Essay 1

Topic:

How can South Africa build fiscally sustainable student financing model that enhances access to higher education?

South Africa can build a fiscally sustainable student financing model by transitioning the National Student Financial Aid Scheme (NSFAS). From heavily strained, grant heavy system into a hybrid income-contigent loan (ICL) and targeted bursary framework integrated directly with the National Tax System.

Core pillars for a fiscally sustainable South African Model

Income-contigent repayments (ICR) via SARS, replace direct collection bottlenecks with automatic. Income - contigent repayments collected through the South African Revenue Service (SARS) once a graduate's income surpasses a defined threshold. This ensures repayments scale with economic reality and prevents severe default rates.

. Performance-Linked conversion Rules:

Retain bursary components or loan-to- grant conversions conditionally based on academic through put and Performance discouraging dropouts while rewarding persistence.

Targeted Living Allowance Controls:

Separate tuition fee coverage from living, accommodation and book allowances, capping disbursements to realistic market standards to curb inflated private accommodation pricing.