

# **The South African Higher Education/Rhodes University Labour Market**

## **Rhodes University Sociology Lecture (Industrial and Economic Sociology II: The Sociology of Labour Markets)**

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### **Outline**

- 1. The nature of higher education institutions**
- 2. The character of the higher education labour market nature**
- 3. The determination of remuneration in higher education**
- 4. Remuneration differentials in higher education**

### **Introduction**

I wish to begin by expressing my appreciation to Dr Helliker for his invitation to engage with you this afternoon. I seldom pass up an opportunity to engage with students.

I must confess that having read through your course outline I envy you as this module on the 'The Sociology of Labour Markets' is intellectually and academically very exciting and you have also been provided a very interesting and pertinent assignment topic.

Taking note of the assignment topic, I hope that I can contribute to your sociological thinking in this regard. However, if you are expecting my lecture to more or less 'write' your assignment for you will be disappointed.

Over the past few months there has indeed 'been considerable public controversy about significant differentials in salaries amongst staff (managerial, academic and support staff) at Rhodes University', and as the assignment topic puts it, 'about a 'pricy parting gift' to the former Vice-Chancellor of Rhodes University'.

The assignment topic challenges you 'to offer a labour market understanding of the salary differential issue' and proposes 'some guiding questions':

- In what sense is this salary differential a labour market issue?
- Is it something that we can understand more fully by adopting a labour market perspective?
- What are the social institutions and power differentials underpinning this salary differential?

- What would segmented labour market theory say about it?

I want to make three points before addressing the issue of remuneration differentials in higher education or at Rhodes University.

## **1. The nature of higher education institutions**

Universities and businesses are very different from one another in at least two fundamental respects – or should be, given the way that knowledge is becoming commodified and universities are becoming commercialized and marketised – not because of globalization as much as under the ideology of neo-liberalism.

First, a university must advance the ‘public good’. Its imperatives are to promote understanding of our natural and social worlds through the production and dissemination of knowledge on the basis of critical and rigorous scholarship, and engagement with students and communities. It is not a business that is driven by the logic of capital accumulation and the profit imperative.

Second, unlike business with its strict rank and file hierarchy, a university should be conceived of as a mix of a holarchy and hierarchy. According to Hazeu, ‘a holarchy consists of holons: parts of a whole which also have their own identity’. A university is ‘a mixed order containing elements of hierarchy (the execution of tasks at the orders of higher levels; joint management) and of holarchy (the autonomous execution of a task by one level) (Hazeu, 1991:22).

The autonomy related to the design and execution of tasks is related to key issues of academic freedom academic self-rule and the autonomy of academic faculties, academic departments and research units

## **2. The character of the higher education labour market**

There are four key features of the higher education labour force and labour market.

First, the occupational structure and labour market is highly differentiated and segmented in terms of mental and manual labour, qualifications, and expertise and skills. There are:

- Labour with varied low-level knowledge, expertise, competencies and skills (grades 1 – 5)
- Labour with different kinds of mid-level knowledge, expertise, competencies and skills (grades 6 – 14)
- Labour with a variety of high-level knowledge, expertise, competencies and skills – academics and researchers and executive personnel (grades 15 – 18)

Second, labour market pool from which these different categories of labour are drawn is very different in terms of geography, institutions and qualifications

- Grades 1 – 5 are predominantly drawn from the Makana district, from the local private and public sectors, and generally possess only basic schooling
- Grades 6 – 14 are predominantly drawn from the wider Eastern Cape private and public sectors, and generally possess matric and some post-matric qualifications in the form of certificates, diplomas and usually undergraduate degrees
- Grades 15 – 18 are predominantly drawn from across South Africa, as well as the rest of Africa and other parts of the world, from universities, science councils, other research and development organisations, non-government organisations, government, and business and largely possess postgraduate degrees (especially masters and doctorates)

Third, the higher education labour force and labour market continues to be highly racialised and gendered. Black academics constituted only 37% of the total academic staff of 15 315 in 2005, comprising between 12% and 90% of universities. Women academics comprised 28% to 52% of universities and overall made up 42% of academics (DoE, 2006b). Furthermore, in general black and women South Africans predominate at the lower rungs of the occupational structure. The roots of the nature of such representation of blacks and women are well known.

Fourth, academics and researchers and executive personnel by virtue of their high-level knowledge, expertise, competencies and skills are generally a highly mobile labour force, and especially today given globalisation and the acute shortages of high level professionals that is being experienced by the private and public sectors, including other universities.

There are also certain dimensions to this mobility. One is a social dimension – give the imperatives of social equity, black and women South Africans are potentially especially mobile. Another is a disciplinary/field dimension – those with qualifications in or teaching in commerce, law and science are potentially more mobile than those in other fields.

### **3. The determination of remuneration in higher education**

Remuneration at a South African university is conditioned by a combination of factors.

- Historical and contemporary structure of and conditions in the labour market, including what other universities offer
- Structure of and conditions in the wider political economy and economic and social policies
- National higher education policies, and especially dynamics related to public funding of universities
- The structure (size, shape, etc.) of the individual university, its specific institutional conditions and policies, and its finances
- The nature of the occupation, the qualifications and expertise required, and the level of responsibilities and kinds of tasks that are associated with posts

- Social struggles
- Ideology and values.

#### 4. Remuneration differentials in higher education

Finally, regarding contemporary remuneration differentials in higher education or at Rhodes University, I wish to first indicate the current Rhodes remuneration structure and thereafter make a number of observations in general, and with reference to Rhodes specifically.

**Table 1: Rhodes University remuneration structure**

Grade	Total package (R)	Academics/Senior Administrators	Total package (R)	Differentials	
				G	A
1	40 000 – 48 000			0	
2	43 000 - 52 000				
3	47 000 - 56 000				
4	50 000 – 61 000				
5	56 000 – 68 000				
6	78 000 – 102 000			x 2	
7	89 000 -117 000				
8	102 000 – 135 000				
9	117 000 – 162 000				
10	130 000 – 181 000				
11	151 000 – 209 000	Junior lecturer	155 000 – 189 000	x 4	0
12	169 000 – 233 000	Lecturer	189 000 – 268 000		
13	195 000 – 269 000				
14	233 000 – 318 000	Senior lecturer	248 000 – 307 000	x 6	x 1.5
		Assoc. Professor	297 000 – 340 000		x 2
		Professor	352 000 – 383 000	x 9	x 2.5
15		Director	387 000 – 528 000		x 3
16		Registrar	677 000 – 850 000	x 21	x 5
17		Vice-Principal	950 000		x 6
18		Vice-Chancellor	1 250 000*	x 31	x 8

\* Personal contract pegs the VC package to that of a Director-General in a state department and accepts reduced benefits. The difference contributed to a scholarship fund for needy students.

- First, and foremost, remuneration differentials are the product of the economic structure (underlying social relations) of society – of capitalism, which are ultimately relations of power. Other conditions noted above can and do impact on differentials in various ways but are not its cause

- Second, in as much as they are produced by the economic structure, they are also maintained and reproduced by specific ideologies and values, and institutional policies and practices
- Third, remuneration differentials can be the object of ideological and social struggles and mediated by such struggles to give rise to new institutional policies and practices
- Fourth, what differentials are acceptable or not acceptable is a normative issue that is related to conceptions of social equity and social justice in general and in the specific context of the apartheid legacy and our economic and social goals as a democracy.

With specific respect to Rhodes

- The table indicate what packages are associated with particular categories but is not a reflection of what is the total package of an individual. For example, there are allowances given to staff in accountancy from funds provided by SAICA, to law from the Attorneys Fund; there is contract and consultancy funds earned by various staff members; there are scarcity allowances for certain staff; there are special allowances for top researchers; there are retention offers to some academics, etc.
- Crudely, the differentials at Rhodes can be approached from the standpoints of institutionalising a
  - ✓ Communist commune
  - ✓ Socialist collective
  - ✓ Capitalist corporation
  - ✓ Community consensus
- I have established a Task Team in consultation with stakeholders to investigate and make proposals as soon as possible on a number of issues, including
  - ✓ Remuneration principles, policies and practices
  - ✓ Appropriate and acceptable remuneration differentials
  - ✓ Appropriate levels of transparency related to remuneration and mechanisms for implementation

With specific respect to my own position on remuneration and differentials:

- I have long expressed concern about the remuneration levels of Vice Chancellor's and in particular the expanding differentials between academics and Vice Chancellor's.

I have also long advocated the package of a Vice Chancellor being pegged to that of the total package of a Director-General in a state department and academic packages tracking public sector remuneration at middle and upper levels.

In my view the effects of this would have been to improve the remuneration of academics and lower the differentials between academics and Vice Chancellor's

- I indicated to the Selection Committee that interviewed me for the Post of Vice-Chancellor that I would wish to explore, taking into account various relevant issues and

the constraints of financial resources, ways to progressively diminish the income differentials between the highest paid and lowest paid academic staff, and the highest paid and lowest paid staff and to establish targets for what should be the maximum differentials.

I am on public record that large and expanding income differentials within a university between a vice-chancellor and academic staff and other staff debilitate the sense of community that must exist at a university.

- Remuneration and remuneration differentials between the higher education sector and the public and private sectors have grave implications for the retention and reproduction and transformation of the social composition of the academic labour force.

Louis Althusser (1971) has argued that every society at the same time that it produces must reproduce the conditions of its own existence. Amongst reproducing various other conditions, two fundamental imperatives for higher education institutions are (a) the better maintenance and retention of the current generation of academics, and (b) to reproduce the next generation of scholars and researchers. In our context, we have to also strive to transform the social composition of this next generation.

From the angle of employment equity and the current social composition of our academic workforce, there is a serious and immediate challenge. The roots of this crisis are located in our apartheid and patriarchal history.

However, there is another challenge which is growing and will become grave unless there is decisive action on the part of institutions and strong support from government. This is the retention and reproduction of a new generation of academics. This includes from the perspective of the democratization of society the next generation of critical scholars and voices and public intellectuals.

This challenge has its roots in a number of factors. First, is an aging, mainly white and male, academic force, which currently shoulders much of the postgraduate supervision and accounts for a growing proportion of research and scientific publishing. Second, is the remuneration of academics, which notwithstanding considerable variation among universities generally has not kept pace with the middle and senior levels of public sector remuneration and has also witnessed increasing differentials in relation to private sector remuneration (not to mention the differentials between university executives and senior managers and academics). Third, is the pull of the public (government, public enterprises and science councils) and private sectors, which offer considerably better remuneration. Fourth, there is increasing competition for outstanding scholars from other knowledge producing institutions. A fifth factor is the emigration for varying reasons of experienced and emerging scholars.

Finally, higher education institutions exist at the intersection of state, market and civil society, each with its specific, varied and different expectations and demands. A wide-felt experience of institutions and academics is an exceptional 'demand overload', arising from the need to cope with a vast array of varied and differing national goals and policy initiatives, and increased demands with respect to core responsibilities. Such conditions, alongside a general decline in public subsidies to universities and financial

pressures on universities, do not augur well for attracting and retaining a new generation of academics, and especially black academics given the opportunity costs of deferred income for first generation black graduates in the context of family expectations and responsibilities.

It should be clear that higher education transformation and development and indeed the future of South African higher education will be powerfully shaped by whether and to what extent we are able to better maintain the current generation of academics and simultaneously ensure the reproduction (and transformation of the social composition) of the next generation of scholars.

We can also pose whether we are nurturing the next generation of critical scholars – the historians, sociologists, philosophers, educators and other scientists that are passionately committed to both justice, and honest, critical and independent scholarship, and who must be the critical voices and public intellectuals of our society.

Who, otherwise, will interrogate and critique the paradigms that cast themselves as common sense, non-ideological approaches to prosperity and the good life. Who will counter banal proclamations of the end of history and the death of ideology, and engage with the ideologies that privilege private benefits above public good. Where will the intellectual critique of globalisation and its effects, of well meaning but ill-informed reconstruction and development policies, and of the unintended consequences of social policies come from?

Unless we reproduce critical academics and researchers we will not have the intellectual enquiries that ‘produce knowledge for politics’, but without cutting themselves off from ‘the objective and scientific investigation of the world’ (Buci-Gluckman, 1980:15). We will be impoverished as higher education institutions and poorer as a society.

## References

Althusser, L. (1971) *Lenin and Philosophy and Other Essays*. London: New Left Books

Buci-Glucksmann, C. (1980) *Gramsci and the State*. London: Lawrence and Wishart