NSFAS only recycles inequality

By: Pedro Mzileni

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I was quite surprised when the World Bank (2019) published a study last week depicting its socioeconomic examination of our National Students Financial Aid Scheme (NSFAS). Their eyes clearly stretch beyond what I thought.

They claim, firstly, that the NSFAS model will decrease inequality from the current gini coefficient of 0.66 to 0.59 in 2030. Secondly, they say that university graduates have better chances of finding employment and would be in a better position to repay their NSFAS debts. Third, the conversion of the NSFAS loans into grants for students who come from families earning below R350 000 would give a head start that is better off in life.

The observation by World Bank was expected and it fits into the classic neoliberal paradigm wherein there must be piecemeal changes on inequality as far as wealth ownership is concerned and the material purpose of receiving education is for one to become a precarious member of the consumer class.

There are three issues that the World Bank failed to comprehend which are a chronic problem with NSFAS and the structural limitations which negatively affect the progressive possibilities of what the higher education sector can become.

Firstly, NSFAS is just an invoice for universities to make income. NSFAS does not affect nor play any role in student retention and student success. In addition, NSFAS does not determine nor regulate the academic and accommodation fees that universities charge their students. NSFAS does not have any interaction with universities beyond the payment of fees. It begins there and it ends there.

For instance, when Rhodes University decides to charge, on average, R50 000 per annum for its BCom Accounting degree in 2020, NSFAS's duty is to cooperate with how that university has decided to value its qualifications. With the fees set to increase annually to meet inflation targets and other related factors of the market, NSFAS must continuously adhere with that financial system.

The 26 universities in the country have their own liberty to set their own fees outside government regulation. Their politics of value determination are deeply entrenched in the logic of branding, imaging, ratings, graduation numbers, research outputs, subsidies, third stream donor funding and location.

The same way Manchester United and Arsenal have their eyes glued on who is first on the league table to win a trophy, it's the same with the Vice Chancellors whom have their eyes on the market to see which one has a favourable economics of scale.

These conservative dynamics recycle inequalities between universities wherein the traditional white universities have graduates who have better chances of finding financial health as compared to their counterparts in the rural universities.

Secondly, South Africa has the highest rate of inequality in terms of income and wealth ownership. A study done by FNB last year showed that the black race earns so little such that it is unable to carry its monthly income beyond a period of seven days. They live the remaining 21 days of the month through debt (Independent Online: 2018).

We cannot debate it further as to how the system of apartheid colonialism caused this problem and the conservative economic policies of post-apartheid South Africa have entrenched these disparities further. This is the reality that the World Bank fails to understand about the unique economic climate of this country. A person's success in our country is still strongly determined by their race and proximity to economic assets. One can be educated and still remain in poverty.

Lastly, what this whole scenario shows is that education in South Africa is still not free. Universities still have the liberty to individually set their own fees and increase them at will without any word from the state. The financial model of universities is still moulded around making the student to pay for it and finance its entire operation.

The state in South Africa is still unable to financially standardize universities and make them equally liable for being responsible for quality scholarship. Instead, it is tailing behind them with an invoice called NSFAS to meet their unsustainable levels of financial demand. The curriculum content that universities provide is still embedded in colonial canons. If anything, the #FeesMustFall protests have not decommodified higher education and Africanized the curriculum but rather they have facilitated a class project wherein a select few black and colored professionals with PhDs have ascended into higher posts of the sector under the disguise of "transformation".

Whilst it still remains difficult for a black student who comes from the public education system to complete a three-year-degree in three years, whilst the university fees are unregulated, whilst the youth unemployment rate is above 50% and with 74% of economic assets in the hands of the 5% of the population (Statistics South Africa: 2014), the World Bank cannot afford to claim that NSFAS will resolve our structural challenges of inequality. If anything, in real economic and social terms, the current model of NSFAS will simply maintain, recycle and vigorously deepen inequality.

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READINGS

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