

TAKING A SEAT AT THE TABLE: THE VALUE OF PRIVATE HIGHER EDUCATION IN SOUTH AFRICA

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ABSTRACT

In marketing, perception is reality. This scholarly discourse investigates the inherent bias manifested in the perceived disparity between qualifications conferred by private higher education institutions and public universities within the South African context. It is argued that Private Higher Education Institutions (PHEIs) are integral to the education system. Government funding for students who elect to study at a PHEI would be a strategic investment in the nation's future. The article begins with a summation of the higher education (HE) landscape in South Africa, highlighting the target student enrolment numbers set by the National Development Plan 2030 and the need for additional investment in the sector in its entirety. The article raises the question of what makes a qualification from one institution more valuable than a qualification from another registered within the same quality assurance and accreditation framework where students can articulate from private to public Institutions and vice versa.

Furthermore, the article explores the constraints experienced by students eligible for financial assistance but excluded from eligibility by the National Student Financial Aid Scheme (NSFAS) when electing to study at a PHEI. The article emphasises the significance of addressing these biases and advocates for promoting the equitable treatment of PHEIs and public universities within the domestic HE landscape. The article highlights the need to improve access to HE and foster social justice in the South African HE system.

Keywords: Private HE, South African Qualifications Authority (SAQA), Council on Higher Education (CHE), perception of quality

INTRODUCTION

This article critically engages with the preconceived biases and prejudices associated with the alleged disparity in the value of qualifications obtained from Private HE Institutions (PHEIs) (DoE 1997, Chapter 7; James 2022) instead of qualifications obtained from public universities in South Africa. The pivotal role of PHEIs within the broader educational ecosystem is underscored, and the article advocates for expanding government funding to promote a more inclusive, equitable, dynamic, and quality-centred educational landscape.

The article maps the terrain of South Africa's Higher Education (HE) sector, specifically, the student enrolment goals set for HE by the National Development Plan (NDP) 2030. It argues that aligned with the goals of the NDP, increasing access to quality HE is crucial for the socio-economic development of South Africa. While public universities play a vital role, including private HE institutions can significantly enhance educational opportunities. It is therefore argued that it is essential that the government prioritise equal opportunities, individual choice, educational diversity, and fairness in its support for students pursuing HE. The government should foster a more inclusive and equitable education system by providing bursaries to qualifying students enrolled at public or private institutions.

Further, the article scrutinises the obstacles confronted by students eligible for financial aid under NSFAS but who cannot utilise the funding to exercise their freedom of choice to pursue their studies at a PHEI. It is posited that these difficulties underscore inherent biases that require thorough examination and correction.

The central argument posited in this article advocates for the equal treatment of PHEIs and public universities through the resolution of disparities in research and student funding. The article concludes by emphasising the necessity of improving access to HE and promoting social justice within South Africa's education system, thus guaranteeing a fair and inclusive environment for all stakeholders.

The Current HE System in South Africa and the Critical Role of PHEIs

In this section, a brief overview is provided of the current education system in South Africa, paying particular attention to HE and public and private tertiary education. It also highlights the uneven policy environment in the tertiary education sector. Moreover, it will exemplify the pivotal role that private HE plays in this system's overall development and expansion.

Meeting the need for tertiary education: Policy targets for public and PHEIs

The growth of the PHE sector in Africa remains marginal, at approximately 20% per annum. However, the importance of PHEIs is patently evident in addressing the gaps in the public HE sector, including creating job opportunities in the traditionally conservative HE sector (Mboyonga 2025; Tamrat and Teferra 2018, 19).

The public HE system in South Africa includes 26 public universities (CHE 2010,167), segregated into eleven Traditional, nine Comprehensive, and six Universities of Technology (UoTs) (CHE 2010). The PHEI sector comprises 132 registered PHEIs (DHET, 2022). The noticeable difference between public universities and PHIs is that, while they both are accredited by the HE Act of 1997, only the public HEIs receive state funding and subsidies.

PHEIs receive no state funding, and in accordance with the HE Act, 1997 (Act No. 101 of 1997, as amended), and the Regulations for the Registration of Private HE Institutions published in Government Gazette No. 39880, all private institutions providing HE programmes must register with the Department of Higher Education and Training (DHET).

Although DHET continuously reviews accredited PHEIs to ensure that they conform to the laws regulating private HE, PHEIs receive no government funding, and their students cannot access NSFAS funding. Mindful that HE leads graduates to greater prospects and contributes to national socio-economic development, the Council on HE (CHE) views HE as both a private and public good and not exclusively one or the other (CHE 2016).

South Africa has a young population with a high demand for tertiary education. HE enrolments are also considered critical for the country's further development, as noted in the National Development Plan 2030 (NDP). Further, in a context where the country's youth unemployment levels have reached critical levels, from the perspective of individual students, having a tertiary qualification significantly improves job market prospects. HE provision is positioned within this broader socio-economic context that incorporates significantly high levels of youth unemployment. South Africa is a nation characterised by profound disparities, a characteristic that permeates various aspects of its societal framework, including the domain of tertiary education. Its past, steeped in the shadows of colonial rule and the era of apartheid, continues to contour its contemporary reality.

South Africa's official unemployment rate in Q1 of 2023 was 32.9%. Approximately 8% of unemployed South Africans have other tertiary qualifications, while only 2.7% are graduates (StatsSA 2023, 1). Of the 7.9 million unemployed persons in the first quarter of 2023, 48.3% did not have matric (StatsSA 2023, 7).

Recognising these needs, the NDP sets an enrolment target of 1.62 million students in HE by 2030 (RSA 2012). Public universities enrolled approximately 1.1 million students in 2022, and PHEIs presented an additional 219,000 placement spaces in 2020, accounting for 16.7% of the 1 313,839 headcount enrolments within the HE sector.

In public HEIs, the gender distribution exhibited a higher representation of female students, accounting for 61 per cent (655,427) of the total enrolments, and male students represented 39 per cent (412,428) of the cohort (DHET 2023).

In 2022, the student body's racial demographic composition consisted predominantly of African students, making up 80 per cent (849,246) of the total enrolments. The representation of White students was 10 per cent (108,982), followed by Coloured students at 6 per cent (59,313) and Indian students at 4 per cent (38,911) (DHET 2023).

The NDP targets aim to have 1.25 million Technical Vocational Education and Training

College (TVET) students enrolled by 2030 (a mark revised downwards from 2.5 million), with a student enrolment amount under 600,000 in 2021 and decreasing annually. Minister Nzimande recently noted: “There has been a decline of approximately 5% in the state-funded TVET enrolments over the past three financial years” (Skillsportal 2023). Without significant additional investment into TVET Colleges and public universities to absorb more students, NDP targets can only be met with the support of PHEIs.

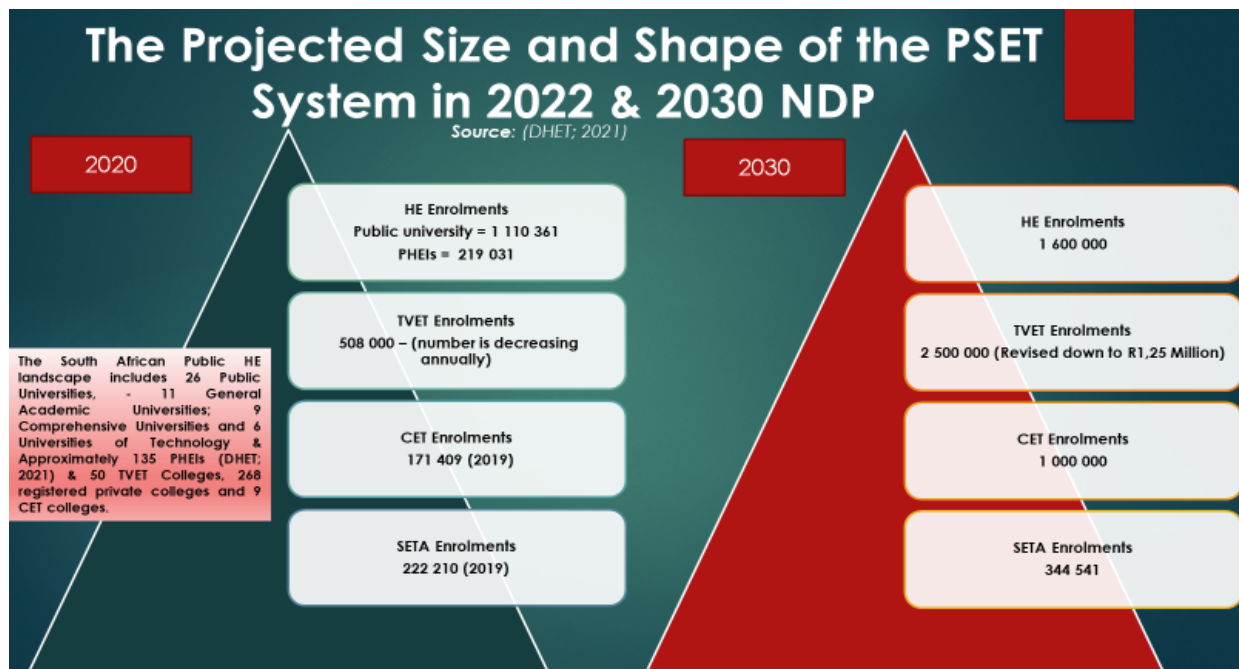


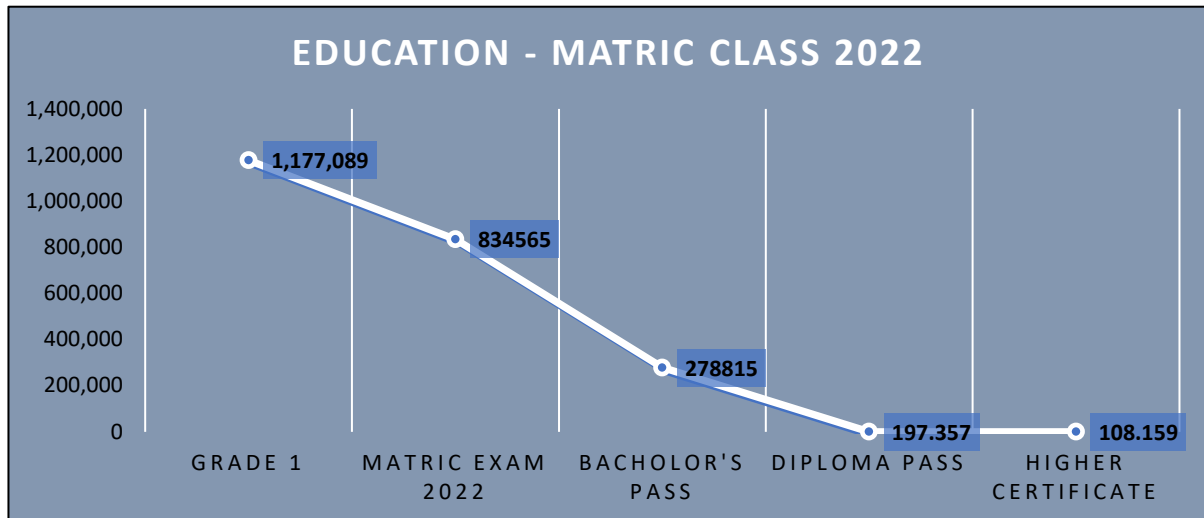
Figure 1: Size and Shape of the PSET (Post School Education and Training) System 2020 and NDP planned enrolment by 2030 (DHET 2021)

The government’s Medium-term Strategic Framework (MTSF) 2019 to 2024 is the second attempt to set priorities to achieve NDP targets, and priority 3 sets out the imperative of Education, Skills, and Health (DPME 2023). These deficits and the critical absorbent role of PHEIs can be illustrated concerning the placement opportunities for the matric class of 2022.

The schooling system in South Africa in 2021 comprised 24 871 schools, 450 993 educators and 13 419 971 learners. Independent schools comprised 2 154 schools, 42 073 educators, and 703 092 learners (PMG 2023).

The matric class of 2022 originally started with 1,177 089 learners in Grade 1 in 2011. 834 565 of the original group of learners wrote the 2022 National Senior Certificate (Vermeulen 2023), 14.9 per cent (108,159) achieved a higher certificate pass, 197,357 (26.7 per cent) achieved a diploma pass, and 287 815 achieved a bachelor’s pass. The learners met the minimum entry requirements for admission to tertiary studies. The public universities can only accommodate around 210,000 first-time-entering students per annum. This situation leaves a

considerable deficit of students that PHEIs or TVET Colleges must absorb to accommodate eligible students who aspire to pursue HE studies.



No table of figures entries found. 2022 learners from Grade 1 to Matric (DHET 2022)

Funding Model for Public Universities and PHEIs in South Africa

State spending on HE as a percentage of GDP nearly doubled from 0.7 per cent in 2011/12 to 1.3 per cent in 2020/21, while tertiary spending as a percentage of the total education budget increased by over seven percentage points in the last decade. Of the expenditure on PSET, 65.4% was on the university sector, 17.3 per cent on the TVET college sector and 1.9 per cent on the CET (Community Education and Training) college sector in 2020/21 (DHET 2022).

DHET MTEF BUDGET OVERVIEW 2022–2025	2022/2023	2023/2024	2024/2025
Allocation – University Education	R 88 581.7 BN	R 92 642.1 BN	R 98 556 BN
Total DHET Budget	R 130 134.2 BN	R 135 564.4 BN	R 143 747.1BN
Consolidated Government Expenditure	R 2.16 TRILLION		

Table 1: DHET MTEF Budget Overview 2022–2025 (DHET 2022)

Public accountability necessitates that institutions receiving public funding provide comprehensive reports on their effective and judicious use of these resources, the outcomes achieved through financial support, and their alignment with the nation's policy objectives and priorities (DHET 2023). These reports must comply with the stipulations in the Regulations for Reporting by Public Higher Education Institutions, as per Government Gazette No. 37726,

Notice 9 June 2014.

The previous public university's funding system, which was in force until 2004, distinguished between Universities and Technikons; in 2007, a unified set of funding rules came into being (CHE 2016, 325). Institutions of higher learning benefit from fiscal resources from the state procured through block and earmarked grants. The primary application of block grants pertains to operational expenses.

Public universities receive State subsidies delineated between block grants that include (i) teaching input (enrolments), (ii) teaching output (graduations), (iii) research output (approved publications and research Master's and Doctoral graduations) and the specifics of the institution (based on size and proportion of historically disadvantaged students), and earmarked grants distributed through the DHET (DHET 2021). The computation of block grant allocations and progress reports for earmarked funds heavily rely on the accurate and audited data from the HE Management Information System (HEMIS) (DHET 2023).

Universities must submit this data to DHET annually, ensuring the information's dependability and accuracy for effective fund management (DHET 2021). The DHET approves annual public university enrolment plans and restricts the number of students enrolled for a specific qualification in an academic year directly tied to subsidy allocations.

NSFAS, under the control of the DHET, funds poor and working-class students from families with gross combined annual incomes of up to R350 000 (DHET 2023). In 2023, the state allocated R47 billion to fund approximately 900,000 NSFAS beneficiaries in the 2023 academic year. In 2023, NSFAS funded approximately 60 per cent of public university undergraduate students and 90 per cent of TVET college students (Bursaries South Africa 2023).

Regardless of socio-economic status, students who attend PHEIs receive no NSFAS funding. NSFAS students must apply and be accepted at one of the 26 public universities or 50 TVET colleges for an approved and funded undergraduate programme to access funding. The total NSFAS expenditure for 2020/21 was divided into 83.2% of funds for universities and 16.8 per cent for TVET Colleges (NSFAS, 2021).

NSFAS Student Funding 2020–2022	2020	2021	2022
Allocation	28,5BN	R30,1 BN	R47,3BN
Revised Allocation	R30,2 BN	R34,1bn	
Number of Students Funded	496 910	542,193	691,432

Table 2: NSFAS Student Funding 2020–2022 (DHET 2022)

Students who meet the eligibility criteria for NSFAS but are unable to secure admission at public universities or TVET colleges face restricted possibilities and limited prospects for pursuing post-school education and training after completing grade 12. PHEIs are an alternative avenue for accommodating NSFAS-qualifying students, the "missing middle" category and financially capable students unable to secure placements due to capacity limitations at public universities. However, opting for PHEIs entails a loss of NSFAS funding, thereby impacting the principles of equal opportunity and the freedom to exercise one's preferred educational choice. NSFAS funding for private HE can thus expand access to education for students who may not have alternative options. By subsidising studies at private institutions, the government could enable a more diverse range of educational opportunities, catering to a broader spectrum of students' needs and preferences. This increased access can promote inclusivity, allowing students from various backgrounds and regions to pursue HE.

NSFAS CUMULATIVE UNIVERSITY DISBURSEMENTS 2021

INSTITUTION	NUMBER OF NSFAS STUDENTS	SUM OF AMOUNT PAID IN 2021
University of Johannesburg	14587	761,437,587.50
University of Stellenbosch	3830	241,106,972.00
University of Cape Town	5877	407,140,867.00
University of Zululand	11023	347,848,355.00
University of the Western Cape	11094	399,204,315.00
University of Free State	21701	1,050,077,167.00
University of Mpumalanga	3800	164,467,117.50
Nelson Mandela Metropolitan University	15447	675,254,837.50
Cape Peninsula University of Technology	15224	574,325,323.00
Mangosuthu University of Technology	8317	285,312,282.00
University of Fort Hare	7072	333,833,051.50
University of Pretoria	11744	677,016,974.50
University of Limpopo	5190	25,580,697.50
Walter Sisulu University	15921	679,098,226.50
University of KwaZulu Natal	22465	1,064,282,537.00
Sefako Makgatho Health Science University	2322	125,320,686.50
Vaal University of Technology	13162	553,179,266.00
University of Venda	8001	363,209,145.00
Durban University of Technology	20797	929,771,261.00
University of the Witwatersrand	9474	598,524,722.50
North-West University	21624	973,806,639.50
Sol Plaatje University	1418	64,047,677.50
Rhodes University	3094	196,865,814.00

INSTITUTION	NUMBER OF NSFAS STUDENTS	SUM OF AMOUNT PAID IN 2021
Central University of Technology	8276	278,004,460.00
University of South Africa	153422	1,824,198,484.00

Table 3: NSFAS university disbursements (NSFAS 2022)

Public University Student Debt: 2011 – 2020	Fee income (R'billion)	Gross Student Debt (R'billion)	% Debt Ratio	% Impairment to Gross Debt
2011	R 13,909	R 3,234	23.30%	54.10%
2012	R 15,429	R 3,494	22.60%	56.00%
2013	R 17,912	R 5,476	30.60%	49.90%
2014	R 19,428	R 6,188	31.90%	57.80%
2015	R 22,351	R 6,973	31.20%	55.90%
2016	R 22,993	R 8,552	37.20%	60.30%
2017	R 25,948	R 9,942	38.20%	63.30%
2018	R 29,074	R 11,342	40.80%	55.20%
2019	R 31,031	R 13,162	39.00%	53.30%
2020 – ex 1 institution % increase	R 31,072	R 16,250	52.30%	56.20%
Average Year-on-Year		20.30%		
2017–2020		63.40%		
2019–2020		23.50%		

Table 4: Student Debt: 2011 – 2020 (DHET 2021)

Increasing student debt in public universities remains a cause for concern. The country's 26 public institutions are owed more than R16.5 billion in unpaid student debt in the 2021–2022 Financial Year (DHET 2022). Universities are, however, estimated at historic student debt ratios to be owed more than R19 Billion in 2023. Student debt results in universities being financially stressed without additional support from the fiscus, affecting them on an operational level, impacting their ability to attract and retain the best academics, and threatening their sustainability in the long term (DHET 2021).

STUDENT DEBT (UG): 2011 – 2020					
Student category	R	2021 registered students	Non-registered students	Total number of students	% to student numbers
NSFAS students	6,688,101,337	174,397	123,184	297,581	40.0%
Scholarships and bursaries	575,085,893	8,924	8,755	17,679	2.4%
Self-paying students	6,494,736,894	62,256	355,789	418,045	56.2%
International students	281,917,424	2,686	8,253	10,939	1.5%
Total	14,039,841,54 8	248,263	495,981	744,244	
R'amount (billion)		R6,147	R7,893		
% of students		33.4%	66.6%		

Table 5: SA University Undergraduate Student Debt 2011–2020 (DHET 2023b)

In contrast to their public counterparts, PHEIs primarily depend on non-government sources of revenue to facilitate their academic endeavours. These include tuition fees, income from investments, and philanthropic contributions.

Tuition fees form a substantial portion of the revenue for PHEIs. The fee structure varies considerably across institutions, degree programmes, and disciplines and profoundly impacts the institution's financial health. Tuition fees and research, often supplemented by miscellaneous fees, enable the PHEIs to cover operational costs, faculty remunerations, infrastructure development, and academic resources.

Investments constitute another significant source of income for PHEIs. These usually involve investing a portion of the institution's reserves in diverse portfolios, including equities, bonds, real estate, and other investment instruments. The returns from these investments help the institutions in their long-term financial planning and sustainability.

Lastly, donations play a pivotal role in the financial ecosystem of PHEIs. These are typically sourced from alumni, private corporations, foundations, and other benefactors. Donations often contribute to establishing scholarships, research grants, and other institutional improvements.

Advocating for increased government funding for universities and PHEIs in South Africa is critical, given the numerous benefits HE can bestow upon society and the economy. It is well established that investment in HE significantly contributes to social, economic, and technological development. The following schematic attempts to detail the apparent kinds of advantages that emerge from HE investment from the government:



No table of figures entries found. Advantages of HE investment from the government (source: author)

While recognising the constraints on public finances, it is essential to view government funding for universities not just as an expenditure but as an investment in the country's future. Such funding can strengthen South Africa's socio-economic development, foster equity, and position the country to compete more effectively in the global knowledge economy. Therefore, it is highly recommended that the government explore sustainable mechanisms to augment funding for universities in South Africa.

Since state funding does not provide financial support for PHEIs, it is essential to note that these institutions contribute positively to providing necessary skills to the South African economy. This differentiates them from public universities, which receive substantial funding from state resources. This lack of government support may pose challenges for PHEIs, mainly regarding financial stability and accessibility for economically disadvantaged students. However, it also fosters an environment of self-reliance, innovation, and adaptability within these institutions.

Completion rates at public and private HE institutions in South Africa

South African HE context addresses the challenges of widening access and improving completion rates in a historically elite and racially segregated system (Ashwin and Case 2018). Public universities average under 50% completion rates, accentuating first-generation students' challenges (Fundiconnect 2023). Public universities had 233 257 graduates in 2021, while PHEIs had 54 551 students graduate (CHE 2021). The CHE publication of 2021 explicitly states

(p. 11) that graduation rates are comparable across private and public Higher Education in South Africa (CHE 2021). Although bias remains in the perception of PHEIs, a survey showed that completing one's studies at a PHEI was perceived as easier than at a public university (Singh and Tustin 2022, 31).

There can be no doubt that PHEIs are crucial in expanding the HE system by producing skilled graduates, reducing the crippling unemployment rate that bedevils the country.

Prejudicial Biases in South African HE

With no funding for students – or any other forms of support – from the government, PHEIs are severely hampered in the vital work they achieve. They are further disadvantaged by reputational damage at odds with their adherence to government compliance and the value of the degrees they offer.

The continued perceived pre-eminence of public HE

In contrast to perceptions of the public schooling system, South Africa's public HE system – or at least parts of it – is highly esteemed. As the CHE 25-year Review clarifies, “what often informs sector and public opinion are the often-untested perceptions based on anecdotal information and a historical tradition of the accepted value of the public university” (CHE 2023, 158). On the one hand, the top-tier public universities in South Africa, by global rankings, still enjoy high perceptual public value (Baleni 2023). UCT, for example, regularly features as the best university in Africa, at number 183 on the Times HE and similarly on the QS ranking.

The Employability QS Graduate Rankings 2022 ranked six South African public universities in the top 500 employability universities. In ranking order, the University of Cape Town in 95th place, the University of the Witwatersrand at 191–200, the University of Pretoria at 251–300, Stellenbosch University, the University of Johannesburg, and the University of Kwa-Zulu Natal at 301–500. No other university in South Africa received a rating in the top 500 employability universities.

Conversely, traditional black universities are still being referred to as historically disadvantaged institutions (HDIs) that receive HDI grants from DHET to facilitate their programmes for improvement in quality and normalisation. The disparity is also evident in the perceptual value by employers of qualifications obtained from previously disadvantaged and historically advantaged institutions.

This kind of bias based on assumptions of meritocracy automatically relegates the HDIs and, the PHEIs for that matter, to some inferior subset. The consequences of this bias are manifested in everyday South Africa, but it merits a deeper interrogation of what drives this

public perception. Cognitive bias takes many forms, but many theories can be loosely summed up with an acceptance of received “wisdom”, historical bias, race, gender, class, and personality assumptions shared by a group one identifies with (Allam 2018; Dicker et al. 2019; Willis and Taylor 1999).

Njabulo Ndebele (Ndebele 1997) tried to tackle the questions of the perceptions and realities of HDIs as far back as 1997 by conducting a historical analysis of their conception and transformation. Ndebele painstakingly recreates the history of the HDIs, from their problematic creation in 1959, the growing resistance and politicisation of these institutions in the 1970s and 1980s, the apartheid regime’s increased punishment of these institutions through depriving them of funds, occupation of campuses and external and internal polarisation for the HDIs. He concludes on a cautiously hopeful note:

“South African HDIs are positioned to engage with issues emanating from a larger national experience and will most likely provide new and stimulating intellectual directions for the future... HDIs will likely be more experimental and adventurous in their general approach” (447).

However, almost three decades later, HDIs are not perceived as “experimental and more adventurous” but still labour under the perception that their teaching offerings and research contributions are inferior to their research university counterparts. Van Broekhuizen (2016) and Bhorat, Mayet and Visser (2010) observed that graduates originating from HDIs experience considerably inferior labour market prospects compared to their counterparts from historically advantaged institutions (HADs). This disparity was evident not only in the areas of employment absorption and inter–employment periods but also in the eventual prevalence of unemployment.

Not that the established research universities are faring much better in reputational reality. Not a day goes by without some form of ruction across the sector, be it procurement irregularities, corruption at the Council level, staff and leadership improprieties and gender-based violence. By way of a random example, between 22 and 24 May 2023, the following headlines appeared in the press across the country:

- Stellenbosch University convocation holds extraordinary meeting over handling of nepotism claims – News24
- “Just allegations”: ANC Eastern Cape on UFH qualifications saga – EyeWitness News
- Two Unisa council members resign in the wake of a damning report into university affairs – News24

- Students to march to NSFAS head office in Cape Town over funding grievances – News24
- UCT council chair Babalwa Ngonyama quits – TimesLIVE
- Police probe after UKZN student allegedly raped at Westville campus – IOL

The most concise summation of the possible areas of maladministration can be found in the recent Report of the Independent Assessor into the Affairs of the University of South Africa (UNISA) by Prof Themba Mosia and his team:

“This assessment revealed a cauldron of instability characterised by a culture of fear, intimidation and bullying, instances of maladministration, financial irregularities, human resources failures, a very fragile and troubled ICT environment, poor student services, academic malpractices, leakages of confidential records, and questionable Management and Council decisions, amongst others” (Mosia 2023, 11).

Nevertheless, public universities continue to be perceived as desirable first options for those entering HE. However, over and above the fact that public universities are state-funded and largely ‘HE municipalities’, they have institutional autonomy built into their founding principles, and, according to the HE Act, this grants them further freedom from scrutiny and accountability. Autonomy and accountability have long been the subject of immense political contestation (Dell 2015) and, as Mosia suggests above, under the guise of autonomy, allow for multiple fissures of maladministration to spread within an institution.

There needs to be more awareness that public universities in South Africa are not necessarily more affordable than PHEIs and do not necessarily offer better value for money. The families of students who attend PHEIs must scrimp and save for their child to complete their studies without NSFAS support – and they will, therefore, arguably place a higher value on the degree.

PHEIs as the next–best option

In a twist of perceptual fate, private or independent schools enjoy the most prestigious South African basic education reputation. Often, matriculants achieve better pass rates than their public peers in the Independent Examinations Board (IEB) curriculum exams and boast better pupil–to–student ratios (16:1) than the public schools (31:1) in 2022 (Centre for Risk Analysis 2023, 8).

However, South African Private HE is perceived as delivering programmes of questionable quality in search of profit maximisation (CHE 2016, 84; Nukunah, Bezuidenhout,

and Furtak 2019). Although PHEIs are a critical component of an integrated HE system, graduates of PHEIs must contend with discriminatory practices by professional councils and employers. For example, PHEIs have had to resort to the courts to address equal treatment. In the case of *The Independent Institute of Education (IIE) vs. the Legal Practice Council* (South African Case Law 2020) matter, the Constitutional Court confirmed that Graduates from the IIE are eligible for admission and enrolment as legal practitioners in terms of the Legal Practice Act 28 of 2014.

In the *IIE vs DHET* (South Africa, High Court, Gauteng Division, 2022) the DHET was ordered to release the regulations for the naming convention criteria for PHEIs as set out in the HE Act (DHET, 2016a) Section 54(7). These regulations were long outstanding and allow PHEIs to use the designations HE college, university–college, or university (CHE 2023, 158) if they meet specific requirements. While a draft policy to categorise South African Higher Education institutions was published in 2022, it confusingly merges public university guidelines with the PHEI framework. It has also seen limited movement towards implementation.

Universities (public and private) will need to be sufficiently adaptable to the rapidly changing needs and skill sets of the workplace. PHEIs, with their focus on diversified curricula, will offer more workplace–ready solutions and careers that are better placed to respond to this dynamic and volatile environment.

Education can be seen as a social contract where citizens collaborate for mutual benefits. This contract goes beyond mere transactions, embodying deep-rooted societal norms and principles of cooperation (UNESCO 2021). "A Theory of Justice" (Rawl 1971) emphasises its foundation on social justice and equality.

Private Higher Education Institutions significantly promote social justice, especially aiding the “missing middle.” Firstly, this group includes parents earning slightly over R350,000 annually, a figure which can inadvertently discriminate against their children. As taxpayers, these parents end up funding students through NSFAS, with their children being disqualified for NSFAS funding. For instance, 49% of the 2023 NSFAS budget supported those from non–tax-paying households (SASSA 2023). It's a paradox where the “missing middle” aids others' education, but their children may remain unsupported.

Secondly, when broken down, an annual income of R350,001 will exclude households from NSFAS benefits and equates to a before-tax monthly income of R29,167. This amount is expected to cover taxes and all living costs for a household. Such financial constraints can severely limit a student's access to tertiary education, affecting their future career prospects and overall quality of life.

By offering low-interest loans and bursaries to the “missing middle,” PHEIs help to level the playing field. This financial assistance ensures that students from these families can access HE, reducing inequities. Furthermore, by enabling more students to pursue their educational aspirations, PHEIs bolster social justice within the academic realm. In essence, PHEIs play a crucial role in ensuring that deserving students, irrespective of their economic background, have a fair shot at quality education.

“The Annual Report on the Compliance of Private Higher Education Institutions with Regulations” also notes the crucial role played by PHEIs in advancing African women’s access to HE. Over the preceding 11 years, the proportion of females has experienced an upsurge. The most significant expansion within the female populace is observed amongst Black Africans – a striking exhibition of gender and racial transformation. This growth occurs despite a decline of 10,202 in female enrolment within the PSET sector during the same year (DHET 2023, 5).

In addition to financial interventions, PHEIs typically offer a range of flexible learning opportunities. These options particularly benefit part-time students by providing various means to complete their studies. Furthermore, the entrepreneurial emphasis within these institutions equips students with the requisite skills to establish businesses either during their studies or upon completion.

Discriminatory practices are ill-conceived for the reasons set out above and beg the question of equal protection of graduates to access employment in furtherance of the objectives of the NQF Act No 67 of 2008 that advocates (i) an integrated single national framework for learning achievements; (ii) facilitate admission to, and mobility and progression in, education, training and career paths; (iii) develop the quality of education and training; and (iv) accelerate the reparation of historic unfair discrimination in education, training and employment prospects.

A COMMON REGULATORY AND ACCOUNTABILITY FRAME

The many discriminatory practices and assumptions discussed above are completely unfounded, as the qualifications PHEIs offer are subject to the same—and at times even more stringent—quality controls as those of public universities.

The equivalency of Qualifications offered in South Africa by the public universities or PHEIs must be registered and enrolled by the South African Qualifications Authority (SAQA) on the National Qualifications Framework (NQF) (NQF Act, 2008). The CHE, Quality Council for Trades and Occupations (QCTO) and Umalusi are the three Quality Councils established to perform legislative oversight and quality assurance of qualifications within their assigned jurisdiction. Qualifications are accredited and registered by assigned quality councils depending

on the type and qualification level. The QCTO is responsible for the Occupational Qualifications Sub–Framework (OQSF); the CHE for the HE Qualifications Sub–Framework (HEQSF); and Umalusi for the General and Further Education Qualifications Sub–Framework (GFETQSF).

The South African NQF has ten levels delineating complexity and qualification type. A doctoral degree is, for example, located at NQF level 10, a master’s degree at level 9, an honours degree or postgraduate diploma at level 8, and a first degree at NQF level 7. This is significant because students should articulate horizontally and vertically between institutions and frameworks in terms of the NQF Act.

Same accountability standards without the cushion of public subsidy

The CHE is an independent statutory body created by the HE Act of 1997. The CHE's mission is to develop a HE system characterised by equity, quality, responsiveness, and effective and efficient provision, governance, and management. The CHE advises the Minister of Higher Education on HE policy issues through the quality assurance activities of its Higher Education Quality Committee (HEQC). It also monitors and evaluates HE through several activities (Parliament Research Unit 2011).

An integral part of its mandate, the CHE includes the accreditation of HE qualifications within its jurisdiction. Complementing the role of the CHE, the South African Qualifications Authority (SAQA) supervises the continued development and execution of the National Qualifications Framework (NQF). This responsibility extends to the registration of national qualifications. The CHE employs numerous methods to evaluate an institution's adherence to predefined quality assurance criteria, compliance that is mandatory for the accreditation of any given qualification by the CHE.

In addition to accreditation and registration, qualifications in South Africa may also be subjected to external and independent quality assurance practices specified by the Quality Councils. Quality Council oversight is vital to ensure the quality of learning and teaching practices across the Academy. All PHEIs must also be registered and approved by the DHET and appear on the approved register of private providers (DHET 2023) before they are allowed to enrol students. Public universities are deemed accredited by the HE Act (DoE 1997, 1(b)).

PHEIs may be perceived as less established and may have a different reputation level, even with all public and private institutions having to prove their ability to offer a programme equally, including providing evidence of the necessary infrastructure, resourcing, and academic staff. As the South African economy will ultimately benefit from skilled and qualified graduates, the question must be asked why there is no financial support for PHEI students

wanting to exercise their democratic right to select their institution of choice, as is the case in several countries, including Botswana.

International and Comparative Perspectives

In contemplating the relative perceptual value of public and private HE in South Africa, it is useful to regard some international and comparative perspectives. In 2020, roughly 235 million students enrolled in HE globally (UNESCO 2022). The global market for post-school education has increased rapidly since the late 1980s at an average rate of 7 % per annum (Setswe 2013, 98).

The World Declaration on HE for the Twenty-First Century: Vision and Action (UNESCO 2018) set out the vision of a university as a common good, with an increased emphasis on equity of access, developing participation and promoting the role of women, long-term orientation based on relevance, diversification for enhanced equity of opportunity, and innovative education approaches: critical thinking and creativity.

“Reimagining Our Futures Together” (UNESCO 2021) encourages all dimensions of HE to come together in an alliance for the betterment of the world and states, in essence, that international cooperation should evolve beyond just emulating the practices and institutions of the industrialised world. It's crucial to promote South-South and triangular discussions. Enhanced communication and agreement among various educational stakeholders—including teacher unions, student groups, youth bodies, civil society, businesses, philanthropists, governments, and the public—is imperative.

Without judging the merits of ranking systems in general and UniRank in particular, it does offer an indication of the African picture: of the 1,279 accredited higher education institutions in Africa listed in the UniRank database, 586, or 45.8%, are government-affiliated or operated, while 601, or 47%, are private institutions (UniRank 2023).

The real difference is African governments' support of PHEIs (Mboyonga 2025). Most often, not in the form of financial assistance, but in other cost-cutting measures:

- In Uganda and Tunisia, the state has given PHEIs land, similar to the land grant arrangement in the USA.
- In Kenya, Ghana, Lesotho and Botswana, loans have been made available that offer PHEI students a lifeline to study.
- In Egypt and Lesotho, the same regulations govern Public and Private HE accreditation — a situation that South Africa has not yet resolved equitably.
- Ghana and Ethiopia have favourable tax exemptions on Privates because these governments

understand the crucial role PHEIs play in nation–building (Tamrat and Teferra 2018).

There is no support for PHEIs in South Africa, even these low–cost (to the state at least) solutions that many in the rest of Africa see fit to provide. It is as if the PHEI has yet to be placed within the dominant discourse of the DHET planning for its future, especially in realising the NDP targets 2030.

How the South African State should support PHEIs

PHEIs are a critical part of the system to reduce unemployment. PHEIs are subject to the same controls and accountability mechanisms as public universities. In 2019, the then DDG: University Education, Dr Parker, set out an elegant integration of the HE sector with all its mechanisms and its commitment to achieving those targets together (Parker 2019). She acknowledged the above in her diagrammatic rendition of the integrated system.

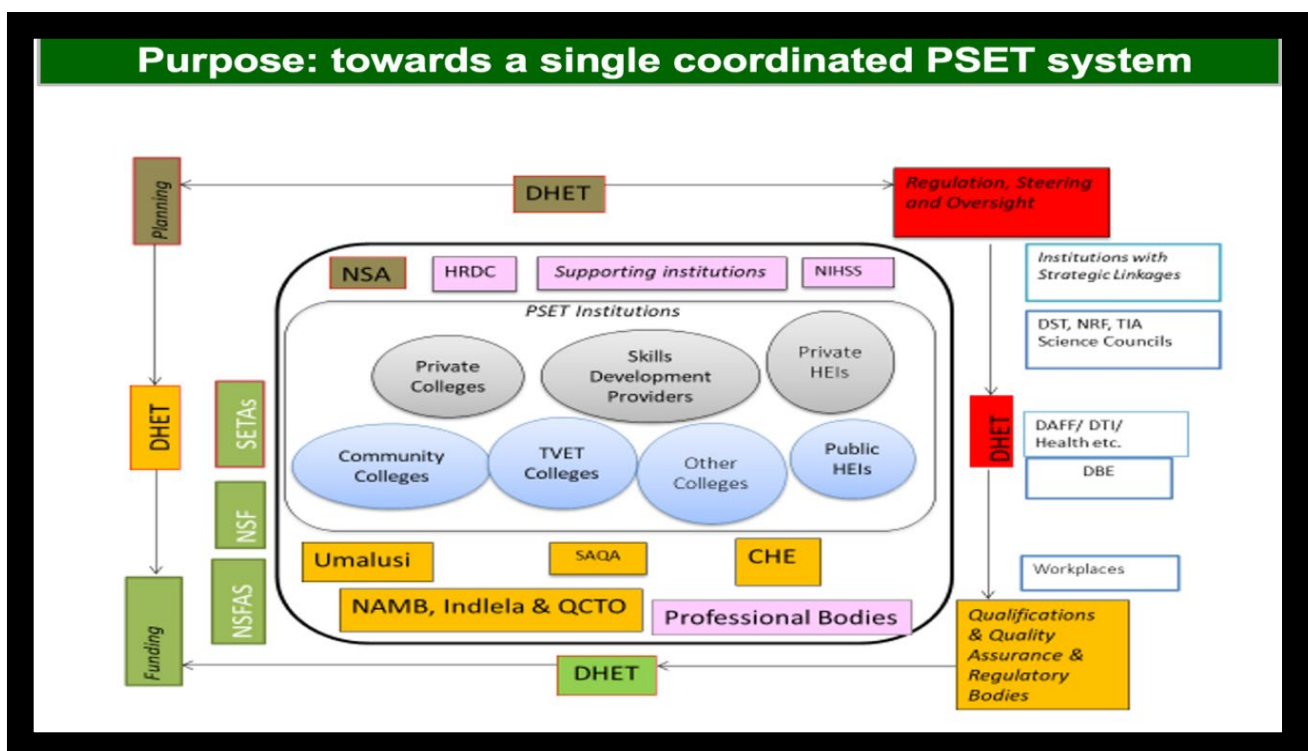


Figure 4: A single coordinated PSET system

PHEIs are included as an acknowledged first principle of a coordinated PSET system. Without wishing to speculate on how the DHET prioritises HE matters, it appears that PHEIs are overlooked. While there is no doubt that instances of disreputable private providers must be (and are) dealt with decisively, the PHEIs are guided by the laws of the King Code IV and, in

some cases, the Johannesburg Stock Exchange; is competitively priced with their public colleagues; generally, have smaller classes; individual attention to students where needed; and most importantly will have a crucial role in realising the NDP targets:

“If a continued growth trajectory for private HE of 10.3% per annum is assumed for the period 2019 to 2030, headcount student enrolments in the private sector alone, excluding the TVET institutions, will reach 581,797 students in 2030, effectively exceeding the (combined) 500,000 targets set in the 2013 White Paper” (CHE 2023).

CONCLUSION

Within the rich tapestry of South Africa's HE landscape, PHEIs are adjuncts and foundational pillars championing more significant access to higher education by carving pathways to a more equitable academic future, focusing on ensuring that vulnerable groups, particularly the “missing middle” and African women, are seamlessly integrated into the expansive realm of HE.

Our perspective must evolve, positioning PHEIs not merely as centres of academic excellence but as key social justice architects. Their indispensable role within the integrated public HE matrix cannot be overstated. While direct fiscal assistance like block grants may be a longer horizon, immediately actionable steps can include exploring tailored fiscal relief strategies inspired by successful African models, instituting an egalitarian policy framework that fosters parity between public and private entities, and acknowledging the unequivocal right of students in private HE to access NSFAS funding. The dividends from such investments are not just academic but economic, as these students, equipped with skills and knowledge, become invaluable contributors to the South African economy through their expertise, innovation, and fiscal contributions.

As South Africa navigates the complexities of its HE journey, the guiding narrative must be deeply rooted in the ideals of inclusiveness, equity, and social justice — these are pivotal in transforming into a socially balanced educational landscape. The government should ensure that this sector flourishes and that PHEIs take an equal seat at the table.

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