

NEOLIBERALISM AND THE CRISIS IN HIGHER EDUCATION IN SOUTH AFRICA

By IFAA's Student and Youth Department

The Institute for African Alternatives' research team is Alexander Pennington, 'Manapo' Mokose, Michael Nassen Smith and Zimpande Kawanu¹

The socio-economic conditions that sparked the student protests – fee increases, student debt, labour outsourcing and racial inequality – can all be traced to neoliberal ideology and policies.

Not since 1976 has South Africa's youth been so influential in the country's political life. The university protests of 2015 and 2016 gripped the nation, and will likely continue into 2017 and beyond. "Free, decolonial and quality education" has become the most common tagline in student spaces, and there have also been calls for gender equality, the scrapping of outsourcing and the eradication of arbitrary discrimination of any kind on campuses.²

Although student protests have been marked by controversy, the class of 2015/16 has achieved significant things in a short period of time. Indeed, bracketing the actions of a minority, the "student moment" may reignite progressive struggles on campuses, with the potential to spill over into South African society at large. Free education,



Coming to power in the 1990s, the ANC was met by a global consensus on neoliberalism and a great deal of resistance to its economic vision.

decolonisation, and the post-apartheid condition as a whole have become a part of popular discourse. For this, the students should be applauded.

As we embark on the new academic year, many will undertake the task of explaining the rise of the student moment in South Africa. In this article, the Institute for African Alternatives (IFAA)'s student and youth research group contributes to this effort by tracing the crisis in higher education to the evolution of neoliberalism in the post-apartheid era.

NEOLIBERALISM “TRICKLES DOWN” TO SOUTH AFRICA

South Africa’s democratic transition from apartheid in the 1990s drew a significant amount of global interest. Academics, activists, local business, transnational corporations and international policymakers showed interest in the shape it would take, and formed the contested terrain in which the ANC would try to enforce its developmental economic vision (Bond 2013). True to the ideals of the struggle, the economic orientation in the ANC was grounded in the principles embodied in the Freedom Charter, later to be enunciated in the Reconstruction and Development



Increased fees, student debt and outsourcing can all be traced to the neoliberalisation of our institutions of higher learning.

Programme (RDP). The Freedom Charter calls for economic and political equality and a radical redistribution of wealth, imagining a new South Africa as, at the very least, a social democracy. For some, its prescriptions would mark the beginnings of a socialist future in the country.

Like the Freedom Charter, the RDP spoke of the need to restructure the economy, and placed redistribution at the centre of economic policy. In accordance with its overriding theme of “growth through redistribution”

(Marais 2001, 148), redistribution would trigger economic growth and the fruits of growth would be redistributed to satisfy basic needs. The majority population, their basic needs satisfied, would contribute to an “increase [in] employment, demand and production (ibid., 24). The RDP necessarily entailed a strong role for the state.

However, the extent to which the post-apartheid state could pursue that role was mitigated by the specific historical juncture in which the transition took place: the global consolidation of neoliberalism. The failure of Keynesian policies in the 1970s paved the way for neoliberalism to enter the mainstream of political economy. The ideology won support in the global North, championed by Margaret Thatcher from 1979 and Ronald Reagan from 1980, and spread across the world under the management of the Bretton Woods institutions (Harvey 2005, 22–24). Coming to power in the 1990s, the ANC was met by a global consensus on neoliberalism and a great deal of resistance to its economic vision.

The media and right-wing economists played an influential role in weaning the ANC from its developmentalist agenda, but their efforts did not compare to the neoliberal advocacy of the minerals-energy complex (MEC). Sampie Terreblanche (2013) argues that the MEC orchestrated the process of transition through a string of private meetings that convinced the ANC to abandon socialism and large-scale government intervention. Under pressure from both the local business sector and foreign multinational corporations that had their own vested political interest in South Africa, the ANC gave in (ibid.). A mere two years after its birth, the RDP was abandoned in favour of the Growth, Employment and Redistribution (GEAR) policy.

GEAR was a home-grown structural adjustment programme.



(Pic: <https://cornellreview.wordpress.com>)

Against the RDP strategy to address the inequalities of the past, GEAR promoted redistribution through the market (Aliber, 2003). Its goal of GDP growth showed little concern for the structural make-up of the economy and the need for conscious redress. All the conventions of the Washington Consensus found a home in GEAR: deregulation, privatisation, suppression of trade unions, the lifting of international trade barriers and the corporatisation of social and civic engagement (Ngepah and Mhlaba, 2013).

GEAR succeeded in reducing inflation and maintaining a surplus on the current account and achieved fiscal consolidation. It also redistributed wealth to corporations and the privileged class in South Africa and exacerbated racial inequality. According to government statistics, “average black African household income fell 19 percent from 1995–2000 (to US\$3 714 per year), while white household income rose 15 percent (to \$22 600 per year)” (Bond, 2013). Despite the 3–4 percent employment growth per year promised by GEAR proponents, the late 1990s was marked by annual job losses of 1–4 percent. Despite this, all consecutive economic policies – from the 2009 New Growth Path to the National Development Plan in 2013 – have embraced neoliberal principles (Ngepah and Mhlaba 2013).

THE NEOLIBERAL UNIVERSITY

How does this all relate to the university and the struggles on campuses today? Increased fees, ➤

student debt and outsourcing can all be traced to the *neoliberalisation* of our institutions of higher learning. Neoliberalism is premised on a market-based view of citizenship that is generally antithetical to a rights-based or social conception of healthcare, education or welfare provision. Such services are seen as private rather than public goods.

A causal relationship can be drawn between dwindling state funding and insurgent student protests across South African universities. Patrick Fitzgerald and Oliver Seale (2016, 244) report that the years preceding the 2015/16 student protests saw a gradual decrease in state funding to universities, a key indicator of the logic of neoliberalism. With decreased government support, the universities had to appeal to external private entities for funding. These private funders in turn insisted that the universities take up business models and principles, pushing the universities to prioritise cost-cutting through measures such as outsourcing and to increase fees, while swelling the ranks of highly paid administrators to manage the corporate bottom line.

Statistics show that the South African government spends 4.7 percent of revenue (0.75 percent of GDP) on tertiary education and the training sector. This is comparatively low in terms of global standards. For instance, the Organisation for Economic Cooperation and Development (OECD) member countries spend an average of 1.59 percent of GDP on higher education, with the UK spending 1.23 percent and Germany 1.32 percent (OECD, 2014). The government-subsidies component of South African university income has decreased from 49 percent to 40 percent, while contributions from students have risen from 24 percent to 31 percent (GroundUp, 2015). Tuition fees at the 23 public universities increased from R12.2 billion to R15.5 billion between 2010 and 2012. It is not surprising, then, that student debt



Tuition fees at the 23 public universities increased from R12.2 billion to R15.5 billion between 2010 and 2012.

simultaneously increased 31 percent, rising from R2.6 billion to R3.4 billion (PwC, 2015). This all makes it extremely difficult for young South Africans to access tertiary education. And it is the poor of this country who are affected disproportionately, trapping them deeper in poverty.

As mentioned above, the universities outsourced their labour requirements to private labour contractors in order to cut back on costs. Since the late 1990s, this has resulted in the dramatic reduction of wages and benefits for workers in the cleaning, security, catering, transport and grounds-keeping sectors. The Wits Solidarity Committee in 2011 reported that outsourcing resulted in 613 workers losing their jobs. Cleaners' wages were cut from R2 227 to R1 200, and medical aid, pensions and other benefits were rescinded (Barry, 2015).

The neoliberalisation of our universities has thus constituted an assault on the poor, both students and workers. It is against these material deprivations that students and workers have risen up.

NEOLIBERALISM AND RACIAL INEQUALITIES

All strands of South Africa's liberation movement recognised that a free-market approach to development in a post-apartheid dispensation would have disastrous outcomes.

The ANC's 1969 (Morogoro) Strategy and Tactics Document warned: "To allow the existing economic forces to retain their interests intact is to feed the root of racial supremacy and does not represent even the shadow of liberation". Its 1979 Green Book Report of the Politico-Military Strategy Commission affirmed that "there can be no national liberation without social emancipation". Steve Biko, who has been embraced by today's students as their principal struggle icon, agreed: "[a]ny form of political freedom which does not touch on the proper distribution of wealth will be meaningless" (Biko 1987, 149).

They all recognised that meaningful change in South Africa would require consistent state intervention to redistribute wealth to the black poor majority. Unfortunately, this has been frustrated by neoliberalism in post-apartheid South Africa. The beneficiaries of a free-market dispensation are those who hold capital and, due to the legacy of apartheid, those who hold capital in this country are generally white. Thus, by privatising basic services such as education, healthcare, water and sanitation, neoliberalism has exacerbated historical inequalities. Indeed, whites continue to enjoy disproportionate control over the country's economy, while the black masses remain minority shareholders in the land of their birth.

The situation at our universities today is thus a microcosm of broader problems within South African society. The burdens of increasing fees, student debt and outsourcing have been shouldered by the black working class and poor. With many black students struggling with housing, financial and even food insecurity, racial inequality on campus is palpable (Pillay, 2016). Such inequality can only lead to increasing racial tensions. As South Africa's struggle heroes warned, formal political change has been insufficient

to achieve a non-racial and reconciled society. In fact, failing to deal with these inequalities has fed the beast of racism and race-based thinking.

NEOLIBERALISM AND KNOWLEDGE PRODUCTION

A further student demand is to “decolonise” our universities, arguing that academic courses do not speak to the lived experiences and history of the majority of the student body. Instead, courses still offer a Eurocentric account of the country’s historical and contemporary challenges. In this way, the students echo Frantz Fanon’s (1961) appeal to find something different from “the European game”.

It is unacceptable that South African universities continue to carry colonial artefacts in their curriculums, aesthetics, language policies and pedagogy. The statue of Cecil John Rhodes at the University of Cape Town (UCT), for example, would have been removed decades ago if our society was genuinely concerned with reconciliation. Other than piecemeal efforts at “transformation”, however, Africanisation or localisation has not been a high priority for South African universities since the transition. This has caused psychological and intellectual alienation on campus. It has also contributed to racial tension, as students seem prone to equate Eurocentrism and white racism. The student activists’ embrace of racial essentialism and aggressive identity politics (largely imported from the USA) might have been avoided if the conceptual, moral and political issues surrounding transformation were given their proper time in the sun by the university community.

Neoliberalism has certainly played a role in all of this. As our universities embrace corporate funding models, private interests can dictate what is to be taught and researched. These interests, often directly feeding the



(Pic: <https://cornellreview.wordpress.com>)

funding pipeline, are more concerned with achieving a return on investment than interrogating the role of a public university in broader society. There are, of course, many committed and engaged academics on our campuses – but the fact that we have seen a greater focus on professional programmes, to the detriment of the humanities, is no



The crises that confront every sector of South Africa today call out for creative, critical and effective ways of thinking. This is what we need our public universities to produce.

surprise. The crises that confront every sector of South Africa today call out for creative, critical and effective ways of thinking about and understanding our particular conditions. This is what we need our public universities to produce. But institutions that rely on corporate

investment must offer skills that serve the marketplace, as it is shaped by neoliberal capitalism (Nash, 2013).

In line with this, “excellence” and “world class status” become the yardsticks to measure success. Internationally, this ethos has undermined traditional concerns for intellectual discovery and moral engagement with local realities. The ideal of the university as a public good and a site for inculcating the values of substantive democracy is eroded under neoliberalism (ibid.). Instead of being taught to interrogate society, individuals (particularly in commerce departments) are encouraged to adopt and polish their own “personal brands”; the university, too, increasingly presents itself in marketing-speak. The space for critical thinking starts to shrink. We only need to think of the general apathy of universities prior to 2015 as evidence.

The neoliberal ethic of individual self-advancement has also sunk into teaching, management and pedagogy. Lecturers are now seen as “service providers” and their students as “clients”. Management is more concerned with establishing uniform standards and procedures than engaging with the content of curriculums and the state of teaching. In this environment, the bureaucracy becomes increasingly powerful. >>



Deepening their struggle, the students can act as a fulcrum to resist neoliberalism in the broader society.

Collaboration among academics is eroded as they are forced to compete with one another, either in the number of publications produced or to grab the limited opportunities for higher or more prestigious positions. Instead of establishing real and productive connections across disciplines, departments become hyper-specialised and isolated (Nash, 2013). The ideal of a scholarly intellectual community is replaced by an enclave culture that is wholly unfit for the vast efforts required to institute substantive curriculum and cultural reform on campus.

CONCLUSION

Over the course of the last two years, students across our campuses have achieved remarkable victories and placed neoliberalism in the dock. The state announced a zero-percent fee increase for 2016 and pledged to assist with debt relief and additional funding for underfunded students. The steps taken towards affordable education for the poor need to be extended to all sectors of education. Workers have also benefitted from the students' solidarity, with a series of victories ranging from the gradual re-introduction of insourcing by the university to immediate free study benefits for their children. The University of Johannesburg and UCT initiated this transition in 2015. Wits, the University of Pretoria and Tshwane University of Technology have all

followed suit, announcing plans to commence insourcing on 1 January 2017.

To sustain this momentum, students need to take a long-term view and enter into strategic alliances with other sectors of civil society, engaged academics, and sympathetic sections of the state. Deepening their struggle, the students can act as a fulcrum to resist neoliberalism in the broader society. Lessons from the student moment of 2015/16 should be incorporated into the national discourse on justice, transformation and redistribution. The fact that the black majority cannot afford to pay university fees is proof of continuing inequalities created by colonialism and apartheid. It is thus necessary to reignite conversations about the negotiated democratic settlement and to reassess the economic vision contained in the Freedom Charter and the RDP.

Government and civil society need to engage with the students and use the space that has been opened to challenge neoliberalism and develop a society more in keeping with the vision of our struggle heroes. Indeed, intergenerational solidarity is needed. With meaningful conversation and collaboration, we might be able to reboot the ideals that guided the liberation struggle for so many years. We might be able to look back on the student moment of 2016 as the beginning of a movement towards achieving the non-racial, non-sexist and equitable society that all progressives strive for. NA

NOTES

Thanks to the Rosa Luxemburg Foundation for sponsoring this article and our special edition on youth issues. We are indebted for your support.

1. Michael Nassen Smith is the Deputy Director of the Institute for African Alternatives. Alexander Pennington, Manapo Mokose and Zimpande Kawanu are research interns. They are all graduate students at the University of Cape Town.
2. For an outline of student demands and politics in 2015, see articles by Leigh-Ann Naidoo and Siphon Seepe in *New Agenda* 60 (4/2015).

REFERENCES

- African National Congress (ANC). 1969. "Strategy and tactics of the ANC", *First National Consultative Congress*, Morogoro, Tanzania, 25 April–1 May. Retrieved 7 December 2016 from <https://www.marxists.org/subject/africa/anc/1969/strategy-tactics.htm>.
- African National Congress (ANC). 1979. "The Green Book Report of the Politico-Military Strategy Commission to the ANC National Executive Committee", August. Retrieved 7 December 2016 from <https://www.marxists.org/subject/africa/anc/1979/green-book.htm>
- Aliber, M. 2003. "Chronic poverty in South Africa: Incidence, causes and policies", *World Development*, 31(03), 473–490
- Barry, D. 2015. "Op-Ed: Outsourcing is fundamentally wrong", *Daily Maverick*, 5 November. Retrieved 6 December 2016 from <http://www.dailymaverick.co.za/article/2015-11-05-op-ed-outsourcing-is-fundamentally-wrong/#.WEaoj7l56So>
- Biko, S. 1987. *I Write What I Like*. London: Heinemann
- Bond, P. 2013. "Nelson Mandela's years in power: Was he pushed or did he jump?" *Links: International Journal of Socialist Renewal*, 5 December. Retrieved 27 November 2016, from <http://links.org.au/node/3620>
- Fanon, F. *The Wretched of the Earth*. Retrieved 7 December 2016 from <https://www.marxists.org/subject/africa/fanon/conclusion.htm>
- Fitzgerald, P and Seale, O. 2016. "Between a rock and a hard place: University management and the #FeesMustFall campaign", in Booysen, S (ed). *Fees Must Fall: Student Revolt, Decolonisation and Governance in South Africa*, Wits University Press, 235–255
- GroundUp. 2015. "Student fees: facts, figures and observations", 22 October. Retrieved 8 December from http://www.groundup.org.za/media/features/studentfees/studentfees_0023.html
- Harvey, D. 2005. *A Brief History of Neoliberalism*. Oxford: Oxford University Press
- Marais, H. 2001. *South Africa: Limits to Change. The Evolution of Economic Policy – A Short Walk to Orthodoxy*. Cape Town: UCT Press
- Nash, A. 2013. "Excellence in higher education: is there really no alternative?" in Essop, A. (ed.), *The Aims of Higher Education*. Pretoria: Council on Higher Education
- Ngepah, N and S Mhlaba. 2013. "The role of South African government policies in economic growth, inequality and poverty", in Pillay, U, G Hagg, F Nyamnjoh, and JD Jansen (eds). *State of the Nation: South Africa 2012–2013*. Cape Town: Human Sciences Research Council, 72–97
- OECD. 2014. *Education at a Glance 2014: OECD Indicators*. Retrieved 6 December 2016 from <https://www.oecd.org/edu/Education-at-a-Glance-2014.pdf>
- Pillay, S. 2016. 7 June. "Decolonising the university", *Africa is a Country*, 7 June. Retrieved 26 November 2016 from <http://africasacountry.com/2015/06/decolonizing-the-university/>
- PricewaterhouseCoopers (PwC). 2015. *Funding of public higher education institutions in South Africa*. Available: <http://www.pwc.co.za/en/higher-education/funding-public-higher-education-institutions-SA.html>
- Terreblanche, S. 2013. "White South Africans will have to make some sacrifices", *The South African Civil Society Information Service*, August 7. Retrieved 27 November 2016, from <http://sacsis.org.za/site/article/1749>