



Working Paper Series 1: Research to Understand What Research is Available

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LIST OF ABBREVIATIONS

CHE	Council on Higher Education
DHET	Department of Higher Education and Training
EFC	Expected Family Contribution
NCV	National Curriculum Vocational
NDP	National Development Plan
NSFAS	National Student Financial Aid Scheme
PER	Performance and Expenditure Review (National Treasury)
TEFSA	Tertiary Education Fund of South Africa
TVET	Technical Vocational Education and Training

EXECUTIVE SUMMARY

A significant body of work has been undertaken by various agencies, think-tanks and universities touching on elements of NSFAS mandate, its place within the post-school education and training sector and the stakeholders it serves. This research serves as a mechanism to reflect on the policies, processes and practices of NSFAS' operations and to broadly provide a perspective on the impact of the Scheme over time, and how this is influenced by the external environment in which NSFAS finds itself. By identifying significant gaps, it critically informs the research and policy development agenda of the Board and the NSFAS executive management, determining how this can be strategically used for comparative and/or benchmarking purposes.

This paper has drawn heavily from a desk-top review of literature in the form of books, journal articles, theses, opinion pieces and case law. Using a thematic analysis framework, the research was organised into a number of high-level themes, which each had a number of related sub-topics. Organising the information in this manner has provided an opportunity for different viewpoints to be presented systematically. Indexing of all these various secondary sources within these themes will be an ongoing activity, as new material is explored and included within the research inventory.

The research has focussed on six broad themes: the supply and demand of student financial aid within a fiscally constrained, high cost post-school education and training sector; funding the right student; funding the right amount; loan recoverability and sustainability; the performance of NSFAS-funded students over time and operational efficiencies. From this review, and with an understanding of the current pressures within the system, this paper identifies key issues and recommendations that need consideration, and unpacks specific suggestions for the research and policy agenda for the 2016/17 financial year.

INTRODUCTION

Student financial aid is a critical contributor to the promotion of equity of access to higher and further education and training within the national policy framework of human capital development. This is a sentiment captured clearly in the preamble to the NSFAS Act 56 of 1999 which reads as follows:

“Whereas it is desirable to:

Redress past discrimination and ensure representivity and equal access;

Respond to human resource development needs of the nation; and

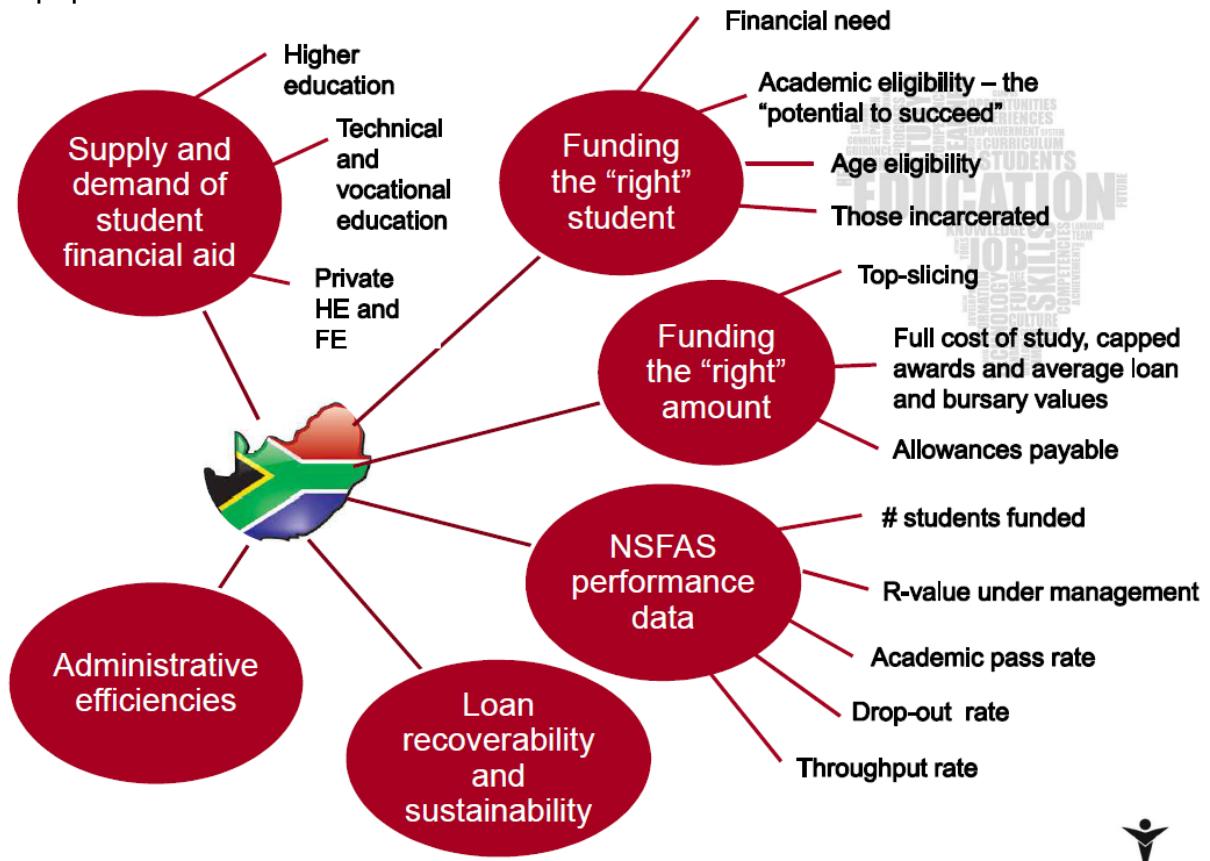
Establish a national student financial aid scheme that is affordable and sustainable.”

As such, NSFAS has not only a role to play in administering grants to students, but through its grant making role and by working with and through other stakeholders, NSFAS continues to make a key contribution to promoting the human resource development needs of the country. As the single largest provider of financial aid to students from poor households, over the 25 years since its inception as the Tertiary Education Fund of South Africa (TEFSA), NSFAS has provided funding to 1,7m students. In this time, the amount of funding allocated by the DHET and administered by NSFAS has grown from R22m in 1991 to R6,6bn in 2014 alone, supplemented by funding from other state departments and private sector funders.

Although South Africa has 26 public universities and 50 public Technical Vocational Education and Training (TVET) colleges, access to higher education remains a challenge given the poverty and unemployment levels amongst previously disadvantaged communities. The disparity in access amongst race groups is well documented, despite significant advances in this since 1994, and this is one of the factors featuring strongly in the call for free undergraduate higher education for the poor. The establishment of NSFAS as a vehicle for allocating funds to deserving students has been a critical part of governments' success in achieving a higher participation rate amongst the country's poorer students. Since its establishment - by means of the NSFAS Act - in 1999, NSFAS has become recognised as a reputable disburser of financial aid, and as a model of good practice on the African continent. This is despite recent critique of its administrative efficiencies and operations, and despite a chronic under-funding of its operations and the students it serves.

Substantive desk top research and literature reviews were undertaken in the process of sourcing and analysing a wide-ranging set of publications. This

included published journal articles and books, published annual reports, fact sheets published by a variety of research centres locally and internationally, case law and unpublished reports available online. A table at the end of this working paper outlines the key papers reviewed in the preparation of this paper. The research used thematic analysis to organise data into themes. The themes emerging from this desk-top review has been broadly grouped into the following high-level elements. It is these elements that will be explored in more detail in this paper:



This paper will present these findings according to these broad themes. It should be noted however that the NSFAS performance data will be dealt with more thoroughly in working papers 2 and 3, and so will not be addressed in this paper. The literature has also presented a useful comparison between different methodologies for undertaking statistical analysis on student progressions (see paper 2 for more details), and has teased out different perspectives for discussion as an organisation.

THE ECONOMICS OF POST-SCHOOL EDUCATION AND TRAINING

Over and above the themes indicated above, the review of the literature has presented a wide range of material that reflects on the value of higher education and the state's role in financing higher education, in relation to the demand for higher education. This understanding of the broader context is particularly critical for NSFAS, as the single largest provider of financial aid to large numbers of students in public higher education, who would otherwise not be able to afford it.

At a high-level, the key papers which informed this theme are tabulated below:

Author, Date	Paper title
Bhorat, H. & Van der Westhuizen, C. (2012).	<i>Poverty, inequality and the nature of economic growth in South Africa.</i> DPRU Working Paper 12/151. Development Policy Research Unit.
Cloete, N. (2016).	<i>Education and Social Progress: Individual returns, inequality and development.</i> Draft working paper for the International Panel on Social Progress.
Cornerstone Economic Research (2015).	<i>Performance and Expenditure Review: National Student Financial Aid Scheme First Draft V3 November 2015.</i> Research commissioned by the National Treasury.
Department of Education (2002).	<i>Education Statistics in South Africa at a Glance in 2000.</i>
Department of Higher Education and Training (2013).	<i>White Paper on post school education and training: building an expanded, effective and integrated post-school system.</i> Pretoria: DHET
Department of Higher Education and Training (2015).	<i>Annex 3 - Are we making progress with systemic structural transformation of resourcing, access, success, staffing and researching in higher education: What do the data say?</i> Paper prepared for the second national Higher Education Transformation Summit, 2015.
De Villiers, P. (2012).	<i>Opinion: Removing the financial obstacles for access to tertiary education - The National Student Financial Aid Scheme: Important gains, significant challenges.</i> In Hofmeyr, J (2012). 2012 Transformation Audit: The Youth Dividend. Institute for Justice and Reconciliation.
Futshane, T. (2014).	<i>TVET Colleges Strategic, annual performance and operational planning process.</i> A presentation prepared for meeting with the North West and Free State TVET Colleges, 23 & 24 June 2014. Available on www.dhet.gov.za
Kraak, A. (2012).	<i>LMIP Working Paper 16: Briefing Paper on private post-school education in South Africa.</i> Pretoria: Human Sciences Research Council
Johnstone, DB. (2009).	<i>Conventional fixed-schedule versus income-contingent repayment options: is there a best loan scheme?</i> In a special issue of Higher Education in Europe (Ziderman, A.) Ed. on Financial Support to Students through student loans, 34 (2).
Johnstone, D.B. & Marcucci, P. (2007).	<i>Financially sustainable student loan programs: the management of risk in the quest for private capital.</i> Prepared as an Issue Brief for the Global Centre on Private Financing of Higher Education at the Institute for Higher Education Policy, Washington, DC. Made available through personal communication with the author.
Montenegro, C.E. &	<i>Comparable estimates of returns to schooling around the world.</i> Policy

Author, Date	Paper title
Patrinos, H.A. (2014).	Research Working Paper: World Bank Education Global Practice Group.
Pillay, P. (2003).	<i>Review of the National Student Financial Aid Scheme: Report to the Department of Education.</i> NSFAS internal document.
Shen, H. & Ziderman, A. (2008).	<i>Student loans repayment and recovery: international comparisons.</i> IZA Discussion Paper no 3588. Accessed 16-Mar-2016 at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1158984
Sheppard, C. & Ntenga, L. (2013).	<i>Funding of the South African Further Education and Training sector for an equitable sharing of national revenue.</i> Submission for the 2014/15 Division of Revenue.
Subotsky, G. (2003).	<i>Chapter 18: Private Higher Education and Training.</i> In HRD Review 2003.
Wangenge-Ouma, G. (2012).	<i>Improvements in access, but participation rates still a problem.</i> In Hofmeyr, J. (2012). 2012 Transformation Audit - Youth Dividend 2012, Institute for Justice and Reconciliation.
Whittle, P. (2016).	<i>Financial aid supports access to post-school education and training.</i> http://www.dhet.gov.za/SiteAssets/Latest%20News/Independent%20Thinking%203rd%20Edition/pg3.pdf
Wilson-Strydom, M. (2015).	<i>Annex 12 - Access and Success – Transitions into and through higher education.</i> Briefing paper prepared for the second national Higher Education Transformation Summit, 2015.
World Bank (2010).	<i>Financing higher education in Africa.</i> From the Directions in Development: Human Development series 54441. World Bank: Washington DC. ISBN-13: 978-0-8213-8334-6

i. Returns to education – and education and inequality

The demand for increased investment in student financial aid must be seen against a backdrop of growing inequality in South Africa, chronically high unemployment and a shortage of skilled professionals and technicians. Decisions on where to invest funds from government are often argued on the basis of where the greatest public/social benefit and individual benefits are gained, what their contribution is to reducing the extent of inequality amongst its citizens, and then specifically how to maximise the return on the investment by offering quality opportunities.

a. Rates of return – the global view

Contrary to previous evidence presented in 1995, a recent World Bank publication¹ has shown that the individual (or private) returns for higher education are much higher than for primary and secondary education. Interestingly, this is especially so in sub-Saharan Africa², and most surprisingly, for South Africa,

¹ Montenegro, C.E. & Patrinos, H.A. (2014). *Comparable estimates of returns to schooling around the world.* Policy Research Working Paper: World Bank Education Global Practice Group.

² Cloete, N. (2016). *Education and Social Progress: Individual returns, inequality and development.* Draft working paper for the International Panel on Social Progress.

where the private rate of return for higher education increased from 28.7% in 2000 to 39.5% in 2011.

Region	Primary	Secondary	Tertiary
High Income	4.9	6.6	11.1
East Asia	13.6	5.3	14.8
Europe/Central Asia	13.9	4.7	10.3
Latin America	7.8	5.4	15.9
Middle East/N. Africa	16.0	4.5	10.5
South Asia	6.0	5.0	17.3
Sub-Saharan Africa	14.4	10.6	21.0
All economies	11.5	6.8	14.6

What this means is that there is high value placed on the acquisition and creation of knowledge and on individual potential to learn, flexibly, adaptably and rapidly. While the private rates of return are well researched and evidenced based on earnings and attainment levels, recent papers have suggested that the social returns on education can be evidenced by the potential for economic growth, and measured in relation to the participation rate in higher education. However, this is contrary to the traditional view that investing in higher education is seen as perpetuating social and economic inequality (ibid).

The social returns from higher education are generally considered lower than primary or secondary education due to the higher cost of higher education. However, recent research has shown that economies with lower participation rates in higher education are associated with “factor-driven economies” (stage 1 economic development), whose economic base is in agriculture and mining. As the participation rate increases from under 10% (stage 1), so economies move towards “efficiency-driven economies” (stage 2) and then “innovation-driven economies” (stage 3 - where participation rates in higher education are in excess of 80%). Such an increase in participation in higher education will therefore not only improve the country’s economic outlook (as above), its’ output in per capita GDP, but also its technological agility and responsiveness. The demands of knowledge based economies for research, innovation and specialised skills have placed higher education at the heart of strategies for social and economic development. For South Africa, increasing participation in higher education is a critical strategy for addressing the skills supply, high unemployment rates and the high levels of poverty, especially when coupled with a transformation agenda that prioritises the access and success of students from poor, disadvantaged households.

b. The impact of differing levels of educational attainment on income equality

It is on the basis of such reasoning that it is fair to conclude that in low-income countries education, and particularly higher education, is the route out of poverty – not only because of its contribution to economic growth, but because of its value to the individual. It has been suggested that “access to tertiary education is regarded by the ‘haves’ as a means to maintaining privilege, and by the ‘have-nots’ as a means of getting out of poverty” (ibid). Inequality in income is therefore a direct consequence of insufficient public investment in higher education provision. This is not only as a future consequence of inadequate provisioning, but as tuition costs increase in the present without adequate state support, so the number of students from poor households will struggle more to access higher education, perpetuating the income inequality.

c. The “first gap” – the impact of education inequality on academic preparedness for further and higher education

However, at the same time as South Africa’s individual rate of return increased, the level of inequality measured by the gini co-efficient increased from 0,60 to 0,70 (ibid). Comparing South Africa with Brazil in a recent paper, it is evident that both countries are considered the most unequal countries in the world in respect to income and earnings. In 2009, South Africa had the dubious distinction of becoming the most unequal society in the world³. This is attributed to the inequality in access to education – along racial lines – as one of the most pervasive factors impacting on this. In South Africa, these differences are more significantly in the equity of access to quality education. More schooling does not make a better education, and so reducing inequality does not necessarily correlate with universal enrolment (more children in schools) but in addressing the real challenge of how to ensure that the access to schools is matched by real learning happening in each classroom. It is therefore not about equalising resources necessarily, but concern for the core of schooling – offering instruction in and coverage of academic content by teachers in a way that is meaningful to students. Where students from poor or marginalised communities are exposed to less rigorous content, or a less engaging pedagogical method, the risk of inequality in the opportunity to learn is high⁴.

³ Bhorat, H. & Van der Westhuizen, C. (2012). *Poverty, inequality and the nature of economic growth in South Africa*. DPRU Working Paper 12/151. Development Policy Research Unit.

⁴ Own contribution by author to Cloete, N. (2016) paper.

ii. The supply and demand of funding for post-school education and training

The South African post-school education and training system has made considerable progress over the past 17 years in terms of widening access for poor yet academically eligible students to public higher education institutions and public technical vocational education and training colleges. Papers presented at the National Higher Education Summit in 2015 have cited various figures attesting to the growth of enrolments within higher education, and NSFAS' role in broadening access for students from previously disadvantaged communities is undisputed. The drive towards increasing access to and participation in higher education from different sectors of society has resulted in much more diverse student populations, and the emphasis on lifelong learning has also seen increasing numbers of mature students.

a. *Higher Education and NSFAS' role in advancing equity in access*

In the 2000 academic year, just one year after the NSFAS Act was promulgated, under-graduate enrolment of South African students in higher education was at 441 504 students (figures supplied by the DHET)⁵, and of these 83 251 students were funded by NSFAS⁶, representing 19% of the population. This was already a substantial growth in the number of students funded by NSFAS, as early numbers reflect that the number of students supported by the TEFSA in its first year was 7 240. For the 2013 academic year, the number of students funded by NSFAS had grown to 194 923, out of a possible 753 749. At this 25% funding level, it shows that by using NSFAS as a mechanism to distribute an increasing pool of funding to students, the DHET has been able to grow the number of students participating in higher education, and most significantly has grown the number of African students from 4,84% in 2000⁵ to 70,1% in 2013⁷. African students are the largest beneficiaries of NSFAS funding, with this accounting for 87% of the students in 2013, followed by coloured students at 4.2%⁶.

Although the number of Africans enrolling in one of the 26 public universities has increased – both relatively and in absolute terms - access to higher education remains a challenge given the poverty and unemployment levels amongst the previously disadvantaged groups. Despite this growth in actual numbers of

⁵ Personal communication – Ms Jean Skene, March 2016. Additional resource consulted initially was the publication: Department of Education (2002). *Education Statistics in South Africa at a Glance in 2000*.

⁶ Department of Higher Education and Training (2015). *Annex 3 - Are we making progress with systemic structural transformation of resourcing, access, success, staffing and researching in higher education. What do the data say?* Paper prepared for the second national Higher Education Transformation Summit, 2015.

⁷ Wilson-Strydom, M. (2015). *Annex 12 - Access and Success – Transitions into and through higher education.* Briefing paper prepared for the second national Higher Education Transformation Summit, 2015.

African students, the disparities in participation in higher education between different race groups shows⁸ that while the black population accounts for about 80% of the total South African population, its higher education participation rate remains at 16.5%⁹, compared for example to the white population group with a 54.7% participation rate, but an overall population representation of 9%. While there has been significant growth in NSFAS funding, this low participation rate may continue to manifest itself as the number of African students eligible for admission to university grows, with competition for limited places within higher education at a premium. Literature shows that downstream factors such as the poor quality of education at primary and secondary level, and the pervasive impact of the inequality of opportunity to adequate or effective resources, will continue to impact the participation rate of African students, as much as the limited access to financial resources for further study.

A review of the literature reveals that even in universities generally considered to have lower fee structures, these tuition fees still remain too high for many families, evidenced by the growing student fee debt at the universities¹⁰. As such, NSFAS' impact has been "diluted"⁸ by the increase in fees, which has meant that despite increases in the funding, the number of actual beneficiaries has not significantly expanded over the years since 2012. The number of students funded in 2012 was 194 504, dropping to 186 150 students in 2014, despite a growth in the amount of funding directed to universities from R5,871bn to R 6,970bn in the same time⁶.

The shortfall in the availability of NSFAS' funding for students, from poor households, is well documented over NSFAS' history. From as early as 1996¹⁰, the gap between the number of students who have applied for NSFAS funding and the number of students who received funding has, at 68,1%, been significant. In 2003, during a review of NSFAS commissioned by the Higher Education branch of the Department of Education, figures quoted demonstrated that although the gap seemed to have shrunk, 25,2% of students who applied for NSFAS at the selected institutions profiled were still not funded¹¹. The latest

⁸ Wangenge-Ouma, G. (2012). *Improvements in access, but participation rates still a problem*. In Hofmeyr, J. (2012). 2012 Transformation Audit - Youth Dividend 2012, Institute for Justice and Reconciliation.

⁹ Cornerstone Economic Research (2015). *Performance and Expenditure Review: National Student Financial Aid Scheme First Draft V3 November 2015*. Research commissioned by the National Treasury.

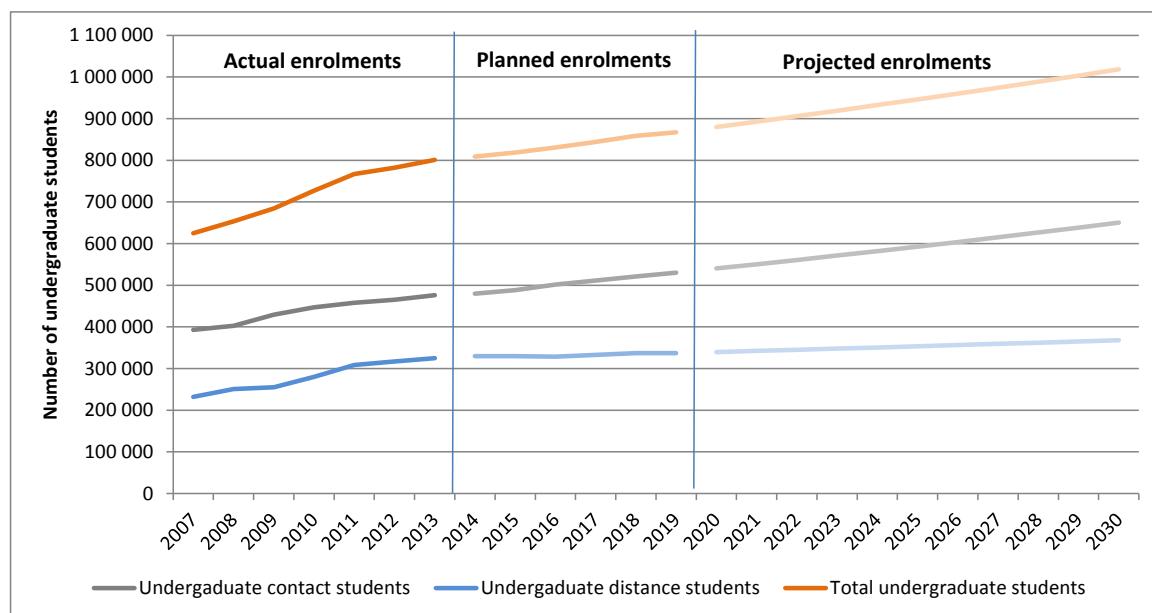
¹⁰ De Villiers, P. (2012). *Opinion: Removing the financial obstacles for access to tertiary education - The National Student Financial Aid Scheme: Important gains, significant challenges*. In Hofmeyr, J (2012). 2012 Transformation Audit: The Youth Dividend. Institute for Justice and Reconciliation.

¹¹ Pillay, P. (2003). *Review of the National Student Financial Aid Scheme: Report to the Department of Education*. NSFAS internal document.

figures supplied by the DHET provide evidence that the shortfall in 2014 was 18,7%, and suggest further that of those who are supported, many may not be supported for their full cost of study⁶.

The National Development Plan 2030 has proposed that the participation rate must continue to grow to 30%, beyond the 20% target set in the National Plan on Higher Education (2001). While significant work has been done by the DHET to grow the participation rate from 15,4% in 2003 to 19,5% in 2013, and especially the participation rate of African students, continued investment in academic spaces for students will need to be made to reach the planned and projected enrolment need to meet the NDP targets. Dependent on whether this growth will come from contact institutions or distance education, different funding scenarios for NSFAS are likely. If more spaces are created in contact universities, then the full cost of study for these students is higher than for distance education, and this will push forward the demand on the funds made available by NSFAS.

The figure below shows the actual, planned and projected enrolments within higher education¹²:



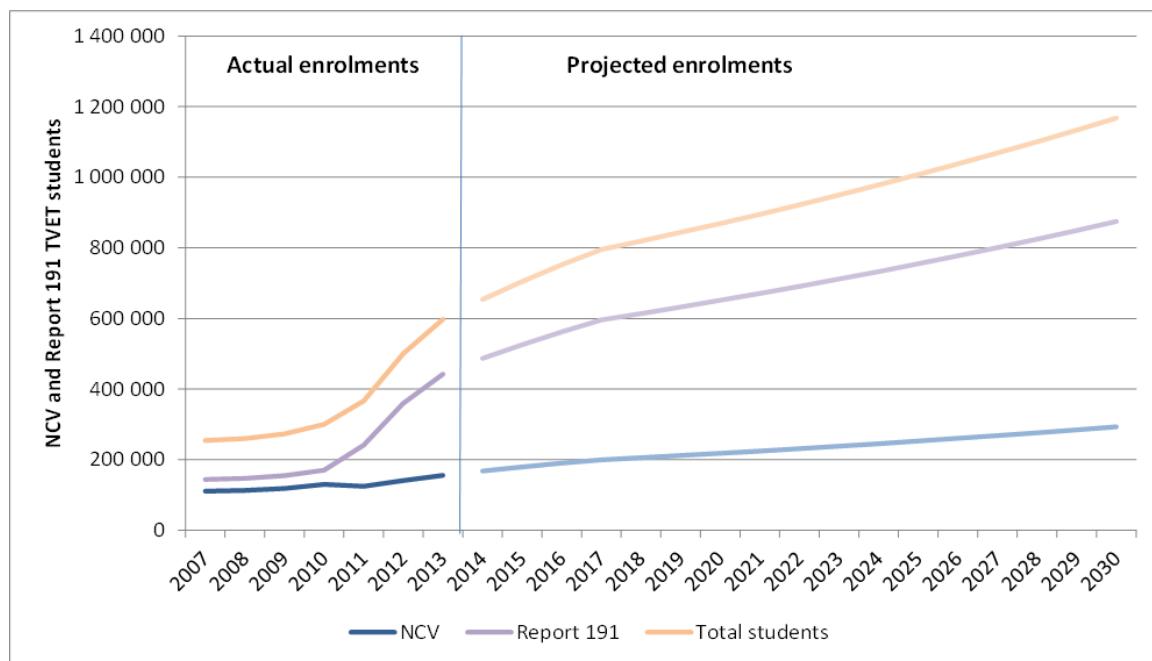
¹² Cornerstone Economic Research (2015). *Performance and Expenditure Review: National Student Financial Aid Scheme First Draft V3 November 2015*. Research commissioned by the National Treasury.



b. Technical and Vocational Education and Training (TVET)

What about in the TVET space? Although the TVETs have been funded by NSFAS since 2010 through the DHET, the TVET colleges were officially incorporated into the DHET in September 2015. From the graph¹², the growth of enrolments, from 2007 to 2014, within the two funded programmes at TVET colleges is evident. In 2011, 347 412 students were enrolled in Report 191 and NCV programmes, of which 114 968 were funded¹³ (33%). While the funding grew between 2011 and 2014, with 228 642 students funded for these two programmes in the 2014 academic year¹⁴ out of the 645 444 enrolled¹⁵, this still only represented 35% of the student enrolment.

The continued growth in projected enrolments is in line with the White Paper on Post School Education and Training¹⁶ and the National Development Plan Vision 2030¹⁷.



¹³ National Student Financial Aid Scheme (2012). Annual Report 2011/12.

<http://www.nsfas.org.za/staticfiles/NSFAS/Internet/static%20files/annualreport2012.pdf>

¹⁴ Whittle, P. (2016). *Financial aid supports access to post-school education and training*. <http://www.dhet.gov.za/SiteAssets/Latest%20News/Independent%20Thinking%203rd%20Edition/pg3.pdf>

¹⁵ Futshane, T. (2014). *TVET Colleges Strategic, annual performance and operational planning process*. A presentation prepared for meeting with the North West and Free State TVET Colleges, 23 & 24 June 2014. Available on www.dhet.gov.za

¹⁶ Department of Higher Education and Training (2013). *White Paper on post school education and training: building an expanded, effective and integrated post-school system*. Pretoria: DHET

¹⁷ Sheppard, C. & Ntenga, L. (2013). *Funding of the South African Further Education and Training sector for an equitable sharing of national revenue*. Submission for the 2014/15 Division of Revenue.

The argument has therefore been widely made that there is a real decline in the financing for higher and further education. While approximately 40% of the funding for universities comes from the state, the adoption of the principle of cost-sharing means that tuition and accommodation fees (to which NSFAS is a contributor through loans and bursaries) becomes the second stream of revenue for universities, followed by research income and donor funding. Although state funding has increased, it has not increased in tandem with the numbers of students registered, nor with the effective increases in the cost of providing quality education to these students, nor is it in line with the global percentage average of public expenditure on higher education¹⁰. As a result, student fees have increased to address this shortfall by boosting second stream revenue, and the effective increase in the NSFAS funding has therefore not been enough to close this gap. However, governments' intention to make higher education more affordable for the poor cannot be mistaken.

c. Private Higher Education

The private higher education sector has grown rapidly since its early inception¹⁸ in the mid-1800s. In 2001, the number of students in private post-school provision was 84 778, across 86 such institutions – 46% of these were in undergraduate and postgraduate bachelor degree programmes, 48% in non-degree certificates and diploma programmes and 3% in post-graduate diploma and honours/masters degree programmes¹⁹. None of these students receive funding through NSFAS, as the current NSFAS Act does not provide for the funding of students at non-public higher education institutions. However, over the past decade, this sector has not grown significantly, contrary to international trends.¹⁸ But with the need to satisfy the delivery targets in the NDP and the White Paper on Post-School Education and Training, private further and higher education may well come under the spotlight again.

iii. Sustainability in the post-school education and training sector

The NSFAS Act mandates the recovery of loans issued to students, so that these funds can be recycled back into student awards in the following academic year.

¹⁸ Kraak, A. (2012). *LMIP Working Paper 16: Briefing Paper on private post-school education in South Africa*. Pretoria: Human Sciences Research Council

¹⁹ Subotsky, G. (2003). *Chapter 18: Private Higher Education and Training*. In HRD Review 2003.

a. *But what does “sustainability” mean in a state-funded student assistance programme?*

Increasing pressure for growing the number of enrolled students, and therefore the number of students accessing financial assistance, presents a challenge to the sustainability of the current higher education financing model, and to the extent to which recovery of loans effectively can contribute to this. This is especially so if the percentages increase in the funding allocated for financial assistance grows at a smaller rate than both the number of eligible and qualifying students and the cost of tuition at the public universities.

While the public investment in higher education by the state over the past 20 years has declined relatively in comparison to the share received by education as a sector, NSFAS has been fortunate in receiving a steadily increasing budgetary allocation. This has been driven largely by the demand for financial assistance, and the political commitment towards broader national development goals.

Student loans are widely recognised as a critical intermediary for countries in which higher education cost-sharing is the accepted policy²⁰, and particularly government issued student loans for students from poor households. In a World Bank paper²¹, it is noted that cost recovery remains the most significant challenge for student loan programmes to be sustainable and effective. This is because these programmes tend to offer interest rates that are too low, grace periods and repayments periods that are too generous to the debtors, and origination processes which do not sufficiently educate potential borrowers on their repayment obligations.

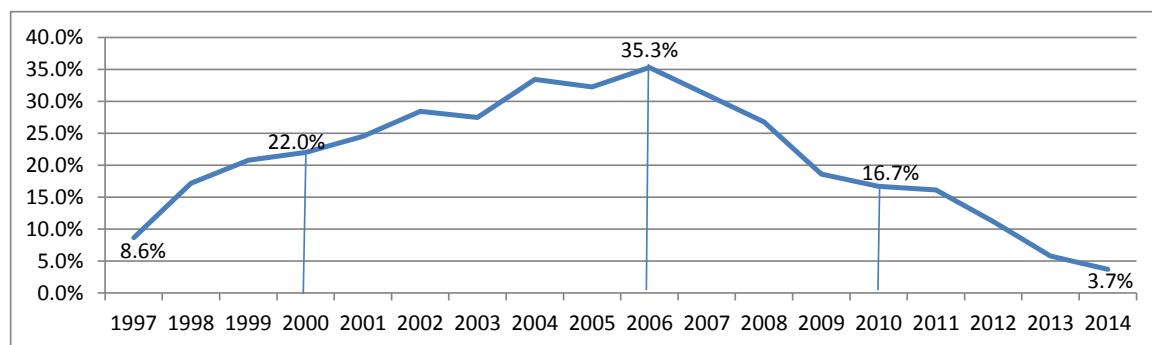
In NSFAS’ case, the interest rates are set at 80% of the repo rate, annually adjusted; interest is not accrued while the student is still studying and for up to 12 months post exit; the application of the in-duplum rule limits the amount of interest that can be accrued over the full life of the loan; and interest is only charged on the nett capital loan (after credit balances and post-conversion) – as the cost of credit is reduced by a conversion factor based on the academic performance of the student (nett capital loan is the principal loan amount recognised). According to the PER, the introduction of the final year programme has increased the amount of NSFAS loans converted into grants from 28.5% to

²⁰ **Please note:** this paper has not considered arguments in respect to fee-free higher education, but has taken the view that cost-sharing in tuition fees will remain a policy direction for the foreseeable future. This area has been well argued and evidenced in a range of other papers, both locally and internationally.

²¹ World Bank (2010). *Financing higher education in Africa*. From the Directions in Development: Human Development series 54441. World Bank: Washington DC. ISBN-13: 978-0-8213-8334-6

44% over the last five years. The loan-to-bursary conversion reduced the effective nett average value of a typical NSFAS loan by 28,5% in the 2010 academic year, prior to the introduction of the final year programme. In 2014, this reduction increased to 44% - of the R4.1bn awarded in loans during the academic year, R1.8bn was converted to grants, so only R2.3bn was transferred to the loan book. Recoveries are further undermined by the drop-out rate and by the longer-than-minimum time to complete the undergraduate degrees or diploma programmes.

The chart that follows plots the value of the loan recoveries as a percentage of loan disbursements. It shows that between 1997 and 2006, the funds recovered made a significant contribution to the funds disbursed to students, as high as 35% in 2006¹². Effectively, this translates to approximately 44 000 new loans that were issued out of recoveries in 2006, versus 7500 students in 2014. Based on estimates based on a growth trajectory up to and including the 2008/09 financial year, NSFAS would have recovered R1,7bn in 2014, effectively funding 51 000 students.



Given the nature of the model as it is currently conceptualised, NSFAS will continue to be dependent heavily on government grants to remain viable and expand the number of students funded. However, growth in the loan recoveries could provide upwards of 35% of the required funding, given the growth in the number of loans being issued.

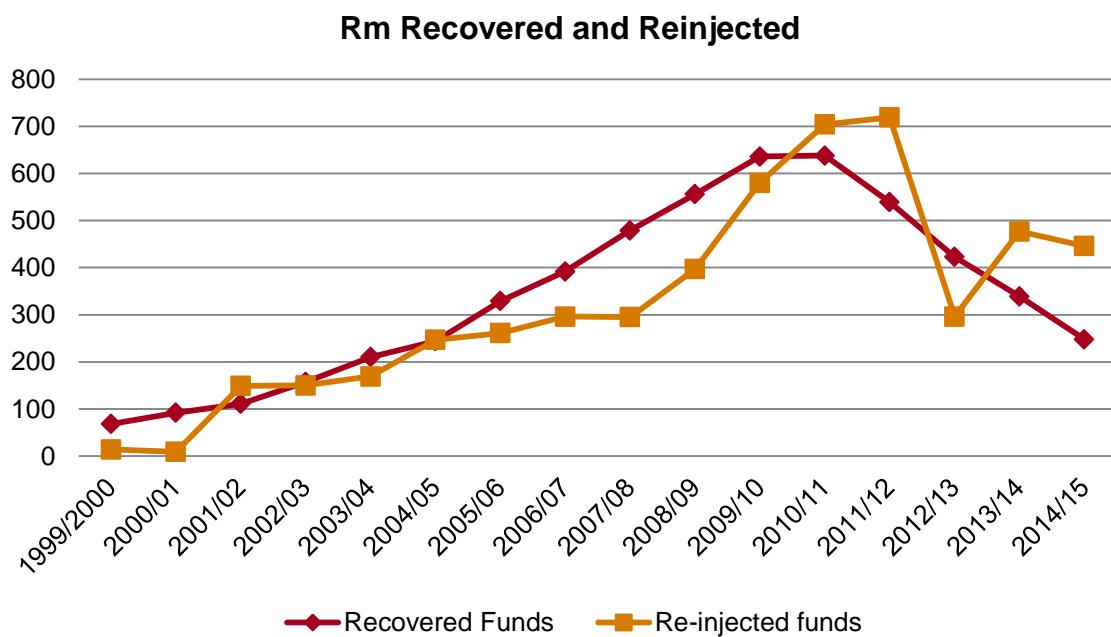
For student loan programmes to be financially sustainable, the view has been expressed that they must work towards meeting the following criteria: i) they must offer a high rate of recovery; ii) they should be able to tap into the private capital market; and iii) they should be able to demonstrate a reduced risk of default by



repayers²². Based on the current analysis, NSFAS is not in a position to become financially sustainable. Like NSFAS, most loan schemes operating across the globe benefit from sizeable government grants, and also apply significant subsidies to the student borrowers, reducing the effective repayment ratio.²³ Ultimately, these two factors have a significant impact on the ability of a loan scheme to become fully financially sustainable.

b. Loan recovery – value and efficiency of the loan recovery mechanisms

From reaching a high of R636m in 2008, the value recovered per year dropped to R248m in 2014. There were a number of factors – well documented – that have attributed to this drop in recoveries¹², but in essence NSFAS faces the growing problem of non-payment amongst debtors, the poor quality of the NSFAS debt with approximately half the debtors being those who have dropped out and the inefficiencies in tracking and following debtors has led to the prescription of some debts.



²² Johnstone, D.B. & Marcucci, P. (2007). *Financially sustainable student loan programs: the management of risk in the quest for private capital*. Prepared as an Issue Brief for the Global Centre on Private Financing of Higher Education at the Institute for Higher Education Policy, Washington, DC. Made available through personal communication with the author.

²³ Shen, H. & Ziderman, A. (2008). *Student loans repayment and recovery: international comparisons*. IZA Discussion Paper no 3588.

Accessed 16-Mar-2016 at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1158984

In 2011/12, the value reinjected into loans increased as a result of the introduction of the Final Year programme, where the demand for this fund exceeded the allocation made by the DHET, and a further injection from recoveries was made to address the shortfall. It should also be noted that projections for recoveries are used to determine the allocation for the following year (usually mid third quarter), and so the full value recovered is not 100% reinjected in the immediate year following recovery, but may be reinjected in subsequent years.

An analysis of the NSFAS Annual Reports from 2011 to 2015 shows that the percentage of NSFAS debtors paying has dropped from 35% to 12%, resulting in a 61% drop in loan recoveries in this time.¹² Clearly this impacts on the number of students who cannot be funded due to the drop in loan recoveries.

c. Measuring recoveries and student default rates

Over the years from 1999 to 2015, R5.4bn has been recovered by NSFAS⁶, which - against the total R50.5bn in the same period - represents a recovery rate of approximately 10,9% on the full grant amount allocated by the DHET (for both loans and bursaries). However, this recovery rate has been calculated on the basis of the full value of funding granted to NSFAS, and so does not reflect the recovery against only the original principal or the nett loan amounts awarded.

International research by IZA²⁴ shows us that by factor of being a government loan scheme, a “sizeable proportion of the total loans paid out by the loans body will not be received back in repayment” (p 3). This is not only on account of the interest subsidization discussed earlier, but also the repayment default rates are normally high. In this research paper, three ratios are discussed: i) a loan repayment ratio, iii) the ‘hidden grant’ ratio, and ii) the loans recovery ratio.

The repayment ratio essentially measures the value of the individual loan the average borrower is required to repay and is defined as the ratio of “required repayments to the loan size received, measured in terms of present values”. This value is determined by taking into account business rules designed into the loan programme, effectively creating a subsidy received by the student, lessening

²⁴ Shen, H. & Ziderman, A. (2008). *Student loans repayment and recovery: international comparisons*. IZA Discussion Paper no 3588.

Accessed 16-Mar-2016 at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1158984

the amount that is required to be repaid. The impact of these financial instruments is the lessening of the loan amount that must be repaid by the student, effectively creating a ‘hidden grant’.

Relating these to NSFAS, this would include the following:

- the loan-to-bursary grant conversion which effectively reduces the cost of capital, and the treatment of credit balances as first repayments against the original capital amount (nett principal loan amount);
- the discounted interest rate (80% of the repurchase rate from the central bank), which is a below-market interest rate. In most loan programmes, this is usually the biggest factor in the ‘hidden grant’. In NSFAS’ financial reporting, this is reflected as a social benefit component of the loan and adjusted for after the fair value recognition;
- the interest break while the student is still studying and the 12-month post-exit grace period;
- repayments and the interest rate not linked to inflation (which would reduce the future value of the loan to be repaid); and
- longer amortization periods – linked to income thresholds and gross income, and not based on loan value – the longer the length of the loan repayment and the grace periods, the greater the ‘hidden grant’ component.

At a macro-level, the recovery of loans is impacted by the individual hidden grants and the administrative efficiency with which the loan programme is able to recover the loans – in terms of both the actual cost of recovery and the cost of the extent of repayment default. Repayment default must include payments in arrears and the non-payment by debtors. For NSFAS, student default is currently measured in respect to the number of NSFAS loans held by debtors who are no longer studying, but which are not being paid. Since 2011, the number of debtors has increased from 776 239 to 851 116 (2014), but the number paying has dropped from 275 429 to 100 419 in the same time. This represents a drop from 35% to 12%.

Therefore, when calculating an overall recovery rate for a programme, the cost of recovery (administrative costs) and the total loans disbursed must be used as a basis for determining the ratio of the repayments against this outlay: total discounted repayments (present value) to total discounted (present value) outlays. The research by IZA provides the full formula calculations for these three ratios, and presents comparative data for 44 different countries, grouped regionally. Of these programmes, over 26 schemes had repayment ratios



greater than 61%, with the remainder below 60%. The average recovery ratio (including default) in these 26 programmes was 49.15%, in most cases falling short of the repayment ratio. In two of the highly subsidized schemes in Africa, high rates of repayment default have reduced the effective recovery ratio to 5.59% (Kenya) and 10.96% (Ghana). Commonly held views would suggest that repayment default is the most significant factor for low loans recovery, but the evidence suggests that built-in subsidies affecting the 'hidden grant' ratio for most of the 26 schemes was more important.

The table below represents a snap-shot of this comparison, bearing in mind that this exercise was undertaken in 2008:

Country ²⁵	Hidden grant ratio	Repayment ratio	Recovery ratio ²⁶
Europe			
England and Wales	12.19	87.81	N/A
Germany	61.77	38.23	N/A
Netherlands	1.55	98.45	N/A
Russia	88.27	11.73	10.56
Asia (including Australasia)			
China	35.37	46.63	56.31
Malaysia	43.33	56.67	51.33
India	19.77	80.23	60.17
Australia	25.70	74.30	N/A
New Zealand	41.12	58.88	N/A
Americas			
USA (Perkins Loan)	18.51	81.49	N/A
Mexico	50.39	49.01	41.97
Africa			
South Africa	49.53	50.47	35.83
Ghana	60.87	39.13	10.96
Kenya	72.07	27.93	5.59
Namibia	0.21	99.79	N/A

Some different mechanisms employed by these countries that impact on the hidden grant ratio include the following:

- 20 of the 44 loan programmes do not levy interest while still studying;

²⁵ The countries have not been selected on any specific basis, but it would be useful to do such a comparison on the basis of size of the higher education sector (or a gross enrolment ratio/participation rate), % of students funded through the loan programme and where loan recovery is income-contingent and not time-based.

²⁶ Including default and not the costs of administration

- Some have no interest while studying, but then high interest after studying (prime plus) which encourages repayment (e.g. Canada);
- A short repayment horizon is employed in Namibia results in a lower hidden grant ratio (number of years funded = number of years to repay); and (amongst others)
- Set minimum monthly repayment for all students, but generous grace periods and long amortization periods encourages faster repayment (Germany) reducing the effective hidden grant.

On the basis of the recovery ratio and the repayment ratio, a relative efficiency index can be calculated – the higher the relative efficiency ratio, the more efficient the loans program. A number of the papers reviewed suggested different approaches to the mechanisms for recovery, including the following: graduate tax, deferred graduate retirement²⁷, collection through internal tax collection agencies (e.g. SARS), employer settlements on behalf of employees as a part of the cost-to-company, etc.

KEY FUNDING DECISION DRIVERS

One of the key objectives of NSFAS is to improve equity and access for the poor (social targeting), by easing the financial burdens of students, and enabling the reduction of dependence of students on their families during their studies (the student independence model). A number of research papers and opinion pieces on making the funding decisions in an equitable and fair manner have been written, both reviewing local practice and taking a global view. Some of these have included a review of how these funding decision drivers have impacted on the performance of the funding programmes, in terms of student access and success. These are tabulated overleaf.

It is interesting to note that some of the earliest papers on this theme date back to the early 1980's for studies on loan programmes in Europe, the Americas and Asia. For papers that reference TEFSA and NSFAS, the earliest papers date back to a Higher Education Financing Conference, sponsored by USAID and hosted by the Department of Education in 1995. A number of dissertations were written in the late 1990s and the early 2000s on TEFSA and its transformation into NSFAS. The details from these early papers have not been reviewed but

²⁷ Barakat, B. (2011). *Time is money: could deferred graduate retirement finance higher education?* Paper written for the Vienna Institute of Demography. By personal correspondence with the author. Available at http://www.oeaw.ac.at/vid/download/WP2011_05.pdf.

these are available. A number of papers referencing east African conferences and sub-Saharan programmes are also available from approximately this time period.

Author, Date	Paper Title
Bettinger, EP, Long, T., Oreopoulos, P & Sanbonmatsu, L. (2009)	<i>The role of simplification and information in college decisions: results from the H&R block FAFSA experiment.</i> NBER Working Paper Series. http://www.nber.org/papers/w15361.pdf . Accessed 17 March 2016
Cornerstone Economic Research (2015).	<i>Performance and Expenditure Review: National Student Financial Aid Scheme First Draft V3 November 2015.</i> Research commissioned by the National Treasury.
Council on Higher Education (2015).	<i>CHE 20-Year Review.</i> Briefing presented at the Parliamentary Portfolio Committee on Higher Education, Cape Town, August 19. Available at http://pmg-assets.s3-website-eu-west-1.amazonaws.com/150819che.pdf (accessed on 04 December 2015).
Council on Higher Education (2014).	<i>VitalStats: Public higher education 2012.</i> Pretoria: CHE
Council on Higher Education (2015).	<i>VitalStats: Public higher education 2013.</i> Pretoria: CHE
De Villiers, P., van Wyk, C. & van der Berg, S. (2013).	<i>The first five years project – a cohort study of students awarded NSFAS loans in the first five years 2000 to 2004.</i> Stellenbosch Economic Working Papers: 11/13. Report commissioned and initially internally published by NSFAS.
Department of Higher Education and Training (2010).	<i>Report of the Ministerial Committee on the Review of the National Student Financial Aid Scheme.</i> Pretoria: DHET.
Jackson, R. (2002).	<i>The National Student Financial Aid Scheme of South Africa: How and why it works.</i> The Welsh Journal of Education, 11 (1), pp 82-94. Accessed on 17 March 2016. https://www.researchgate.net/publication/263065606_The_National_Student_Financial_Aid_Scheme_of_South_Africa_NSFAS_How_and_Why_it_Works
Marcucci, P. & Johnstone, DB. (2009).	<i>Student loans in sub-Saharan Africa: building on successes and avoiding past mistakes.</i> Draft Paper made available by personal correspondence.
Marcucci, P. & Johnstone, DB. (2010).	<i>Targeting financial assistance to students in higher education: means testing with special emphasis on low- and middle-income countries.</i> Draft unpublished paper (monograph) prepared for the World Bank contract no 0007728373.
Millar, J. (2003).	<i>Squaring the circle? Means testing and individualisation in the UK and Australia.</i> In Social Policy and Security, 3 (1), pp 67-74
National Association of Student Financial Aid Administrators (2013).	<i>Re-imagining financial aid to improve student access and outcomes.</i> Report publically available at www.nasfaa.org Sponsored by the Bill and Melinda Gates Foundation.
National Student Financial Aid Scheme (2010).	<i>Response of the NSFAS Board to the Ministerial Review Report, April 2010.</i>
Nyahende, V. (2013).	<i>The success of student loans in financing higher education in Tanzania.</i> Higher Education Studies, 3 (3), http://www.ccsenet.org/journal/index.php/hes/article/view/24737
Odebero, SO, Bosire, JN., Sang, AK, Ngala, FBJ, Ngware, MW (2007).	<i>Equity in the distribution of HELB loans in Kenya in relation to student characteristics: an empirical analysis.</i> In Educational Research and Review, 2 (8), pp 209 - 219

Author, Date	Paper Title
Otieno, W. (2004).	<i>Student loans in Kenya: past experiences, current hurdles and opportunities for the future.</i> In <i>Journal of Higher Education in Africa</i> , 2 (2), pp 75 - 89
Universities South Africa (2015).	<i>Student financial aid at South African universities: financial aid policies, structures and practices with regard to NSFAS funding – An analysis conducted by Universities South Africa.</i> Report submitted to the DHET (July 2015).
Ziderman, A. (2004).	<i>Policy Options for student loan schemes: lessons from five Asian case studies.</i> Bangkok and Paris: UNESCO and IIEP. Accessed 17 March 2016: http://unesdoc.unesco.org/images/0013/001393/139365e.pdf
Ziegele, F. (2015).	<i>Means-testing and parental responsibility.</i> Power point presentation downloaded on 17 March 2016 from http://docsslide.us/download/link/wwwchede-1-means-testing-and-parental-responsibility-prof-dr-frank-ziegele

Given the full scope of the need for student financial aid and the sheer size and shape of the higher education sector, the responsibility for the determination of who receives funding and how much they receive has traditionally fallen to the institutions. While this is undergoing transformation at the moment, this has meant that although institution make their funding decisions on the basis of the rules set down by NSFAS, the institutions have the ultimate discretion to determine who is deserving and to allocate funds. This means that there are wide variations in financial aid practice amongst institutions.

i. Funding the “right” student

While NSFAS is in a process of transforming its business model from one which distributes funds via an allocations formula to the universities - who then make the student funding decision - to one in which NSFAS will directly determine which student is funded, the literature reviewed clearly points to wide-ranging institutional practices that may have served to deepen the gap between the adequacy of the supply of funding and the effective utilisation of this funding.

In identifying who the “right” students are to fund, the research papers prepared outlined a few key elements of this decision, and these follow in the section below. It should be noted that “decision-making algorithms”¹³ which effectively identify processes to prioritise applicants, with the appropriate mix of academic excellence and financial need may need to be considered going forward to optimise the prioritisation of deserving students.

a. Global Best Practice – What the research shows

There is a wide diversity of papers that have addressed not only the issue of making the process of applying for student financial aid simpler and more efficient, but that have also looked at the issues related to targeting of financial aid to students from low-income households. Most of these deal with the financial eligibility criteria for the purpose of social targeting and not the academic criteria for selecting students.

Some of the key principles from these papers include the following points:

- It is acknowledged that the type of tuition fee policies adopted by a country has an influence on the type of student financial assistance policies that are put into place - where the cost burden of the tuition fees are higher, the range of financial support instruments may need to be broader to accommodate for families whose household income cannot reasonably contribute to the cost of tuition;
- For student loan programmes to be effective in putting money in the hands of financially needy students in a way that grows participation in higher education, they need to be needs-based and generally available;
- Loan programmes that are designed to build the financial independence of students (reduce the dependence of the student on their family for the cost of their higher education) need to provide for not only the costs of instruction but also costs of living independently. However, in these cases, “loan recovery must be maximised (such that) interest subsidies and defaults (must) be kept to a minimum”²⁸;
- Student loan and grant programmes can also have value when directing enrolment in particular institutions and/or fields of study (e.g. scarce skills) by making selective eligibility decisions and/or differentiated loan or bursary products;
- Repayment forgiveness – in NSFAS’ case, in the form of bursary conversions – is an attractive feature of loan programmes that is used to encourage academic progress, but is only effective when academic behaviour (such as high courses passed rates and/or completion within regulation time) is influenced by the offer of repayment forgiveness. This may be an area for further research by NSFAS – to test whether or not this assumption can be made;
- Means-testing is a common feature of loan programmes which are targeted for particular types of students, from specific socio-economic groupings, and is used to determine the relative need of students in a

²⁸ Marcucci, P & Johnstone, DB (2009). *Student loans in Sub-Saharan Africa: building on successes and avoiding past mistakes*. Draft Paper by personal correspondence.

continuum and the minimum loan needed to meet the students' cost of higher education; and

- In some cases, where means testing on the basis of income is not possible, some loan programmes have used "categorical indicators" (*ibid*) to exclude or include certain families where income may be indicated as high (such as professional parents, car ownership, private fee-paying schooling) or low (farming or mining as an occupation, no electricity at home, parental educational attainment level).

b. Defining and assessing financial need in South Africa

As such, the NSFAS means test is central to identifying which students are the most financially deserving of those who apply for financial aid. It is widely recognised as a legitimate tool for subsidy targeting, enabling low-income or no-income families to access state support – in this case, for financial assistance for tuition and accommodation fees²⁹. In its pure form, the NSFAS means test is intended to not only differentiate and rank students from most financially deserving to least financially needy, but also to determine the size of the award through a formula which takes into account the value of the expected family contribution (EFC). It should be noted that the commonly held myth that NSFAS employs an upper limit on the income threshold for eligibility for NSFAS funding has been documented in a number of the papers reviewed. As such, some of the critique in the literature has been based upon a misunderstanding of the core principles of the NSFAS means test.

International research into best practice in means-testing for financial aid reveals that while this remains an effective mechanism for differentiating between those who need and those who do not require support, there are inherent challenges. Determining which indicators or inputs to use to assess the "ability to pay" for higher education, how to accurately distinguish between which students are dependent or independent of their families and, particularly in the South African context, defining adequately the calculation of the combined household income that will arguably be responsible for supporting the students cost of study are key elements of this challenge¹⁴. Addressing these questions more rigorously will serve effectively as the socio-economic status indicator for financial need.

²⁹ Marcucci, P. & Johnstone, DB. (2010). *Targeting financial assistance to students in higher education: means testing with special emphasis on low- and middle-income countries*. Draft unpublished paper (monograph) prepared for the World Bank contract no 0007728373.

Administrative systems to support, verify and validate the means test outputs will contribute significantly to improving efficiencies.

Varied practices at institutions anecdotally provide accounts of the utilisation of an income threshold by some institutions, as a pre-means test filter reducing the effective number of students who apply but will not be funded due to insufficient funding. The NSFAS Ministerial Review of 2010³⁰ also identified the means-test as an area which needed review and revision, and proposed alternative proxies for identifying which students are the neediest, and deserve differentiated financial aid support. More recently, the need to differentiate students from low-income or no-income families from students in the “missing middle” has been recognised as an element for further review as NSFAS rolls-out the student centred model.

Using household income data from the Income and Expenditure Survey 2010/11 undertaken by Statistics SA, the PER provided a snapshot of the income quintiles by race based on the entire population, applying this relatively to the 20-24 year old cohort. This table demonstrates that in the highest income quintile (quintile 5), 10,1% of the students are African and 75,8% are white, whereas in the lowest income quintile (quintile 1), 24,7% are African, 9,4% are coloured and 2,8% are Indian.

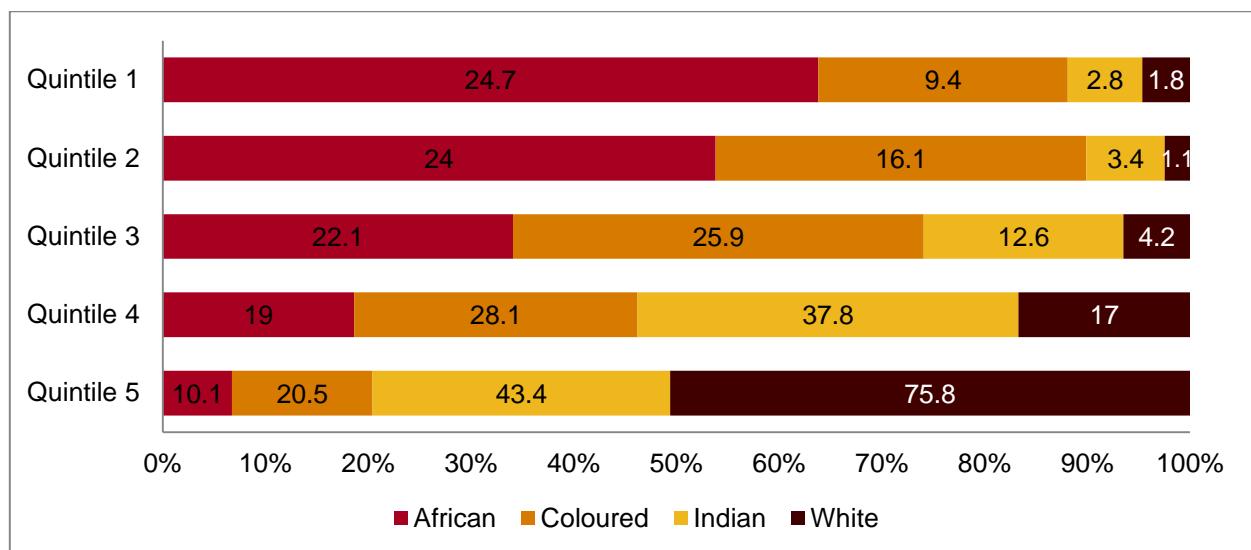
Quintile	African	Coloured	Indian/ Asian	White	Range ³¹
5	10.1%	20.5%	43.4%	75.8%	R57 100 per capita +++
4	19.0%	28.1%	37.8%	17.0%	R21 003 to R 57 099
3	22.1%	25.9%	12.6%	4.2%	R 9 887 to R 21 002
2	24.0%	16.1%	3.4%	1.1%	R 4 544 to R 9 886
1	24.7%	9.4%	2.8%	1.8%	Up to R4 543
Population 20-24 years	3 544 596	353 661	102 236	294 030	
	82.5%	8.2%	2.4%	6.8%	
Total population	43 333 709	4 771 548	1 341 877	4 554 820	
	80.2%	8.8%	2.5%	8.4%	

Differently said, this means that the African population has a relatively higher proportion of people in the quintile 1 (24,7%), quintile 2 (24%) and quintile 3

³⁰ Department of Higher Education and Training (2010). *Report of the Ministerial Committee on the Review of the National Student Financial Aid Scheme*. Pretoria: DHET.

³¹ Statistics South Africa (2011). *Income and Expenditure of Households Survey 2010/11*. P0100. Accessed from www.statssa.gov.za

(22,1%), whereas the white population has a higher proportion of people in quintile 5 (75,8%) and quintile 4 (17%). This is shown below, with each of these percentages expressed proportionately within each quintile:



As such, while race is not an adequate proxy for financial need, using this information, there is some comfort that the skewed racial distribution of income aligns with the race distribution of the NSFAS funded students.

c. Defining and assessing academic eligibility in South Africa

It is noted in more than one of the papers that in the allocation of loans to students, universities do not generally appear to consider fully the academic potential of students to achieve as a criterion, focusing almost exclusively on financial need once the students have met the entry requirements for the courses concerned. Different practices to filter or rank students on the basis of academic eligibility have been reported³², and need to be assessed against the understanding that students from poor households may not necessarily have the opportunity to receive the best academic results in high school, but have the potential to succeed in a level playing field. Improvement in the targeting of academic potential must be a focus going forward, by further refining the methodology for assessing the qualifying criteria for academic progression.

³² Universities of South Africa (2015). *Student financial aid at South African universities: financial aid policies, structures and practices with regard to NSFAS funding – An analysis conducted by Universities South Africa*. Report submitted to the DHET (July 2015).



The most efficient use of NSFAS funds is to fund students that graduate within regulation time, although evidence from the CHE³³ cohorts and the PER cohort does not indicate that NSFAS-funded students perform significantly better than non-NSFAS funded students in graduating within regulation time. This is in contradiction to the Stellenbosch study³⁴ which shows that of the five cohorts which were tracked (2000 to 2004), a higher proportion of NSFAS-funded students had qualified after nine years (55%) than non-NSFAS funded students (48%), and a lower proportion of NSFAS-funded students had dropped out (38%) than non-NSFAS funded students (46%). This led the researchers to conclude that the financial support received by these students contributed to their persistence with their studies. However, even in this study, the percentage of students who graduated within regulation time (N = 3 years for a 3-year programme) is higher for non-NSFAS funded students (just over 22%) than for NSFAS funded students, although this relationship inverts from N+1 onwards.

As enrolment at the universities increases, the absolute number of students that require funding at university will increase. In response, NSFAS will need to more carefully select students who are likely to graduate within regulation time so as to limit the pressure for funding from continuing students who are not performing sufficiently well to complete within regulation time, or as close to regulation time as possible. This serves two purposes: reducing the total cost of credit passed to the student at the end of his/her qualification and ensuring that students graduate and are able to access employment opportunities and so kick-start the recovery process and re-inject these funds back to fund more students.

ii. Funding the “right” amount

a. Regulating the full cost of study, the capping of the award size and average loan and bursaries values

The full cost of study is a calculation done by NSFAS each year on the basis of projections for tuition, accommodation, books and/or meals. It is apparent from the Universities South Africa review of financial aid policies that there remain different understandings amongst universities of what expenses “are ‘in’ ... and which expenses are ‘out’:

³³ Council of Higher Education (2015) and (2014) – two separate publications for the respective academic years. *VitalStats: Higher education 2013 and 2012*. Pretoria: CHE

³⁴ De Villiers, P., van Wyk, C. & van der Berg, S. (2013). The first five years project – a cohort study of students awarded NSFAS loans in the first five years 2000 to 2004. Stellenbosch Economic Working Papers: 11/13. Report commissioned and initially internally published by NSFAS.



The NSFAS capped amount is also a calculation done on an average weighted full cost of study, and communicated as part of the NSFAS funding parameters each year. The Stellenbosch study reported that the maximum amount a student could receive in 1999 was R13 300, increasing to R47 000 in 2010, and in this academic year, this has increased to R71 800. Since 2008, most universities average full cost of study increased more rapidly than in the period before that. Although the NSFAS capped amount has increased at a higher rate generally than inflation, this was from an initial low base.

This has been tracked by NSFAS since 2003, and is shown in the table included in the PER on the next page.

	Average FCS for selected years				% average annual growth			
	2003	2008	2012	2015	2003-2008	2008-2012	2012-2015	2003-2015
Average CPI					4.5%	7.0%	5.8%	5.6%
UCT	37 925	47 564	82 428	113 602	5%	15%	11%	10%
UP	30 243	44 387	73 741	99 900	8%	14%	11%	10%
WITS	27 855	49 253	76 541	99 470	12%	12%	9%	11%
RHODES	27 900	43 710	74 700	94 900	9%	14%	8%	11%
UJ	32 600	35 815	67 335	88 749	2%	17%	10%	9%
SU	29 355	41 740	52 859	86 990	7%	6%	18%	9%
DUT	26 462	34 488	63 928	81 170	5%	17%	8%	10%
UKZN	27 945	36 286	57 770	79 491	5%	12%	11%	9%
NWU	30 005	31 394	56 011	76 870	1%	16%	11%	8%
MUT	18 770	28 051	49 846	75 480	8%	15%	15%	12%
UNIVEN	17 398	38 957	56 369	73 263	17%	10%	9%	13%
UFH	18 730	29 584	59 870	71 043	10%	19%	6%	12%
NMMU	32 602	35 550	49 128	71 010	2%	8%	13%	7%
SMU	33 480	no data	54 120	69 553	no data	no data	9%	6%
UL	40 722	39 196	54 120	69 553	-1%	8%	9%	5%
VUT	25 301	32 230	43 333	68 019	5%	8%	16%	9%
UFS	29 131	35 837	47 176	67 769	4%	7%	13%	7%
UWC	30 260	36 143	50 710	67 320	4%	9%	10%	7%
NSFAS Cap	20 000	38 000	56 400	67 200	14%	10%	6%	11%
CUT	24 000	30 558	46 469	61 381	5%	11%	10%	8%
TUT	27 746	27 996	43 114	58 352	0%	11%	11%	6%
WSU	23 475	25 983	43 669	55 718	2%	14%	8%	7%
UZULU	21 840	29 012	40 134	50 536	6%	8%	8%	7%
CPUT	22 860	34 002	37 197	48 831	8%	2%	9%	7%
UNISA	no data	no data	15 813	18 350	no data	no data	5%	no data

Analysis in the PER showed that in respect to the changing affordability of the average full cost of study in relation to a mid-point average household income by quintile, higher education has become less affordable to households in all five quintiles. The report notes that already in 2003, households in income quintiles 1, 2 and 3 could not reasonably afford the costs of an university education, and this has moved further out of their reach (see table 7, p 29).

b. Top-slicing

Top-slicing is a practice prevalent in many different forms across the universities, according to Universities South Africa, and confirmed anecdotally by some financial aid offices. It is understood as a distributive mechanism in which the allocation made to an institution is spread across all qualifying students, with all students receiving less than the full recommended amount by the NSFAS means test. Eliminating the practice of top-slicing is critical to ensuring that all students receive the full award, aligned to the full cost of study at that institution and within the capped award size determined by NSFAS.

iii. Funding at the “right time”

It is critical that for student financial aid to be effective, not only must it be directed to the “right student” for the “right amount”, but it also needs to be received at the “right time”³⁵. Critique from Universities South Africa and in other papers has reflected on how the timing of disbursement of funds to students has created unnecessary conflict within the system, with students bearing the brunt of this. Where loan and bursary agreements are not signed early enough, not quality assured and verified by NSFAS for payment early enough, and not credited into the student fee account early enough or paid as allowances early enough, students are not able to cover their tuition costs or living costs or book costs in time for this to enable teaching and learning.

This may impact severely on the risk of default: if students do not receive their loan funding ‘in time’, students may drop out. Where students complete loan or bursary agreements at the point of admission to a university, and where the mechanisms to pay these before the semester begins, so the likelihood of students remaining at university increases. Timing may also be related to what type of loan or grant product is given at what point in the students’ course of study: in one of the loan programmes in Africa, students receive grants for the

³⁵ Marcucci, P & Johnstone, DB (2009). *Student loans in Sub-Saharan Africa: building on successes and avoiding past mistakes*. Draft Paper by personal correspondence.

first year or two of their studies, and then switched to loans later in the course of study (referred to as back-loading).

AREAS REVIEWED BUT NOT FULLY RESEARCHED

There were many areas addressed in the research reviewed, but which have not been fully discussed and considered in this paper. These may well need further desktop review and analysis later, and many of them are contained in the table at the end of this paper.

i. Access and success

The challenges faced by the post-school sector, and the difficulties faced by the higher education institutions in dealing with them are reflected in the high drop-out rate and throughput rates of students, particularly in the first year of study. These circumstances have led many observers to suggest that the parameters for defining and describing student “success” may need re-configuration. It has also led stakeholders within the sector to make recommendations on where the responsibility for ensuring success lays, and clearly how this is done, as this has an impact on the length of a students’ stay at university, which impacts on the size of the loan and on the extent to which the loan is converted to a bursary.

Some of these papers included the following:

Author, Year	Paper Title
Boughey, C. (2010).	Academic development for improved efficiency in the higher education and training system in South Africa. Published by the Development Bank of South Africa Available at www.dbsa.org
Downs, C.	<i>Increasing equity and compensating historically disadvantaged students at a tertiary level: benefits of a science foundation programme as a way of access.</i> Teaching in Higher Education, 15 (1), pp 97-107 http://www.tandfonline.com/doi/abs/10.1080/13562510903487800?journalCode=cthe20
Jones, B., Coetzee, G., Bailey, T. & Wickham, S. (2008).	<i>Factors that facilitate success for disadvantaged higher education students: an investigation into approaches used by REAP, NSFAS and selected higher education institutions.</i> Cape Town: Rural Education Access Programme
Jones, B., Feldman, B.,	<i>NSFAS partnerships with NGOs: an evaluation of the effectiveness of</i>

Lewis, F. & Gabelo, X. (2010).	<i>the NSFAS-NGO partnerships in promoting access to higher education for marginalised youth.</i> Internal NSFAS document. Research commissioned by NSFAS.
McGhie, V. (2012).	<i>Factors impacting on first-year students' academic progress at a South African university.</i> Dissertation Paper. http://scholar.sun.ac.za/bitstream/handle/10019.1/20090/mcgkie_factors_2012.pdf?sequence=1
Ntakana, K.N. (2011).	<i>The effectiveness of student support programmes at a tertiary institution: a case study of Walter Sisulu University.</i> Dissertation Paper. http://uzspace.uzulu.ac.za/bitstream/handle/10530/1074/THE%20EFFE%20CTIVENESS%20OF%20STUDENT%20SUPPORT%20PROGRAMMES.pdf?sequence=1
Ramike, P. (2013).	<i>Supporting students with disabilities: the impact of the National Student Financial Aid Scheme on students with disabilities at the University of KwaZulu-Natal.</i> Dissertation Paper. http://researchspace.ukzn.ac.za/xmlui/handle/10413/11066
Schreiner, L & Hulme, E. (2009).	Assessment of students' strengths and the first step to student success. Chapter in Focus on first year success: Perspectives emerging from South Africa and beyond (Leibowitz, B., van der Merwe, A. & van Schalkwyk, S.) Eds. Stellenbosch: African Sun Media

ii. Financial literacy for students

While there has been little work done on reviewing this aspect of the student loan process, it is clear that the impact of effective consumer education as part of the origination process requires further exploration. Not only is this a requirement of the National Credit Act 34 of 2005, but it may well have a significant impact on default and repayment. The need to review how this is realised within the student centred model may need some consideration.

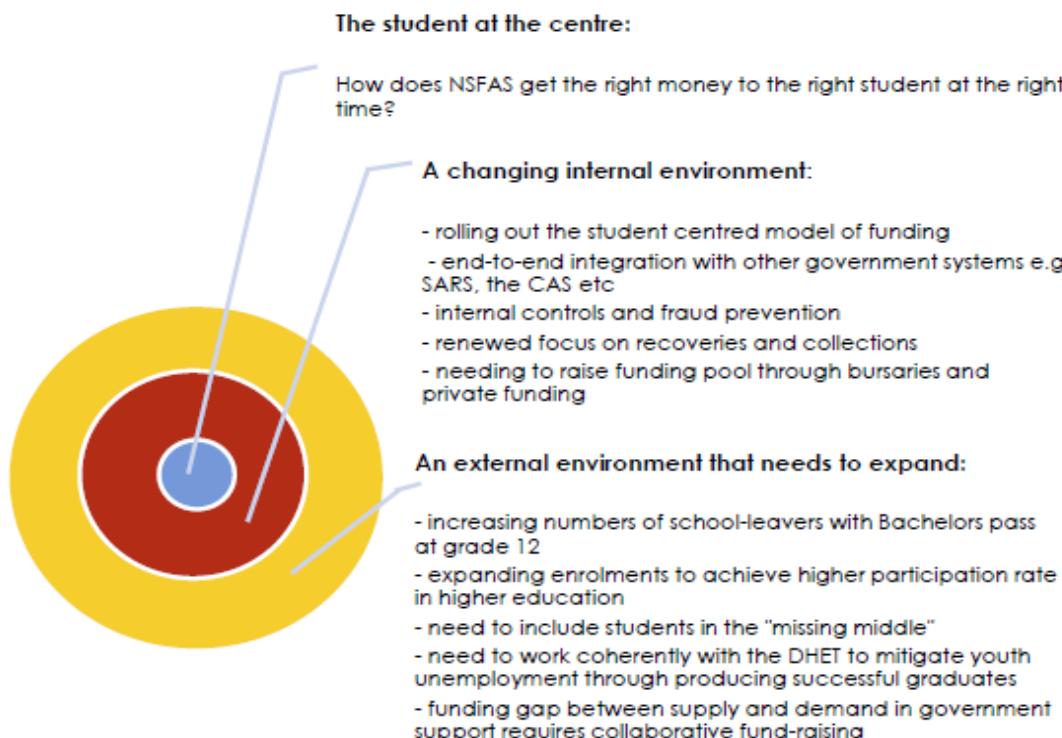
RECOMMENDATIONS

These recommendations are built on a broad understanding of the elements which this review of the research has highlighted and have been developed out of an understanding of NSFAS within its current process of undergoing transformation – in policy, process, practice and people.

i. Sharing effectively the understanding of NSFAS' mandate

The paper has reflected on a number of different components that make up the design of the system of financial assistance provided by NSFAS to students, and

has focussed significantly on 'getting the right funding to the right student at the right time'. It has done so within a context of understanding the key challenges and features of the internal and external circumstances within NSFAS operates, as shown below:

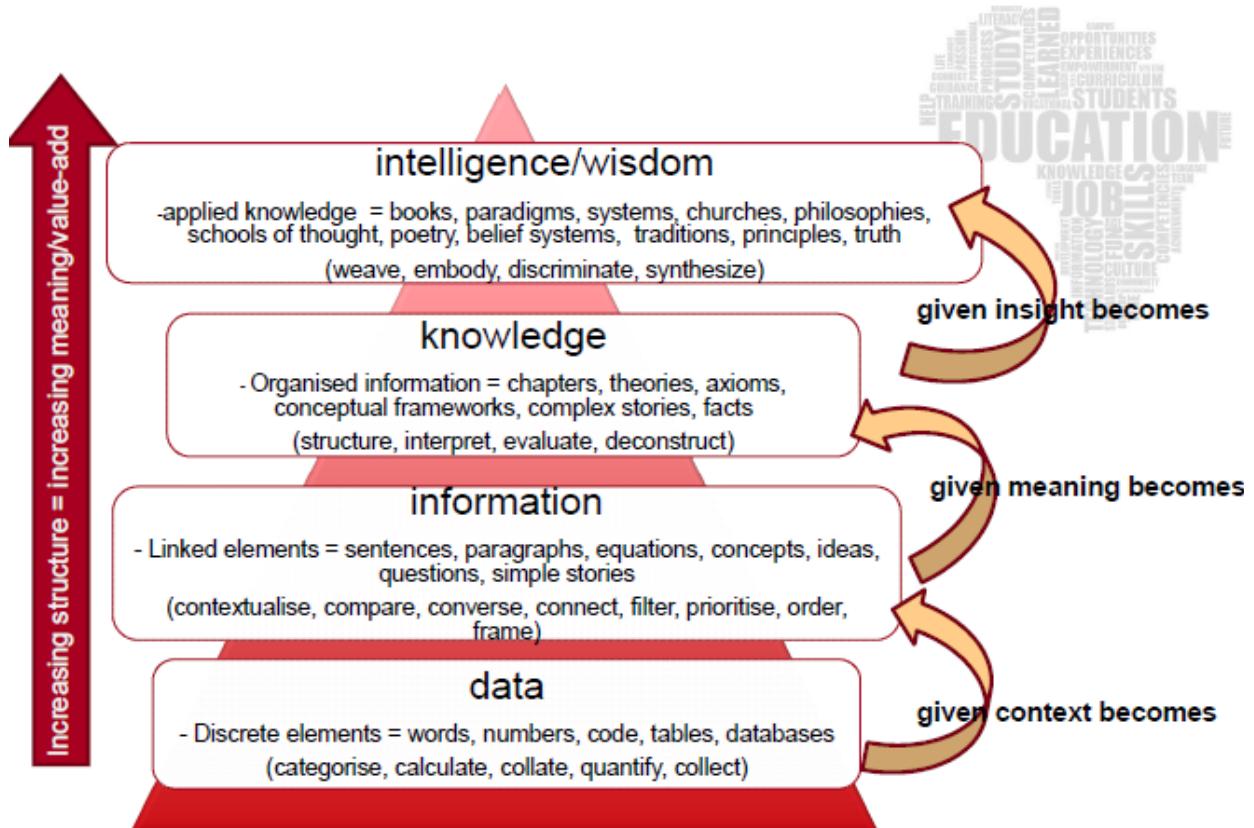


It is critical therefore that this view becomes one which NSFAS promotes actively with its own staff, with its external stakeholders and with its students. The development of active channels for engagement with students, staff and stakeholders needs to become a focus point for NSFAS as it moves increasingly towards the realisation of the student-centred model.

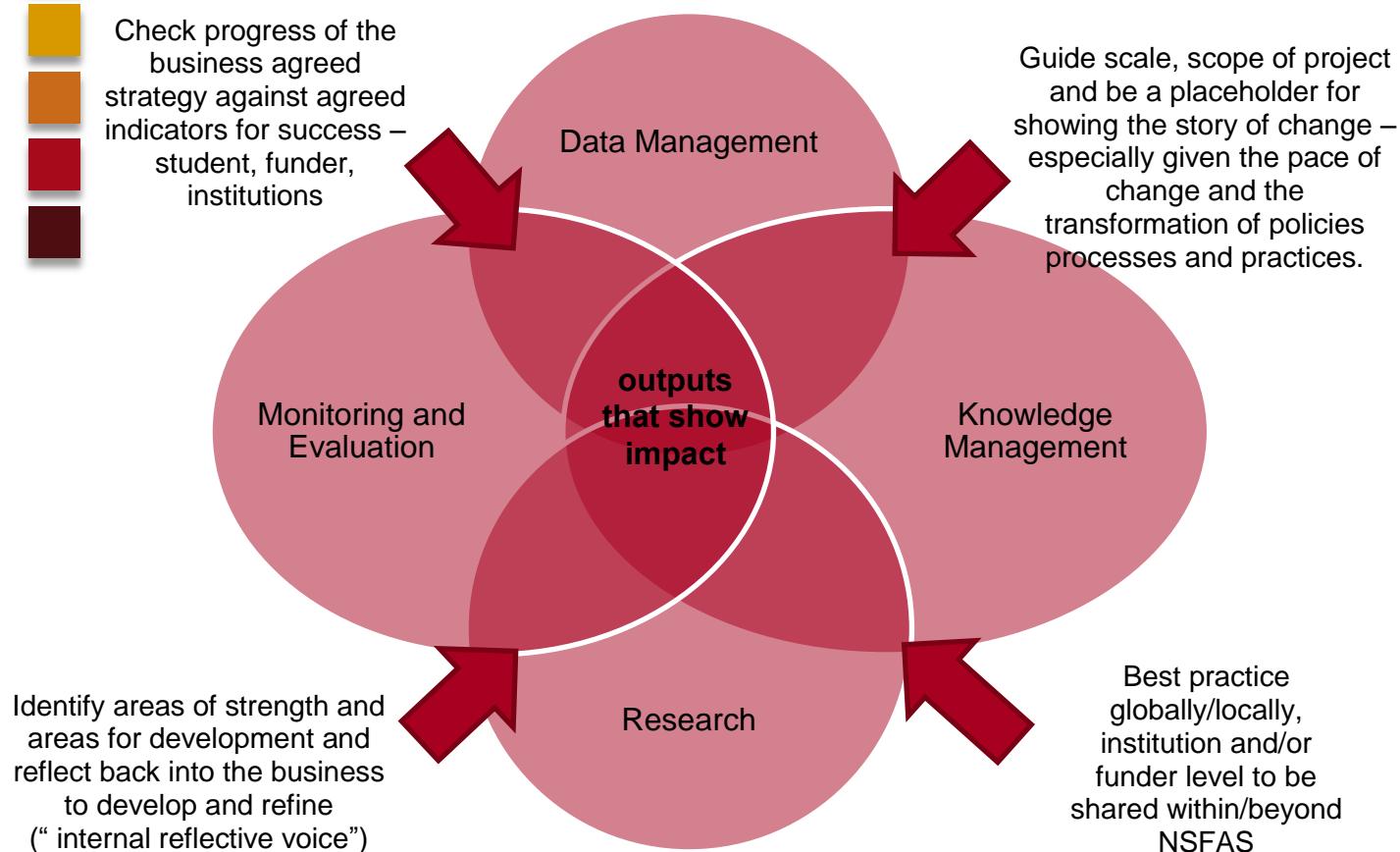
ii. Establishing a knowledge hub within a broader knowledge management framework

As an introduction, knowledge management is a fundamental business activity which actively seeks to embed the knowledge resources of an organisation within the strategy, policy and practice of the organisation at all levels of the organisation. It does this by making explicit connections between the knowledge/intellectual assets of the company – both documented explicit knowledge and tacit personal knowledge – and the attainment of positive business outcomes. As a key part of the process in informing the strategic planning and the monitoring of organisational performance, knowledge

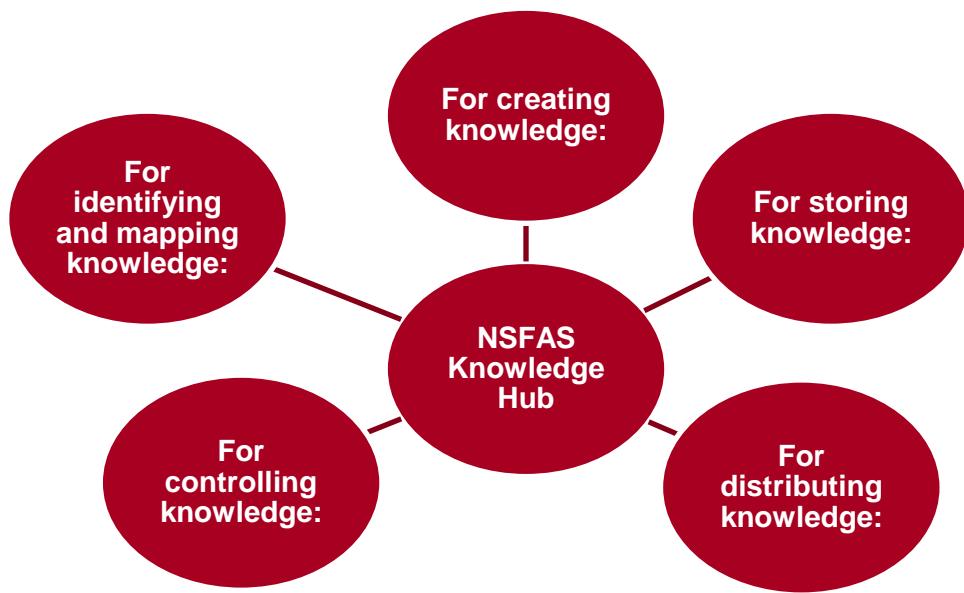
management aims to bring together the past and present knowledge and information to direct the future. It facilitates this by ensuring the easy accessibility of organisational information to any member of the organisation who requires it, and as such, building business continuity and greater accountability to one another and the organisation by removing barriers to information that undermine the performance of an individual or a team within the organisation.



Knowledge management recognises that information and knowledge are company assets – and like all other aspects of a business, needs strategies, policies and tools to be managed. It is a key business activity that primarily aims at using the knowledge (not only the information) component of any organisations' business activities to support and guide the strategy, policy and practice of the business at all levels of the business. It does this by making the linkages between the business' intellectual assets, explicit or tacit, embedded or embodied (documentation, records, experience) and positive business outcomes. For NSFAS looking forward, this strategy needs to create mechanisms whereby the planned performance of the organisation (including historical documentation used to support previous budgets and budget planning cycles), is used to inform the future requirements of the organisation.



Creating a mechanism and system for knowledge management through the establishment of a knowledge hub is critical not only for creating a platform for organisational learning and development but also for furthering NSFAS’ role in leading policy and practice dialogues in the country, across the continent and potentially on the global stage. In its early years, the TEFSA-NSFAS loan programme was clearly recognised as being internationally competitive and an exemplar programme for benchmarking purposes on the continent. By creating systems and a platform for using business intelligence and for knowledge sharing and creation, NSFAS can reclaim this space effectively.



Different platforms, across different media, and in different types of spaces would need to be considered. These would need to be interactive and engaging, and build upon partnerships within the business and within the sector as a whole.

iii. Active critical partnerships between NSFAS and external research and policy agencies

There are a number of key research partnerships that have been referenced in these reports. While most of these are local agencies and entities, there may be the need to also look at global partners – experienced with student financial assistance programmes in both developing and developed countries.

Partnerships with local university research engines – for example, the Development Policy Research Unit, the Labour Market Intelligence Partnership (and the HSRC), the Council for Higher Education, the Bureau for Economic Research (Stellenbosch University), the National Research Foundation, amongst others – is critical to expanding the scope and ensuring the integrity of research outputs published within the sector, particularly where these may play a role in informing the strategy, policy and/or operations of NSFAS. By so doing, NSFAS gains more responsibility for ensuring that the data pertaining to the students funded by NSFAS is portrayed and reflected accurately.

An engaged policy dialogue, not only with external stakeholders, but also with internal stakeholders (as defined in the NSFAS strategic plan) will contribute

significantly to broadening the understanding of the context in which students are funded, the context in which students are supported to succeed and the context in which policy decisions can be made without unquantifiable unintended consequences.

iv. Policy considerations for the Board

NSFAS needs to more firmly codify the non-negotiables for student funding decisions within the funding parameters. Although the NSFAS Handbook has been significantly updated and refined for the 2016 academic year, this will require further enhancement for the 2017 academic year, in line with NSFAS' expanded implementation of the student centred model. While many of the concerns raised in the reports in respect to the non-compliant application of the NSFAS parameters will be addressed in the student centred model, NSFAS must still ensure that its own internal policies, processes and systems are geared adequately to manage the complexities inherent in determining which students must be funded and how much funding they must get.

a. Financial eligibility:

A firmer set of rules on how to weight the financial and the academic criteria may need to be considered in the student centred model. By stricter application of the rules regarding the length of financial support offered to students, and by more closely aligning the academic pass criteria to the maximum period of funding (N+2), this wastage from students who do not ultimately complete can be minimised.

The NSFAS means test itself is under review in this year, with a view to not only updating the parameters of the expected family contribution (EFC) value, but to also ensure that the principles and assumptions used to determine how NSFAS assesses the ability of the family to support a students' full cost of study hold true. The need to adopt other measures as proxies (for example, the school quintiles) for poverty in the absence of good, verifiable data may need to also be considered as part of this review.

b. Academic eligibility:

There is not enough evidence in the reports and papers on this matter to demonstrate that the academic eligibility criteria for students is rigorously enough applied, nor is it of itself necessarily sufficiently rigorous to ensure that students

who are supported by NSFAS funding will in fact succeed and complete their qualifications.

A more intuitive look at student success at university level (as the TVET parameters are much clearer on this), and indicators of the potential for students to complete their qualifications in regulation time (or as close to this as possible) is needed. This may require increasing the courses passed rate threshold, building in a weighting system for the actual average percentage attained for all courses for which examinations were written (and/or funded), or applying priority ranking to students on track to graduate within regulation time, then those on track to graduate within N+1, and finally those on track to graduate within N+2.

Policy dialogue on this with Universities South Africa and the sector more broadly will need to be considered in the process of reviewing this for the 2017 academic year.

v. Re-structuring the research agenda – intent, scale and value-add

As it currently stands, the NSFAS research agenda for the 2016/17 financial year may need some review given the depth of information that is currently available and summarised in this report, and given the need to undertake projects that will make an immediate impact operationally within the business.

Of priority is the need to spend time ensuring that a master dataset can be created so that analysis on the performance of NSFAS-funded students relative to non-NSFAS funded students can be accurately undertaken. Resources need to be assigned to this function, and a core project team allocated to ensure that the full mapping of all data is done in a way that is sustainable and can be annually updated.

The review and re-structure of the means test must take priority in the 2016/17 financial year. Central to the roll-out of the student-centred model in 2017 is the requirement to undergo a review of the NSFAS means test. The purpose of this review is not only to determine how NSFAS can accommodate for the “missing middle” through differentiated loan and grant products, but more critically to ensure that the output produced by the means test accurately assesses the extent to which the family of the student can reasonably afford to contribute to the cost of study. Such a review would need to interrogate the key principles that should be adopted by the Board in determining the conceptual framework for

future means testing, in addition to a technical review of the core inputs and outputs of the means test itself.

Principles that require further interrogation include determining the value of retaining the expected family contribution for both ranking students and determining the value of the actual loan or bursary awarded and/or the adoption of an income threshold linked to poverty data and thresholds (different income bands linked to different product types) and/or the efficacy of using the quintile system as a proxy for poverty in the means-test waiving process. Technical elements of the review must by necessity include a whole-scale review of the basket of goods used to calculate the household subsistence level data by region/municipality, whether or not the EFC produced accurately predicts what a family can contribute based on their income and family expenditure, and finally, the extent to which the data supplied in the means test can be auto-populated into the calculation through interfaces with other data sources through counterparting arrangements with SARS, SASSA and DHA.

To date, only a high-level review of existing literature on means-testing locally and globally has been undertaken, which will be used to craft a policy brief for the consideration of EXMA and the Board/EXCO. This policy brief will be used as an input for the outsourcing of elements of the review work, as NSFAS does not have the capacity or capabilities to undertake this in full internally. Identifying subject matter experts and data sources from other government agencies will be finalised during March, with a view to contracting the relevant agencies. An update on progress will be presented to the Board in June, with the deployment of an updated means test planned for the second quarter of 2016/17.

Low priority projects – or projects which could be potentially outsourced completely – include the following:

- The labour market absorption rate of NSFAS funded students – there are a number of dependencies in respect to this project and research agencies that have access to better data on employment will be better positioned to undertake this project;
- The impact of final year funding – this should be considered more broadly as the impact of incentivising student. In the student centred model, the Final Year fund is a differentiated incentive offering to students rather than a separate funding product and while there are only four universities funded through this model in 2016, follow-up studies at a later time would include all universities. Such a study could be undertaken qualitatively, through a survey rather than a statistical analysis and could be seen as a

- policy brief rather than a full scale research project;
- Recovery mechanisms of NSFAS-type institutions around the world – as a desk top review, this could be undertaken as a policy brief, and may be well served through a partnership with an entity such as the World Bank or other global research partners; and
- An analysis of the additional support that students require to succeed – this could be a policy brief rather than full research, but could be deferred to the following financial year as this is largely outside of NSFAS's current mandate.

CONCLUDING COMMENTS

There is a significant body of research that looks at the critical role of student financial assistance within the broader financing of the higher education sector. Comparisons with other countries – both on the continent and beyond – help to lift out and identify key elements that need to be considered by NSFAS in its drive towards improving its efficiency in the origination of loans, in the recovery of loans and in facilitating access to higher education for students from households who cannot afford to support their children.

Each of these provides a reflection of good practice, a guide for what should be avoided and a view on priorities for NSFAS to consider looking forward. Needing to bring in platforms and spaces in which different stakeholders across the sector can contribute to this is critical, not only to regain NSFAS position as an authority within the sector, but also to broaden NSFAS' view on perspectives that could contribute to its learning as an organisation.

TABLE HIGHLIGHTING OTHER RESEARCH THAT IS AVAILABLE

Reference	Year of Publication	Author and surname	Research owned by
Submissions on the Status & Effectiveness of Student Funding: Department of Higher Education and Training (DHET); National Student Financial Aid Scheme (NSFAS), Higher Education South Africa (HESA), Human Sciences Research Council (HSRC)	2014	Parliamentary Monitoring Group	Parliamentary Monitoring Group, Research Group (available at: https://pmg.org.za/committee-meeting/17701/)
Student Financial Aid Scheme 'a Success'	2014	Socio-Economic Policy, University of Stellenbosch (SU)	Socio-Economic University of Stellenbosch(US)
<i>Vital Stats: Public Higher Education in South Africa 2011</i>	2013	Council for Higher Education	Council for Higher Education
Review of Loan Scheme Underway: Case of National Student Financial Aid Scheme (NSFAS)	2013	Moses, A	University of Johannesburg (UJ)
Organizational Report to the National Congress on National Student Financial Aid Scheme (NSFAS) Funding	2013	South African Student Congress Organization (SASCO)	South African Student Congress Organization (SASCO)
Higher Education Participation 2011. Pretoria: Council on Higher Education	2013	Council for Higher Education	Council for Higher Education
Guide to Student Services in South Africa	2013	Centre for Higher Education and	Centre for Higher Education and Transformation

Research and Policy Working Paper 1 – Reviewing the available research

Reference	Year of Publication	Author and surname	Research owned by
Transformation			
Supporting students with disabilities: The impact of the disability grant and the National Student Financial Aid Scheme (NSFAS) on students with disabilities at the University of KwaZulu-Natal	2013	Phomolo, R	University of KwaZulu-Natal
Present-Day Dilemmas And Challenges Of The South African Tertiary System	2013	Mouton, G	North-West University (NWU)
The Success of Students' Loans in Financing Higher Education	2013	Nyatenge, V.	Higher Education Studies, 3 (3)
Probe into the National Student Financial Aid Scheme (NSFAS).	2013	Zheng Chao	Zhejiang Normal University World Bank
Funding High Education: the contribution of economic thinking to Debate and policy Development	2012	Woodhall, M	<i>International Business and Economic Research Journal</i>
Restructuring and mergers of the South African post-apartheid tertiary system (1994-2011): A critical analysis.	2012	Mouton, N.	Louw, G Strydom,
University must become a Centre of excellence, says Youth League.	2012	Evans, S	<i>Diamond Fields Advertiser</i>
Student diversity in South African higher education.	2012	Mdepa, W	<i>Widening Participation and Lifelong Learning Journal.</i> Volume, 13: 19- 33.
Factors impacting on first-year students'	2012	McGhie, V	Stellenbosch University (SU)

Research and Policy Working Paper 1 – Reviewing the available research

Reference	Year of Publication	Author and surname	Research owned by
academic progress at a South African University			
Do new student loan borrowers know what they are signing? A phenomenological study of the financial aid experiences of high school seniors and college freshmen	2012	Carrie, J.	n/a Iowa State University
The Youth Dividend: Unlocking the Potential of Young South Africans	2012	Hofmeyr, J	n/a Stellenbosch University (SU)
The effectiveness of Student Support Programmes at Tertiary Institution: A case study of Walter Sisulu University	2011	Khuzekazi, N.	n/a Walter Sisulu University (WSU)
Reaping the rewards.	2011	Kadalie, R.	n/a <i>Citizen</i> , p 10
Doctoral production in South Africa: Statistics, challenges and responses.	2011	Mouton, J.	n/a <i>Perspectives in Education</i> , 29(3), 13-29
Re-payment of NSFAS Loans as well as record keeping of student files in South Africa	2010	Namwandi, P.	n/a Government of the Republic of Namibia.
Educational leadership and globalization: literacy for a global perspective.	2010	Brooks, J.	Normore, A <i>Educational Policy</i> , 24(1): 52–82
Higher Education Financing in East and Southern Africa.	2010	Pillay, P	n/a Stellenbosch University (SU) - Centre for Education Transformation

Research and Policy Working Paper 1 – Reviewing the available research

Reference	Year of Publication	Author and surname		Research owned by
Deliberative Democracy in a Global Context: A South African model of higher education?	2010	Buroway M.	n/a	Higher Education Transformation, Cape Peninsula University of Technology.
Field knowledge and learning on foundation programmes.	2010	Garraway, J.	n/a	Rhodes University
The Research–Policy Nexus: Mapping the Terrain of the Literature.	2010	Bailey, T.	n/a	Centre for Higher Education Transformation (CHET) <i>Journal of Social Policy</i>
Does the fear of debt deter students from higher education	2010	Callender, C	Jackson, J	Journal of social policy, 34 (4), 509-540.
Sub-Saharan Africa's Private and Public Higher Education Shares (200-9)	2010	Program Research on Private Higher Education	n/a	Program for Research on Private Higher Education
Academic Development for Improved Efficiency in the Higher Education and Training System in South Africa.	2010	Boughery, C.	n/a	Development Bank of Southern Africa (DBSA)
Increasing equity and compensating historically academically disadvantaged students at a tertiary level: Benefits of a Science Foundation Programme as a way of access.	2010	Downs, C.	n/a	<i>Teaching in Higher Education</i> , 15(1): 97–107
I keep myself clean ... at least when you see me, you don't know I am poor': Student experiences of poverty in South	2010	Firirey, N.	Carolissen, R.	<i>Journal of Higher Education</i> , 24(6): 987–1002

Research and Policy Working Paper 1 – Reviewing the available research

Reference	Year of Publication	Author and surname	Research owned by
African higher education. South African			
Access to and Funding of Higher Education - A General Overview Growth and Expansion of Private Higher Education in Africa	2010	Steyn, G.	Varghesse, N. Stellenbosch University (SU)
The Challenges of Transformation in Higher Education and Training Institutions in South Africa	2010	Badat, S.	n/a Development Bank of South Africa (DBSA)
Challenges in Higher Education come under the spotlight.	2010	Baijnath, N.	n/a <i>Sunday Independent</i> ,
Universities of Technology, Deepening the Debate.	2010	Council for Higher Education (CHE)	n/a Council for Higher Education (CHE)
African Student Affairs Conference (ASAC)	2010	African Student Affairs (ASAC)	n/a African Student Affairs (ASAC)
South African Higher Education: Diversity Overview.	2009	Badsha, N.	n/a University of Cape Town
New Students' in South African higher education: Institutional culture, student performance and the challenge of Democratization.	2009	Cross, M.	Carpentier, C, <i>Perspectives in Education</i> . 27(1), 6-18.
Assessment of students' strengths and the first step to student success. South Africa and beyond.	2009	Schreiner, L.	Hulme, E. Stellenbosch University (SU)
Providing and Managing Student Development Support in Higher Education in a Developing Country.	2009	Van Heerden, M.	n/a University of Pretoria

Research and Policy Working Paper 1 – Reviewing the available research

Reference	Year of Publication	Author and surname	Research owned by
Factors that Facilitate Success for Disadvantaged Higher Education Students: An investigation into approaches used by REAP, NSFAS and selected higher education institutions	2008	Jones, B.	Coetzee, G. Bailey, T. & Wickham, S. Rural Education Access Programme (REAP).
The story of changing realities in the 21st century: Familiar themes, same relevance.	2008	Maree, K.	n/a <i>Perspectives in Education</i> , 26(4), 1-5
Aspects of student equity and higher education in South Africa	2008	Beckman, J.	n/a <i>South African Journal of Higher Education</i> , 22(4), 773-778.
The quest for free education in South Africa: How close is the Dream to the Reality	2008	Lubisi, R.	Center for Education Policy
One Size Does Not Fit All: Traditional and Innovative Models of Student Affairs Practice.	2006	Manning, K.	Kinzie, J <i>Library of Congress Cataloging</i>
The professional and academic trends of student affairs in American Universities: In the perspective of evolution of relationship between student affairs and academic affairs. Comparative	2006	Fang, H.	Wu, W. <i>Comparative Education Review</i> 49(1): 83–124
The impact of changing funding sources on higher education institutions in South Africa.	2006	Steyn, G.	De Villiers, P. Council on Higher Education (CHE).
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Research and Policy Working Paper 1 – Reviewing the available research

Reference	Year of Publication	Author and surname	Research owned by
glance in 2005.			November 2005
Student Loans in Kenya: past experiences, current hurdles, and opportunities for the future	2004	Otieno, W.	<i>Journal of Higher Education in Africa</i> , 40(1): 186-207
The Role of the State in the transformation of South African higher education (1994- 2002): Equity and redress revisited. African universities in the 21st century.	2004	Balintulo, M.	Council for the Development of Social Science Research in Africa.
A new funding framework: how government funds are allocated to public higher education institutions.	2004	Department of Education (DoE)	Department of Education (DoE)
What do college students have to lose? Exploring the outcomes of differences in person–environment fits.	2004	Feldman, K.	Smart, J. Ethington, C. <i>Journal of Higher Education</i> , 75(5): 528–555
Elusive Equity: Education Reform in Post-apartheid South Africa.	2004	Fiske, E.	Human Sciences Research Council (HSRC)
Higher Education Finance and Accessibility: Tuition Fees and Student Loans in Sub-Saharan Africa. A case study prepared for a Regional Training Conference on Improving Tertiary Education in Sub-Saharan Africa: Things That Work	2003	Johnstone, D.B.	World Bank
Students' conceptions of learning: Using	2003	Fransman, J.	<i>South African Journal of</i>

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the ASSIST instrument.			<i>Higher Education</i> , 17(3), 178-183
Public Policy-Making and policy analysis in South Africa amidst transformation, change and globalization: Views on participants and role players in the policy analytic procedure	2002	Roux, L.	<i>Journal of Public Administration</i> , 34 (2)
Assembling spaces: The question of 'place' in further education discourse.	2002	Clarke, R.	<i>Studies in the Cultural Politics of Education</i>
Dealing with the dilemma facing higher education in South Africa against the backdrop of economic globalisation – a technikon perspective.	2002	Van Schalkwyk, S.	<i>South African Journal of Higher Education</i> , 16 (1), 183-187

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³⁶ Please note - references cited in the text are not necessarily included in this list, but may be. They were included in the text in the drafting of the synthesis report, whereas this list above is the reference list that has been used to draft the five working papers.

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