

SYM Rejects New Banking System

By Socialist Youth Movement

Release date: 13 July 2023

The Socialist Youth Movement is deeply dismayed by the implementation of a new banking system for students funded by the National Student Financial Aid Scheme (NSFAS). We express our strong disapproval of this decision, which has caused uncertainty, anxiety, and frustration among NSFAS students, exacerbating the already challenging circumstances they face. In light of this unjust situation, we call for an immediate reversal of the new banking system and demand the provision of free, quality, and decolonised education as the only sustainable solution to the higher education crisis.

Through this new banking system, the state has outsourced the provision of living allowances to profit-driven companies and afforded them monopoly power to exploit poor students through exorbitant banking fees. The NSFAS Mastercard charges students R29 for a monthly bundle that only offers students ten free point-of-sale swipes and three cash withdrawals. Over and above this, the service providers charge R2 per point-of-sale transaction and R12 per RIOO for ATM withdrawals.

The NSFAS banking system has not only imposed extortionate banking fees on vulnerable students, but also delisted a number of students from the NSFAS database, effectively excluding them from the higher education system. NSFAS, like most targeted grant schemes around the world, dehumanises families by forcing them to demonstrate their poverty, and arbitrarily excludes needy individuals from receiving the assistance that they need. Reports suggest that since the transition to the new banking system, thousands of students have been denied their stipends as their status inexplicably changed from "Fully Funded" to "Pending Decision."

To add insult to injury, many of the companies contracted to facilitate the transfer of allowances to NSFAS-funded students were hired without banking licences or VAT registrations. Rather than seriously contend with accusations of corruption and nefarious activity in the tendering process, NSFAS has callously dismissed the claims and labelled them as "character assassination attempts."

The defunding of NSFAS students dangerously coincides with a recent ruling by the Supreme Court of Appeal, which has curtailed students' rights against eviction. The ruling notes that student accommodation does not constitute a "home," and as such, students who are in rent arrears can be displaced from their residences. That NSFAS would condemn thousands of students to impending eviction is sadly unsurprising.

We recall the nationwide wave of student protests which took place in the wake of widespread student homelessness after NSFAS capped accommodation allowances earlier this year. We shudder as we reflect upon the extent of institutional violence that is persistently waged against working-class students in this country. The government's deliberate abandonment of students and their calls for a sustainable, decommodified solution to the crisis of higher education reverberates like stun grenades in university corridors and pangs in our stomachs.

The current NSFAS crisis serves as yet another example of how the privatisation of public services has placed the interests of an elite few above those of the poor, obfuscated channels of accountability, and exacerbated inequality and exclusion in this country.

The Socialist Youth Movement believes that the well-being and success of our students should be of paramount importance in our society. Education is a vital tool for breaking the cycle of poverty and social inequality. Therefore, the implementation of policies surrounding financial aid must be executed with the utmost care and consideration. The current situation demonstrates a complete disregard for the challenges faced by NSFAS students, who already experience significant barriers to accessing higher education. For us, this can only be resolved by directly confronting the contradictions in the capitalist system and introducing a decommodified system of higher education through the implementation of free, quality, decolonised education for all.

As the Socialist Youth Movement, we call for an immediate and thorough review of the new banking system implemented for NSFAS-funded students. This review should address the numerous shortcomings and injustices that can be identified and must prioritise the welfare of students above all else. We also urge the relevant authorities to engage in a transparent and consultative process that

actively involves the affected students and affords them reparatory compensation for the damages that have been caused.

Beyond this, the imperative to deliver a sustainable solution to the crisis of higher education must be emphasised. The band-aid solutions that have been offered since the #MustFall movements have been repeatedly exposed to be inadequate. A clear strategy to replace NSFAS with a system of free higher education for all students grows more urgent and more necessary with each passing year. This is our demand:

Free, Quality, Decolonised Education for All... Now.
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This press statement was released by Socialist Youth Movement on 08 July 2023.