

## **Higher Education and the Poor in South Africa<sup>1</sup>**

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### **Introduction**

In the old dispensation the majority of students attending Higher Education Institutions (HEIs) were white. For example, in 1980 74.8% of students were white and only 12.5% were black (de Villiers, 1996: 359). After the first democratic election in 1994 a definite effort was made to ensure that more students of ‘colour’ attend HEIs. However, the cost of attending HEIs over time increased substantially and made affordability of attending these institutions a big issue, especially for the poor. One of the problems that HEIs encountered was that the real state appropriation (subsidy) per student decreased quite considerably over time. To balance their books HEIs increased tuition fees by more than the inflation rate which made affordability for the poor even more problematic. Therefore specific efforts were made to make higher education for the poor more affordable. The introduction of the National Student Financial Aid Scheme (NSFAS) scheme was one such initiative.

This paper looks at the history of NSFAS since its introduction in the middle 1990s and how it grew and developed over time. It will be discussed who qualifies for a NFSAS award and the requirements that must be met. The demographic profile of the students that received funding will be highlighted as well as the success of students that received NSFAS awards.

### **Financing of the South African Higher Education System**

Over time the public financing of higher education decreased in real per capita terms. From 1987-2003 the number of weighted full-time equivalent students increased by 141.3% (from 183 604 to 442 962) but the number of weighted full-time equivalent instruction/research personnel increased by only 53.5% (from 14 036 to 21 510) [Steyn and de Villiers, 2007]. Over the same period the real state appropriation per student

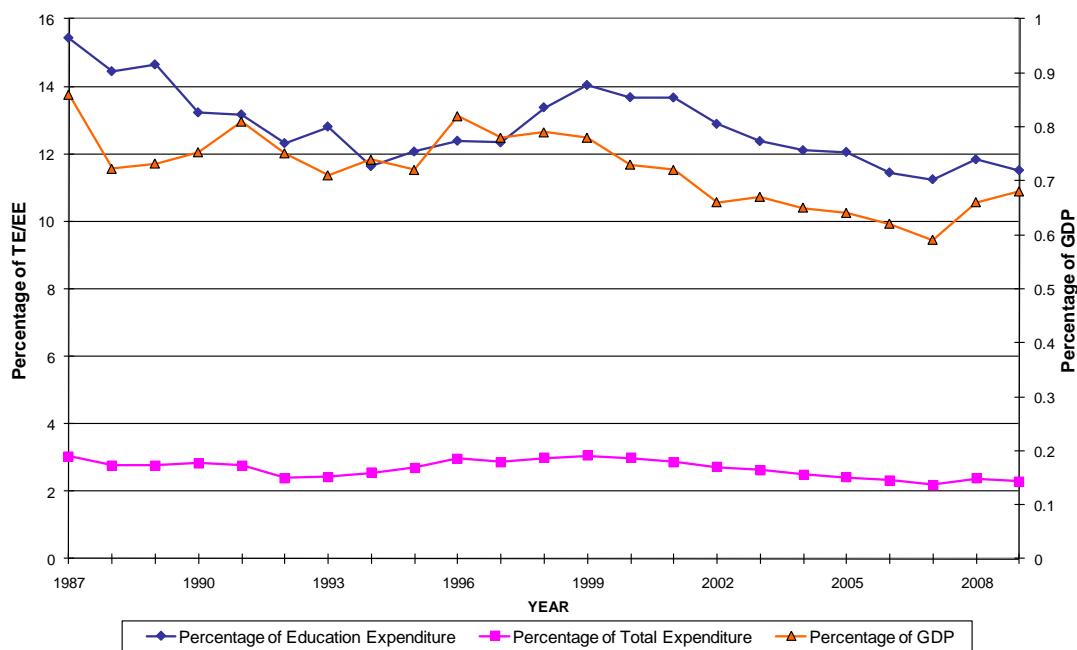
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<sup>1</sup> Preliminary version of paper read at the ESSA Conference, 3-5 September 2011, Stellenbosch.

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(subsidy) decreased by 37.2% in real terms, from R30 556 in 1987 to R19 494 in 2003. In Figure 1 this can be clearly seen. While about 0.83% of GDP was spent on higher education in 1987 only 0.68% of GDP was spent in 2009. In terms of the total expenditure by the state, public spending on higher education decreased from 3.03% to 2.39% over the same period. In terms of the educational budget, higher education's position deteriorated over time. In 1987 higher education received 15.43% of the total education budget, but it decreased quite substantially to 11.51% in 2009.

**Figure 1**  
Expenditure on higher education in South Africa: 1987-2009



From Table 1 it is clear that public expenditure on higher education in South Africa lacks behind the rest of the world. While the government is currently spending 0.68% of GDP on higher education, the international average is a much higher 0.82% of GDP. Only in the countries in East Asia and the Pacific a smaller percentage of GDP is being spent on higher education. Compared to more developed regions like North America and Western Europe South Africa lags even further behind. A disturbing factor is that even in the Sub-Saharan Africa region South Africa (which is frequently seen as the growth train of Africa) lags behind the average. However, the trend in public financing of higher education does not seem to indicate that this picture will change much in the immediate future. This clearly illustrates why HEIs became under more financial

pressure and had to increase tuition fees (in real terms) to survive. Unfortunately this had very negative results on prospective students from poor communities, because it makes higher education more unaffordable to the poor.

**Table 1**

Total public expenditure on higher education as a percentage of GDP for 2007  
according to continent/region

Continent/region	Number of countries	% of GDP Average
Sub-Saharan Africa	22	0.69
South and West Asia	5	0.72
North America and Western Europe	21	1.05
Latin America and the Caribbean	21	0.81
East Asia and the Pacific	10	0.62
Central and Eastern Europe	15	0.90
Arab States	6	0.85
<b>TOTAL</b>	<b>100</b>	<b>0.82</b>

Source: Unesco, 2009: 53 and Table 13 (Author's own calculation)

Data on outstanding student debt at HEIs is not readily available. In a study by Steyn and de Villiers (2006) they showed that for the 26 HEIs (out of the 36 HEIs at the time) for which they could obtain data, students debt almost doubled from R669.0 million in 2001 to R1 337.4 million in 2003. Student debt written off increased from R94.2 million in 2000 to R190.2 million in 2003. This clearly illustrates the problems students experience in financing higher education. NSFAS was introduced to make higher education more affordable for the poor. The rest of the paper looks at the development of this scheme.

### **The National Student Financial Aid Scheme (NSFAS)**

#### **Background**

Since the early 1990s when South Africa starting moving towards becoming a democracy, the problem of outstanding student debt was creating the unlikely situation

that certain HE institutions in South Africa would be unable to continue with their activities if no solution for this crucial problem could be found. Something had to be put in place to help especially the students from previously disadvantaged communities. The provision of additional financial aid to poor students was an effort to create equal opportunities and access to HEIs to all South Africans irrespective of race. The provision of financial aid to needy students would impact on the racially skewed student population of South Africa. Although a substantial portion of the budget has been allocated to education, huge backlogs were created in the apartheid years that put higher education out of reach of the majority of aspiring students.

The National Commission for Higher Education advocated a national financial aid scheme in its report of 1996 (European Commission, 2000). This was also endorsed in the Education White Paper 3. The Tertiary Education Fund of South Africa (TEFSA), established in 1991 by the Independent Development Trust as a not-for-profit company to provide loans to HE students, had the necessary infrastructure to administer the new aid scheme which would be mainly funded by the state. TEFSA was therefore contracted by the Minister of Education to administer the NSFAS. The first state allocation for the NSFAS by the state was made in 1995. The need for financial assistance is massive and there is no way that NSFAS is supplying sufficient funds. For example, in 1996 223 000 students applied for loans, but only 70 000 could be assisted. Already in 1991 the Independent Development Trust provided R50 million to TEFSA to be granted as loans to needy students from disadvantaged backgrounds for the 1991 and 1992 academic years. In 1999 the NSFAS was formally established by an Act of Parliament (Act no 56 of 1999). In 2000, TEFSA was reconstituted as the NSFAS - a statutory agency with a board, representing all the major stakeholders in HE in South Africa, appointed by the Minister of Education. The NSFAS is also collecting and allocating donor funding as loans and bursaries for needy students.

The aim of NSFAS is to ensure that all citizens have access and can afford higher education and training. The NSFAS receives allocations from the state but also donations from local and international donors and then provides assistance to disadvantaged students by means of bursaries and loans. Who qualifies for NSFAS awards? According to the NSFAS Act of 1999 any student may apply in writing for financial assistance, but in order to be eligible for a NSFAS loan a student must:

- be a citizen of South Africa
- be accepted as a registered student at a university or technikon in South Africa when the award is made (after 2004 at a comprehensive university or university of technology)
- be studying for a first tertiary qualification or
- be studying for a second educational qualification provided that this second qualification would enable the student to practice a chosen profession
- be judged to have the potential to succeed
- be regarded as financially needy

For this process to be successfully undertaken a means test has to be applied. TEFSA requests HE institutions (as agents) to answer the following fundamental questions:

- Who should be considered responsible for meeting the costs of the applicant's education?
- What sources of income can legitimately be called upon to assist in meeting the applicant's costs?
- Who should be considered to be dependent on the total income of the household of the applicant?
- How much of the available means can be used to help the applicant to meet the legitimate costs of his/her studies?
- What should be considered to be 'legitimate study costs'?

However, on enquiry it proved that no information about the results of the means test for the first eight years is available in the database of NSFAS. Due to problems inherent in doing a means test one can only wonder how accurate these tests were conducted.

The different HE institutions customised the means test to suit their specific context, but in general it can be summarised in one or more of the following 5 categories:

- Calculations of gross family income with applicants qualifying if their income is below a certain predetermined maximum.
- *Per capita* income which takes into account the gross income of the family, but also the number of dependants in that household.

- A points system that takes account of the above, but also takes into consideration if parents are divorced or other dependants in the household are also studying at a HE institution.
- A questionnaire and interview by a skilled interviewer to explore the complexities of the student's background.
- Notional disposable income that takes into account family size, what each member of the household needs to live on and the income available to finance the applicant's studies.

Because TEFSA/NSFAS could not handle all the administration they had to rely on the financial aid offices of the 36 HE institutions to act as local agents in executing the disbursement system. (After 2004 when the mergers of HEIs took place the number of institutions decreased to 23.) It makes sense because these institutions are in contact with prospective students all over the country. More specifically these financial aid bureaus' tasks are summarised as to:

- administer loans and bursaries granted to students of the institution
- receive loan and bursary applications forms for students
- consider and assess applications in the light of the criteria (including a prescribed means test) determined by NSFAS for the granting of loans and bursaries
- grant bursaries and loans if the criteria are met after ascertaining whether or not funds are available
- enter into a written agreement with a borrower or bursar in accordance with the provisions of the Act and on terms and conditions determined by NSFAS
- report on the progress made by the borrower at intervals agreed upon by the institution and the NSFAS board
- notify the board immediately if the borrower discontinues his/her studies

In general the decentralised NSFAS scheme is working fairly well, but HEIs have raised a few concerns. The first was in relation to the distinction between part-time and full-time students. Normally part-time or distance education students qualify for smaller loans because they can pay for their studies from their own earnings to a larger extend than full-time students. For example, on average university students received a NSFAS

award of R9 596 in 2003, but students studying at Unisa only R4 604 (Steyn and de Villiers, 2006). With technikons the same difference is experienced. For example, in 2003 technikon students on average received an award to the value of R7 338, but students at Technikon SA only R2 823. All students who previously failed more than once had to enter as part-time students for the purpose of a loan application, while they could still be de facto full-time students. This distinction also had implications for distance education students. Some of the distance education students enrolled for more modules/courses than their residential counterparts and the mode of study should thus not be considered when defining a student as part-time or fulltime.

Other problems with the NSFAS are: students with dual citizenship who try to qualify for NSFAS loans on the basis of their South African citizenship while there is no guarantee that they will take up employment in South Africa; students who fail to meet the criteria of the screening process (in other words they are not sufficiently needy or poor) frequently challenge and blame the HE institutions for trying to exclude them; communication with students in rural areas (without reliable postal services and no fax machines) is sometimes a difficult process; illiterate parents signing the NSFAS forms on behalf of their minor children are sometimes unaware of the financial implications of the contracts.

To ensure that funds for NSFAS are equitably divided between the different HE institutions the institutional allocations are based on the number of disadvantaged students at the respective HE institutions, as well as the costs of study (according to study programme) at each institution. The average full cost of study (*FCS*) for all academic programmes at an institution includes both tuition fee and residential fee. The disadvantaged students index (*DSI*) is determined by means of the following formula:

$$DSI = (FTE \text{ enrolled Black students} \times 30) + (FTE \text{ enrolled Coloured students} \times 20) + (FTE \text{ enrolled Indian students} \times 10)$$

The disadvantaged students' cost index is:  $DSCI = DSI \times FCS$

Finally, the *DSI* and *FCS* measures for each institution are used to apportion the total NSFAS allocation for a specific financial year between all the HEIs and are calculated as follows:  $AF\% = \frac{DSCI}{\text{Sum of all } DCSI} \times \frac{1000}{1}$

The amount that each HEI will receive is thus solely determined by the racial composition of the students at that institution, especially the number of black students. However, at each institution itself no distinction is made according to race and the poorest students should receive NSFAS awards irrespective of their race.

In determining the size of the award to qualifying students, because not all students need the maximum loan amount, the HE institutions are supposed to use the following formula (although most HE institutions actually experience that the maximum amount available through the NSFAS scheme is not enough to cover all the costs of a student):

*NSFAS award = costs - bursaries - expected family contribution*

### **Number of students helped**

In the statistics that indicate how many students were financially supported over the years a distinction is frequently made between the number of awards and the number of students. This creates confusion because one student can actually receive more than one award. The student may receive an amount in the beginning of the year and if funds are still available an additional amount at the end of the year. In the statistics it will be given as two awards, but it is only one student that received it. Caution must be applied when the NSFAS data are analyzed, because it is actually important to only determine how many students were helped in the process and not how many awards were made. As mentioned earlier, funds were granted to needy students before NSFAS was formally founded in 1995. In 1991 R21 million was paid out to 7 220 needy students, in 1992 R41 million to 13 945 students, in 1993 R55 million to 20 245 students and in 1994 R70 million to 25 574 students.

In 1995 NSFAS was formally founded and Table 1 gives the number of students that was financially supported as well as the amount that was paid out in NSFAS awards. On average 88 122 students were helped each year although it is clear that an increasing number of students are supported each year. One cannot add the annual numbers because students received awards for more than one year and then it will be double counting. The amount paid out in terms of awards increased substantially over the years, from a mere R154.0 million in 1995 to R3.2 billion in 2009. Over the period 1995-2009 R15.3 billion was granted to needy students in the form of NSFAS awards.

**Table 1**  
NSFAS awards paid out: 1995-2009

<b>Year</b>	<b>Number of awards</b>	<b>Number of students</b>	<b>Amount paid out (R millions)</b>
1995	43 876	40 002	154.0
1996	73 140	67 641	333.3
1997	68 918	63 272	350.9
1998	75 720	67558	394.5
1999	75 900	68 363	441.1
2000	83 769	72 038	510.8
2001	97 517	80 513	635.1
2002	101 312	86 147	733.5
2003	112 264	96 552	893.7
2004	113 693	98 813	985.0
2005	122 696	106 852	1 217
2006	124 730	107 586	1 358
2007	140 901	113 519	1 791
2008	n/a	117 766	2 375
2009	n/a	135 208	3 154

Source: NSFAS 2007, 2008 and 2010

No information could be gathered about the minimum and maximum of NSFAS awards in the first four years of the scheme. The minimum and maximum values of awards from 1999-2010 is given in Table 2. In 1999 the size of the awards ranged from a minimum of R1 100 to a maximum of R13 300. Currently the maximum amount of a NSFAS award is R47 000, but the minimum value for the last three years could not be found. The maximum amount increased in real terms (at a higher growth rate than the inflation rate) over the period and from 1999 to 2010 the maximum amount increased on average by 12.2% per annum. Clearly it is the intention is that the very poor students must be able to afford higher education if they receive the maximum amount.

**Table 2**  
Minimum and Maximum amounts of NSFAS awards: 1999-2010

<b>Year</b>	<b>Minimum</b>	<b>Maximum</b>
<b>1999</b>	1 100	13 300
<b>2000</b>	1 200	14 600
<b>2001</b>	1 300	16 000
<b>2002</b>	1 400	17 600
<b>2003</b>	1 500	20 000
<b>2004</b>	2 000	25 000
<b>2005</b>	2 000	30 000
<b>2006</b>	2 000	32 500
<b>2007</b>	2 000	35 000
<b>2008</b>	n/a	38 000
<b>2009</b>	n/a	43 000
<b>2010</b>	n/a	47 000

Source: NSFAS, 2007 and NSFAS website at <http://www.nsfas.org.za/profile-statistics.htm>

Although the percentage split between racial groups and sex differ between years on average about 5% of recipients are woman and 46% are men. Approximately 93% of recipients are black, 5% coloured, 2% white and 1% Indian (NSFAS website)

Government's contribution to NSFAS is summarized in Table 3. When the scheme officially started in 1995 a mere R40 million was paid by government to NSFAS to fund needy students. From the table it is clear that government's contributions increased quite substantially over time. From 1995-2010 no less than R12.9 billion was paid to NSFAS and in the current year R5.4 billion is budgeted for NSFAS. On average the state's contribution to NSFAS increased by 31.3% per annum from 1995-2010. This high growth rate is inflated by the small contribution in 1995. However, also from 1996-2010 a healthy growth rate of 15.9% per annum is recorded. The government's intention to make higher education more affordable for needy students is clear.

**Table 3**  
State budget for NSFAS at HEIs: 1995-2011

<b>Year</b>	<b>Amount (R'000)</b>	<b>Percentage increase</b>
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<b>1995</b>	40 000	-
<b>1996</b>	300 000	650.0
<b>1997</b>	200 000	-33.3
<b>1998</b>	296 388	48.2
<b>1999</b>	384 897	29.9
<b>2000</b>	437 400	13.6
<b>2001</b>	440 002	0.60
<b>2002</b>	489 000	11.1
<b>2003</b>	533 000	9.0
<b>2004</b>	578 000	8.4
<b>2005</b>	864 000	49.5
<b>2006</b>	926 000	7.2
<b>2007</b>	1 113 000	20.2
<b>2008</b>	1 502 000	34.9
<b>2009</b>	2 015 000*	34.2
<b>2010</b>	2 373 000*	17.8
<b>2011</b>	5 400 000**	127.5

\* MTEF Estimates

\*\* Announcement by Minister Blade Nzimande

Source: Steyn and de Villiers, 2006; Ministry of Education, 2004, 2005, 2006 and 2009 and Sapa, 2011.

### Repayment of loans

The NSFAS functions as an income contingent loan and bursary scheme. This means that loan recipients only start repayments once they are in employment and earning above a threshold level of income. This ruling decreases the risk for the poor that may be afraid to take out a loan at a normal financial institution, be unsuccessful with their studies, but then still be liable to pay back their loan. This threshold income level is currently R30 000 per annum. A student will then be liable to pay 3% of his/her income as a premium on their loan (which is a mere R75 per month). This percentage increases on a sliding scale until it reaches a maximum of 8% of your income once you earn R59 300 (at this salary it translates to R395 per month). According to the Council of Higher

Education (2004: 194) the initial student award is a 100% loan. Up to a maximum of 40% of the loan can be converted into a bursary, with the extent of the conversion determined by the student's academic results. If 25% of the courses are passed 10% of the loan is converted into a bursary, if 50% of the courses are passed 20% of the loan is converted into a bursary, etc. Although the bursary portion of the loan does not need to be repaid, the loan component must be paid back and the repayment includes an interest charge. Interest accrued on loans at approximately 2% above the inflation rate (based on the previous year's CPI), but since 1 April 2008 it is pegged on 80% of the repo rate as determined by the South African Reserve Bank (5.2% for 2010).

NSFAS is a type of income contingent loan scheme and the payment of loans after recipients left the HEIs seems to be the biggest problem that these type of schemes experience internationally. NSFAS is no exception and the repayment of the NSFAS loans seems to be the most important problem experienced by the scheme. The tracking of debtors between the time when they exit the HE system and their first place of employment has proved to be very time-consuming and this is where most problems are experienced. The situation is even worse for students that fail and drop out of the HE system. Frequently the NSFAS office loses contact with these students. This makes the recovery of outstanding debt a difficult task. These problems are experienced despite the fact that employers are obliged by law to report when they employ NSFAS students. The NSFAS office loses contact with quite a number of the former recipients that makes loan recovery a very difficult task.

Despite these problems it is clear from Table 4 that the capital payments received from former receivers of NSFAS awards increased substantially over the years – from R30.3 million in 1998 to R636.3 million in 2009. However, a personal enquiry at the NSFAS headquarters made it clear that they do not know what they are supposed to receive. It is unclear whether South Africa is doing any better than countries elsewhere in the world that use a similar type of scheme. The percentage of capital payments received from former receivers that are re-injected into the fund to be paid out as new awards stayed fairly constant at around 30% of the amount received. As a result the amount received from former recipients that are paid out in new awards increased substantially over the years. For example, in 2009 a healthy R580.1 million of receipts was re-

injected into the pool of funds to be used as new awards. For the period 2001-2009 on average 20.4% of receipts was re-injected into the fund to be paid out as new awards.

**Table 4**  
Funds recovered from former students that received awards

<b>Year</b>	<b>Amount (R million)</b>	<b>Percentage increase</b>	<b>Amount re-injected from loan recovery (R million)</b>
1998	30.3	-	-
1999	67.7	123.4	13.7
2000	91.7	24.1	9.2
2001	112.4	22.6	149.3
2002	155.8	38.6	150.0
2003	208.5	33.8	168.8
2004	245.3	17.6	246.5
2005	329.0	34.1	261.3
2006	392.4	19.3	296.0
2007	479.2	22.1	294.8
2008	555.7	16.0	396.9
2009	636.3	14.5	580.1

Source: NSFAS, 2007, 2008, 2009, 2010

The provision for doubtful debt should give one an idea about the success with which repayment of loans take place. Table 5 gives a summary of provision for doubtful debt since 2004. The percentage written off is derived by taking into account the economic status of the country (which determines the unemployment rate of recipients of NSFAS awards once they completed their studies), the number of recipients that died (HIV/AIDS played an important role in this regard), recipients that became permanent disabled as well as the number of recipients that drop out of the system. The lower rates from 2005 can be attributed to improved loan recovery strategies that were put into place as well as lower mortality as a result of HIV/AIDS. In 2010 the scheme undertook a student Loan Book review that took into consideration the impact of legislation and economic factors (NSFAS, 2010). According to the NSFAS Annual Report an impairment of R2.6 billion was effected on student loans. This explains the very low

2.9% provision for doubtful debt in 2010 although it is not clear from the report why this was the case.

**Table 5**  
Provision for doubtful debt

Year	Amount (R million)	Percentage
<b>2004</b>	1 239.9	38.4
<b>2005</b>	1 115.5	29.9
<b>2006</b>	1 264.3	27.4
<b>2007</b>	1 234.4	22.8
<b>2008</b>	1 464.9	23.2
<b>2009</b>	1 774.1	23.8
<b>2010</b>	174.9	2.9

Source: NSFAS, 2008 and 2010

As was explained earlier there is an incentive built into the scheme to be successful to convert part of the loan into a bursary. Up to 40% of the loan can be converted into a bursary if a student successfully passes all the courses. From Table 6 it is clear that if the reported statistics are correct that NSFAS students are very successful with their studies. Over the period 1996-2009 they passed on average 74.3% of the courses for which they entered. However, the Ministerial Committee (2010: 69-70) reported that, of all the students NSFAS funded over the years 33% are still studying while the other 67% are not at HEIs anymore. Of these students not studying any more, only 28% graduated, while the remaining 72% dropped out or did not complete their studies. These two sets of statistics tend to contradict each other. However, if the Ministerial committee is correct, it highlights the problem of making it affordable for poor students to enter higher education, being unable to complete their studies successfully and find employment in the formal sector, but still has to pay back their NSFAS loan. If one take into consideration that on average 28.5% of loans (keep in mind that 40% is the maximum that can be converted) were converted into bursaries these statistics seems to contradict each other.

**Table 6**

Percentage of courses passed by recipients of NSFAS awards and of capital converted into bursaries: 1996-2009

<b>Year</b>	<b>Percentage</b>	<b>Per cent of capital converted into bursaries</b>
<b>1996</b>	72.6	26.6
<b>1997</b>	75.3	28.9
<b>1998</b>	76.1	29.4
<b>1999</b>	73.8	28.8
<b>2000</b>	74.6	29.4
<b>2001</b>	73.1	28.9
<b>2002</b>	73.9	28.7
<b>2003</b>	72.3	28.2
<b>2004</b>	74.3	29.1
<b>2005</b>	75.6	28.6
<b>2006</b>	73.4	27.5
<b>2007</b>	75.1	27.9
<b>2008</b>	76.5	28.3
<b>2009</b>	74.0	28.0
<b>Average</b>	<b>74.3</b>	<b>28.5</b>

Source: NSFAS, 2007; 2010 and NSFAS website available at  
<http://www.nsfas.org.za/profi-statistics.htm> (Accessed 12 August 2011)

Despite all the efforts by the parties involved in higher education students still find it difficult to finance their education. Therefore R200 million was allocated to former recipients of NSFAS awards that completed their degrees, but have not received their degrees or certificates due to outstanding debt at HEIs (Sapa, 2011). This will allow an estimated 25 000 former recipients to enter the labour market as qualified workers. President Jacob Zuma announced at the beginning of 2011 that students in their final year that qualify for NSFAS funding will receive a loan that covers their full costs of study (tuition fee plus living expenses) and if they are successful the last year's loan will be converted into a bursary (NSFAS website). For those final year students that fail it will remain a loan. For the duration of the scheme interest was paid from the moment a loan was taken. From 2011 no interest will be paid on these loans until 12 months

after graduation. Clearly, deliberate efforts are being made to help students from poor communities to make higher education more affordable.

### **Concluding remarks**

Over time government's spending on higher education decreased as a percentage of GDP and lacks behind the international norm. Also the slice higher education is receiving from the education budget decreased over the last 20 years. Because government appropriations decreased in real per capita terms HEIs increased their tuition fees by more than the inflation rate over the time period under discussion. This made higher education more unaffordable for the poor.

The NSFAS was introduced in 1995 to change the racially skewed composition of the student population in South Africa by providing funds for disadvantaged but deserving students to afford higher education. From 1995 on average 88 122 students were financially supported each year with a NSFAS award and for the period 1995-2009 R15.3 billion were paid out as NSFAS awards. The maximum size of a NSFAS award was R13 300 in 1999 and increased substantially to R47 000 in 2009. The state's budget of NSFAS increased from a mere R40 million in 1995 to R2.7 billion in 2010. In total R12.9 billion was paid towards the NSFAS. Over time the racial composition of the student population changed markedly. In 1995 50.2% of students in higher education were black and 37.5% were white. By 2008 blacks represented 64.4% of the students and whites 'only' 22.3% (SAIRR, 2010: 438).

Repayment of loans increased considerably. In 1998 only R30.3 million was received as capital payments from former recipients, but this increased to R636.3 million in 2009. The amount re-injected from these capital receipts also increased substantially, from R13.7 million in 1999 to R580.1 million in 2009. However, about 24% are written off as doubtful debt that raises questions about the efficiency of loan recovery.

According to NSFAS's publications students on average passed 74.3% of the courses for which they enrolled for the period 1996-2009. As a result 28.5% of the loan amount has been converted into bursaries. However, the Ministerial Committee quotes flow

through rates that are far below these type of figures. At the moment it is uncertain whose figures are correct.

Over the years NSFAS contributed to make higher education more affordable to the poor and also helped HEIs that traditionally serviced poorer communities to balance their books. Without these NSFAS payments there is a serious question whether these institutions would be able to continue with their business. Without question the scheme contributed positively to make higher education more accessible and affordable to the poor. The success with which students progressed through the system is unfortunately questionable.

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