A SOCIAL JUSTICE POLICY FRAMEWORK FOR FUNDING THE ACQUISITION OF HIGHER EDUCATION QUALIFICATIONS IN SOUTH AFRICA

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ABSTRACT

Much of the recent published research on the future contribution of the South African university system to the development of a more just society offers an evaluative framework that contains two principal assertions: firstly, South African under-graduate university students must receive state subsidies from taxpayers; and, secondly, austerity, marketisation, credentialisation, commodification, and related neoliberal conceptions of education and society have hindered efforts to achieve a more just society. This article offers a dissenting analysis that is nevertheless located within a social justice framework. It argues that a student loan system of funding the production of university qualifications is consistent with Rawlsian principles of fairness in the distribution of income and wealth.

Key words: social justice, public policy, higher education, qualifications, funding, public goods, taxpayer, neoliberal, social grants, Rawls

INTRODUCTION

Much of the recent published research on the future contribution of the South African university system to the development of a more just society offers an evaluative framework that contains two principal assertions: firstly, South African under-graduate university students must receive state subsidies from taxpayers; and, secondly, austerity, marketisation, credentialisation, commodification, and related neo-liberal conceptions of education and society have hindered efforts to achieve a more just society. This article offers a dissenting analysis that is nevertheless located within a social justice framework.

The article commences with a brief outline of the meaning it assigns to "social justice". It also clarifies what it means by the term "taxpayer"; describes what is, arguably, a just funding model; discusses various issues relating to this model; challenges arguments that higher education qualifications are public goods; offers some thoughts about criticisms of neoliberal and related philosophies of higher education; and considers certain aspects of the FeesMustFall (FMF) campaign in South African universities between 2015 and 2017. Concluding remarks follow.

SOCIAL JUSTICE

It is incumbent on researchers and policy makers to at least indicate the broad meaning they attribute to the term "social justice" when it is used in their publications, other scholarship and legislative decisions. Many of the value judgments which underpin any specific definition of "social justice" are controversial and contestable. Evaluation of public policy proposals thus can only be meaningful if conducted in terms that include the definitions of the fundamental concepts that inform particular initiatives.

A comprehensive definition and analysis of the concept of "social justice" that provides the foundation for the arguments presented in this article lies far beyond its scope. A brief statement is nevertheless offered here for critical consideration. Any public policy that involves the redistribution of income (and/or assets) "... is just if it does as much as possible to improve the opportunities and living standards of the least well off" (Piketty 2015, 105–106; see also: Chikane 2018, 27–29). This statement, with its Rawlsian overtones, clearly begs many questions that include a dispute over the meaning of "the least well off". In the particular case of South Africa, however, they are arguably the millions of people who receive various social grants. Literature consulted on social justice included: Terreblanche (2002); Sen (2009); Roger (2010); De Coninck, Culp, and Taylor (2013); Piketty (2014; 2015); Atkinson (2015); Boushey, DeLong, and Steinbaum (2017); Stiglitz (2019); and Wenar (2021).

TAXPAYERS

The term "taxpayers" may be used as a means of excluding the poor and dispossessed from public policy thinking. Racial motives may also be attributed to its use. Such approaches are, however, the polar opposites of the meanings assigned to the term in this article. Indeed, one of the central elements in the article's argument is that the poor and dispossessed are clearly taxpayers. They are taxpayers in the conventional senses that indirect taxes are levied on various items of their consumption, and that the prices they pay for certain goods and services contain a component of the taxes paid by producers. They are also taxpayers in the sense that public funds devoted to the benefit of relatively better off people are therefore not available to assist the poorest of the poor. It is a burden they bear by not receiving the income allocated through the fiscus to the more fortunate. This dual conception of taxpayer is used throughout this article.

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An essential principle in this context is that all the costs of acquiring higher education qualifications ought to be met by students by means that include loans and/or private resources.

Taxpayer funding thus saved ought to be committed to increasing the emancipation of the poor through, for example, significantly increased social grants and funding for a high quality, means-tested, national system of early childhood education.

Why is this considered to be just? At first glance, it could be argued that it is unjust since the policy requires that the costs ought to be borne by students through loans even though many of whom are in no position to finance their studies through current income and/or savings, a situation arguably offensive to principles of fairness. This may well be true but current income or savings are not the only possible sources of funding for obtaining higher education qualifications. Loans allow students to access their *future* income which such qualifications make possible. Loans can thus be serviced over many years and access to them does not depend on the income or wealth of the potential student (or her/his family). The additional income potentially earned by graduates more than compensates them for the explicit and implicit costs that they incur through a properly structured loans scheme.

It may be asked, however, why should the poorest of the poor receive grants from taxpayers while higher education students (many of whom may belong to extremely poor families), as is argued here, must access the capital and credit markets to finance their studies? The reason is that higher education qualifications are an investment, and are appropriately funded by loans (especially if income and/or savings are inadequate). The poor, on the other hand, should receive grants to finance their current consumption. Funds devoted to meeting consumption needs, unlike loans for higher education qualifications, cannot generate a future income stream. There is no expectation that social grants to the poor ought to be paid back.

Taxpayer funding of the costs of obtaining higher education qualifications by people in the youth age cohort is, moreover, unfair to those young people who do not undertake higher education. Instead of attending university, they may, for example, establish and conduct small businesses using personal loans and/or savings. Both groups here are investing in future assets, yet only students receive taxpayer subsidies. Under these circumstances, a significant amount of intra-generational inequity obtains.

ISSUES WITH THE MODEL

The loans scheme described in this article requires students to bear the full costs of providing what, some assert, are public goods which, *per contra*, should be financed, in part at least, by taxpayers. According to Marginson (2011), the argument for taxpayer provided student fee subsidies is "... because all higher education programmes create public goods, known in economics as 'externalities' – benefits received by persons other than the individual paying the fees". The implication is that, if others receive benefits from the skills and attributes developed by higher education graduates, they should make a financial contribution via the taxation system to the graduates' costs of obtaining the qualifications.

Higher education qualifications are, however, not public goods (and, even if they were, this alone does not justify taxpayer funding of some or all of their provision. The explanation for this relies on reasoning from Welfare Economics and is not considered here). The concept of a "public good" originated in economic theory ("good" here means commodity or service). Broadly speaking, it is defined as a commodity or service the benefits of which are enjoyed by all members of the relevant community (equally, in the limiting case) but which cannot be financed through a market pricing system because those who fail to contribute to the costs nevertheless cannot be excluded from enjoying their benefits owing to the prohibitive expenses of exclusion (the "free rider" conundrum). This contrasts with a principal characteristic of private goods and services which is that they are usually traded in a market and generally a consumer can be excluded from obtaining them if he/she is unwilling to pay for them. It ought to be noted, moreover, that almost all private goods and services have associated "external effects" such as, for example, the enjoyment people derive from contemplating a beautiful garden at a private home or a homeowner who installs external security lighting (a private commodity). Should this attract a taxpayer subsidy on the grounds that the lighting also improves the security of neighbours who have not contributed to the cost of the lighting? Should government force the neighbours to contribute? There are strong grounds for answering these questions in the negative.

Similarly, just because there may be external effects associated with the possession and use of university degrees, this does not justify taxpayer subsidies to students. Higher education qualifications are private goods. Graduates secure the benefits in the forms of, for example, significantly higher lifetime incomes than they would have earned had they not obtained degrees (indeed, this is arguably the principal or sole reason students seek tertiary qualifications), valuable social networks, challenging and interesting work, and often superior knowledge of developments and opportunities nationally and internationally. And, even if non-graduates derive some benefits (which are public goods) from the existence of a "highly educated" segment of the population, this does not detract from the benefits enjoyed by the graduates. In other words, the external effects come at no cost or sacrifice to the graduates. They lose nothing under these circumstances, and there is therefore nothing for which they ought to be compensated.

An objection to a loans-based policy of funding the acquisition of higher education qualifications may be that it comes with too many adverse risks but this does not justify rejecting the policy: many risks may be mitigated efficiently through adjustments to the policy itself and/or to related policies and instruments. Academically talented persons from poor families, for example, may not be able to obtain the necessary loans for a variety of reasons none of which justify exclusion from the system. These reasons include issues with the operation of the market for loans: potential lenders may believe that a proposed course of study will not yield an income sufficient to service the loan, or that the student lacks the motivation to successfully complete the course of study. Lenders may ask for unreasonable interest rates or repayment terms, and/or collateral, while students may not be able to afford information that would assist them to make informed choices regarding course of study, type of university (reputation is typically a poor guide to quality) and so on. Economics literature classifies such issues as capital, or credit, market imperfections, and draws attention to problems arising out of adverse selection and moral hazard (Piketty 2015, 56–61). Credit market reforms may assist the efficient mitigation of some of these risks (and may also benefit a wide cross section of the community). Lender behaviour and market structure, for example, might be regulated more in the interests of potential borrowers by competition authorities, consumer protection agencies, and corporate regulators. Higher education quality assurance bodies might adjust their quality criteria to require higher education institutions to provide all relevant information on their web sites.

This foreshadows a broader matter that deserves attention. The fundamental crisis in South African society is an income distribution crisis. Until this is addressed seriously, reforms to markets, for example, can only be of limited effect. A redistribution of national income through devices, such as a wealth tax and a basic income grant (and possibly inheritance taxes), is needed to facilitate adequate participation by the poor in what will always be less than perfect credit (and other) markets. Piketty (2015, 65, 80) argues that

> “[t]he imperfection of the credit market is a prime example of the kind of market imperfection that can be used to justify redistribution on grounds of economic efficiency and not just pure social justice”.

Attention may also have to be paid to policies of a more sociological variety. Success in primary and secondary education, for example, is arguably an important determinant of success in university studies (and thus of the viability of a loans scheme). Various research findings have indicated that the “quality of classmates” can have a significant positive effect on the level of achievement of students in the compulsory education years (Piketty 2015, 85–86). Such evidence underpins proposals to include students from extremely poor circumstances in highly rated schools (Piketty 2015, 83). Other policies, such as affirmative action, may well be needed to reinforce these, and more fiscally based, reforms.

Insurance markets may be available to assist the mitigation of certain risks associated with a university student loans scheme. Public policy may be tempted to require graduates to insure against loss of earnings arising out of, say, dread disease or periods of unemployment. The difficulty with this suggestion is that such insurance markets almost certainly do not exist for a wide range of reasons to do with matters such as adverse selection and moral hazard. The issues are explored in the economics of insurance literature, and concisely, but briefly, by Piketty (2015, 114–116; see also: Blackmur 2007, 24). There will certainly be no insurance market for graduates who have chosen degree studies with few or no prospects of enhancing future earnings. Is a graduate tax then a viable and superior alternative to a loans-based qualifications funding model (as it may be in the case of low earning degrees and an additional progressive tax on relatively well-off families which have funded their children's higher education qualifications)? This tax matter is complex, and will not be explored further in this article except to say that the administrative costs of such a system may outweigh any benefits.

The behaviour of university managements and/or students may inflate the costs of university education to the point at which fee levels rise beyond the capacity of a loans system to sustain itself. Failure by universities, for example, to eliminate varieties of corruption, to exercise balance sheet discipline and to innovate creatively in pedagogy, in management and financial processes, and in corporate governance can exacerbate financial pressures which, in turn, can produce such fee levels. The industrial justice of South African students' demands for the cessation of the outsourcing of certain university functions, together with what Jonathan Jansen has called demands for the welfare university, can put unsustainable stresses on fee levels which a loans system could not accommodate (Jansen 2017, 9–10, 172–193). Taxpayer funding of the costs of obtaining a university degree, furthermore, could possibly incentivise universities to slacken efforts to enhance fund-raising and/or cost containment strategies and to simply rely on fees and student loans to finance the production of qualifications. Such perverse incentives embrace a form of moral hazard (for national government, and other concerns at performance deficiencies in the South African university system, see: Ngcobo 2023; related matters are raised in: Jansen 2017, 233–239; Blackmur 2019; 2021, *passim*).

Aspects of human capital theory inform parts of the preceding analysis. There is critical literature, especially in Educational Sociology that rejects the integrity of the human capital paradigm (for example, see Wheelahan, Moodie, and Doughney 2022). To the extent that such criticism has intellectual weight, then the earlier analysis in this article may require reconsideration in some of the detail. The essential point, however, that loans raised against future additional income should finance the production of higher education qualifications, thereby facilitating a greater flow of public resources to the desperately poor, is arguably robust and immune from the deficiencies in human capital theory.

AUSTERITY, MARKETISATION, CREDENTIALISATION, COMMODIFICATION AND RELATED NEOLIBERAL CONCEPTIONS OF EDUCATION AND SOCIETY

Much of the literature on the role of higher education in South Africa asserts or implies that austerity, marketisation, credentialisation, commodification and related neoliberal conceptions of education and society have hindered efforts to achieve a more just society (for a representative sample, see Booysen 2016; a partial exception in this collection is Pundy Pillay's chapter, *"Financing of universities: Promoting equity or reinforcing inequality*" in Booysen 2016). The chapter by Patrick Bond, "*To win free education, fossilised neoliberalism must fall*", is broadly representative of these positions and aspects of it will be discussed in the remainder of this section (Bond in Booysen 2016, 192–213).

Readers have to infer what Bond means by "fossilised neoliberalism". Presumably "fossilised" could mean "out of date", or perhaps "irrelevant", or "incapable of change or development". If the latter, then neo-liberalism may possibly exert an influence on future public policy and thus deserves attention. An issue here, however, is what variety of neo-liberalism does Bond have in mind? Several schools of thought inhabit the neo-liberal framework (Vallier 2022, n.p.). Kean Birch (2017, 2) argues that "there are many different views of neoliberalism; not just what it means politically, but just as critically, what it means analytically". He suggests, moreover, that there are "contradictions underlying our daily use of it" (Birch 2017, 2). Given these considerations, it is important for scholars to nominate which views of neoliberalism inform their arguments. We can get some idea of Bond's conception of neoliberalism from his cases and examples.

Bond rejects arguments that the South African fiscus could not afford to fund fee-free (to students) higher education (and the other demands of the FMF movement regarding out-sourcing and curriculum reform) and accepts without reservation that such funding is appropriate and consistent with improved social justice. It is noteworthy that Bond's top priority is "... the present younger generation's prosperity and environmental conditions" (Bond 2016, 202). Looked at in isolation, his affordability claims may well be true, although some of Bond's (2016, 200, 207, 208) assertions that corporate savings are "essentially idle cash" and that "money sloshes around in the Johannesburg Stock Exchange and in real estate" reveal a tangential understanding of these institutions). But his claim misses the crucially important point regarding whether taxpayer resources *should* be used to fund universities, especially the production of qualifications. The argument made earlier in this article is that the alleviation of the condition of the poorest of the poor is far more important especially as student loans provide another source of funding that allows South Africa to have its cake and eat it: the key to this is that loans draw on *future* income which qualifications make possible. Bond, on the other hand, claims that public support and subsidies for various extractive industries ("the minerals-energy complex") ought to be removed in the interests of funding free (to students) higher education and arresting harmful climate change (see, for example, Bond 2016, 192–193. It is to be hoped that his evidence on economic development and climate change is much more robust than that advanced by the Club of Rome in the 1970s). There are many implications here for universities. Presumably certain university courses and research work, for example, ought to be discontinued as they promote the interests of the extractive industries (but, for example, if university researchers discovered a cure for, say, silicosis, this would clearly benefit mining companies *and* underground workers. Should this type of research be encouraged?).

National fiscal austerity (a component of neoliberalism?) has, moreover, had deleterious social justice consequences for initiatives directed at "... making universities more racially and gender diverse ... and making them more internationally competitive in terms of research output – which biased funding rewards those academics with high publishing levels in the neoliberal incentive-based payment system" (Bond 2016, 194). However, unless there is definitive evidence that this government payment system was designed to advance national austerity policies, it is difficult to understand the nature of Bond's concerns with it. A neoliberal dimension is difficult to detect. The payment system made taxpayer funds available to universities on the basis of certain research publication criteria, which were typically shared between the authors (for limited purposes) and the university itself. Such funds were then available to assist the implementation of internal university policies (including those regarding any gender and other social justice initiatives).

To embrace neoliberal principles, according to Bond (2016, 195), is necessarily to be anti-poor (and an enemy of social justice). At the time of writing, Bond (2016) saw some potential for a student-led "... hypothetical united front of activists *against neoliberalism – and with it, fossil-centric capital accumulation ...*" (Bond 2016, 196). This united front would contain constituencies currently suffering austerity and might "... unite to demand a different fiscal regime" and "... higher and more rigorous taxation, tightened exchange controls, and more courageous economic regulation of transnational and local corporations" (Bond 2016, 195, 199). This is complex territory. Without considerable further detail and analysis, it is impossible to assess the impact of these policy changes in terms of advancing social justice. What can be said is that to assume that any impact would necessarily be positive is unjustified. Economic history is replete with examples of changes, for example, to taxation and exchange regulations that have produced grave adverse consequences for social justice.

A dissenting suggestion is that, unless the sole and exclusive aim of any such united front were to persuade government to make major increases to the incomes of the poorest of the poor, then the last thing this "abject poverty" constituency ought to do is to engage with the hoped-for united front. The risks that the poorest of the poor would lose out greatly to others in any division of the gains from successful pressure are arguably far too great. Inspired by Karl Polanyi's "double movement" thesis, Bond (2016, 210) hopes nevertheless that the united front could become part of a wider national and international counter-movement "... to remobilize political power to tame the apparent over-extension of market forces" (Block and Somers 2014, 5). Block and Somers (2014) caution against excessive optimism in this regard: "The great danger Polanyi alerts us to, however, is that mobilizing politics to protect against markets run wild is just as likely to be reactionary and conservative, as it is to be progressive and democratic" (Block and Somers 2014, 5; see also: Dale 2010; Maucourant and Plociniczak 2013). A note of caution is advised regarding any temptation to argue that advocating the virtues of a market economy *necessarily* also means a commitment to the wider development of a market society.

The concept of commodification is relevant to Polanyi's thinking about the emergence of a market society. It can have, moreover, direct relevance to higher education. Naidoo and Jamieson have defined commodification in higher education as the

> "... transforming of educational processes into a form that has an 'exchange' value, rather than an intrinsic 'use' value. Commodification also implies that education processes and knowledge can be 'captured' and 'packaged' in order to be bought or sold under market conditions across national boundaries ...." (2005, 40).

Whether the concepts of use and exchange value add anything meaningful to the analysis is debatable. According to several scholars (see, for example: Tomlinson and Watermeyer 2022), commodification is of major significance in international higher education. In some respects, it was always thus. The design, delivery, assessment and certification processes associated with the production of qualifications have always required the combination of relatively scarce resources. A higher education qualification is clearly a commodity for this reason, and there is no logical reason why it cannot be priced in a qualifications market and financed by student loans and/or private resources (Winston 1999 is essential reading on these, and many other issues). Prices (fees) for qualifications, moreover, signal (admittedly imperfectly) their relative value to the community as a whole.

In examining the significance of commodification, much scholarship focuses on the impacts within universities and in various labour markets. There is much less thinking about whether credential commodification has any major positive or negative effects in the much wider community particularly on the condition of the very poor. Is it drawing too long a bow to suggest that the "third stream" income that universities can earn through selling their services leaves public funds available for allocation to the poor in the interests of social justice? In 2015 President Ramaphosa addressed a higher education summit:

> "The low participation rate of the majority of South Africans is untenable – both from a social justice perspective and in terms of meeting the demands of the twenty-first century and the needs of our economy. Higher levels of funding and the expansion of the capacity of the higher education system will be needed in future to ensure that higher levels of participation of African and coloured students are achieved." (Ramaphosa as quoted in Bond 2016, 198).

The only arrangement, however, that will permit higher levels of funding, without diminishing the taxpayer funds available to raise radically the incomes of those in abject poverty, is the loans scheme discussed earlier in this article. By breaking the nexus between family income and access to higher education, loans can facilitate greater participation. Such a scheme, moreover, will provide a relatively efficient way of governing the size of the South African higher education qualifications' system (as opposed to a virtual "free for all" implied by a no-fees policy). Private and public lenders, in concert with potential students, would influence the volume of extra resources to be devoted to the production of qualifications. In a brief comment on student loans, Bond noted a matter of significant concern that repayments under some current loan arrangements have proven "... extremely difficult to enforce given how many people graduate from university without job prospects" (Bond 2016, 198, 205). Labour market opportunities may fall short of graduate numbers for a multitude of reasons. They include a relatively weak economy; economic decline in some industries; degrees that fail to meet employer (and/or student) expectations (some time ago, for example, the South African legal profession threatened to withdraw accreditation from law degrees on the grounds that graduates were ill-prepared for entry to the profession), an over-supply of graduates in certain occupations, and so on. All are candidates for investigation and analysis. Decision-making discipline and careful planning associated with organising higher education student loans may alleviate certain of these problems.

The national government's "social policy neoliberalism" is, according to Bond, responsible for "tokenistic" social grant payments to the poor, and inadequately funded basic services and national health insurance which have made little or no difference to the egregiously unequal distribution of income in South Africa (Bond 2016, 204). Yet he maintains, in the face of this, that the "most serious outstanding challenge" in South Africa is achieving free tertiary education (Bond 2016, 210). Many who suffer debilitating poverty in South Africa might disagree.

Assertions are sometimes made in the South African literature on the financing of the production of university qualifications as if they were self-evident truths. The mere mention of concepts, for example, such as neoliberalism, austerity, marketisation, credentialisation, and commodification, seems to be regarded by some as sufficient justification to reject all that these concepts entail. Used in this way, such concepts arguably belong to what Steven Pinker (2019, 32) has called a "well-populated demonology". In the specific case of neoliberalism, it is worth noting the admonition that "... we should focus on capturing the most serious and even-handed uses of the term, such as by academic historians, rather than more popular and pejorative uses of 'neoliberalism'" (Vallier 2022, n.p.), while Eric Schliesser (2018, n.p.) has condemned "... the lazy use of 'neoliberalism' to describe all of our age's ills". Some of the literature also fails to adduce "smoking gun" evidence of clear cause and effect linkages between, say, higher education neoliberalism and a decline in social justice. A lack of intellectual depth is the inevitable result.

THE FeesMustFall "FREE FEES", CURRICULUM REFORM, AND IN-SOURCING CAMPAIGN

The FMF campaign has attracted a wide scholarly and other literature (for examples, see: Blackmur 2019, 2021 and the references cited therein; Luescher et al. 2022). For this reason, only a very few selected issues that seem germane to the social justice orientation of this article are discussed briefly here. Many in the FMF movement claimed that they were inspired by a sense of social justice. Rekgotsofetse Chikane (2018, 2, 3) explained:

> "The protests that gripped the country in 2015 and 2016 were the first really national co-ordinated attempt by citizens ... to resuscitate the urgency to change the status quo. A status quo which ensured that the dreams of millions ... in 1994 were dreams deferred."

His personal ambition was to be "... part of a generation that sought to build a society whose genuine intent was to benefit those who were not only historically marginalised then but who are still marginalised today" (Chikane 2018, 2, 3). It is interesting to note, however, there were no really national co-ordinated attempts by South African higher education students, between 2001 and the present, to conduct vigorous, sustained national campaigns regarding wider issues such as, for example, women's rights; environmental degradation; civil liberties; asbestos in school buildings; mass unemployment; private and public corruption; and the erosion of democracy in some countries. The FMF agitation was relatively self-centred, and concentrated, perhaps understandably, on the economic (and educational) concerns of the students themselves. This changed to an extent when the cause of out-sourced workers was adopted, but was confined to a relatively small group of university staff. The FMF campaign was arguably not part of a wide-ranging radicalisation of the post-1994 generation (aged 20 in 2014). The campaign's sense of social justice lay within the boundaries of the higher education institutions.

It is possible that some members of FMF thought beyond the campus when assessing the outcomes of the FMF campaign. Any agenda of reflection arguably should have included some analysis of the basic assumptions that underpinned FMF's demands concerning higher education funding (and other issues). Identification and explanation of these assumptions should attract more scholarly research. A conjecture is that students were vitally interested in securing increases in the graduate premium across all relevant occupations which free university education would almost certainly guarantee. Achievement of this goal was seen by FMF as a victory for its conception of social justice.

This conception was embodied in a poster displayed by FMF members during their frequent public demonstrations. It read "SO MUCH FOR BEING BORN 'FREE'" (Luescher et al. 2022, 5). This message announced that those born after the end of apartheid (the "born frees") had not received what they believed were their just entitlements. After the government ultimately agreed to FMF's demands in large measure, those "born frees" attending university did, in fact, receive "so much" which amounted to billions of rands per annum from the national fiscus to fund the concessions. Not everybody, however, saw this as just. Steven Friedman maintained that such free tertiary education "... would redistribute upwards, not downwards" (Friedman 2016), while *Business Day* subsequently editorialised that the government at the time had "... acceded to the demands of violent and destructive university students ..." and had financed this by "... paring back allocations previously earmarked for school infrastructure and textbooks ..." (*Business Day* 2023, 5 April). There are arguably strong grounds for suggesting that the logic of maximising the graduate premium meant that the interests of the desperately poor hardly registered in the national debate over university funding in South Africa.

Some members of FMF saw their educational interests as requiring a major increase in the proportion of Marxism in the curriculum. A critical enquiry into Marx's (and Engels') theories, methods of analysis, beliefs and attitudes is arguably of key importance, for a wide variety of reasons, in Humanities and Social Science higher education. Such an enquiry would reveal, perhaps surprisingly, that there are significant elements that are inconsistent with notions of social justice, especially in their beliefs and attitudes. Gareth Stedman Jones (2016, 167, 441) notes Marx's use of "anti-Semitic jibes", and says that his references to a woman were "gratuitously nasty". Racism was unmistakeable in Marx (Stedman Jones 2016, 444). Engels, furthermore, engaged in the commodification of women and insulted Irish people "in racially tinged language" (Williams 2020, 172, 178).

CONCLUSION

This article argues that a critically important matter for South African higher education funding policy is the fact that millions of residents live in extreme poverty. The welfare of as many as possible of these people is key to the design of higher education funding systems based on social justice. Free education to students is not costless from the viewpoints of other members of society and the community as a whole. Beliefs to the contrary ought not to influence future policy thinking. A thought experiment here can refine our understanding of some of the issues. On the basis of Rawlsian principles of social justice (and other principles), could it be argued that taxpayer funding of the costs to students of obtaining university qualifications makes the poorest of the poor better off more than would be the case under the funding proposals made in this article? The answer is in the negative. Under both funding systems, any external benefits, by their very nature, are available to both the graduates and the poor. Under both, graduates would also enjoy higher incomes than they otherwise would have received, but only under the student loans system do the poor have the chance of additional income in the shape of significantly increased social grants. Both groups gain under the loans scheme but only graduates gain under the system of public subsidies of higher education costs. Rawls's theory of justice includes what is called the difference principle which

> "regulates the distribution of wealth and income. Allowing inequalities of wealth and income can lead to a larger social product: higher wages can cover the costs of training and education, for example, and can provide incentives to fill jobs that are more in demand. The difference principle allows inequalities of wealth and income, so long as these will be to everyone's advantage, and specifically to the advantage of those who will be worst off. The difference principle requires, that is, that any economic inequalities be to the greatest advantage of those who are advantaged least. ... Those better endowed are welcome to use their gifts to make themselves better off, so long as their doing so also contributes to the good of those less well endowed. The difference principle thus expresses a positive ideal, an ideal of social unity. In a society that satisfies the difference principle, citizens know that their economy works to everyone's benefit, and that those who were lucky enough to be born with greater natural potential are not getting richer at the expense of those who were less fortunate." (Wenar 2021, n.p.).

A public policy of funding the production of higher education qualifications by means of student loans (secured against future incomes) is consistent with these admittedly utopian Rawlsian notions of social justice. The policy arguably thus deserves a prominent position in debates about the future of the South African university, how it ought to be funded, and its place in the wider society. Several scholars internationally have asked if the traditional university will continue in its current form in the longer term, while Jonathan Jansen (2017, *passim*) has raised survivability concerns with respect to South African institutions of higher education. The debates will thus be both essential and important.

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