a recognition of the existence of such different interests and the inevitability of contestation among them, and must therefore create structures and encourage processes which enable differences to be negotiated in participative and transparent ways. Successful negotiation and co-operative practice depend on the parties reaching agreement about the mission of the institution and their joint responsibilities toward it.

3.4 Both local and international experience confirm the importance of governments working co-operatively with institutions of civil society in a spirit of partnership and mutual dependence. The challenges of modern societies cannot be met by either party acting alone. Thus our model of governance must be interactive.

3.5 At the same time, our democratically elected government has a mandate from its electorate and is responsible to Parliament for ensuring that the mandate is fulfilled. Ministers have a duty to provide leadership, When all the appropriate investigations and consultations have been completed, a Minister must decide, and must take responsibility for the consequences of the decision.

3.6   In this spirit, recognizing the need to transcend the adversarial relations between state and civil society arising from the apartheid era, the Ministry of Education adopts a model of co-operative governance for higher education in South Africa based on the principle of autonomous institutions   working co-operatively with a proactive government and in a range of partnerships.

3.7 Co-operative governance assumes a proactive, guiding and constructive role for government. It also assumes a co-operative relationship between the state and higher education institutions. One implication of this is, for example, that institutional autonomy is to be exercised in tandem with public accountability. Another is that the Ministry's oversight role does not involve responsibility for the micro-management of institutions. A third implication is that the Ministry will undertake its role in a transparent manner.

3.8   The Ministry will drive the transformation of the higher education system through policies and strategies that are guided by this view of the role of the government and its relationship to institutions of higher education.

3.9 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 institutions. The Ministry reaffirms its commitment to academic freedom and institutional autonomy within the framework of public accountability as fundamental tenets of higher education and key conditions for a vibrant system.

GOVERNANCE AT SYSTEM LEVEL

3.10 To give effect to the transformation of higher education in the spirit of co-operative governance, the Ministry will enhance the capacity of the Higher Education Branch of the Department of Education, establish a Council on Higher Education (CHE), and enable reform of the governing structures of higher education institutions. These measures will provide opportunities for organised constituencies to express and negotiate their concerns, and will permit the government and the representative governance structures of the higher education sector to plan and transact the transformation and development of the system in an orderly way.

Legislative framework

3.11 The legislative framework of higher education will be established by the Higher Education Act, 1997, which establishes the legal basis of a single, national higher education system on the basis of the rights and freedoms of our democratic Constitution. The Higher Education Act replaces the Universities Act, 1995 (Act No. 61 of 1955), the Tertiary Education Act, 1988 (Act No. 66 of 1988), and the Technikons Act, 1993 (Act No. 125 of 1993). However, the Bill leaves intact the private university acts, which represent a legacy of the colonial and Commonwealth tradition of university governance.

3.12 In the view of the Ministry of Education, the continued existence of private university acts does not enhance the achievement of an integrated higher education system. In fact, it is anomalous, since neither technikons nor colleges will be governed in terms of private acts, nor has there been any suggestion that private acts should

become the pattern of institutional governance for such institutions. The universities alone have private acts, and such acts may be amended by Parliament only at the instance of the respective university council. The process is cumbersome and, in a time of rapid institutional transformation, it may also be retrogressive.

3.13 It may be thought by some that the repeal of private university acts would constitute an assault on institutional autonomy. In the Ministry's view, this is not so, any more than the absence of private technikon or college acts presently constitute an assault on their institutional liberties. Institutional autonomy, for all higher education institutions, will be guaranteed by the Higher Education Act, within the context of public accountability, as discussed in this document. The Act is a framing measure, drawn in broad terms. It will provide that each institution is governed in terms of its own institutional statutes, "where its distinct character and 'pattern of governance will be spelled out.

3.14 The Ministry of Education will request the Council on Higher Education to investigate and consult upon this matter and provide advice on the desirability or otherwise of perpetuating private university acts, in the absence of such private acts for technikons and colleges.

The Council on Higher Education **(CHE)**

3.15 The Council on Higher Education will be a major statutory body established to provide independent, strategic advice to the Minister of Education on matters relating to the transformation and development of higher education in South Africa, and to manage quality assurance and quality promotion in the higher education sector.

3.16 The CHE will be supported by its own professional secretariat, headed by the Executive Officer, and will control its own operating budget.

3.17 The chairperson and most members of the CHE will be appointed by the Minister after a process of public nomination. The membership, taken as a whole, must be as representative as possible of the main stakeholder interests in the higher education system, and must be capable of providing advice of high quality to the Minister based on thorough research and consultation. The following criteria will therefore guide the Minister's appointment of the membership of the CHE:

. balance of stakeholder interests and expertise
. racial and gender representivity
. deep knowledge and understanding of higher education
. understanding of the role of higher education in reconstruction and development
• known and attested commitment to the interests of higher education.

3.18 The Minister will appoint the chairperson and members of the CHE in terms of the provisions of the Higher Education Act, which will specify the number of members to be appointed and their terms of office. Although most members will have been nominated by stakeholder bodies, they will be appointed to the CHE in their personal capacities, and will be expected to apply their minds to the interests of the whole sector, as well as their own particular field of experience. The Minister will consider nominations made by at least the following organisations or bodies:

. national organisations representing students

. national bodies representing academic staff

● national bodies representing non-academic staff

. national bodies representing university principals

● national bodies representing technikon principals

. national bodies representing principals of colleges of education

. national bodies representing other higher education colleges

. national bodies representing private institution principals

. national bodies representing the Further Education sector.

. national bodies representing organised business

. national bodies representing organised labour

. the National Research Foundation

. the South African Qualifications Authority

3.19 The Minister may also appoint other members of the CHE, including persons external to the higher education sector from among persons nominated by the public, on account of their particular expertise.

3.20 Additional members may be co-opted by the CHE on account of their experience and expertise.

3.21 Non-voting members may be nominated by

● the Director-General: Education

. the provincial heads of education

. the Director-General: Arts, Culture, Science and Technology

. the Director-General: Labour.

3.22 An Executive Committee chaired by the Chairperson will guide the affairs of the CHE and direct the work of the Executive Officer.

3.23 The CHE will be required to provide relevant, timely and independent advice on matters concerning the condition and development of higher education. The Minister will receive advice on any other matters that the CHE deems necessary to advise about and specific matters referred by the Minister from time to time. The Ministry will be looking to the Council to play a leading strategic role in the envisaged transformation of the system, consistent with the vision and goals set out in Chapter 1.

3.24 The Minister will consult the CHE in the context of the principles and goals outlined in chapter one, on the planning of the national higher education system, major changes to the policy framework affecting the development of the higher education system, such as policy regarding public and private financing and provision, the level and distribution of public subsidies to higher education, forms of student financial assistance, language policy and policy affecting the development of the higher education sub-sectors.

3.25 In particular, the CHE will be responsible for advising the Minister on:

(a)   the mission, needs and priorities, scale and shape of the higher education system, including the national and institutional plans, taking into account national

economic and social requirements, student demand, demography, regional and national human resource needs, teaching and learning technologies and the availability of public and private resources

(b)   the ways in which new learning, teaching and communication technologies should be harnessed in order to achieve improved integration, equity, cost-effectiveness and quality in the national higher education system

(c)   the research capacity and performance of the system, including postgraduate training and research infrastructure and ways of developing research strength in historically disadvantaged institutions

(d)   language policy, especially the development of languages as academic languages at higher education institutions

(e)   the governance of higher education institutions and the higher education system

(0   the policies, principles and criteria that should govern the allocation of public funds among higher education providers

(9)   the policies and mechanisms for student support and academic development throughout the system and in particular for assisting educationally disadvantaged students to begin and complete programmed

(h)   the policies and regulatory frameworks that should govern the private provision of higher education

(i)   the promotion of the quality of the system and quality improvement among individual providers and programmed including the principles and procedures that should govern their accreditation in terms of the South African Qualifications Authority Act, 1995 (No. 58 of 1995)

(j)   the qualifications structure of higher education, as part of the National Qualifications Framework

(k)   the extent and adequacy of cross-sectoral linkages, including articulation of programmed between schooling, further education and training, and higher education, procedures for the recognition of prior learning, and the portability of credits and qualifications in terms of the National Qualifications Framework

(1)   the performance of the system, having regard to available performance indicators, to identify where efficiency gains have been made and need to be made

(m)   regional collaboration among providers, and other options for rationalisation of the system, and where appropriate, the merger or closure of institutions, the re-classification of institutions and the establishment of institutions

(n)   progress being made towards achieving national equity and human resource development goals and measures to overcome impediments to achieving transformation goals.

3.26   The CHE will be required to prepare annually a report to the Minister on the overall condition of the higher education system. This report will be tabled by the Minister in Parliament and made publicly available at an annual consultative conference of higher education stakeholders which will be convened by the Minister and the CHE in order to discuss the health of the system or of a particular sector of higher education.

3.27 The Minister will be obliged to take the advice of the CHE into account and, except in exceptional circumstances, provide reasons in writing if he or she does not accept its advice.

3.28 The CHE will be responsible for quality assurance and promotion in higher education, through its permanent committee, the Higher Education Quality Committee

(HEQC), which will seek delegated authority from SAQA for this purpose. (See paragraphs 2.69-2.71 above.) The CHE will make the arrangements it deems appropriate to operate within the policy framework and procedural guidelines established by SAQA.

National Task Team on Transformation (NTTT)

3.29 The Ministry has established a National Task Team on Transformation (NTTT) in accordance with a resolution of the July 1996 Indaba summit on higher education. The Ministry has also adopted the National Framework Agreement on Transformation (NFAT), prepared by the NTTT on the basis of a draft referred to it by the Summit, which it has recommended to institutions. Codes of conduct and conflict resolution mechanisms are recommended in the NFAT which the Ministry is committed to refining and strengthening in order to aid institutions in the process of transformation. The activities and programmed of the NTTT will be managed by the Department of Education. The NTTT will play a key role in convening the annual consultative stakeholders' summit, as well as in advising the Minister on the state of transformation in the institutions,

The Higher Education Branch of the Department of Education

3.30 The Ministry has established a new Higher Education Branch of the Department of Education, 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, have been consolidated in the Branch, supported by other branches of the Department of Education. The Branch will augment its resources by contracting out as well as by the use of secondments from the higher education sector.

3.31 With regard to the objectives of transformation, the Branch in collaboration with other branches in the Department has the following main responsibilities:

- advising the Minister on policy formulation and national planning for the higher education system, in the light of or in addition to advice already provided by the CHE
- advising the Minister on the state of institutional transformation
- specifying 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
- negotiating and allocating general and specific-purpose funds to institutions on the basis of institutional plans, having regard to the planned programme goals and profiles of student enrollments by fields and levels of study
- allocating earmarked funds for individual and institutional redress and to promote performance improvement
- developing the National Student Financial Aid Scheme (NSFAS)
- enforcing the criteria and procedures for the registration of private providers of higher education in terms of the Higher Education Act
- providing information services, including those required in support of the functions of the CHE
- commissioning research which will assist the Branch in the execution of its functions
- leasing with and providing assistance to organised higher education staff, student and management constituencies.

3.32 The Higher Education Branch and the Council on Higher Education will co-operate in undertaking their respective functions, sharing information and jointly participating in meetings and on projects as appropriate. The Higher Education Branch will also be actively involved in inter-departmental activities that work to improve the coherence of the government's overall approach to social and economic development, including arts, culture, science and technology, research and development, labour supply and skills formation, health and social justice.

INSTITUTIONAL GOVERNANCE

3.33 It is the responsibility of higher education institutions to manage their own affairs. The Ministry has no responsibility or wish 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. It is only in extreme circumstance that the Minister of Education, as the responsible representative of the elected government of the country, would consider intervening in order to assist to restore good order and legimate governance and management in an institutions as contemplated in par. 3.45.

Councils

3.34 Councils are the highest decision-making bodies of public institutions. They are responsible for the good order and governance of institutions and for their mission, financial policy, performance, quality and reputation. To sustain public confidence, councils should include a majority of at least 60 per cent of members external to the institution.   Councils ought not to be involved in the day-to-day management of institutions as that is the responsibility of their executive management, led by the vice-chancellor, rector or principal, who in turn is accountable to the council.

3.35 The transformation of councils through a participative democratic process involving all relevant and recognised stakeholders is a critical first step in creating strategies for the transformation of institutions. Transformed councils that enjoy the support and respect of all stakeholders will then be able to play an effective role in establishing the necessary policies and structures for the transformation of institutions.

Forums

3.36 The Ministry encourages the meaningful involvement of students and staff in all permanent governance structures of the institutions including councils. Their participation in the Broad Transformation Forum is not a substitute for membership and responsible participation in other formal governance structures of the institutions.

3.37 Nevertheless, the Ministry continues to support strongly the establishment and operation of Broad Transformation Forums. At their best, they have emerged as structures in and through which institutional stakeholders can unite to determine collectively the agenda, timetable and strategies of transformation, to prepare codes of conduct, agree and implement dispute resolution procedures, and draft new legislation. Where BTFs have not been established, have fallen into disuse, or have been disregarded, councils of institutions are enjoined to establish them and give them due status and recognition, within the framework of transformation policy described in this

White Paper. The composition, functions and procedures of such forums would vary according to the needs and circumstances of institutions. The lifespan of structures set up specifically for the transformation process may be limited, and may differ from institution to institution. Institutions may decide whether or not to give formal recognition to them in their private Acts or statutes.

3.38 However, the Ministry recognises the need for the establishment of permanent institutional forums whose functions could include the following:

- interpreting the new national policy framework
- identifying and agreeing on problem areas to be addressed
- involvement in selecting candidates for top management positions
- setting the change agenda, including the race and gender equity plans (see below)
- improving the institutional culture (see below)
- providing a forum for mediating interests and settling disputes
- participating in reforming governance structures
- developing and negotiating a code of conduct
- monitoring and assessing change (See NCHE, 1996:205.)

3.39 The Higher Education Act will provide for the establishment of a representative institutional forum as a committee of the Council of each higher education institution.

Student Services Council

3.40 "Student support services in higher education institutions provide personal, career, curriculum and educational guidance and counseling, life skills and sports programmed, health and financial aid services, and student housing facilities" (NCHE, 1996:205). The Ministry enjoins each institution to establish a Student Services Council with a policy advisory role in student services. This council should be democratically constituted but chaired by a senior executive member of the institution.

Institutional culture

3.41 The Ministry is seriously concerned by evidence of institutionalised forms of racism and sexism as well as the incidence of violent behaviour on many campuses of higher education institutions. It is essential to promote the development of institutional cultures which will embody values and facilitate behaviour aimed at peaceful assembly, reconciliation, respect for difference and the promotion of the common good.

3.42 The Ministry proposes that all institutions of higher education should develop mechanisms which will:

. create a secure and safe campus environment that discourages harassment or any other hostile behaviour directed towards persons or groups on any grounds whatsoever, but particularly on grounds of age, colour, creed, disability, gender, marital status, national origin, race, language, or sexual orientation

. set standards of expected behaviour for the entire campus community, including but not limited to administrators, faculty, staff, students, security personnel and contractors

. promote a campus environment that is sensitive to racial and cultural diversity, through extracurricular activities that expose students to cultures and traditions other than their own, and scholarly activities that work towards this goal.

. assign competent personnel to monitor progress in the above mentioned areas.

3.43 The Ministry is committed to an institutional culture in which there is gender equity. Institutions have a responsibility for creating an equitable and supportive climate for women students and staff. Priority areas affecting women's participation include women's representation in senior academic and administrative positions and institutional governance structures, child care facilities at institutions, affirmative action for women's advancement, and mechanisms to draw women students into post-graduate studies and into science and technology. Institutional information systems should incorporate mechanisms for monitoring and collecting data on women students and staff.

3.44 The Ministry deplores the many incidents of rape and sexual harassment on higher education campuses. Institutions are enjoined to develop and disseminate institutional policies prohibiting sexual harassment of students and employees, together with the establishment of reporting and grievance procedures incorporating victim support and counseling, confidentiality, protection of complainants from retaliation, as well as mechanisms for ensuring due process and protection for respondents.

Independent assessor

3.45 Consistent with the Ministry's responsibility to ensure accountability for the use of public resources and having regard to the reputation of the higher education system, the Higher Education Act will confer a legal right upon the Minister to seek an independent assessment and advice on the condition of a higher education institution when serious circumstances arise in an institution or institutions which warrant investigation in terms of the procedures prescribed by the Act. The CHE will be asked to prepare a panel of independent assessors from which the Minister will choose.

3.46 The right to send an assessor to an institution may be exercised where the council of an institution so requests, or in exceptional circumstances that involve financial or other maladministration of a serious nature, or which are seriously detrimental to the effective functioning of the institution, where the council has failed to resolve the situation, and such an appointment is in the best interests of higher education in an open and democratic society. An Independent Assessor will report to the Minister within 30 days of appointment, with findings and recommendations. The report will be made available to the council of the institution.

CHAPTER 4

FUNDING

EXPANSION, COSTS AND RESOURCES

4.1   The transformation of the higher education system to meet growth, equity and quality objectives will involve additional costs. The obvious question is: how are these costs to be met when significant real increases in public expenditure on higher education are unlikely to greatly exceed the real rate of economic growth?

4.2   There is substantial scope to improve the internal efficiency of the higher education system, even if it takes some time to generate significant savings. A concerted effort needs to be made to implement system-wide and institutional reforms that reduce wasteful expenditure, improve efficiency and enhance quality. Such measures include, for example:

● Reducing unit costs through an open and transparent allocation of public funds based on normative costs and performance criteria.

● Reducing duplication and overlap in institutional, programme and service provision.

● Broadening the use of high quality but less labour-intensive teaching and learning strategies, including distance education and resource-based learning.

● Improving student throughput and completion rates, aided by effective academic development and student support systems, and more focused or targeted public funding measures.

4.3   South Africa's present level of public expenditure on higher education is rather high by international standards and has been growing at a somewhat faster real rate than in many other countries. It is unlikely that the recent trend of public expenditure growth rates in this sector can be sustained over the next decade, given other pressing social needs. However, given projected national economic growth estimates, there would be significant real expenditure increases if current levels of public and private spending on higher education as a proportion of GDP were maintained. The Ministry therefore believes that there is a good case for maintaining the current levels of public expenditure on higher education as a proportion of GDP. This is necessary if the goals of expansion, transformation and redress are to be met.

4.4   While it is possible to achieve rapid enrolment growth without extra expenditure, the penalties for doing so are harsh. Experience both internationally and at home shows that expansion without new investment results in overcrowded facilities, low morale of academic staff, poor quality programmed, 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

4.5   Despite national fiscal constraints, and the government's commitment to fiscal discipline, the central role of higher education in developing high-level skills and

competencies essential for social and economic development requires sustained financial investment in the higher education system.

4.6   Substantial additional costs are associated with greater student participation, redress of current inequities, and the restructuring of existing programmed. These costs will have to be met from a strategic mix of funding sources. These will include system and institutional efficiencies, a greater volume of private contributions, and increased, redistributed and tightly targeted public sector outlays.

4.7   Fee-free higher education for students is not an affordable or sustainable option for South Africa. The knowledge and skills acquired in the course of achieving higher education qualifications generate significant lifetime private benefits for successful students as well as long-range social benefits for the public at large. Although higher education institutions admit an increasingly large proportion of students from poor families, students from middle-class and wealthy families still tend to be disproportionately well-represented. *For all these reasons,* the costs of higher education should be shared equitably between public and private beneficiaries.

4.8   It is important, however, that the direct cost to students should be proportionate to their ability to pay. As the profile of student enrolment becomes increasingly representative of the general population, the proportion of eligible students from poor families is rising steeply. Financial need should not be an insuperable barrier to access and success in higher education. A realistic fee structure must therefore go hand-in-hand with a sustainable programme of student financial assistance. This is discussed in more detail at para. 4.38 below.

4.9   The financing of higher education must increase equity in access and outcomes, improve quality and efficiency, and link higher education activities and national and regional development needs more purposefully. Diversity of mission, programmed and clientele are essential features of a thriving, integrated system. The funding framework will therefore support purposeful and equitable variety in the system.

4.10 The Ministry will adopt goal-oriented incentives as an integral part of the public funding framework. That is, explicit incentives will be used to steer the development of the higher education system in accordance with national goals.

4.11 This will be complemented by harnessing more private resources for higher education through, for example, various forms of employer contributions, bequests and donations, better management of institutional investments, contracts and consultancies, and an expansion of properly-regulated private higher education programmed and institutions.

GOAL-ORIENTED, PERFORMANCE-RELATED PUBLIC FUNDING

4.12 The new public funding framework must be equitable, performance-related, widely acceptable within the sector, and promote excellence. Over the next several years, advised by the Council on Higher Education, the Ministry will establish such a framework with:

*   an appropriate balance between institutional autonomy and public accountability, and

. procedures that are simple, transparent, flexible and fair, and which are capable of being managed within the available and foreseeable capability of the Department of Education and the institutional councils, management's and academic leadership.

4.13 The Ministry does not expect to depart significantly from the main approach and essential funding principles established in this chapter, but they are open to improvement and modification on the basis of experience and advice, including advice from the CHE.

4.14 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, and

. greater responsiveness to social and economic needs.

4.15 The specification of performance criteria will need to be done in consultation with the CHE. Performance-related funding must be introduced incrementally, in order to allow institutions to adjust their information and monitoring systems.

4.16 The new public funding framework will have two main elements:

'(i)   a simplified mechanism for allocating general purpose, block funding to institutions on a rolling triennial basis, and

(ii)   the provision of earmarked funds to achieve specific purposes, including targeted redress of inequities in access and capacity, student financial assistance, staff development, curriculum development, research development, libraries and information technology, capital works and equipment, and planned improvements in operational efficiency.

4.17 The subsidy formulae for universities and technikons currently determine on average about 85% of the public funding of these institutions. The remainder comprises funds for capital works, loan servicing and other ad hoc property-related charges, and the allocation of student financial aid. 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 non-formula funding is too low to address urgent needs and to lay the foundations of a transformed system.

4.18 The Ministry therefore intends to increase the proportion of available funds for earmarked funding for each of the budget years 1998, 1999 and 2000. For instance, the level of funding provided for student financial assistance will need to rise. A targeted programme of institutional redress is also required. Several institutions have a backlog of buildings, overcrowded residences, poorly resourced libraries, inadequate information technology and other similarly quantifiable deficiencies. A redress programme could well operate on the basis of need for a defined period of time, and should take into account both need and institutional performance improvement plans and outcomes, so that internal inefficiencies are progressively reduced. Earmarked funds are also needed to

drive an improvement in student completions, research capacity building, postgraduate development, programme-related capital development, and the building of planning capacity, and regional collaboration.

4.19 The new framework will not, in itself, increase or decrease the total public funding to the sector, but will distribute it differently. With or without the new framework in place, it will still be necessary for the CHE and the Ministry to make the case for additional funding for the sector in line with GDP growth.

A NEW PUBLIC FUNDING FORMULA

4.20 The new public higher education funding framework will require goal-oriented planning at the institutional as well as at system levels. The Ministry will progressively devise and introduce a new formula for block operating grants to institutions to support their teaching and related recurrent costs. These block grants will be payable to institutions on the basis of their planned (full-time equivalent or FTE) enrollments in different fields and levels of study which will be related to their institutional missions and plans. As decribed in par **2.14** above, institutional plans will include the institutional mission, indicate enrolment targets by programme, race and gender equity goals and measures, human resource development plans, and plans for new programme development, academic development, research development and infrastructure development.

4.21 In the context of its broader public administration reforms, in particular its medium-term economic framework and new three-year budget planning, the Ministry intends to start publishing, as soon as the necessary systems are in place within the Department of Education and higher education institutions, 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.

4.22 Triennial plans of institutions will report all their planned FTE enrollments, whether supported by public subsidy or not. The plans will show the fields and levels of study in which institutions plan to expand or contract their enrollments according to their missions and goals and in response to changing demands.

4.23 Funding for an agreed number of publicly subsidised FTE enrollments will be announced three years in advance in order to give institutions a predictable basis for planning. The Ministry of Education will negotiate the number of publicly subsidised FTE places with institutions each year in respect of the following three years of the rolling triennium. Negotiations will take account of publicly available student demand estimates and long-range labour market signals on the one hand, and institutional capacity and performance on the other hand.

4.24 Institutions will be able to enrol students in addition to the agreed number of publicly-subsidised FTE student places, but they must be able to do so from funds raised by themselves, not from the government. Failure to meet FTE enrolment planning targets will make an institution liable to forfeit equivalent funds by way of reductions to its operating grants according to a publicly known procedure.

4.25 To maximise the flexibility of institutions under the new arrangements, institutions should determine their own fees for subsidised student places as well as for student places outside the publicly funded quota. The basis on which fee levels are established must be transparent and subject to proper scrutiny within the institution, and must satisfy reasonable equity criteria. However, the Ministry would expect institutions whose tuition fees were well above the nationally-determined price per subsidised student place, to explain why students should be expected to pay premium rates, and to describe how poor students would be assisted to pay.

4.26 Government funding rates per FTE 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 index-linked estimates of the relative costs of teaching. Prices per student place at research levels of learning (typically masters and doctoral studies), will include the costs of research supervision, infrastructure and consumables integral to research, but not project costs per se. in addition research projects will continue to be funded separately by the National Research Foundation on a competitive peer review basis. and earmarked funding for research capacity development would also be available.

4.27 The establishment of a 'funding grid' of rand values against broad fields of study and levels of study requires analysis of the indicative average costs of such teaching and related activities, by broad fields and levels of study. These must have academic integrity and represent real cost differences. Prices can then be set for each cell in the grid. These matters, and the relationship between fields and levels of study, the NQF and South African Post Secondary Education (SAPSE) categories, will be referred to the Council on Higher Education for early advice.

4.28 The Ministry recognises the considerable cost differentials involved in teaching students from inadequate educational backgrounds and teaching students from advantaged backgrounds. The Ministry accepts that academic development, foundation and extended programmed should be incorporated in the funding formula.

4.29 The Ministry has considered the possible inclusion of student completions in the funding grid. While there is a need to improve institutional efficiency and effectiveness, the inclusion of student completions is inappropriate at this time given the different apartheid legacies of existing institutions and the need to adopt a fotward-looking approach. In view of the wide variations in need and capacity, as well as the policy objective of encouraging diversity and quality improvement within the system, the Ministry will base its negotiations with institutions on their academic plans and on the progress they are making towards achieving the performance improvement targets outlined in their strategic plans. Student progression and graduation rates will be monitored in that context. Regard will also be given to the assessments of quality provided by the Council on Higher Education.

4.30 The Ministry adopts a policy of concentration and selectivity in the funding of research and research 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, competitive success and output by faculty. Within the funding grid, the Ministry will support and assist the expansion of postgraduate training in those parts of institutions (historically advantaged and historically disadvantaged alike) where there is demonstrable strength. (Earmarked funding will be used to support the

development of new institutional centres for postgraduate training and research where there is clear evidence of potential for success.)

4.31 The Ministry is persuaded that the funding formula should include provision for the recognition of measurable research output, since such recognition has proven incentive value in stimulating high quality research and publications, and in enabling institutions to monitor and compare the research performance of their scholars both internally (across fields) and externally (across institutions). The Ministry will seek advice from the CHE and the National Research Foundation with a view to revising the' criteria for research recognition, in the light of international experience and taking into account the specific conditions of our own research and publications environment. Such a review is long overdue and will be widely welcomed.

4.32 In preparing for the introduction of the new funding formula, it is necessary to assess and explain the extent of disparities in programme costs among institutions. Preliminary analysis in the Department indicates that such disparities are widespread and, in many cases, extreme. Further work will involve notionally applying the new funding norms against the present profile of student enrollments 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, will be applied over the medium term, after the appropriate consultation with institutions and in the CHE.

EARMARKED FUNDING

4.33 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 particular 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

Earmarked funds for institutional redress

4.34 There will be a programme of targeted funding to redress inequities and deficiencies experienced in particular by historically disadvantaged institutions. The function of the redress programme 'is to target specific needs related to access and capacity which derive from the educational deficits and other forms of deliberate disadvantage suffered by learners or institutions as a result of past government policies. As a mechanism to aid the development of institutions or programmed, it will in time become superseded by the goal-oriented subsidy process and by other categories of earmarked funding.

4.35 Institutions applying for funding under the redress programme will be required to document the specific needs for which the funds will provide relief or a remedy, and the planned outcomes. 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.

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

4.37 The Ministry will conduct an audit of those institutions eligible 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. Institutions will be required to produce:

. a financial statement of revenues, expenditures, assets and liabilities

. a profile of staff by post levels and qualifications, age, race and gender

. a profile of student enrollments by race, gender and educational background.

The audit will produce:

. 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.

4.38 The allocation of earmarked funds for redress purposes will be based on the needs identified in the institutional audits, the performance improvement plans of institutions and the following criteria:

. a viable business plan, including actions to diversify institutional sources of income

. realistic plans and demonstrable indicators of progress towards rationalizing and diversifying program offerings and student enrollments; and

. definite steps towards improvements in internal efficiency.

Earmarked funds for student financial aid

4.39 The Ministry of Education is fully committed to a flexible, responsive and sustainable National Student Financial Aid Scheme (NSFAS), seen as part of the total funding policy for the higher education sector. The Ministry endorses an approach to higher education funding based on a sharing of costs between private beneficiaries (students) and the State, representing the public interest. At the same time the Ministry is aware that there are severe limits to the capacity of many students and their families to pay, particularly first generation students from poor families. To ensure that capable students are not excluded from access to higher education because of poverty, it is essential to have in place a well-functioning, comprehensive student financial aid scheme.

4.40 An adequate and effective programme of financial assistance for students is an essential condition of a transformed, equitable higher education system, operating on businesslike principles in a stable financial environment. Student financial aid is not an optional extra for a viable modern higher education system, but an integral part of the public and private investment in the nation's high-level human resource development. It must therefore be planned and managed professionally, and with an appropriate mechanism for accountability. Neither is student financial aid a substitute for responsible self-help by students, but a valid form of supplementary support, especially for the majority of young South Africans whose family support-systems can bear only a fraction of the cost of current higher education programmed. A sustainable system must be based on transparent and defensible criteria for eligibility, built-in incentives to encourage disciplined effort, rewards for academic success, and sanctions against failure or default.

4.41 The Department of Education has benefited by the extensive analysis and consultation on this matter which was undertaken by the National Commission on Higher Education, the advice of the group of eminent business and academic leaders appointed by the Minister to assist him to mobilise domestic and external support, and reports on current provision and future options.

4.42 It is now clear beyond doubt that the idea of a single, capitalised public endowment or trust fund, whose proceeds would support annual disbursements and which would be replenished (or even become self-supporting) through loan repayments, is not viable and cannot be supported by the government. The initial capitalisation required would be far too great for the state to contemplate. Actuarial estimates indicate that such a fund, if established, could not be self-sustaining but would require massive periodic re-capitalisation if insolvency were to be avoided. That option is therefore off the table.

4.43 The Department of Education, in co-operation with the Department of Finance, is now focusing its attention on the alternative of a public fund similar in concept to the present scheme, based on planned annual budgetary allocations made in terms of the three-year rolling budget framework. The scale of the annual allocations needs to be computed on the basis of far better data and projections of student needs than are currently available, and must be linked to the total goal-generated public subsidy to higher education institutions. The Department is currently working on such projections.

4.44 The financial aid offices of higher education institutions, rather than a central funding agency, are best placed to identify those students who most need assistance and will benefit most from it, in terms of publicly known and reasonably uniform criteria. Allocations to institutions by the funding agency from the earmarked fund for student financial aid will need to be based on the equity profiles of institutional enrollments and have regard to their student progression and graduation rates.

4.45 A significant proportion of student financial assistance currently flows into institutional revenues **as** fee payments. The inter-relationship of the scale of student assistance per institution, the level of fee tariffs, the financial health and (in some cases) the viability and social stability of an institution, argue for an increase in the volume of student financial assistance from public funds.

4.46 The Ministry of Education bears no liability for debts contracted between students and their institutions or funding agencies, but accepts that a study of the scope and dynamic of student debt in relation to institutional debt and liquidity has become necessary. The Department of Education will therefore build this element into its investigation of student finance.

4.47 Annual budgetary allocations are only one element in a complex equation, and the Ministry accepts that a multifaceted approach to student financial aid is essential. A sustainable long-term scheme will include loans and bursaries, as the present scheme does, and may well include scholarships to reward academic excellence, and student and community self-reliance programmed, such as work-study and community service. The Ministry is actively supporting an investigation into these alternatives.

4.48 The most suitable mechanism of collecting loan repayments is still under examination. Not enough is known about the current scale of privately-funded sponsorships and bursary programmed, both domestic and from external sources, or of student loans financed by the commercial banking sector for those who can provide the required security and are prepared to contemplate the terms of repayment. With a well-considered advocacy and marketing approach, the scale of private sector investment in higher education students through loans, bursaries and sponsorships might well increase substantially.

4.49 The Department's studies, which will underpin the policies discussed in this section, will be completed before the end of 1997. Until an amended or a substitute scheme is in place, the Ministry will continue to operate the National Student Financial Aid Scheme (NSFAS), and has reappointed the Tertiary Education Fund of South Africa (TEFSA) to administer the allocation of loans and bursaries from government and donor funds. TEFSA operates under a Board which is extensively representative of stakeholder interests, and has achieved significant expertise in the administration of student assistance, as well as in institutional capacity-building. Without pre-empting the shape of the new system, the Department expects to draw on the experience of the TEFSA Board and its professional staff in developing its proposals for the future NSFAS.

Earmarked funds for other specific purposes

4.50 In addition to funding for redress and student financial aid, there is a need 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.

4.51 For the triennium 1998-2000, funding through this programme will focus on six specific purposes: improving student completions, research capability development, postgraduate training, capital works, development in planning capacity, and regional collaboration.

4.52 *Improving student completions.* Incentives to encourage institutional success in improving the progression and graduation of students from disadvantaged backgrounds will be provided on a performance basis through earmarked funding. This would include successful academic development programmed, including staff development and curriculum development.

4.53 *Research capability development.* The development of research capability in South Africa's higher education institutions is of fundamental importance to national self-reliance. However, good scholarship (which should characterise all higher education academic staff) is not the same as research competence (which a minority of academic staff in the sector as a whole will either need or possess). While individual excellence in teaching is often assisted by and associated with an active research portfolio, it is not dependent on research experience. This is particularly, but not exclusively the case in the higher education colleges, where good teaching is particularly important but research is not a common part of the college mission.

4.54 In view of the national strategic importance of research, and in order to ensure that the relatively scarce funds available for the development of research capability are well targeted, public funds for participation in research, whether basic or applied, should not be spread across all faculties or schools in all institutions but should rather be concentrated in those areas where there is demonstrable research capacity or potential, in both HDIs and HWIs. To give practical effect to this view, the Ministry will provide earmarked funds:

. to preserve and strengthen existing areas of research excellence

. to develop new areas and centres of research excellence

. to develop research links with industry and to facilitate industry-related collaborative research,

. to facilitate inter-institutional research collaboration,

. to facilitate collaborative research and technology development with Science, Engineering and Technology Institutions (SETIS), as defined in the White Paper on Science and Technology.

4.55 The Ministry recognises the need for the co-ordination of research activities and their funding in higher education. The White Paper on Science and Technology, in particular, the National System of Innovation, provides a framework for the development of a national research plan. The Ministry of Education will collaborate with the Ministry of Arts, Culture, Science and Technology and the proposed National Research Foundation (NRF) in this endeavour.

4.56 *Postgraduate training.* 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 programmed are insufficient to satisfy future requirements. Gross race and gender inequities are obvious at the postgraduate level. Mobility of students nationally and internationally to undertake postgraduate studies is an important means of adding to the skills base. While the new block funding mechanism will support student places at research-based postgraduate levels of study in fields where institutions have demonstrable research training capacity, institutions will be able to apply for earmarked funds to enhance the infrastructure necessary to support expanded postgraduate training.

4.57 *Capita/ works.* The expansion and diversification envisaged for the higher education sector requires new capital works projects. The existing capital stock needs to be adequately managed, efficiently utilised and maintained. Funding for capital works will be contingent on institutions developing a capital management plan which describes the total floor area, its condition and usage, its replacement value, and planned expenditures for maintenance and refurbishment and cash flow requirements for new construction projects.

4.58 *Planning capacity* development. 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, and substantial skill in planning. An element of the earmarked funding programme will therefore be directed to assisting institutions to improve their technical planning capacity and management information systems, including full participation in the new higher education management information system which will progressively replace SAPSE.

4.59 *Regional collaboration.* Incentive funding will be available on a selective basis to support the costs involved in regional collaboration among institutions which aim to consolidate, merge, share or otherwise collectively improve the efficient use of their facilities and resources for learning, teaching, research or community service.

ACCOUNTABILITY

4.60 The basis for improving public accountability in higher education is making public funding for institutions conditional on their Councils 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.

4.61 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 (including three-year forward projections of student enrollments and graduations by field and level of study)

. an equity plan

. a capital management plan, and

. a performance improvement plan.

4.62 The plans will contain measurable goals and target dates suppotted by key performance indicators. The Ministry, in consultation with the Council on Higher Education, will publish guidelines for the development of and reporting on these plans. Copies of the plans will be held by the institution, the Ministry and the Council on Higher Education.