

## CHAPTER 5

### STATE, POLICY AND INSTITUTIONAL RESPONSE

#### 5.1 Introduction

This chapter focuses on national pressures as they relate to the changing state-institutional relations, higher education policy and new modes of government control or steering in higher education. The chapter posits the following claims: (i) in post apartheid South Africa the relations between state and higher education changed from state control to state supervision which emphasised steering mechanisms with conditional interference; (ii) while this has not significantly altered the degree of autonomy that institutions like Wits enjoyed under apartheid, it has posed new pressures and uncertainties that have some bearing on Wits' institutional responses; and (iii) Wits' responses reflected the dilemma between its commitment to preserving its institutional legacy and the need to acknowledge the demands placed upon it by the state.

#### 5.2 State-Institutional Models: From State Control to State Supervision

The National Commission on Higher Education (NCHE) captures the various conceptions of state-institutional relations. Three models are discussed: state control,<sup>294</sup> state supervisory and state interference<sup>295</sup> models.

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<sup>294</sup> The state control model was defined as the state having control either bureaucratically or politically over higher education institutions (NCHE Governance Task Group. (1995). *A new Approach to Higher Education Governance at the National Level Framework*. Paper 4. p.4; Johnson, B. (2000). Co-operative Governance? A Case Study of the Broad Transformation Forum at the University of the Western Cape. *Perspectives in Education*, 8(3), 76).

<sup>295</sup> The state interference model was defined as the state's direct intervention in higher education institutions' affairs (NCHE Governance Task Group. (1995). *A new Approach to Higher Education Governance at the National Level Framework*. Paper 4. p.4; Johnson,

The NCHE recommended a shift from the previous state control model to a state supervisory model, defined as the state playing a supervisory role over academic quality. Accountability would be maintained by providing frameworks of rules to guide the behaviour of higher education institutions without undermining the autonomy of institutions, preserved in the constitution.

The supervisory model would be achieved by facilitating complementary and competing interests of the state and civil society referred to as co-operative governance.<sup>296</sup> For institutions this meant widened representation and democratic governance. While the South African government adopted this model, retaining this supervisory role was not consistently observed by the state, as it struggled to maintain a balance between institutional autonomy and national imperatives of redress and social justice.

### 5.3 The State's Hands off Approach: 1994 - 2001

The new democratic state provided six core policy goals to inform higher education policy in South Africa. These are identified in the White Paper as: (1) developing a single coordinated higher education system, (2) increasing and broadening participation, (3) promoting co-operative governance, (4) institutions producing relevant knowledge and curriculum, (5) promoting quality assurance and (6) promoting articulation, mobility and transferability across the education and training system through incorporating higher education into the National Qualifications Framework (NQF). The achievement of these policy goals has been constrained by the need to address the South African history of a stratified

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Johnson, B. (2000). Co-operative Governance? A Case Study of the Broad Transformation Forum at the University of the Western Cape. *Perspectives in Education*, 8(3), 76).

289 NCHE Governance Task Group. (1995). *A new Approach to Higher Education Governance at the National Level Framework*. Paper 4, p.4-11.; Johnson, B. (2000). Co-operative Governance? A Case Study of the Broad Transformation Forum at the University of the Western Cape. *Perspectives in Education*, 8(3), 76.

class and racial structure and South Africa's entry into the world economy during a period of intensified international competition.<sup>297</sup>

Instead of implementing changes in the higher education system, the state commissioned the National Commission of Higher Education (NCHE) to suggest change by drawing on stakeholders' interests and demands. The NCHE released its report in February 1996. This reflected a weak state which had to navigate between preserving institutional autonomy while at the same time bringing about change.

This tentativeness on the part of the state continued from 1998/1999 to 2001. During this time the state provided policy frameworks without any implementation plan. A new bureaucracy was also established during this period to facilitate the state's policy objectives, which included the Higher Education Branch within the Department of Education and a statutory body, the Council of Higher Education (CHE). The latter was launched in 1998 to advise the Minister of Education and assume responsibility for quality of higher education through its sub-committee, the Higher Education Quality Committee (HEQC). Quality assurance is a growing area of concern in higher education, as it is regarded as a key mechanism through which the state imposes standardised compliance orientated mechanisms over the academic profession without asking questions about learning;<sup>298</sup> it is legitimised as a method of accountability. Vidovich and Slee (2001) argue that these are mechanisms of accountability to managers and the market and not to the profession.<sup>299</sup>

Through the Higher Education Act (101 of 1997), powers for the transformation of the higher education system were centralised within the Ministry of Education. The Minister was given powers to establish, close and determine the language

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<sup>297</sup> Department of Education. (2001). *Education in South Africa: Achievements since 1994*. p.31 –33.

<sup>298</sup> Harvey, L. (2002). Evaluation for What? *Teaching in Higher Education*, 7(3), 245 - 263.

<sup>299</sup> Vidovich, L. & Slee, R. (2001). Bringing Universities to Account? Exploring some Global and Local Policy Tensions. *Journal of Education Policy*, 16(5),431 - 453.

policy of higher education institutions. At the time, opposition parties to the ANC saw this as a threat to academic freedom of institutions.<sup>300</sup>

## 5.4 Implications of the State's Hands off Approach for Institutional Relations

Up to this point the state had adopted a distant 'hands off' approach to the developments in higher education.<sup>301</sup> The implication for funding was that government's SAPSE formula, applied to all institutions between 1985 and 1995, continued until the implementation of the new funding framework in 2004. The consequence of this was the continuation of apartheid inequalities between higher education institutions; for example, historically white institutions received more government funding because they had more students in the natural sciences and a higher success rate.<sup>302</sup>

Institutions responded to this 'policy vacuum' by finding ways to adapt to the new post apartheid higher education landscape. For example, as competition intensified and private higher education institutions sprung up, private-public partnerships in distance education mushroomed, while some institutions embarked upon large scale restructuring exercises and encouraged interdisciplinary programs in an uncritical manner.<sup>303</sup> Across Europe there is a growing trend

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<sup>300</sup> Sehoole, T. (2001). *Key Moments in the Policy Formulation Process 1994 and 2000*. Paper commissioned by the Centre for Higher Education Transformation (CHET). p.4.

<sup>301</sup> Sehoole, T. (2001). *Key Moments in the Policy Formulation Process 1994 and 2000*. Paper commissioned by the Centre for Higher Education Transformation (CHET). p. 12.

<sup>302</sup> Bunting, I. (2004). *An Analysis of the Existing Funding of Tertiary Education: The Financing of Higher Education in South Africa: A Background Paper*, Macfarlane, D. (2004, 12 to 18 November). The extraordinary consequences of funding in Education and Democracy A special feature on higher education since 1994, *Mail and Guardian*, p. 13.

<sup>303</sup> Education in South Africa. (2001). *Achievements since 1994 Department of Education*. p.33.

towards deregulation and an increasing role for the market<sup>304</sup> in higher education; in South Africa demands on the state to regulate higher education are still made in the interest of social goals.

There was also significant growth in private higher education provision after 1994. A number of private post-secondary education institutions were operating in South Africa during this time, such as Lyceum College owned by Educor, Damelin Education Group owned by Educor, Institute of Marketing Management independently owned, Midrand Graduate Institution owned by Educor and Boston City College owned by Adcorp.<sup>305</sup>

## 5.5 From Hands off Approach to State Interference

With the National Plan, the system moved from a ‘hands off’ approach by the Department of Education to a far more direct role for the state in the transformation of higher education. Schoole (2001) notes two critical points. Firstly, with the unveiling of the National Plan, the ministry strongly indicated that the Plan was ‘not negotiable’ and secondly, in subsequent amendments to the Higher Education Act, more powers were conferred on the Minister and the Department of Education to lead the transformation of higher education.<sup>306</sup>

This allowed for greater state interference in institutional matters or what Muller (2004) refers to as the “...collapse of loose coupling, reduce (ing) the distance between universities and their external spheres”,<sup>307</sup> meaning that the state would

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<sup>304</sup> Weiler, H. N. (2000). States, Markets and University Funding: new paradigms for the reform of higher education in Europe. *Compare*, 30(3),333-339.

<sup>305</sup> Mabizela, C.M. (2003). *The Evolution of Private Provision of Higher Education in South Africa*. Paper presented at Kenton Conference. p.13- 14.

<sup>306</sup> Schoole, T. (2001) *Key Moments in the Policy Formulation Process 1994 and 2000*. Paper commissioned by the Centre for Higher Education Transformation (CHET). p.12.

<sup>307</sup> Muller J. (2004). *The world is not enough: responsiveness, innovation and the limits of policy in higher education*. Paper presented at a seminar hosted by the School of Education, University of the Witwatersrand. The most extreme case of tightened state-institutional relations is evident in Africa and takes on extreme forms of state authoritarianism and

observe institutional autonomy if institutions complied with conditions such as meeting equity targets. Within the larger body of literature on public management, Newman and Clarke (1997) refer to this tendency as the rise of the managerial state.<sup>309</sup> As a result of widespread concern about this from within academia,<sup>310</sup> the CHE was in the process of launching a high powered task team<sup>311</sup> to advise the minister on governance.<sup>312</sup>

The National Plan is aimed at: (i) changing the shape of the higher education system through increasing participation rates, shifting enrolments towards engineering, commerce and technology and ensuring that staff and student equity targets are met; (ii) ensuring that program differentiation and institutional mission diversity exists between institutions; and (iii) ensuring that the numbers of institutions are reduced but the same number of delivery sites retained.

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repression as discussed in the Nigerian case (Amuwo, K. (1999). *Confronting the Crisis of the University in Africa – Nigerian Academics and Their Many Struggles*. Occasional Paper Series: 3(2). African Association of Political Science (AAPS), University of the Western Cape Resource Center).

<sup>309</sup> Clarke, J. & Newman, J. (1997). *The Managerial State*. SAGE Publications Ltd.

<sup>310</sup> Mail and Guardian Reporter. (2004, 12 to 18 November). Top team to investigate autonomy in Education and Democracy A special feature on higher education since 1994, *Mail and Guardian*, p.6.  
Jansen, J.D. (2004). *Accounting for autonomy: how higher education lost its innocence*. 41st T.B. Davie Memorial Lecture. University of Cape Town.

<sup>311</sup> The members of the task team include Professor Njabulo Ndebele (Vice-Chancellor, University of Cape Town), the Constitutional Court's Judge Kate O' Regan, Mr Steven Friedman (Senior Research Fellow, Centre for Policy Studies), Dr Khotso Mokhele (President and CEO, National Research Foundation), Professor Deborah Posel (Director of Wits University's Institute of Social and Economic Research) and Professor Ebrima Sall (Director of Research, Council for the Development of Research in Africa) (Mail and Guardian Reporter. (2004, 12 to 18 November). Top team to investigate autonomy in Education and Democracy: A special feature on higher education since 1994, *Mail and Guardian*, p.6).

<sup>312</sup> Mail and Guardian Reporter. (2004, 12 to 18 November). Top team to investigate autonomy in Education and Democracy A special feature on higher education since 1994, *Mail and Guardian*, p.6.

Only in April 2001, after the release of the National Plan, was the new revised funding framework published; this provides the ‘funding lever for the systemic and institutional planning approach set out in the National Plan’.<sup>313</sup> It proposes block grants, earmarks funding and replaces the South African Post-Secondary (SAPSE)<sup>314</sup> formula of 2003.<sup>315</sup> Block grant funding is allocated to teaching inputs, such as full time equivalent student enrolments per field and level of study and staff; teaching outputs, namely graduates; research outputs, namely publications and masters and doctoral graduates; institutional costs and foundation programs, such as academic development. Earmarked funding is meant for the National Student Financial Aid Scheme, institutional redress and development, and for developmental priorities.<sup>316</sup>

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<sup>313</sup> Stumpf, R. (2001). *The Proposed New Funding Framework Implications for the Reconfiguration of Higher Education*. University of the Western Cape, Education Policy Unit. p.1.

<sup>314</sup> The SAPSE formula was based on rational choice theory, in that it was driven by the idea that students make rational choices about their careers. SAPSE was applied to universities in 1983 and to technikons in 1987 (Stumpf, R. (2001). *The Proposed New Funding Framework Implications for the Reconfiguration of Higher Education*. University of the Western Cape, Education Policy Unit. p.1).

<sup>315</sup> Stumpf, R. (2001). *The Proposed New Funding Framework Implications for the Reconfiguration of Higher Education*. University of the Western Cape, Education Policy Unit. p.1.

<sup>316</sup> Sehoole, T. (2001) *Key Moments in the Policy Formulation Process 1994 and 2000*. Paper commissioned by the Centre for Higher Education Transformation (CHET). p.36; Stumpf, R. (2001). *The Proposed New Funding Framework Implications for the Reconfiguration of Higher Education*. University of the Western Cape, Education Policy Unit. p.1-2.

The new subsidy formula, which has been implemented from 2004, differs from the SAPSE formula in the following ways: (i) it allocates subsidy for teaching outputs for students who have completed a module or subject regardless of whether they had completed their diploma/degree; and (ii) while previously funding was made available for research inputs based upon student numbers, the new formula focuses only upon research outputs.<sup>317</sup> It is essentially a ‘goal-orientated performance-related’ funding framework.<sup>318</sup> The funding lever is the most significant as it aims to take forward the goals of the national plan. Systemic efficiency is to be achieved through encouraging institutions to develop programme niches and by linking funding to three year rolling plans, which have to be submitted by individual institutions to the ministry. The aim is to get institutions to do what they do best as opposed to what they may wish to do. Through focusing upon outputs, especially with respect to research, the system tends to encourage institutions that have good research outputs, and affects adversely institutions with poor research outputs. The formula encourages institutions to improve their levels of efficiency by improving their teaching outputs. This is referred to as an output orientated model. One key strategy by which teaching inputs and outputs are being improved is that the state requires institutions through its White Paper (1997) and the Higher Education Act (1997) to programme their curricula; this requires breaking disciplinary boundaries and creating more interdisciplinary programmes which are market relevant. This, of course, is more difficult to achieve, as the state has not attached direct incentives and disincentives as in the case of research.<sup>319</sup> The danger with the output orientated model is that it may stimulate quantity either in student completion

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<sup>317</sup> Stumpf, R. (2001). *The Proposed New Funding Framework Implications for the Reconfiguration of Higher Education*. University of the Western Cape, Education Policy Unit. p.1.

<sup>318</sup> Macfarlane, D. (2004, 12 to 18 November). The extraordinary consequences of funding in Education and Democracy: A special feature on higher education since 1994. *Mail and Guardian*, p.12.

<sup>319</sup> Muller, J. (2004). *The world is not enough: responsiveness, innovation and the limits of policy in higher education* Paper presented at a seminar hosted by the School of Education, University of the Witwatersrand. p.9.



rates or research publication outputs, while compromising quality. By encouraging institutions to focus on what they do best, the policy encourages diversity.<sup>321</sup>

By linking funding to the three year rolling plans, the formula requires institutions to ensure a shift in graduate profiles towards science, engineering and technology as priority areas. However, it brings to the fore new contradictions: institutions are under pressure both to increase their student numbers in these areas and their graduation rates, while at the same time experiencing financial pressures as more poor students are taken in without sufficient funds to support them in their studies and there is insufficient academic development to support students in their transition to higher education.<sup>322</sup> Insufficient financial assistance has been highlighted by student protests for access to funding at Wits, North-West University, Tshwane University of Technology,<sup>323</sup> University of Cape Town (UCT), University of Natal and University of Durban-Westville (UDW), resulting in the death of a student at UDW during 2000.<sup>324</sup>

The new funding formula does away with research inputs, as historically these funds were used for other purposes. Significant funding has not been allocated for capacity building initiatives, for example, by earmarked funding. Research outputs are likely to be adversely affected in the long term; it was calculated in

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<sup>321</sup> Stumpf, R. (2001). *The Proposed New Funding Framework Implications for the Reconfiguration of Higher Education*. University of the Western Cape, Education Policy Unit. p.2-4.

<sup>322</sup> Stumpf, R. (2001). *The Proposed New Funding Framework Implications for the Reconfiguration of Higher Education*. University of the Western Cape, Education Policy Unit. p.4-5.

<sup>323</sup> Macfarlane, D. (2004, 12 to 18 November). The extraordinary consequences of funding in Education and Democracy a special feature on higher education since 1994. *Mail and Guardian*, p.12

<sup>324</sup> Vally, S. (2000). Higher Education what does the Future Hold? *Indicator SA*, 17(3), 67-72.

1999 that 70% of all research comes from 6 of the 36 higher education institutions.<sup>325</sup> This output orientation or goal orientation of research is increasingly concerned with application and relevance. Muller (2004) argues that the only way for higher education to save itself is through entering a strategic regime of research which aims at combining basic research with applied research, allowing for the continuation of knowledge production.<sup>326</sup>

While emphasis is placed upon equity and redress, these are not sufficiently supported by financial levers, such as the allocation of funding based on equity for staff and students and allocating sufficient funding to earmarked areas to stimulate redress.<sup>327</sup> The tendency for higher education policy to be more concerned with efficiency and costs at the expense of equity and redress is an expression of the permeation of the “new right” discourse.<sup>328</sup>

As Stumpf acknowledges, the shift towards implementation has come fast and furious and is overwhelming institutions as they

...are totally overstretched in their efforts to respond with vigour and decisiveness to the many issues raised by the National Plan, the new funding framework, the new planning regime for institutions, the Higher Education Quality Committee and the South African Qualifications Authority. South African higher education is in severe danger of suffering from alarming levels of system overload. Most institutions would simply not have the capacity at the moment to develop sustainable

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<sup>325</sup> Stumpf, R. (2001). *The Proposed New Funding Framework Implications for the Reconfiguration of Higher Education*. University of the Western Cape, Education Policy Unit. p.5-6.

<sup>319</sup> Muller, J. (2004). *The world is not enough: responsiveness, innovation and the limits of policy in higher education*. Paper presented at a seminar hosted by the School of Education, University of the Witwatersrand. p.9.

<sup>327</sup> Stumpf, R. (2001). *The Proposed New Funding Framework Implications for the Reconfiguration of Higher Education*. University of the Western Cape, Education Policy Unit. p.6-8.

<sup>328</sup> Ntshoe, I.M. (2002). National Plan for higher education in South Africa: a programme for equity and redress or globalised competition and managerialism? *South African Journal of Higher Education*, 16(2), 7-10.

institution wide research development programmes in addition to all the other pressures generated by the above mentioned policy initiatives.<sup>329</sup>

## 5.6 Wits Responds to the State

A number of responses to the state have been identified by Cloete and Kulati (2002). These include: (i) strategic managerialists who balance striving for academic excellence against responding to market forces; (ii) unwavering entrepreneurs are concerned with selling the goods and services of higher education institutions at a competitive price; (iii) reformed collegialists recognise the centrality of the intellectual agenda while striving for the institution to respond to its new context; and (iv) transformative managerialists strive to transform the institution from authoritarian to democratic from the centre.<sup>330</sup> Elsewhere Kulati (2000) explains that institutions that have adopted an outright entrepreneurial approach are white Afrikaans universities, which historically had least state control while English-speaking institutions have been caught between retaining collegial relations and responding to global pressures.<sup>331</sup>

Wits and UCT, historically white English-speaking institutions, fall within this latter category, as they have striven to preserve their legacy while at the same time responding to national and global pressures. Under the old regime institutions like Wits, ironically, enjoyed a great deal of autonomy. Now as is the case with UCT, Wits has been under much greater external pressure to alter its institutional make-up. During the Charlton era as discussed in Chapter 4, Wits responded by increasing black student numbers significantly and by increasing funding allocations to black students. This approach was unsustainable, however, and soon

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<sup>329</sup> Stumpf, R. (2001). *The Proposed New Funding Framework Implications for the Reconfiguration of Higher Education*. University of the Western Cape, Education Policy Unit. p.6.

<sup>330</sup> Cloete, N. & Kulati, T. (2003). Managerialism within a Framework of Cooperative Governance? In A. Amaral, et al. (Eds.), *The Higher Education Managerial Revolution? Higher Education Dynamics: 3*. Boston and London: Kluwer Academic Publishers, Dordrecht. p.229-250.

<sup>331</sup> Kulati, T. (2000). Governance, Leadership and Institutional Change in South African Higher Education: Grappling with Instability. *Tertiary Education and Management*, 177-192.

student protests escalated; students continued to demand more financial assistance, while the institution was unable to sustain a consistent increase in financial aid because of the declining state financial allocation to higher education institutions.

As a consequence, Wits responded to the NCHE that it needed more funding and financial aid to cater for the needs of its changed student population but without state restrictions on enrolments in fields of study. While requiring greater state financial input, Wits stressed the need to retain its autonomy.<sup>332</sup> Wits has come under a great deal of pressure, not only from the new state, but also from many other new actors such as stakeholders who require change from a social justice point of view, business that calls for improved workplace relevant curricula and the market that places Wits in competition with other higher education institutions.

From 1998 to 2001, a period of numerous policy frameworks and insufficient policy plans, Wits started repositioning the institution by restructuring with the view to finding a place within the new competitive, market driven higher education context. This process included increasing student numbers. The institution was to learn later in 2004 that this strategy was not acceptable to the state and the state's intentions to limit excessive enrolment increases.<sup>333</sup> The period of policy vacuum or 'hands-off approach' led to much confusion and frustration as was evident at Wits.

In April 2002 Wits submitted its 2002 to 2005 Strategic Plan to the Department of Education entitled 'Shaping the Future Delivering Academic Excellence and Serving Needs', again emphasising the institution's strategic orientation of retaining its identity while also responding to the state. In this strategic plan, the university set out its academic plan, based upon its strategic plan and mission statement. What distinguishes this plan from the previous one is that this plan

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<sup>332</sup> University of the Witwatersrand, 30 May 1996, University Archives, Senate House, p.1-2.

<sup>333</sup> *Vice-Chancellor's Office Update*, Issue No. 4, June 2004, University Archives, Senate House, p.1.

focuses upon delivering “the highest quality of teaching and research”, whereas the previous plan focused upon effecting “radical organisational change to achieve new synergies, and cost effective delivery of services.”<sup>334</sup> Wits must balance all the pressures emerging from business, the market and stakeholders.

In Chapter 6 I explore the institution’s search for a new identity during the period of a ‘policy vacuum’.

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<sup>334</sup> University of the Witwatersrand Strategic Plan, Shaping the Future Delivering Academic Excellence and Serving Needs 2002 to 2005, University Archives, Senate House. p.4.