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High university drop-out rates: a threat to South Africa's future

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Executive summary

South Africa's university graduation rate of 15% is one of the lowest in the world. Higher education also reflects broader inequalities, with the graduation rate for white students more than double that of black students. Black students are generally under-represented at universities, a demographic reality that promises to reproduce racial inequalities well into the future.

Broader steps to tackle poverty and inequality are needed to address these disparities in higher education. In addition, we recommend a voucher system to support lower-income students.

Context

South Africa's graduation rate of 15% is one of the lowest in the world, according to the National Plan for Higher Education (NPHE) compiled by the Department of Education in 2001. This is of particular concern given the shifts that have taken place in employment distribution and the critical shortage of high-level skills in the labour market. In combination, these factors are likely to act as a major impediment to achieving the government's economic development goals.

The Department of Education also noted wide disparities in the graduation rates, with the average graduation rate for white students more than double that of black students. To bring about equity, the department identified a need to increase both the participation and graduation rates of black students in general, and African students in particular, with concomitant increases in the representation of blacks and women in academic and administrative positions, especially at senior levels.

The NPHE set target graduation rates that distinguished between contact and distance programmes and different types of qualification. The plan noted that few institutions met the proposed benchmarks. The targets have been found to be unrealistically high and were reduced in 2004 by 2.5-6%. Table 1 sets out the old and new target rates.

Notwithstanding the lower target graduation rates, improving throughput remains a priority, to the extent that the new funding framework links funding to the number of graduates an institution produces.

Trends and policy issues

Previous studies have revealed the stark realities of racial inequalities in higher education. In addition, higher education institutions produce an insufficient number of graduates, particularly black graduates. Some studies argue that universities are not producing enough graduates with relevant qualifications for the labour market. Others point out that the labour market has discrimination problems of its own, most conspicuous in a deliberate refusal to employ graduates from historically black universities.

While the new higher education policy will improve the quality of education programmes offered in the institutions created as a result of mergers, and will also reduce perceptions of inadequacy in higher education held in the labour market, the challenge of resources requires urgent attention, particularly in the historically black universities.

It appears that the government has decided that the costs of getting working-class children to university are too high. Relatively low levels of public funding for tertiary education translate into higher fees, effectively shutting out the poor and

Table 1: Benchmarks for graduation rates, 2001 and 2004

Qualification type	Graduation rate (contact)		Graduation rate (distance)	
	National Plan 2001	Adjusted 2004	National Plan 2001	Adjusted 2004
Up to 3 years undergraduate	25%	22.5%	15%	13.5%
4-year or more undergraduate	20%	18%	10%	9%
Postgraduate up to honours	60%	54%	30%	27%
Masters	33%	30%	25%	22.5%
Doctoral	20%	[Not specified]	20%	[Not specified]

Source: Department of Education (2001, 2004)

reducing the ability of universities to contribute to social and economic development. The United Nations Development Programme ranked South African public spending on education as a percentage of gross domestic product at 32nd in the world in 2000 but only 59th for tertiary education.

Between 1997 and 2003 education budgets stagnated, particularly for higher education. Over the past five years, both overall education spending and transfers to higher education have risen fairly rapidly. But the rapid increase in tertiary enrolment means that public funds per student remain lower than a decade ago. This per capita decline means that universities depend increasingly on private fees. Between 2000 and 2003, public funds declined from 51% of expenditure by universities and technikons to 44%. In 2004, the latest year for which data is available, they accounted for 47%.

Steep university fees contribute to the continued under-representation of black students, which threatens to replicate racial inequality in higher education well into the future. In 2005, 30% of all university students were white, compared with 37% in 1995. White students made up a third of the student body at the University of the Witwatersrand, half of the student population at the University of Cape Town and three-quarters of students at Stellenbosch University. Government tried to help by setting up the National Student Financial Aid Scheme (NSFAS). In real terms, NSFAS loans to students increased fivefold between 1995 and 2005. But each award averaged only R10 000 in 2005 — a fraction of the cost of a university degree.

Existing evidence

Success rates

One way of assessing student progress is to calculate success rates. These rates take into account full-time equivalent student enrolments rather than headcount enrolments. As Table 2 shows, when this data is disaggregated by race, black Africans and coloureds are the worst affected.

Table 2: Undergraduate success rates of contact students in public higher education institutions, by race, 2001-2004

Year	African (%)	Coloured (%)	Indian (%)	White (%)	Average (%)
2001	65	75	78	85	74
2002	70	74	81	86	77
2003	70	71	80	85	76
2004	70	75	79	84	75
Average 2001 - 2004	69	74	80	84	76

Source: Education Statistics in South Africa at a Glance (2001-2004). Department of Education, 2005

All role-players in higher education should be concerned that nearly 14 years since the advent of democracy, the promise of equality has yet to materialise. Black Africans and coloureds, sections of society that bore the brunt of exclusion by apartheid education policies and legislation, continue to lag behind in education success rates. As Figure 1 demonstrates, their performance, in particular that of black Africans, is well below the national average.

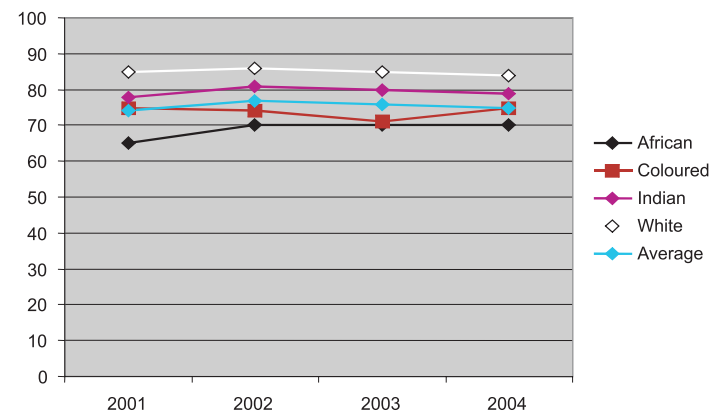
The historical legacy

The dynamics outlined above cannot be understood in isolation. They should be seen as part of the larger historical picture of South Africa, one that is marked by centuries of white settler occupation and colonisation. Domination, hegemony, institutionalised racial segregation and entrenched marginalisation of blacks were all aimed at securing land and labour to drive the largely agricultural and industrial economy.

As late as 1993, provision of educational funding was racially skewed and unequal. In that year the apartheid regime allocated R4 504 for the education of a white pupil, R3 625 per Indian pupil, R2 855 per coloured pupil and a paltry R1 532 per black African pupil.

As Fiske and Ladd¹ argue, there is no doubt that as a result of apartheid policies and legislation, repetition and drop-out rates among black students are high and matriculation pass rates low. Their contention is that an adequate measure of equity

Figure 1: Higher education undergraduate success rates by race, 2000-2004



Source: *Education Statistics in South Africa at a Glance: 2001-2004*. Department of Education, 2005

1. Fiske EB and Ladd HF (2004) *Elusive equity: Education reform in post-apartheid South Africa*. Brookings Institution Press: Washington, D.C.

need not require that whites and blacks exhibit similar outcomes. What it does require, however, is that outcomes for black students be raised to a minimum threshold that will equip them to function as workers and citizens in the new democratic era.

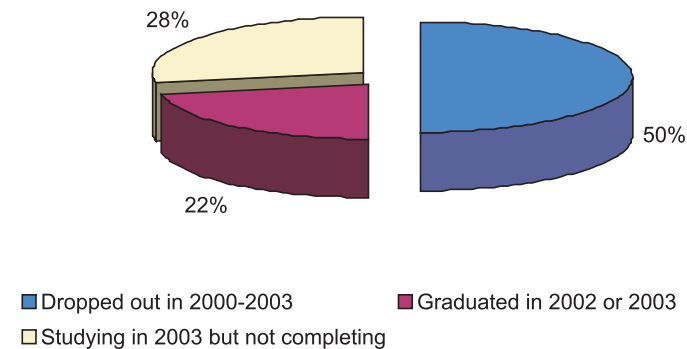
Since 1994 there has been increased migration of the black middle classes from previously disadvantaged black townships to previously privileged whites-only suburbs, and their children now attend the privileged former white schools. But in comparison to this relatively small proportion of the black population, vast numbers of black Africans remain trapped in poverty in townships and rural areas. The majority of their parents and guardians are poorly educated, and in the worst cases not educated at all.

The drop-out rate

In 2005 the Department of Education reported that of the 120 000 students who enrolled in higher education in 2000, 36 000 (30%) dropped out in their first year of study. A further 24 000 (20%) dropped out during their second and third years. Of the remaining 60 000, 22% graduated within the specified three years duration for a generic Bachelors degree (see Table 3 and Figure 2 below).

Subsequently, the department issued a public statement lamenting that the drop-out rate was costing the National Treasury R4.5 billion in grants and subsidies to higher education institutions without a commensurate return on investment. It has since

Figure 2: South Africa's drop-out rate, 2000-2003



Source: Department of Education, 2005

emerged that at some institutions the drop-out rate is as high as 80%. Macfarlane² argues that even when the movement of students between institutions is taken into account, close to 50% of undergraduates drop out. About one in three university students and one in two technikon students dropped out between 2000 and 2004. This drop-out rate raises serious questions about the sector's ability to generate a viable throughput rate.

Socioeconomic status

Recent evidence shows that on average, 70% of the families of the higher education drop-outs surveyed were in the category "low economic status". Black (African) families were particularly poor, with some parents and guardians earning less than R1 600 a month. Yet many of the students coming from these families depended on their parents or guardians for financial support to pay their fees and/or supplement what they get from NSFAS to provide for essential living expenses. Many of those who dropped out indicated that they worked to augment their meagre financial resources, no doubt adding to their stress levels and distracting them from their studies.

Recommendations

A voucher system. Poverty is not confined to historically black universities. Some pockets of poverty are conspicuous even in the former white universities. Targeting according to region or institution is not enough, partly because students move between institutions. A voucher system could assist students financially. The voucher could be issued in the form of a certificate that parents/students could use to pay for education at a university of their choice. Vouchers would allow for

Table 3: NSFAS-supported students in higher education

Year	Total enrolment	NSFAS-supported	% NSFAS-supported
1996	576 872	67 709	12%
1997	580 060	64 433	11%
1998	591 831	67 598	11%
1999	585 234	68 416	12%
2000	590 153	71 080	12%
2001	652 421	80 593	12%
2002	675 160	86 194	13%
2003	717 793	96 605	13%

Source: Student Enrolment Planning in Public Higher Education. Department of Education, 2005

2. Macfarlane D (2006) "Shock varsity dropout stats", *Mail & Guardian*, September 22-28.

greater economic diversity by offering lower-income students the opportunity to attend universities that were previously unaffordable.

Fighting inter-generational deprivations. Research suggests that childhood experiences are related to later social exclusion. University students from poor families study under difficult conditions. They face the challenge of studying in shacks or other cramped living quarters. Several other factors are important in determining the success of students: children from poor families have limited social mobility; matriculants from poor families are likely to drop out due to financial problems; and children from social grants takers need more than NSFAS currently offers. Unless South Africa seriously addresses issues of poverty and inequality, it is unlikely that the high drop-out rates and under-representation of black African students will improve.

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Notes



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