How can South Africa build a fiscally sustainable student-financing model that enhances access to higher education with reference to international experiences

Category: Undergraduate

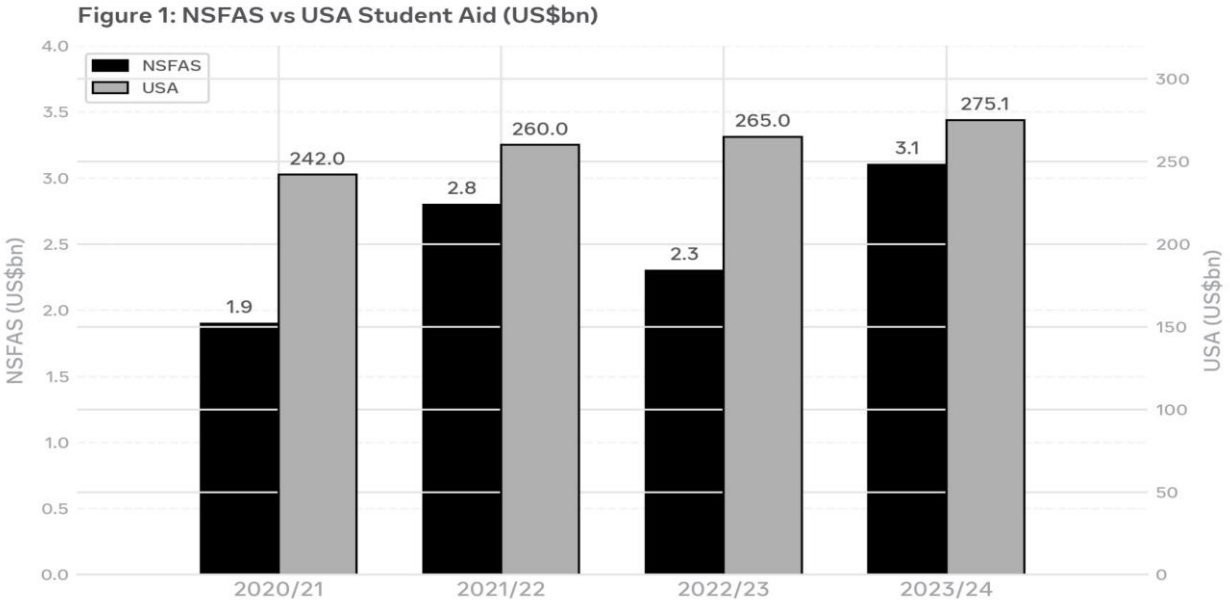
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Skills and knowledge are South Africa's greatly required resources as a result of its variety of minerals (gold, silver) and agricultural revolution. But a country's greatest resource doesn't lie underground or in a field but lies within its people because their skills and knowledge are what turn minerals into a beautiful stone or farms into food. As South Africans we point fingers at the government when crises arise and there is no one to fix it. But the greatest weapon to overcome crises is knowledge and skills. Even a man who is looked down upon, with skills he suddenly turns useful. People say education is key but if no one has access to the key, what's on the other side of the door no one knows, and you can't apply what you don't know, you can only apply as far as your knowledge takes you. Knowledge has capacity to build a nation, so that is why education is very important. Also note nothing comes free because even the food you are freely offered, someone paid for it. Same goes for education.

As education is followed by money, and where money is involved issues arise. Many people, usually students, question NSFAS' approach to funding because, as intended, the fund doesn't reach people who are in need of such funds. NSFAS' supposed duty is to support financially struggling students, but the purpose is now serving as a suggestion. Many students fail to receive such funding because of the application process that determines how well off you are by measuring the income of one's parents, knowing fully well that even if one may come from a well-off background, they might not have the funds to fund their studies, maybe because their parents don't support them going to further their studies or any other reason. Also, the fact is that many students need funding and government doesn't have enough funds to cover every single individual in need. We can observe this using the upper-bound poverty line which was set at R2 635 per month per individual, which dropped from 78,7% in 2006 to 66,7% in 2023. The statistics serve as a reference to the amount of people who are already living below the NSFAS R50 000 and more than 50% of 66% fall under the LBPL. Another factor is the government facing liquidation, leading to the government failing to provide proper service, including funding, such in the year 2023. Late payment, because sometimes NSFAS makes late payments to students, leading to students having to suffer, and some drop out because they are unable to survive through the semester. When such funding fails students, some are forced to drop out and others to rely on criminal activity just to finish their education, in which if they are caught, their

degree will not serve them anything in certain career fields, meaning their knowledge is unhelpful to the country's growth.

In the USA, the system is different. Students get aid from the government, from colleges, and from loans. In 2024/25, students in the USA received $275.1 billion in total aid. Out of that, $173.7 billion was grant aid. Federal grant aid was $53.7 billion, including $38.6 billion in Pell Grants. Institutional grant aid reached $85.1 billion, which means colleges help their own students.



When we compare South Africa and the USA, we can see that both countries spend a lot on students, but the USA spends more and uses different sources. South Africa depends mostly on NSFAS, which is from government. The USA uses government, colleges, and loans together.

My suggestion goes beyond duty but extends to fairness (Fairness Approach). That is where my 3 pillar rules arise. First, equity not equality. Equality says give people equal opportunity, equity says give one what they deserve. NSFAS system is set to provide equality, failing to acknowledge the fact that as a middle-class person I can afford certain things on my own without requiring any financial assistance compared to a lower-class person. The government already provides an amount considered to be unreasonable in this present economy we are facing, so them fighting to provide the same level of financial assistance to every individual creates room for those who were worse off to continue struggling, but if they are funded in proportion to their

financial need, it will serve as a way to avoid students with nothing having to receive this low amount of money, as some reduced from middle and higher class students can be proportionally shared between them. Rule number two is to privatize funds by making them hard to access, because when things are easily available people hardly see its importance. This is where students misuse government funds, knowing fully well that they are not going to be required to pay back. Me saying privatize is because in anything that ends with Pty Ltd you know nothing comes for free. So if, as students, we are required to pay back a certain percentage, even if not every single fund, if ever one has benefited from the fund to a point where they got a well-off job, then they can be required to repay, which can go back into funding other students, reducing the insufficient fund situation the government sometimes faces. This will make the system fiscally sustainable because the money will not finish, it will keep rotating to fund other students.

Or rather, adopt the Norway system because the state agency gives studentship monthly living money as a loan, and up to 40% of the funds convert into a free grant if the student passes their exams. This rewards hard work, as it rewards students who not just finish, but also pass and work hard. And this does not just give opportunity to struggling students, but also ensures it is given to students who actually want to learn. And since this can also cause people to be left in debt, they can also provide room for people to provide a reasonable reason as to why they could not finish, and be cleared of their debt.

And timeliness through early processing. NSFAS usually waits for the due date to start processing payments to students, knowing very well that banks also need to authorize such payment, and even if they don't have to be authorized by the bank, the university admin does their own allocation process independently, which ends up lengthening the payment period to further dates.

Conclusion

In a nutshell, education is important, also is money, because money brings everything to pass. South Africa should not act as a charity organization while putting the future of our nation in danger, because education is not going to be beneficial to just us, so even the next generation require it, so is the funding for such to occur. So South Africa should help the poor, while also rewarding hard work and being fair, encouraging students to finish their degree, so that the system is fiscally sustainable and access is enhanced.

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