A COMPARATIVE STUDY OF STATE FUNDING MODELS OF BASIC EDUCATION: IMPLICATIONS FOR THE PROVISION OF QUALITY EDUCATION

by

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DECLARATION

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I, Takalani Samuel Mashau, hereby declare that all the resources that were consulted for **A COMPARATIVE STUDY OF STATE FUNDING MODELS OF BASIC EDUCATION: IMPLICATIONS FOR THE PROVISION OF QUALITY EDUCATION** are included in the reference list and that this study is my original work and has not been submitted before for any other degree or examination at any other university.

TMashau ..... 20 – 11 – 2012 .....

Takalani Samuel Mashau

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DEDICATIONS

This work is dedicated to my late grandmother Munzhedzi Mudzanani, my late parents Nngwedzeni Frans Mashau and Mjaji Edith Mashau, my aunt Mercy Thimisha and with love to my younger brothers Lufuno and Mulalo, and younger sisters Livhuwani and Tshifhiwa.

This work is finally dedicated to my wife Matshidiso, my son Andani and daughter Mpho.

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ABSTRACT

This study "A comparative study of state funding models of basic education: implications for the provision of quality education" is about funding of public education for quality education. The study compares public funding of public education of England, United States of America and Zimbabwe. The study explored how education is funded in England, United States of America and Zimbabwe.

The study explored whether Norms and Standards of school funding policy is addressing the imbalances of the past or not. The study has discussed how Norms and Standards of school funding should be implemented in South Africa in general and how provinces should implement it particularly Limpopo Province.

In order to find out whether Norms and Standards for school funding is addressing the imbalances of the past or not, 20 (twenty) questionnaires were distributed to ten Quintile1-3 schools, where principals and treasurers became respondents. Interviews were conducted with other ten Quintile 1-3 school principals and one senior official in the Limpopo Provincial Department of Education.

The study concludes that there are challenges in terms of funding schools in terms of providing quality education in themes that the implementation of Norms and Standards of school funding is not redressing the imbalances of the past. The study has therefore suggested model of funding for South Africa. This model can assist in provision of quality education as adequate funding leads to quality education.

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CHAPTER 1
ORIENTATION OF THE STUDY

1.1 INTRODUCTION

Education is a powerful tool that can be used to alleviate poverty. Brown (2002:1) states that, in a world where one billion adults are illiterate, education is the very best anti-poverty strategy. It is therefore important for the state to fund its education so that the target group (citizens) of the country is (are) educated.

In terms of Section 29 (1) of the South African Constitution, everyone has the right to basic education, including adult education and further education, which the state, through reasonable measures, must make progressively available and accessible. Bray (in Berkhout, 1996:95) states that providing free and compulsory education has become a part of the responsibility of most states on the basis of this being a basic human right. In 1948, the United Nations legitimised the idea of the state's financial responsibility to provide education, when it accepted in Article 26 of the Declaration of Human Rights everyone's right to education and that it shall be free, at least in the elementary and fundamental stages.

Traditionally, education has been the responsibility of the state and has been financed by the state from the revenues derived largely from taxation (Squelch, 1996:229). The main objective of any education system in a democratic society is to provide quality education for all learners so that they will be able to reach their full potential and will be able to meaningfully contribute and participate in their society throughout their lives (Lazarus, 1998:12).

According to Motala & Singh (2001:1), South Africa as a democratic state is determined to transform South African society and to deal decisively with the problems bequeathed to it by apartheid. It proclaimed its intention to do so through a Constitution that firmly resolved to deal with a number of human rights, as well as political, social and economic questions.

Central to South Africa's transformation of the inequalities system of apartheid into a democratic society which aims to equalize opportunities for all citizens is the establishment of a quality, equitable and democratic education system (Motala,

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2009:185). The Constitution and the laws that followed its promulgation were fortified by a number of policy injunctions. These policies have set the framework for the behaviour of the state and major social institutions in advancing the democratic covenant and the objectives that the new state sought to achieve.

In terms of Section 34 (1-2) of the South African Schools Act, No. 84 of 1996, the state must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the rights of learners to education and the redress of the past inequalities in the education provision. The state must, on an annual basis, provide sufficient information to public schools regarding the funding to enable public schools to prepare their budgets for the next financial year. Furthermore, Section 36 of the South African Schools Act states that a governing body of a public school must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education provided by the school to all learners at the school.

Lazarus (1998:153) argues that funding in the short and medium term should be provided. This should be used for:

- Embarking on an extensive classroom building programme in rural and disadvantaged areas in particular, that will substantially increase the capacity of centres for learning to accommodate all learners from surrounding communities;
- Making existing physical facilities accessible for learners with physical disabilities;
- Funding whole school/centre development programmes that include a focus on developing an inclusive and supportive environment; and
- Developing 'master' trainers to spearhead the massive education and training drive for educators and support providers, and funding ongoing comprehensive reorientation and training programmes.

The education budget must provide facilities and human resources to ensure that sustainable implementation can occur. This can include:

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- Funding of posts to ensure that issues pertaining to diversity and addressing barriers to learning and development are infused within departments of education, and
- Funding of all running costs relating to basics needed to ensure the barriers to learning and development are addressed (Lazarus, 1998:153).

In this study, I investigated through a literature review how developed countries like the United States of America (USA), England, and a developing country such as Zimbabwe, which is also a former English colony, fund their public education systems. The study also examined how South Africa funded its education in what we mostly call '*the watershed years*': from 1910 in the formation of the Union of South Africa, the 1953 Bantu Education Act, the 1976 Soweto uprisings, the 1983 Tri-Cameral Parliament and the early 1990s' Model C schools. By then, the provision of education was divided according to race and ethnicity which could not bring equality and quality education to all citizens of South Africa.

1.2 STATEMENT OF THE PROBLEM

When the new dawn of political empowerment dawned in South Africa in 1994, the Department of Education was amalgamated into one, as there were more than sixteen departments before 1994. The amalgamation was to provide equal opportunities for all citizens regardless of their place of origin, race, creed, sex and ethnic group. The Department of Education was to address issues such as equality, equity, redress and adequacy so that all should have an equal opportunity in education.

According to Lazarus (1998:146), the funding system needed to be able to address diversity and barriers to learning and development. Funding strategies and therefore budgets also had to include addressing the needs of learners who were currently outside the system.

Despite the global commitment to universal basic education expressed at the *World Congress of Education for All*, in Joemitan in 1990, it is clear that developing countries lacked the resources to fund education at an adequate level. Even South

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Africa, as a developing country, lacks resources to provide quality education for all, Motala (2009:185).

Thus, this study examined and compared the models of funding in the USA, England, Zimbabwe and South Africa, in order to find out whether Norms and Standards of school funding has an impact on the provision of quality education in the Limpopo Province in South Africa.

1.3 PURPOSE OF THE STUDY

The primary aim of the study was to examine and compare the models of funding of public education in USA, England and Zimbabwe alongside that of South Africa. Consequently, the study examined and compared the models which might have an impact on the provision of quality education in South Africa, in particular, the Limpopo Province.

The USA has, in time, developed different models of funding, such as 'Voucher' and 'Charter', while England has developed models such as the Local Education Authority and the 1988 Reform Act, all of which respectively are still used in those countries. Zimbabwe, as a developing country, is rated high where education is concerned when compared with some of the other developing countries in the world, so its model is although worth consideration.

In order to address and redress the imbalances of the past such as equity, equality and adequacy, South Africa has developed norms and standards policy for its school funding policy. These norms and standards are based on quintiles by which schools are placed in one of five groups, from Quintile 1 up to Quintile 5, in which Quintile 1 schools are the poorest schools and Quintile 5 has the least poor schools.

The aim of the 'Norms and Standards' funding policy was to remove the past inequalities. While discrimination in state resource allocation has been removed, inequalities persist for a number of reasons, including the ability or inability of parents to pay fees which contribute to the greater availability of additional qualified educators in some schools and an unfavourable learner-educator ratio to schools that cannot afford to employ additional educators (Motala, 2009:186). In other

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words, so far there are no adequate results in redressing the imbalances of the past, as poor schools remain poor and provision of quality education cannot be realised.

The following objectives were formulated to guide this study:

- To examine and compare how models of state funding of public education developed.
- To investigate the 'Norms and Standards' of the funding policy in South Africa, and its implementation on state funding of public schools on the provision of quality education and redress the imbalances of the past in the Republic of South Africa.
- To identify challenges experienced by public schools in the implementation of financial policy in the provision of quality education.
- To develop a proposed model of funding basic education that can be suitable for South Africa.

1.4 INITIAL ASSUMPTIONS

The following assumptions guided this study:

- The current 'Norms and Standards' for educational funding policy in South Africa are not addressing the imbalances of the past in order to provide quality education.
- Equity, equality, access and adequacy should be addressed by funding the under- resourced schools for quality education.
- There are challenges experienced by public schools in the implementation of financial policy in the provision of quality education.

1.5 RESEARCH QUESTIONS

The central problem that this research project attempts to answer revolves around the following question: Which model of funding can be used in South Africa in order to redress the imbalances of the past which are equity, equality, adequacy and access for the provision of quality education?

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Thus, the research question can be subdivided the following sub-questions:

1. How did models of state funding of public education develop in England, the USA and Zimbabwe?
2. How does the implementation of Norms and Standards of funding impact on the provision of quality education and redress the past imbalances in South Africa?
3. What are the challenges experienced by public schools in the implementation of the current public funding policy on the provision of quality education?

1.6 CONSULTATION OF THE LITERATURE

According to Welman and Kruger (2002:33), it is of little use to research a topic on which more or little has been researched. By reviewing research findings on a particular topic that have already been published, researchers may become aware of inconsistencies and gaps that may justify further research. Such a review enables researchers to indicate exactly where their research fits in.

Reviewing the literature is important because one would thus accumulate information which is related to one's study. There are a number of reasons why a review of the existing scholarship is so important. Mouton (2001:87) states the following importance of a literature review:

- To ensure that one does not merely duplicate a previous study;
- To discover what is the most recent and authoritative theorizing about the subject;
- To find out what are the most widely accepted empirical findings in the field of study;
- To identify the available instrumentation that has proven validity and reliability;
- To ascertain the most widely accepted definitions of key concepts in the field;
- To save time and avoid duplication and unnecessary repetition, and
- To provide clues and suggestions as to what avenues to follow.

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1.7 CONCEPTUAL FRAMEWORK OF THE STUDY

Since the main focus of this study is the implementation of policy in funding public education for provision of quality education in South Africa, its conceptualization developed from three constructs: policy implementation, quality education and public education. Policy implementation of public funding of public education in South Africa, and in particular the Limpopo Province, should impact on the provision of quality education to target the impoverished groups or citizens of this country. Quality education depends on equity and equality as far as funding is concerned. This is to address and redress the inequality and inadequacy of the past.

To this end, public funding of public education will be compared with two developed countries and one developing country, namely the United States of America (USA), England and Zimbabwe respectively. It will be examined how funding for quality education addresses issues such as access, equality, redress, and equity. The central point in funding is the learner who becomes an icon if educated.

The diagram below indicates the conceptual framework of this study.

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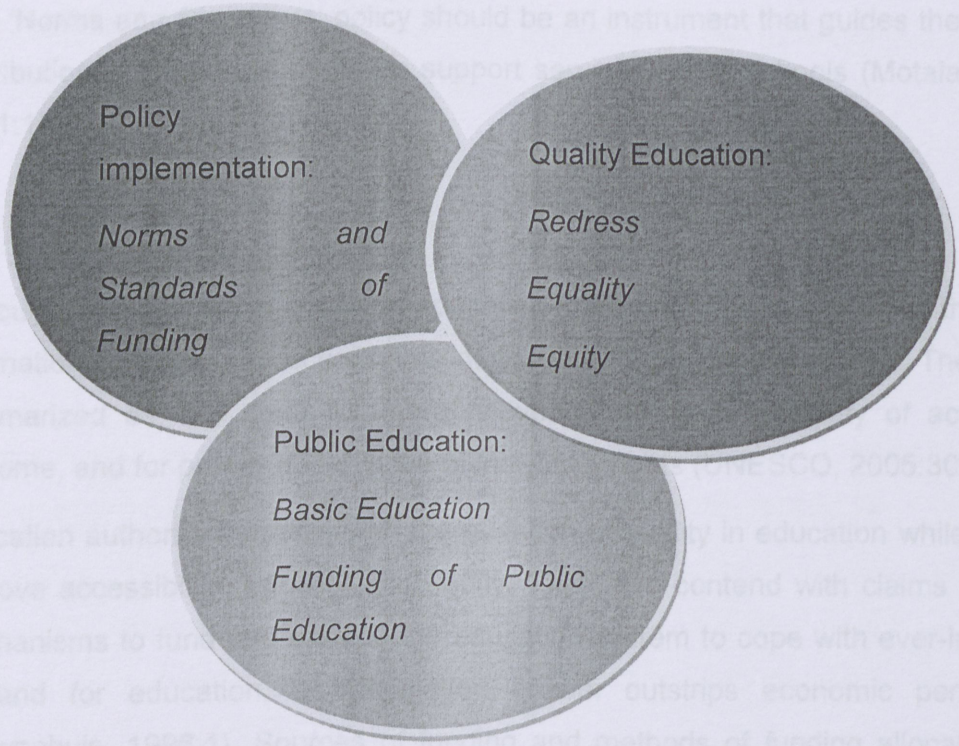


Figure 1: Conceptual Frame Work

In this study, I investigated through literature how developed countries such as United States of America, England and a developing country – Zimbabwe, which is a former English colony – fund their public education systems. This was to enable me to compare such systems with the way in which education is funded in South Africa.

1.7.1 Theoretical Constructs

The groundwork for the study was developed from the literature survey, which provided a comparative analysis of the three selected countries.

1.7.1.1 Policy Implementation

South Africa is engaged in the task of transforming its politics, economy and social system into a democratic society that offers all racial groups the opportunity to

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participate fully as citizens, workers, and fulfilled individuals. The most important thing has been the construction of an equitable and democratic education system. The 'Norms and Standards' policy should be an instrument that guides the equitable distribution of resources, such as support services, in all schools (Motala & Singh, 2001:1).

1.7.1.2 Quality Education

Although opinions about quality in education are by no means unified, at the level of international debate and action three needs tend to be broadly shared. They can be summarized as: the need for more relevance, for greater equity of access and outcome, and for proper observance of individual rights (UNESCO, 2005:30).

Education authorities wrestle with the question of quality in education while trying to improve accessibility, equality and equity. They also contend with claims of finding mechanisms to fund and expand the education system to cope with ever-increasing demand for education, as population growth outstrips economic performance (Niewenhuis, 1996:1). Sources of funding and methods of funding allocation have important implications for the outcomes of educational systems (Schiefelbein, 1983:12).

1.7.1.3 Funding of Public Education

According to the World Bank (1995:53), public finance is the main instrument for implementing public priorities and there is strong rationale for public intervention in the financing of education. The state has a role in promoting equality of opportunity.

According to Weber (2002:284), the South African Schools Act provides room for differential fee structures across schools:

- Public schools will be funded equitably by the state,
- Governing bodies could determine the procedures according to which parents who were unable to pay school fees were exempted,
- Governing bodies could charge school fees provided most of the school's parents supported the idea, and

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- Parents who were liable for payment of school fees could be prosecuted if they did not do so.

Education has benefits which can have influence in the development of society. Authors such as Guthrie, Garms & Pierce (1988:47) maintain that the public benefits from educated people are in two ways:

- One person's education may improve his/her co-worker's productivity, and
- Education may improve the social environment of a community, making it a better place for everyone to live.

Guthrie *et al.* (1988:47), the World Bank (1995:54) and Labaree (1997:42), all argue that the external economic benefits of education are closely related to:

- The increasing interdependence of modern society. Most work processes today, whether in private or public sector, require co-ordination, co-operation and interaction among people.
- The long-term cost savings to a community that result from education. For example, there is a strong relationship between low levels of education and crime.
- Education reduces the probability of unemployment and can reduce income inequality by promoting productivity gains in agriculture and facilitating the absorption of labour into the modern industrial sector.
- Increase in social mobility resulting from new opportunities for the poor.

Now that education contributes towards economic growth and productivity, it would seem that investment in education, or in human capital, should be considered on the same basis as physical investments in a nation's economy. Academic learning serves the individual and also the needs of the state. Successful democratic communities require a high level of literacy and numeracy and are encored by the knowledge and the good sense of the population. Citizens who lack these skills are less likely to contribute effectively to the well-being of their communities and more likely to draw on public resources (Hess, 2004:435).

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1.8 RESEARCH DESIGN AND METHODOLOGY

1.8.1 Research Design

For the purpose of this study, I used a multi-method strategy that combined quantitative data with qualitative data in order to add depth to findings (Swanson & Holton 1997:93). A multi-method strategy allows for the verification and triangulation of data.

1.8.2 Research Method

The term methodology literally refers to the science of methods and it contains the standards and principles employed to guide the choice, structure, process and use of method as directed by the underlying paradigm. It is the way in which people proceed to solve problems (Swanson & Holton 1997:93-94). This study utilized a mixed method approach focussing on the following:

1.8.2.1 Population

According to Schumacher & MacMillan (1993:159) a population can be viewed as the group from which a sample is drawn. In this study, schools from rural and peri-urban areas constituted the population.

I needed information from key informants. In this case, the informants were principals, treasurers and a senior official from the Limpopo Department of Education. These respondents were chosen because they were likely to be knowledgeable and informative (McMillan & Schumacher, 2001:173) about the phenomena I was investigating.

1.8.2.2 Sample selection

Rural and peri-urban schools needed to be the focus. The schools were thus chosen from either secondary or primary levels of Quintiles 1-3, i.e. the poorest of the five quintiles designated by the Department of Basic Education.

The sampled schools were all in peri-urban and rural areas and fell into Quintiles 1 to 3, not higher. The principals and treasurers of such schools were interviewed, and their experience in their positions was not considered.

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1.8.2.3 Data collection strategies

Data was thus collected through a literature study, interviews and a questionnaire.

1.8.3 Comparative literature study

Some researchers refer to this exercise as 'literature study' or 'literature survey'. In this study, literature was surveyed for information, not reviewed for gaps and inconsistencies. The literature consulted consisted of books, reports from appointed commissions of the National Department of Education, legislation, journal articles, newspapers, specialist reports, union and conference proceedings, newspapers and magazines.

A survey of the literature was needed for the following reasons, as stated by De Wet (in Brynard & Hanekom 1997:31):

- To obtain some perspective on the most recent research findings related to the topic, which in this case is the comparative study of state funding models: implications on the provisioning of quality education;
- To obtain an indication of the best methods, instruments for measurement, and statistics which can be used to identify models of funding which can redress equity, equality and adequacy;
- To improve the interpretation of one's own research results, in this case whether research can influence and justify equality and quality education; and
- To help determine the actuality of research on a particular topic, in this case the comparison of models of funding in two developed countries and one developing one, in an endeavor to improve South Africa funding.

Brynard & Hanekom (1997:31) go on to say that the advantage of a literature study is that the daily activities being researched are not disturbed. Data can be easily obtained, as everything is in writing.

The research thus concentrated mainly on an analysis of relevant documents so as to establish the models of public funding of public education in England, the United

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States of America, and Zimbabwe. Furthermore, it was intended to provide an in-depth analysis of how state funding for education developed in the world, and in particular in South Africa.

1.8.4 Interviews

Since this study focused on the models of funding which can be used in South Africa in order to redress the imbalances of the past – which are equity, equality, adequacy and access for provision of quality education – this was the main reason for using a qualitative approach, where interviews may be used to 'get under the skin' of the policy developers. Structured interviews were thus conducted to explore participants' perceptions regarding public funding in South Africa and in the Limpopo Province in particular, years after democracy was sought after in South Africa. Each participant was interviewed for at least one hour, and a common interview schedule was used for all participants to ensure consistency. Rubin and Rubin (in Arskey & Knight, 1999:33), suggest that structured interviews are a way of uncovering and exploring the meanings that underpin people's lives, routines, behaviours, and feelings.

According to Tuckman (1994:216), interviews may be used by researchers to convert into data the information directly given by a person. Thus an interview protocol was duly developed which included the following components: heading, instructions to interviewee, key research questions, probes to follow key questions, recording of the interviewees' comments, and space in which the researcher could record reflective notes. The information from such interviews could be recorded by using note-taking and an audiotape.

Such an interview could determine whether schools:

- Receive funding according to the 'Norms and Standards' policy;
- Receive funding at a specific time each year;
- Take their budget estimates to the Department of Education every year; and
- Receive same amount of funding per year according to their quintile.

In an attempt to determine whether the interview items possessed the desired qualities of measurement and discriminability (Tuckman, 1994: 235), a pilot test was

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first conducted using informants who were part of the intended population but who were not part of the sample.

1.8.5 Questionnaires

Questionnaires were preferred due to economic reasons, as McMillan & Schumacher (2001:257) show that the use of a questionnaire is economical, it contains standard questions, and questionnaires use uniform procedure thus ensuring comparability of results. Another advantage of questionnaires is that they can ensure anonymity to maintain and ensure confidentiality, thus giving the respondents more confidence in giving accurate information.

In preparing questionnaires, researchers should nonetheless be cautious. The following should be asked of each question (Tuckman, 1994:216):

- To what extent might the question influence respondents to show themselves in a good light?
- To what extent might the question influence respondents to attempt to anticipate what researchers want to find out?
- To what extent might the question ask for information about respondents that they may not know about themselves?

The validity of any questionnaire is limited by all three of these considerations (Tuckman, 1994:216).

Taking into consideration these issues, questionnaires were distributed to ten school principals, and ten school treasurers, categorised according to the Quintile level (1-3) of their school.

1.9 DATA ANALYSIS

Data analysis is the process of bringing order to and unravelling a possibly messy, ambiguous, unstructured and meaningless mass of collected data. Although time-consuming, data analysis can be a creative and fascinating process. Moreover,

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qualitative data analysis is primarily an inductive process of systematically organising the data into categories and identifying patterns among categories. Most categories and patterns emerge from data, rather than being imposed on the data collection (McMillan & Schumacher, 1993:480). Accordingly, since this study was to utilize interviews and questionnaires, order could be brought to it by using themes and narratives to enable qualitative data to take a quantitative form.

Quantitative data may be analysed using a standard SPSS Version 21 package, thus enabling the results to be widely understood and, where required, duplicated.

1.10 SIGNIFICANCE OF THE STUDY

According to Creswell (1994:113), the significance of a study lies in how the importance of a study may be described for selected audiences. It is hoped that the Minister of Basic Education and Member of Executive Council (MEC) of the Department of Education in the Limpopo Province may have communicated to them the results of this study so that they will be enabled to assess the shortcomings of the 'Norms and Standards' basis of school funding and thus improve the basis of education funding so as to redress the imbalances of the past.

The historical background of funding can inform the improvement of funding in public schools. The modern trend is that education should be funded in consultation with almost all stakeholders involved in education. The findings of this study will allow the Provincial Department of Education to review its funding process according to the needs and understanding of school authorities. This study may also serve to remind the national Minister of Basic Education and Member Executive Council (MEC) in the Limpopo Province to consider amendments to the legislation when funding public education. Other researchers may be enabled to expand this research from its original findings and recommendations. In other words, it is intended that the findings from this study will add value to the body of knowledge on education funding.

1.11 LIMITATIONS

While this study is concerned with the models of funding that can be used in order to redress the imbalances of the past – impacting on equity, equality, adequacy and

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access – in the provision of quality education in South Africa, particular attention was paid only to ten schools which fall under Quintiles 1-3 categories in the Vhembe District in Limpopo Province. Findings refer only to that population of schools, and more research would have to be done over a wider area in order that conclusions may be more generalized.

1.12 ETHICAL CONSIDERATIONS

All participants and respondents were informed of the intention and purpose of the study before they were interviewed. Their privacy and anonymity was indicated. According to Fontana and Frey (in Welman *et al.*, 2004:201), there are four ethical considerations to which a social researcher should pay attention. They are:

- *Informed consent:* A researcher should obtain the necessary permission from the participants after they were thoroughly and truthfully informed about the purpose of the interview and the investigation.
- *Privacy:* Participants should be assured of their right to privacy. For instance, they should be informed that their identity will remain anonymous if they so wish.
- *Protection from harm.* Participants must be given assurance that they will be protected against any physical and emotional harm that may be triggered by the results of the research.
- *Protection from manipulation* Researchers must guard against manipulating participants or treating them as objects or numbers than individual human beings. There should be no use of unethical tactics and techniques of interviewing.

Permission to conduct research in schools was obtained by means of a letter to the Senior District Manager of the Department of Education in the Vhembe District (see Appendix). In addition, all participants signed a consent form for their participation, which also assured confidentiality.

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1.13 CHAPTER DIVISION

This study has six chapters as follows:

Chapter 1 serves as an introduction; it lays out the problem statement, theoretical framework, research methodology and considers the ethical aspects of the study.

Chapter 2 surveys the literature on education funding from the international perspective. It also deals with international models of educational funding and looks at how and when public funding started. The particular states which are dealt with are England and the United States of America, as developed countries, and Zimbabwe as a developing country.

Chapter 3 serves to describe how the Republic of South Africa funds public education. Special attention is paid to how the Limpopo Province provides public funding in public schools. This chapter also points to the problems and constraints which the province experiences in terms of implementing policy as far as public funding of education is concerned.

Chapter 4 describes in more detail the research methodology and design summarized in Chapter 1.

Chapter 5 provides the results of the study, with data analysis and interpretation.

Chapter 6 concludes with a discussion, lessons learned and recommendations

There is also an Appendix which duplicates the letter requesting permission to conduct the research, the questionnaire as presented to respondents, and the interview schedule used in the research.

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CHAPTER 2

EDUCATION FUNDING FROM AN INTERNATIONAL PERSPECTIVE

2.1 INTRODUCTION

Providing free and compulsory education has become part of the responsibility of most states on the basis of this being a basic human right. There is probably no doubt that most societies would gladly provide free education at all levels for all people. The basic assumption of economics is, however, that resources are scarce, thereby implying that unlimited human needs and desires cannot be fulfilled. Choices have to be made in terms of the distribution of resources. The resources attributed to education, or certain sections or areas, are therefore one of the most powerful mechanisms available to influence educational behaviour (Berkhout, 1996:93).

Berkhout (1996:93) further states that finance forms part of the debate on a variety of related issues such as equity, development, reform of education, equality in education and the right to choice of education. In this chapter, the necessity and development of state funding of public education will be discussed. The exploration of state funding for public education will focus on two developed countries, England and the United States of America (USA) and a developing country, Zimbabwe. In this chapter, historic development and models of funding of public education will be discussed.

2.2 DEVELOPMENT OF STATE FUNDING OF PUBLIC EDUCATION

The World Book Encyclopedia (1997:92) states that by, the 1800s, the nation rather than the church had become the chief symbol that united people in many countries. Thus, religious control over formal schooling declined while that of the state increased.

According to Deighton (1971:30), state involvement in the financing of education has varied over the course of time, according to conceptions of the nature and purposes of education in a given period. In the past, education was not always considered the responsibility of the state and most institutions

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of learning depended primarily on private contributions or developed under the auspices of the church. The state's involvement in financing education was often initiated in the form of subsidies.

The United Kingdom was one of the few European countries that did not form a state-controlled education system in the 1800s, so that their churches and charitable societies continued to promote schools more extensively than did the government. Charitable societies promoted and funded education to enable society to read and understand the Bible.

Deighton (1971:31) further states that, education was considered as a private commodity by many nations. Due to the development of societies throughout the world, states realized that they should develop education systems and fund public education so as to become the primary funders, compared to the situation before the 1800s. As a result, education is now the commodity of states, where states fund education in order to educate their populations for the development of the state.

2.2.1 Involvement of the state in funding public education

In most countries today, therefore, the main financing of education has become the responsibility of the state. This has implications for a government. For instance, should it not provide adequate funds for education, the community may suffer and demand a new government. Inequality and injustice in the distribution of funds may land a government into equally serious trouble. Also, a government can control and direct education through its distribution of funds by stimulating some aspects to the detriment of others (Van Schalkwyk, 1995:43).

According to Burrup, Brimley & Garfield (1996:122), education is a beneficial service that should be made available to all eligible citizens of a country regardless of their degree of affluence. In such circumstances, it becomes necessary for education to be financed by the state, with its capability of collecting resources from the private sector and distributing them to equitably among institutions in the public sector.

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Levin (1987:630) and Solomon & Fagnano (1995:120) maintain that education is still generally accepted as a public good that benefits societies as a whole as well as individuals. However, especially in higher education, a worldwide swing of opinion now favours fees, supported as necessary by loans and other mechanisms to protect the poor.

Van Schalkwyk (1995:43) also emphasizes that an education system is dependent on finances. The more finance available, the more facilities that can be created and the better the wages that can be paid to educators in order to attract better ones, for better education. This should be done in order to have educated and responsible citizens.

Van Schalkwyk (1995:23) further points out that the legislative power of the state includes the power to levy taxes and decide how the money should be spent. Since the state finances education, it must also undertake the administration of education by means of some administrative law for the harmonious functioning of educational administration.

According to Watkins (2000:213), the way in which resources are allocated within social sectors shapes the distribution of benefits across society. The amount spent on basic education will be determined by the pattern of expenditure across different parts of the education system.

To achieve efficiency, public resources should be concentrated in a cost-effective manner where the returns to investment are highest. To achieve equity, states need to ensure that no qualified learner is denied access to education because of inability to pay (World Bank, 1995:103).

In almost all states a complete basic education is normally provided free of fees, since it is essential for the acquisition of the knowledge, skills, and attitudes needed by a society. When basic public education is not free, there will be poor households that cannot afford to send their children to school or keep them in school because of direct or indirect costs, such as books or loss

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of production around the home (World Bank, 1995:105). If states do not intervene, or provide free education, there will be no significant development.

As stated above, education is widely accepted as a major institution for promoting socio-economic development, and education expenses are often the most important item in the budget of developing countries. Yet, in most countries, education is not contributing all it can to development (World Bank, 1995:6). This is due to corruption and the maladministration of funds in almost all developing states. According to the World Bank (1995:5), there are four major reasons why education is not contributing towards development:

- Under-investment in education;
- Misallocation of resources among school-leaving learners;
- The inefficient use of resources; and
- Inequality in the distribution of educational costs and benefits between different income groups.

2.2.2 International declarations

Bray (2002:31) indicates that, during the first four decades after Second World War, the dominant feature of international pronouncements concerning education was that public education should be free of charge, especially at the basic education level. In this section international declarations which are related to the public funding of public education will be discussed.

According to Bray (2002:31) Article 26 of the 1948 United Nation Declaration of Human Rights states that:

- Everyone has the right to education.
- Education shall be free, at least in the elementary and fundamental stages.

Bray (2002:31) points out that, later, the 1959 Declaration on the Rights of the Child stated that:

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- The child is entitled to receive education, which shall be free and compulsory at least in the early stages.

Also, Article 13 of the 1966 International Covenant on Economics, Social and Cultural Rights declared that:

- Primary education shall be compulsory and free to all.
- Secondary education in its different forms, including technical and vocational secondary education, shall be made generally available and accessible to all by every appropriate means, and in particular by the progressive introduction of free education. Higher education shall be made equally accessible to all, on the basis of capacity, by every appropriate means, and in particular by the progressive introduction of free education.

On the same note, Brighouse (1998:140) indicates that states fund education in order to provide equality opportunity, so that those who are at the same level of talent and ability and have the same willingness to use them should have the same prospects of success, regardless of their initial place in the social system –that is, irrespective of the income, the state should grant equal educational opportunities.

Educational opportunities provide two distinct kinds of good. They provide:

- Competitive advantages in economies which distribute benefits and burdens unequally. More educational opportunities of a certain kind enhance prospective lifetime income and job satisfaction.
- Non-competitive opportunities for fulfilling life experiences. This includes not only the reward of executing excellently those tasks which demand the skills one has learned, but also the rewards which result from entertaining, executing, and reflecting on those tasks in a social context.

However, Article 28 of 1989 Convention on the Rights of the Child brought about a subtle shift in such thinking. The Convention indicates that signatory states would:

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Make primary education compulsory and available free to all;

Encourage the development of different forms of secondary education and make them available to every child, and to this end to take appropriate measures such as the introduction of free education and offering of financial assistance in the case of need; and

Make higher education accessible to all on the basis of capacity, by every appropriate means.

According to Watkins (2000:10), accelerated progress towards education for all depends critically upon what happens at the national level. Governments need to mobilize the resources required for achieving universal education, and they need strategies for overcoming the huge equity gaps, the parameters of which are determined by income, gender, religion and ethnicity.

Watkins (2000:10-11) further argues that, under the Dakar Framework of 2000 Education for All, states are expected to establish clear budget priorities for education. There are no blueprints for public investment. However, in countries where a large proportion of the primary school population does not complete primary education, the aim should be to invest at least 3% of the GDP on basic education –a level that few countries currently achieve. The Dakar Framework of 2000 also calls on governments to identify strategies for reducing inequalities in education, especially those related to gender. Once again, there are no blueprints. National strategies need to take into account local realities and to build on partnerships between governments, non-governmental organizations, and local communities. However, there are some broad principles that should guide national plans, as discussed below:

2.2.2.1 End charges for basic education

No child should be excluded from education because of the poverty of his or her family. States should establish timetables for eliminating direct and indirect fees.

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2.2.2.2 Integrating education into national poverty-reduction strategies

Poverty remains the main obstacle to achieving education for all. This is therefore the reason why education reforms are integrated into anti-poverty strategies that are in turn institutionalized in macro-economic reform programmes. Equally important is participation in the development of national education strategies.

2.2.2.3 Building on existing education-sector strategies

National plans should define clear targets for accelerating progress towards universal primary education, along with the funding gaps to be filled through increased aid under global initiatives. The objective should be to shorten the time-frame for achieving education for all, with an immediate focus on universal primary education.

2.2.2.4 Improving the quality of education

Adapting the curriculum to local needs, adjusting the school calendar to local circumstances (such as seasonal labour demands), teaching in local languages, and improving training and support for educators are among the most important requirements.

2.2.2.5 Involving parents and local communities

The real experts in understanding why poor children do not go to school, or why they drop out, are the poor themselves. National education planning should include a far stronger commitment to involving the poor in education, both in assessing the problems and in identifying the solutions.

2.3 SOURCES OF REVENUE AND GOVERNMENTAL STRUCTURES

Brimley & Garfield (2005:2) state that education requires financial support in order to provide for the needs of learners, human resources, facilities, equipment and supplies and property to sustain its visibility. This interconnection of education providing the human capital to engender economic strength and the economy providing funds for education is a 21st century reality. This section discusses the sources of funds allocated to

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education. Besides states, there are certain other agents that contribute financing or funding for education.

Berkhout (1996:103) indicates that a government acquires its financial ability mainly through its taxation system. The appropriation basis of funds to education therefore forms part of the government structure that is whether it is unitary or federal. The appropriation of funds to education is thus greatly influenced by governmental structure, and varies in different kinds of states.

Education could be, and still is, financed from a variety of sources such as taxation (Berkhout, 1996:103). However, revenue allocation problems also appear to be greater in less developed countries than in developed countries, with the mechanisms for transferring revenue to education being one of the main problems. According to the World Bank (1995:8), charging fees for students at publicly-funded institutions raises difficult questions about equity, access, and taxation. If all students attending public schools at all levels are charged, the poor will be hit particularly hard, discouraging their enrolment. This would result in children from well-to-do families being the only ones to benefit from education. The World Bank is therefore encouraging states to fund education, so that even children, from poor families can access education, regardless of their backgrounds.

Sherman (1979:294) indicates that equalization in educational finance can be defined differently in three distinct approaches:

Guaranteed-tax base or guaranteed-yield: This originates from the central government or constitutional efforts to ensure that all localities (provincial/state and local governments) have the same ability to raise taxes.

Expenditure: Per pupil or per capita expenditure is a prominent measure, although variations for differential student needs are sometimes allowed for.

Equal provision: Specific educational services are also an important basis to ensure equalization in curricula and differentiation.

Aside from the state itself, other sources usually exist for the funding of a country's education. These are described hereunder.

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2.3.1 Families or private households

The principle of household financing in education is not new. Communities, families, and individuals have always met part of the cost of educating their children, whether through payments to schools, contributions in kind or school buildings, or spending on textbooks and other teaching materials (Watkins, 2000:172).

Watkins (2000:173) states that households face a wide range of direct costs in sending their children to school, even in countries where primary education is officially free. These costs can be divided into two categories. The first covers official fees levied by education authorities to meet part of the cost of service provision. The second category, which is broader, covers costs met by the household budget, including the cost of textbooks, uniforms and school meals. The full checklist of the costs facing parents in most countries would include the following items:

- Levies imposed by schools and parent-educator associations, such as school improvement fees, building levies, charges for teaching materials and various payments in kind;
- Unofficial fees charged by schools;
- Out-of- pocket payment for school uniforms, textbooks, pencils, transport and meals.

According to Watkins (2000:175) and Berkhout (1996:113), parental contributions and school fees remain a financing imperative, and an efficient device for generating the resources needed to provide good quality service. The recognition of households as a prominent source of finance has opened the classic debate in education as to who benefits or who should ultimately be responsible for the provision of education. It has become policy in many developing countries to enable communities to contribute to the financing of education by contributing resources such as building materials and labour to enable schooling to take place. Paying of school fees is an example.

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2.3.2 Business (including philanthropists, benefactors and sponsors)

Education may be dependent on commerce and industry, whilst commerce and industry are in turn dependent on education. Education as an undertaking is responsible for the schooling and education of the people who are to serve in commerce and industry with a view to supplying goods and services to meet the needs of the community. Profits should be ploughed back to create job opportunities for the growing population and for the development of civilization. In this way development is increasingly controlled and man's welfare is promoted (Van Schalkwyk, 1995:27). More than this, Berkhout (1996:130) states that a sound partnership between the business world or industry and education has a wide variety of benefits for the school, its learners and educators, but also for the business world and the state, and thus for society as a whole.

Burrup *et al.* (1996:142) explain that the following partnerships can be based on the level of impact on the educational system:

- Those in special services which focus on student support activities and on programmes that encompass fund-raising, scholarships and donation of equipment;
- Those in classrooms, involving activities such as mentoring, tutoring of learners and extracurricular activities;
- Those in professional development, such as the sponsoring of conferences, workshops and in-service training;
- Those in management, providing management support and business expertise in strategic planning, goal-setting and school building improvement;
- Those in systematic educational improvement, involving community compacts, alliance consortia and technical assistance; and
- Those in policy, involving national or state task forces, private industry councils, and school boards.

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2.3.3 Interest groups (donor or development aid)

Organisations such as USAID (the United States Agency for International Development) and other organisations are agencies that offer donations to mostly developing countries. However, the ultimate responsibility for securing the right to education rests squarely with national states. International aid has an important role to play, especially in the poorest countries, but it cannot substitute for effective state action. The same is true for non-governmental organizations. These play a role in providing educational opportunities to communities and social groups that might be otherwise be excluded, filling the gap left by the state. No country has achieved universal primary education in the absence of effective state action (Watkins, 2000:295).

Countries which have recently experienced a decline in their economies suffer from stagnant or falling tax revenues, and therefore from a decreasing ability to provide additional public domestic finance for growing public services. In order to support the increased claims on public spending, in some countries foreign aid has assumed such significant proportions that education systems are largely supported by it. Donors have put considerable pressure on developing countries to accept financial and technical assistance to develop their education system (Perran, 1993:2), but at the same time such countries are required to account for what they have been given.

According to Haddad (1990:530), the external donor community, through international aid, can be instrumental in bringing schooling to all, but its role can be more complementary to national plans and less directive than in earlier years. It should include:

- Support for building national capacity;
- Weighting funding so that it will be used most effectively, where it will have the greatest impact, and where governments are hesitant to invest;
- Support for government efforts at sectoral reform;
- Sustained commitment to the sector; and

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- Support for government co-ordination of external donors.

This adds responsibility on the states to take care of the funds that the donors have provided.

2.3.4 The World Bank

De Moura Castro (2002:387) states that to some, the World Bank is the all-powerful arm of imperialism. Others regret that it is powerless, incapable of influencing policies in the countries in which it operates. Frigotto in (De Moura Castro 2002:387) states that supra-national agencies such as the International Monetary Fund (IMF) and the World Bank are like a kind of economic and political ministry of transnational capital. They are in effect the lords of the world, or the defacto power in the world. Educational development is being orchestrated by the World Bank with its concept of education systems linked to vocationalisation, aiming at preparing individuals to meet the requirements of productive activity and market circulation. When World Bank and IMF fund support states, they create very strict measures for those states. These institutions have instituted what they call Structural Adjustment Programmes, wherein states are unable to grow their economies and cannot increase salaries of state employees by more than 7%. Developing states do not have much alternative if they have to borrow from these institutions, and mostly they do need to borrow.

According to Watkins (2000:240), the World Bank occupies a central position in the development assistance effort in support of education. It is the largest source of external finance for a state's education programme, typically accounting for between 30% and 40% of total aid for education in a client state.

2.4 FACTORS INFLUENCING EDUCATION COSTS AND EXPENDITURE

Governmental funding of formal education, especially at pre-tertiary level, became fairly general during this century, but diverse forms and mixtures of resources exist and are being debated. Part of debate in financing of

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education is on variety of issue such as equity versus efficiency, educational choice, private education and decentralization of education system (Berkhout, 1996:103).

According to Haddad (1990:531) less investment in human capital means slower growth and lower rates of productivity, which could result in longer-term recovery and development. He adds that, education is a key element in bringing people out of poverty. Education remains the key to socio-economic development of states.

In the early nineteenth century, most education was controlled by religious or other private bodies and funded by these deliverers and those who attended. As history indicates, education was largely funded by private sources, but with the advent of modern nation-state in the mid-eighteenth century, governments became involved in the support of education (Cummings and Riddel, 1994:755).

Education forms part of a specific society and it can be assumed that there would be factors in this regard that influence education and the public expenditure and costs involved (Berkhout, 1996:107).There are various factors which determine education costs and which influence the sustainability of free education. There are a number of factors which influence public expenditure generally. As Cooms *et al.* (in Berkhout, 1996:107) state, in spite of the influence of context on education expenditure and costs, there are certain characteristics which have been found to be fairly generally applicable. The following external economic factors contribute towards explaining total public expenditure on education:

Inflation. This is an important factor influencing education expenditure, and many countries find it most difficult to increase real expenditure even though budgeted amounts increase extensively annually.

Competing demands of other public services. Apart from the inverse correlation between public expenditure on defense and education, other factors, especially social provisions such as health and housing, compete for funds with education.

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Rate of economic growth. Positive growth in the gross national product (GNP) indicates the availability of additional income for governments that could result in additional funds being allocated to education. A negative growth will have the opposite effect.

Apart from these external factors influencing education costs, various factors affect the demand for education. The factors which contribute towards public expenditure are discussed in the following sections.

2.4.1 The growth of the population and its age distribution

De Lange (1981:20) states that the demand for education in a country should in the first place be judged in the light of demographic data, like knowledge of fertility, mortality, immigration, emigration and the internal mobility of the population.

The demography referred above refers to the number of people, with regard to age, gender and with special education needs, who should be accommodated in the educational system (Steyn, 1997:102).

According to Levin (1993:8), population growth remains the single most important factor in determining the long-term growth in demand for educational services. It is intimately linked with the problems of providing adequate resources to meet an expanded demand. Put simply: in countries where the growth rate of the school age group exceeds the rate of economic growth, it is clear that larger and larger proportions of central government expenditure will have to be allocated to financing education to maintain current enrolment ratios.

2.4.2 The importance of education for social mobility

According to Steyn (1997:105), in this context the term 'social' describes the composition as well as social development of the people of a country or its citizens. 'Composition' refers to the presence of different interest groups such

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as the state, the parents, commerce and industry, churches, political parties, sports bodies and societies for leisure activities.

2.4.3 The importance of education for national development

As already discussed, education generates important benefits for human development. It is associated with more rapid and more equitable growth; it contributes to reductions in child mortality, and enhances public health. Many of the gains result from the fact that education empowers people, enabling them to exercise greater choice and exert more control over the events that shape their lives. The broad purpose of national education systems is to prepare children to participate in the economic, political, and social activities of the country and to accept its values (Watkins, 2000:63).

The creation of wealth is essential to the continuing growth of a nation and from which its resources for education are available. Five important elements in the creation of wealth are: labour, capital, technology, resources, and management. All five are enhanced through education, increasing individual wealth, and improving the quality of life for society (Brimley & Garfield, 2005:18).This means that education plays a role in providing people with the necessary skills for anticipated employment.

Brimley & Garfield (2005:18) further state concerning labour, that educated workers are more skilled, take more pride in their work, and are able to do a better job faster and more creatively than less educated workers. Education thus motivates workers to more production and better fulfillment of organizational and personal needs.

Education is in this way an investment in human capital and plays an important role in helping people to become literate, acquire the ability to numerate, be problem solvers, and achieve self-realization, economic sufficiency, civic responsibility, and satisfactory human relationships. Of course, as with any investment, there is an element of risk, and no one can be certain that recipients of the education product will achieve the maximum of their human potential (Brimley & Garfield, 2005:1).

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The advantages of education for national development, according to Pretorius (1996:131), are:

- A reduction in the costs of services such as welfare, through the fuller employment of citizens;
- An increased tax base from a stable and expanding economy;
- More jobs and income for citizens;
- Good public relations; and
- An improved social and economic climate due to reduction of unemployment.

The UNESCO Declaration for Integrated Framework for Action on Education for Peace, Human Rights and Democracy of 1995, as quoted by Osler & Vincent (2002:22-23), states that an educated cosmopolitan citizen will be confident in his or her own identity and will work to achieve peace, human rights and democracy within the local community and at a global level by:

- Developing skills to cope with change and uncertainty;
- Accepting personal responsibility and recognizing the importance of civic commitment;
- Working collaboratively to solve problems and achieve a just, peaceful and democratic community;
- Respecting diversity between people, according to gender, ethnicity and culture;
- Recognizing that their own worldview is shaped by personal and societal history and by cultural tradition;
- Understanding that there may be a range of solutions to problems;
- Respecting and negotiating with others on the basis of equality;
- Showing solidarity with and compassion for others;
- Having a vision of a preferred future;

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- Respecting the cultural heritage;
- Protecting the environment;
- Adopting methods of production and consumption which lead to sustainable development;
- Working to achieve harmony between immediate basic needs and long term interests; and
- Promoting solidarity and equality at national and international level.

According to Burrup *et al.* (1996:19), many people view education strictly in terms of costs, legislative allocations and percentage of taxes. If education is considered as an investment in human capital, the problem becomes one of extracting sufficient resources from the present economy to provide educational opportunities to the populace now that will be adequate to pay dividends in society in the future. The creation of wealth is essential to the continuing growth of nation. There are five important elements in the creation of wealth: labour, capital, technology, resources, and management. Educated workers are more skilled, take more pride in their work, and are able to do a better job faster and more creatively than less educated workers. Education moves workers to more production and better fulfillment of organizational and personal needs.

According to Watkins (2000:45), education matters because it is a fundamental human right, and because it is intrinsically important in its own right. It opens new horizons and raises the quality of life. But education is also a means to achieving wider human development ends, including higher living standards, improved public health, and democratization. It is one of the most powerful catalysts for poverty reduction. Viewed from another perspective, educational deprivation is an equally powerful cause of poverty.

Watkins (2000:63) indicates that education generates important benefits for human development. It is associated with more rapid and more equitable growth; it contributes to reductions in child mortality; and it enhances public health.

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2.4.4 The extent of education coverage for diverse segments of the population

Lazarus (1996:13) states that the most obvious result of poverty is unemployment, and other economic inequalities follow, such as the inability of families to meet the basic needs such as nutrition and shelter. Learners living under such conditions are subject to increased emotional stress that affects learning and development. Under-nourishment leads to a lack of concentration and a range of other symptoms that affect the ability of the learner to engage effectively in the learning process.

Watkins (2000:43) acknowledges that the causal relationship between education and poverty is much debated. Does lack of education cause poverty, or does poverty lead to a lack of education? Income levels typically reflect educational attainment, but poverty and its associated problems of illness and poor nutrition is a powerful barrier to educational attainment, as it can be difficult for poor learners to concentrate in the classroom.

Poverty-stricken communities are also poorly-resourced communities, frequently characterised by limited educational facilities, large classes with high learner: educator ratios, inadequately-trained staff and inadequate teaching and learning materials. Such factors contribute to learning breakdown and the inability of the system to sustain effective teaching and learning (Lazarus, 1996:13; Donald, Lazarus & Lolwana 1997:15-17). This is where states should come on board in providing more resources to poor communities in order to provide quality education.

Lazarus (1996:13) argues further that learners from families where one or more of the breadwinners is unemployed or poorly paid, are also more likely to leave school as soon as possible to work to supplement the family income. This perpetuates the cycle of limited skills with fewer work opportunities, the increased likelihood of unemployment or poorly paid work and, thus, ongoing poverty and exclusion. In this way poverty breeds poverty.

In South Africa there are a number of factors which contribute to a large percentage of learners being regarded as 'at risk'. Despite the large numbers

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of such learners, services and facilities to support them are limited and in some cases they are inappropriate and ineffective (Lazarus, 1996:27).

Lazarus (1996:27) makes clear that inadequacies and inequalities in the education system and the resultant problems which lead to learning breakdown are most evident in those areas of the country which have the lowest level of basic service provision, as well as the highest levels of unemployment and sustained poverty.

2.5 MODELS OF FUNDING

All education systems around the world have models of funding. According to World Book (1997:1335), a model is something like an example –or a pattern to be copied or followed if it is a quality. The financial arrangement as an element of the education system regards the income and expenditure and all budgetary instruments of the particular education system (Steyn & Wolhuter, 2000:56). This is how a state funds its system of education. Education funding can be centralized or decentralized; this also depends on the state' politics. In this study, the models fir public funding of education in England, the United States of America and Zimbabwe will be discussed. For each of these countries, the approach will be made through the literature, to ask whether funding and control is decentralised or centralized, and how funding reaches the countries' citizenry in different schools.

2.5.1 England

England is the largest of the four political divisions that make up the United Kingdom of Great Britain and Northern Ireland. Northern Ireland, Scotland and Wales are the other three political divisions of the United Kingdom (UK) which is often called Great Britain or simply Britain. England is the industrial and trading centre of the United Kingdom and lies in the southern and eastern part of the main island of Great Britain and consists of about three-fifths of its area (World Book, 1997:261). England has a population of 49 million, constituting

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more than four-fifths of the total population of the UK (Osler & Vincent, 2002:53).

2.5.1.1 Historical development of public education and funding

According to Gutek (1993:97), a long-standing practice in British education was that educational opportunities were based primarily on socio-economic class membership. Many social and educational privileges and opportunities were still ascribed to or based on birth rather than on merit. While highly selective public schools educated the members of leading families for positions of power and prestige, educating the working class was neglected. Charity and church-related schools offered limited basic education to children from the industrial and agricultural working classes. Among these primary educational institutions were parish schools, 'dame' schools, private venture schools, and charity schools. This ill-assorted medley was supported by the Church of England, various non-conformist churches, philanthropic societies, and voluntary organizations such as the Society for the Propagation of Christian knowledge.

According to West (2003:35), prior to any government intervention schooling in England depended almost completely on private funds between 1800 and 1840, and the supply of these was relatively substantial. At this time the largest contributors to education revenues were working parents, and the second largest was the church.

Hallas (1995:1025) states that, historically, state participation in education was minimal. The task was initially left to the church. In 1870, when universal elementary education was introduced, local school boards were set up to supplement school provision by the churches, and central government financing was increased. Then the boards were replaced by Local Education Authorities (LEAs). Since then, LEAs have been the bodies responsible for education provision.

2.5.1.2 The Education Reform Act of 1988

The Conservative Party when it was in power in 1997 finally passed this Act. The Labour Party then came into power and modified it. This Act is still used

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for the funding of public education in England. Although there were Acts which followed this one, most of them have been for the purpose of just making amendments here and there.

Sections 52 to 104 of the 1988 Education Reform Act (ERA) provide the legal basis for a new category of state, or grant-maintained schools (GM). Grant-maintained schools 'opt out' of their local education authorities (LEAs) and become autonomously incorporated institutions directly funded by central government. All maintained primary, middle and secondary schools are eligible to apply for GM status (Fits, Halpin & Power, 1993:9).

According to Osler & Vincent (2002:57) and Griffin & Brock (2002:55), the Education Reform Act marked a significant change in the control of schools, although earlier Education Acts during the 1980s had already indicated a change in policy direction. Schools have been given increasing control over their own budgets, and local education authorities have seen many of their responsibilities disappear. School governing bodies now have significant decision-making powers.

The Education Reform Act of 1988 is the most influential legislation to affect education in England since 1944. It has been succeeded by a number of Education Acts dealing with specifics, but remains the framework for the delivery of public education in all sectors. The Education Reform Act of 1988 was intended to erect or reinforce a hierachical system of schooling, particularly at secondary school level, subject both to market forces and greater control by central government (Chitty, 1992:36).

The Education Reform Act of 1988 (ERA) had a major impact on the way in which resources were allocated to schools by local authorities under the 'Local Management of Schools' (LMS) programme. In 1999, the then Labour Government introduced a new approach to the distribution of funds to schools by local authorities, called 'Fair Funding'. This system differs from the previous system of LMS, in that it requires more delegation of funds from the LEA to schools, with expenditure on central education services being strictly regulated. It also means that levels of delegation to all school types, including the former Grant Maintained School (GMS),are now similar and this may be

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the reason why the term 'Fair Funding' was coined (West & Pennel, 2002:215).

According to West & Pennel (2002:215), this new system of 'Fair Funding' involves a significant increase in the level of financial delegation to schools in respect of building work, the school meals service, some central support services and curriculum, and advisory and training services. Under Fair Funding, the LEA can also retain funds centrally to support its role in four key areas:

- *Strategic management.* How they should manage the resources, human and capital. How the schools should be effective in terms of producing useful citizens of the country who will contribute towards the economic growth of the country.
- *Access* (planning of school places, admission and transport).How learners will come to school is of utmost importance. There should be transport to ferry learners to and from school. Transport needs always to be maintained for the safety of learners.
- *School improvement.* Due to the fact that population is growing and buildings are getting old, there should be enough classrooms, and old ones should be maintained and renovated so that the schools will be attractive.
- *Special educational provision.* Learners are never the same. There are those who are in need of special education, which the LEA should provide.

These four key areas contribute towards offering quality education to all the children of England. On strategic management, learners are taught how to contribute towards the economic growth of their country. Transport to and from school serves as support service to education. Besides economic growth and transport for quality education, adequate space (i.e. classroom) is necessary. It is also interesting to note diversity of learners.

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The Education Reform Act of 1988 introduced a system of local management for schools. Local management schools reflect a change which has many features of an educational voucher scheme. A voucher is a physical coupon which transfers purchasing power to the consumer, but does not actually transfer money, as this is paid directly to the provider (in this case, a school). School budgets for staffing, premises and services were now to be delegated to individual schools. The delegated budget would be determined by a formula largely reflecting the number of pupils on the school roll. Accompanying this change was an alteration to the admission regulations, which meant that schools would in future be obliged to admit to their full capacity (Chitty, 1992:37)

At bottom, the funding of English schools is a shared responsibility between central government and local authorities. It is for schools and LEAs, individually and through Schools Forums, to work together to make sure that spending is best targeted, and matches income. Whilst everyone involved has their own area of responsibility, all share a commitment to ensuring that the school funding system works to raise standards and levels of achievement, that resources deliver results and are used effectively, and that funding arrangements are sustainable in the long term (Teachernet, 2003:1).

2.5.1.3 The School Standards and Framework Act of 1998

The public funding of public education in England is described by Anderson *et al.* (2001:397). When the Labour Party came into power, its promise was to make education top priority. Provision was to be improved across the board, so that quality and excellence became the right of everyone and not just the domain of the privileged. Of course, for the new government, this meant addressing various aspects of Conservative policy. With this in mind, the 'School Standards and Framework' legislation was added to the statute book in 1998. This Act introduced a new funding structure for maintained schools that was linked, in part, to the new framework for the organization of schools. By abolishing grant-maintained status, the Act provided for three categories of schools: community, foundation, and voluntary. The School Standards and Framework Act of 1998 requires Local Education Authorities (LEAs) to

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prepare schemes for funding all maintained schools, including those that had been Grant Maintained (GM), based on the new system. This is known as 'fair funding', the framework of which came into effect in 1999. The new system is based on seven principles (Anderson, Bush & Wise, 2001:397).

- Raising standards in schools;
- Self-management for schools;
- Clear accountability for both LEA and school;
- Transparency of school finances;
- Opportunity for schools to take greater responsibility for management decisions if they want this;
- Equity between the new categories of community, voluntary and community schools; and
- Value for money for schools and LEAs

2.5.1.4 Grant Maintained Schools

The Education Reform Act of 1988 introduced Grant-Maintained Schools. GMS own their land and buildings and are employers of staff. They have control over all their funding and are responsible for the provision of almost all services for the pupils and students at their schools (Thomas & Martin, 1996:14).

In England, school funding comes from national taxes, especially income taxes, and local property taxes or rates. The central government distributes these nationally-contributed revenues to the local authorities. The amount of revenue raised locally varies from LEA (Local Education Authority) to LEA. Those located in more affluent districts may generate more income for education. The national government uses a rate-support grant as an equalizer to ensure a minimal standard of education throughout the country (Gutek, 1993:109).

In 1988 the Education Reform Act extended the powers of governing bodies so that they took control of the larger part of their expenditure from the local education authorities, and were given almost complete responsibility for the

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appointment and dismissal of staff. Local management of schools gives autonomy to the schools, but they are held accountable for their management by the publication of examination results, the provision of information on the national assessments, and through reporting to an Annual Parent Meeting (Thomas & Martin, 1996:12).

According to Thomas & Martin (1996:15), decentralized management, crucially located within a strategic national framework, is central to achieving the government's 'five great themes' of contemporary reform. Components of decentralization are:

- Financial delegation; and
- Formula funding.

Financial delegation. Schools are given autonomy with respect to day-to-day control over their budgets. They are allowed to move money from one item of their budget to another. Based on the premise that schools make better decisions than LEAs when identifying resource priorities, it is a change in management process intended to make more effective use of those resources. For example, within their cash limited budgets, schools decide on the numbers and type of staff and how to spend money on their premises.

Formula funding. This has transformed the practice of funding schools from one character with the funding of individual schools open to public scrutiny. The formula also ensures a pupil-driven system of funding for schools in which a minimum of 80% of the money is allocated by formula tied to a number of pupils.

Griffin & Brock (2002:59) further indicate that the operation of parental choice affects the income of schools, as funding follows each and every student according to a formula related to the pupil's age. School heads and governing bodies must make future projections and estimate whether or not they need to make good a potential shortfall in numbers by marketing in some way. Schools are expected to make maximum use of the assets under their control. They can, for instance, hire out their playing fields.

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2.5.1.5 Local Education Authorities

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According to Griffin & Brock (2002:59), for the majority of maintained schools funds pass from the Department of Education and Employment, through their LEAs to a school's governing body. Nonetheless, funds do pass through the finance department of the LEA, with which schools have to negotiate concerning enrolment and other considerations. This is influenced year–by-year by two key variables:

- Demographic change; and
- Outcome of the open enrolment policy.

According to Teachernet (2003:1), central government funds each local authority in the form of a Revenue Support Grant (RSG), which takes account of the authority's need to spend on education, estimated through Education Formula Spending Shares (EFSS). The finance department of the LEA sets the amount of EFSS based upon the relative circumstances of the LEA. The EFSS covers both pupil provision School Formula Spending Shares, most of which LEAs are expected to pass on to individual schools, and the LEA's central provision. The LEAs decide how much of their resources to spend on education and, within that, how much to spend on pupil provision in the Schools Budget. Barring wholly exceptional circumstances, every LEA is expected to 'passport' the full increase in its EFSS into a matching increase in the school budget. Once set, the LEA decides how much of the school budget to pass on to individual schools, and how much to spend on each pupil provision that the LEA delivers itself, such as the element of special educational needs. Each LEA develops its formula to divide the total to be allocated to schools, taking into account pupil numbers and local circumstances and must deliver the requirements of the per pupil guarantee.

In the LEA area, schools are represented in School Forums. They advise on the school budget and the composition of LEA central budgets. They also advise on the finalised local funding formulae. The governing body of each school is responsible for deciding how to spend the individual school budget to ensure that the resources are allocated in line with agreed priorities, and is expected to deliver value for money. It also reviews progress to make sure

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that spending is delivering the right results and must keep within budget limits. Day-to-day decisions are generally delegated to the head teacher (Teachernet, 2003:1).

2.5.2 The United States of America (USA)

United States of America is the third largest country in the world in terms of population, and the fourth largest in area. It covers the entire midsection of North America, stretching from the Atlantic Ocean in the east to the Pacific Ocean in the west. It also includes Alaska, in the north-west corner of North America, and Hawaii, far out in the Pacific. The country is also often called the U.S, U.S.A. or America. Economically, the USA is one of the world's most highly developed and productive nations. No other country equals it in the production of goods and services, and its people enjoy one of the world's highest standards of living.

The USA consists of 50 states and the District of Columbia which is a piece of land set aside by the federal government for the nation's capital, Washington, DC. However the USA has a federal system of government in which each state has its own legislature and administration (World Book, 1997:183).

Like England, the USA has a long history of public education. For the betterment of funding public education in the Republic of South Africa, USA's model of funding will be analysed.

2.5.2.1 Historical development of public education and funding in the USA

During the early history of the USA, most schools were privately owned. Church groups owned and operated many of them. In the early 1800s, the idea of free state schools began to gain widespread support in the country and states and local governments took responsibility for establishing state school systems. By 1918, every state had laws requiring children to attend school until they reached a certain age or completed a certain year (World Book, 1997:198).

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According to Webb, McCarthy, & Th[illegible] (1988:2) on numerous occasions religious groups were instrumental in establishing their own schools or providing tutorial training. It was important to many church groups that children should be educated so that they would be able to read and understand the Bible, and to be able to defeat Satan.

In colonial America, before its independence from Britain in 1776, monies for schools were often obtained from lotteries and charitable contributions. Churches of various denominations financed education for some. It was usual in the very early days for the patrons of the schools to provide services such as supplying wood, making building repairs, or boarding teachers in lieu of money (Johansen *et al.*, 1990:444).

The general structure of the USA education system is the primary determinant of educational opportunity. The structure was put in place in the 1800s, when the states enacted compulsory schooling laws and established systems of locally-controlled public school districts providing free education from kindergarten to Grade 12. Since then, the education system has remained basically unchanged (Johansen, Collins, & Johnson, 1990:444).

At the beginning of public education in USA, control was largely decentralized and in the hands of families through the town meeting format. The teaching profession was weak, and the larger society, as represented by the state, was relatively inactive other than to provide enabling legislation. The principles of liberty, fraternity (among socio-economic classes but not races), and equality of opportunity within the community were dominant. Efficiency and economic growth were not yet the concerns of the schools (Swanson & King, 1991:28).

Swanson & King (1991:28) further state that, with the growing sophistication of the teaching profession, especially its administration, professional control and bureaucratisation took over near the beginning of the twentieth century. States became more involved by enacting compulsory attendance laws, setting certain basic standards, such as for teacher training, and providing some financing, including equalisation aid, the allocation of aid in inverse relation to local property wealth.

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Traditional public schools in America were preceded by private schools until the development of a common education experience which conferred societal benefits beyond individual benefits. The common experience arose out of collective values, a common language, shared political practices. Such things ultimately served to benefit the nation with long ranging effects on economic growth, democratic governance, unity, equal opportunity and an important place in the world (Geske, Davis, & Hingle, 1997:157).

Through the 1960s local governments provided the majority of funds for public primary and secondary education in the USA. Property taxes have traditionally been the primary source of local tax revenue, the resources devoted to education were to a large extent a function of the property tax based in a community (Evans, Murray, & Schwabb, 1999:72).

2.5.2.2 Public education essential in the USA

According to Schneider (2000:17) the purpose of the American public school system is the oldest in the world. In its broadest sense, it aims to prepare children and youth for citizenship in a representative democracy, also the oldest in the world. This purpose, central and unchanging, fits snugly into the framework of four, not mutual exclusive, broad educational goals that provide for:

- National security;
- Intellectual development;
- Perpetuation of our culture; and
- Citizenship in American representative democracy.

In short, funding of public education in the USA is to create patriotism, which some may consider to be a cornerstone of democracy.

2.5.2.3 Public funding of public schools

The word education is conspicuous by its absence from the United States Constitution. Public education, which is not mentioned anywhere in the USA Constitution or its amendments, is reserved to the states. The constitutions of all fifty states provide for public education, and many state governments do

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exercise broad control over the schools. The writers of the original federal document thus avoided any specific designation of responsibility for the pattern that formal education should take in USA. The reasons for such omission are presumed to have been as follows:

- The original thirteen colonies had already established their own patterns of school organization and had recognized and accepted their individual obligations for education, at least to some degree, by action and legislation during the colonial period;
- Certain other needs of the newly formed states were more urgent at that time.
- Many of the leaders of government presumed that a controversy over educational responsibility might lead to an impasse, or at least add greatly to the already overwhelming problems about which there was great dissension (Burrup *et al.*, 1996:169; Brimley & Garfield, 2005:172).

The great majority of USA children obtain their education in public schools. In the USA, schooling is the main point of contact between government and children (Manski, 1997:97). Manski (1997:98) further states that individual states in the USA have long subsidised school districts with low tax bases, and some have recently begun to enact 'learnfare' programmes which withhold welfare payments from families whose children fail to meet attendance requirements. Local school districts, which bear most of the responsibility for primary and secondary education in the USA, undertake a host of classroom, extracurricular and social service activities aimed at disadvantaged young people.

Expenditure on schooling is not equal from state to state. Some of the disparity can be explained by differing costs of educational inputs, such as real estate and educator salaries. However, when the numbers are adjusted to reflect regional wages and prices, there is still a wide variation between states in their spending on education. Within a state spending between districts also varies (Alexander & Shanker, 1996:1).

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Understanding why schools within a district receive different levels of funding requires looking closely at how districts allocate resources. Most districts use a formula that starts by allocating staff positions and other resources to schools, based on the number of pupils in each school. Then districts add staff positions and dollars on top of the formula-driven resources, using criteria other than student enrollment. In a system of student-based budgeting, it is the learners who are funded, not the schools. The concept is simple: each learner receives a base 'weighting' of 1.0, which represents a foundational dollar amount. Then, weights are established for groups of learners who have specific educational needs (Miles, Ware, & Roza, 2003:116).

According to Serow, Castelli, & Castelli, (2000:273), USA education is governed by a complex power-sharing arrangement between **local authorities**, and **state**, with the **federal government** playing significant role.

In the USA, money to support education comes from a variety of taxes paid to local, state and federal governments. These governments distribute tax money to local school districts in turn to operate the schools. The principal kinds of taxes that provide revenue for schools are:

Property taxes (generally a local tax);

Sales or use taxes (state tax); and

Income taxes (may be from both a state and/or federal one) (Johnson *et al.* 1991: 310; Johansen *et al.,* 1990:445).

2.5.2.4 Local authorities

Approximately 43% of the total income of the local authorities is allocated to education. However over the past two decades the annual cost per person has increased because of:

- A considerable increase in the number of pupils;
- Large scale expansion and improvement of educational programmes and school services;
- Considerable increase in educators' salaries; and
- Inflation.

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The increase in education expenditure placed a heavy financial burden on local communities. The inevitable result was that richer districts could afford better facilities and higher salaries, and consequently attracted better educators (Theron, 1995:587). Fiscal disparities are caused by the unequal distribution of the local property tax base (Odden, 2003:121).

2.5.2.5 State governments

The federal USA Constitution determines that state authorities should be primarily responsible for public education and should have the power of jurisdiction over it. From very early on, many educational responsibilities were transferred to the care of local authorities. However, the state authorities remain legally responsible for education. When local authorities run out of funds, there is an increase in the financial support given by the state authorities.

Each state has been responsible for its own system of education, with power to delegate whatever degree of control it chose to local districts of the kind and number it desired (Brimley & Garfield, 2005:171).

Campbell *et al.* (in Chubb & Moe, 1997:278) state that the state and federal governments have legitimate roles to play in financing schools, setting standards and otherwise imposing their policies. This means that USA citizens everywhere, whether or not they have children in school and whether or not they live in a district or even the state, have a legitimate hand in governing each school.

States spend almost 49.8% of their income on education. The complicated distribution of state funds in education is determined by the number of children attending school in different school regions, so that the allocation varies substantially from state to state. In an attempt to provide all pupils with equal educational opportunities, the state gives more assistance to poor districts than to rich ones (Theron, 1995:587-88).

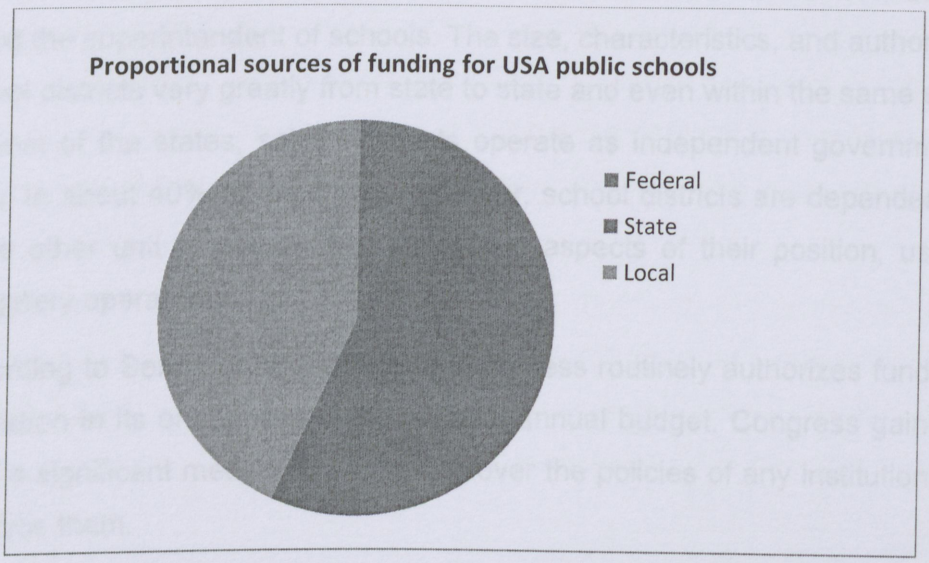
2.5.2.6 Federal government

According to Theron (1995:589), states are equally capable of providing education, but federal assistance is given when it proves to be in the nation's

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interest. Even though the federal government is not involved in education, it provides 6.9% of school revenues, while states provide 49.8% of school revenues and 43% come from local governments. This means that public schools are financed through a combination of revenues from local, state and federal sources (Serow *et al.*, 2000:277; Sadovnik, Cookson, & Semel, 1994:449).

Figure: 2 State, Federal and Local Government Funding



(Sources: Theron, 1995:587; Serrow *et al.*, 200:277; Sadovnic *et al.*, 1994:449)

Legally, the USA does not have a national education system. According to Valverde (1995:1033), all powers not included in the Constitution are given to State Governments. Education is decentralized, or managed by the lower levels of government rather than by the national government (Serow *et al.*, 2000:16).

Serow *et al.* (2000:286) and Valverde (1995:1033) point out that the Tenth Amendment to the Constitution of USA reads as follows: "The powers not delegated to the US by the Constitution, nor prohibited to it by the states, are reserved to the States respectively, or to the people."

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According to Valverde (1995:1038) and Brimley & Garfield (2005:101), local school districts use local property taxes as the principal basis of revenue for schools. Such a scheme produces considerable inequities, since property values are not equally distributed across the country. Hence poor school districts are often able to levy only a modest sum per pupil despite high property tax rates, whereas rich school districts are able to raise considerable sums per pupil despite low tax rates.

The local school district is the basic administrative unit for the operation of public schools in the USA. Each district has a governing board, usually referred to as the school board, and the chief administrative officer, usually called the superintendent of schools. The size, characteristics, and authority of school districts vary greatly from state to state and even within the same state. In most of the states, school districts operate as independent governmental units. In about 40% of the states, however, school districts are dependent on some other unit of government for certain aspects of their position, usually budgetary operations.

According to Serow *et al.* (2000:293), Congress routinely authorizes funds for education in its enactment of the nation's annual budget. Congress gains for itself a significant measure of influence over the policies of any institution that receives them.

According to NCES (1990:82), one frequently-used measure of financial resources available to the public schools is per pupil expenditure. This measure is the ratio of expenditures on education to average daily attendance. Data on trends in per pupil expenditure provide information to policy-makers at all levels of government on the overall availability of resources. However, they do not provide information about individual school district expenditures, the quality or type of resources provided, or their impact on the learning process.

The USA system of free education exists for all children regardless of their parents' station in life. In every state, the child and the parents have no choice but to take advantage of this educational opportunity, since school attendance

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is required by law up to the age of [illegible] (Nelson, Carlson, & Palonsky, 1993:79).

Nelson *et al.* (1993:79) further state that all USA youths are guaranteed an educational opportunity, but there is no guarantee that the opportunity will be equal for all, and in reality it is quite unequal. The child in the plush suburb is likely to come to school already advantaged educationally to a much greater degree than the rural.

2.5.2.7 School vouchers

An education voucher system exists when government makes payments to families that enable their children to enter public or private schools of their choice. The tax-funded payments can be made directly to parents or indirectly to selected schools. Their purpose is to increase parental choice to promote school competition, and to allow low-income families access to private schools (West, 2003:150).

According to West (2003:154), undermost tax-funded voucher systems, education is compulsory up to legal school-leaving age, but parents are free to choose among alternative suppliers of the compulsory service. Compared with an education tax rebate, vouchers help even those who pay little in direct taxation.

The school choice movement, the notion of providing children and families with options for the school and educational programme in which they participate without regard for the neighbourhood in which they live, includes a broad range of approaches. Amongst the many examples are 'magnet schools', 'alternative schools', 'charter schools', tax credits for private school tuition, intra-district choice plans, inter-district choice plans, and even alternative programmes within a single school. Each of these, to varying degrees, offers parents the ability to select for their children educational options in curriculum, instruction, and philosophical contexts (Metcalf & Tait, 1999:66).

Metcalf & Tait (1999:65) further state that greater choice is made possible by providing families with money in the form of vouchers that can be used for tuition in any participating school, usually including both public and private

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schools. As a result, voucher programmes differ from most other choice programmes in at least three important ways:

- Usually most contentiously, the programmes allow parents to use the voucher to select from among both public and private schools. Virtually all other choice proposals allow choice only among public schools, or programmes, though charter schools are arguably neither fully public nor fully private.
- All currently operating voucher programmes in Milwaukee constituted an exception until recent court rulings allowed the program to expand to include both secular and religious private schools.
- Unlike other choice approaches, 14 of the 16 existing voucher progrmmes in the USA operate on private rather than public funding.

School vouchers are a last-gasp reform movement that would allow the use of federal or state tax monies for learners to attend private, parochial, or public schools outside their assigned attendance area (Schneider, 2000:53).

2.5.2.8 Charter schools

Charter schools are a new kind of institutions and, not surprisingly, even experts are having trouble figuring them. Although state laws differ in detail, charter schools in general receive public funds, in a set amount for every child they enroll. Unlike conventional public schools, charter schools can decide how to spend their money, whom to hire, whether to have any full-time administrators, what books and equipment to buy, and what emphasis to put on technology. No child is required to attend a charter school, so all learners enroll by choice. However charter schools may not handpick their learners, and schools with more applicants than spaces must conduct admissions lotteries (Hill, Lake, & Celio, 2002:4).

Kirkpatrick (1994:248) defines charter schools as public schools delivering public education and using public dollars, but they are organized by individuals or groups, not school boards, as private, non-profit organizations.

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Charter schools are created around the concept of a charter or contract between the group that organizes the school and its sponsor, a designated governing body. The charter outlines the school's educational plan, outcomes, and assessment measures. In exchange for an agreement of accountability, the governing body grants the school autonomy.

This hybrid form of schooling is a 1990s development. Since Minnesota's passage of charter school legislation in 1991, 34 other states have followed suit, with more on the way. Despite the rapid growth and popularity of charter schools, an exact definition is difficult to pin down, because of the many forms of charter school legislation, and because it is a product of compromises that win the support of reformers with differing political outlooks. Due to the diverse character of charter schools and the goals of their supporters, some observers refer to them as an 'empty vessel' of school reform, because the label gives no indication of the sponsorship or of the organizational and pedagogical underpinnings of particular schools (Well, Grutzik, Carnochan, Slayton & Vaseduva, 1999:521).

Charter schools operate with a degree of autonomy from local school boards, and state funding follows students to charter schools. As there is a degree of parental choice in the school selection, charter schools are also accountable to parents, in that dissatisfied families can enroll somewhere else (Conway, Goodell & Carl, 2002:88).

According to Cibulka (1999:185), regardless of the variety, the unifying concept is that of a contract: state or district education authorities contract outside with outside organizations to establish individual schools. The contract or charter makes the school providers accountable to state authorities, since it specifies the organizational structure and educational goals of the school, while at the same time relaxing government regulations under which conventional public schools operate.

According to Hill *et al.* (2002:63), charter schools have a unique level of freedom to partner with non-profit organisations and to hire outside vendors; and because they are generally left to their own devices to find and to finance their own buildings and administer their own funds, charter schools establish

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voluntary relationship with a set of actors not normally a part of the public school accountability equation. Charter schools that have close ties to a sponsoring school district, for instance, tend to rely less on independent actors, as the district provides the majority of their services.

According to Schneider (2000:58), the charter school movement originated in Minnesota in 1991 as an alternative to public schools, with the objective of making public schools more effective. In contrast to public schools, charter schools enjoy autonomy with little oversight. Free from bureaucratic restraints, they are able to develop their own curriculum, select textbooks and determine class size. Their educators are not required to meet state certification standards. Their attendance area is not circumscribed. However, they do receive state funds on a per pupil basis, participate in the free and reduced-price school lunch programme and abide by health, safety and non-discrimination regulations.

Hill *et al.* (2002:66) state that grant funding is a significant source of income for many charter schools. In states such as Massachusetts, charter schools depend on private grants or donations for as much as 37% of their operating budgets, whereas public schools often receive no grant funds. These private sources use some judgment in deciding whether to fund a school initially and whether to continue that funding.

Grants, especially from government agencies, also sometimes impose judgment on schools and are competitive. However, some charter schools purposefully stay away from government grants to avoid government involvement in their schools. Their goal is to stay autonomous. Charter schools also depend on lenders, especially banks and bonding authorities. More and more charter schools are borrowing funds for capital expenses and other high costs, and banks and other sources of such funding are becoming increasingly open to the idea of lending to charter schools. While these organizations are not primarily concerned with the school's academic progress, those which lend money to a school want to see evidence that the school's leadership, governance structures, and that relations with its sponsor are stable (Hill *et al.*, 2002:66).

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Charter schools are designed to introduce the free-market principles of competition into public education. Charter schools have no notable financial savings; moreover, lack of accountability measures have resulted in cases of gross mismanagement and dishonesty, resulting in charter revocation (Schneider, 2000:59).

2.5.2.9 The shift to adequacy

According to Adden (2003:12), during the 1990 two key factors shifted the focus of school finance from equity to adequacy.

- The first was the question of whether differences in dollars per pupil produced substantive differences in educational opportunities or learner learning. As states became the major funders of schools, policy makers raised this question: does the money matter? With more intensity, they wanted evidence that different levels of fiscal resources produced important differences in educational opportunities and results.
- The second was that the answer, in a standards-based environment, had to link dollars to results to the learner achievement.

Under the standards-based education reform, the benchmark test of school finance policy is whether it provides sufficient or adequate revenues per pupil for districts and schools to deploy educational strategies that are successful in educating learners to high standards of performance. Determining adequate revenue levels entails first identifying the costs of effective programmes and strategies, then translating those costs into appropriate school finance structures, and finally ensuring that the resources are used in districts and schools to produce the desired results.

Implementing this approach to school finance should also produce gains in fiscal equity, because in most states it requires a leveling-up of low spending districts and schools. Reinforcing this shift in school finance litigation, which began with an equity focus, also shifted largely to adequacy (Adden, 2003:121).

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2.5.3 Zimbabwe

2.5.3.1 Historical Background

According to the Bureau of African Affairs (2010), the Shona and Ndebele people between the Zambezi and the Limpopo river lost their land and many human rights during the European partition of Africa, as the native groups were separately subjugated by British settlers in 1890. Further colonial repression was inflicted upon them collectively after their defeat during the 1893 war of liberation (Chimurenga War I), the first unified Shona-Ndebele war of resistance against colonialism. Subsequently, the British settlers named the country Southern Rhodesia, after Cecil John Rhodes, and introduced a system of separate development for blacks and whites that was enforced through a racist educational system. Missionaries introduced formal education before colonialism in 1867, when they opened the first missionary school. This early missionary education mostly catered to the sons of chiefs.

The government's Education Ordinance of 1899 provided grants-in-aid for mission schools, and some enrolled African students. Colonial education philosophy, content, structure, and administration for Africans, which began in the twentieth century with the enactment of the Native Education Ordinance of 1907, continued for 20 years until Zimbabwean independence. The act instituted guidelines for establishing four-year private elementary schools and was accompanied by school construction land grants. The education programme was very restrictive, combining religious instruction, basic industrial technical training, and academic subjects. For the first 40-year colonial period, the major players in the development of African education were the missionaries, who operated the schools, and the Africans themselves, who contributed to building the schools, providing school supplies, and purchasing textbooks. Other than state policy-making, the government's role entailed extending financial aid just to cover teacher salaries (Bureau of African Affairs, 2010).

Zimbabwe, still called Rhodesia, achieved colonial status in 1923. Soon after, the British government began to transform its role in African education by

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establishing the Department of Native Education in 1927 and subsequently passing the Education Act of 1929. This act –

- Allowed poor students to work for their tuition after school hours and during vacations;
- Extended grants-in-aid to schools for students with disabilities; and
- Introduced African teacher training.

It is important to note, however, that colonial administrators did not intend to educate the Africans to the extent that they would challenge the oppressive colonial rule and compete with whites (Kawewe in Bureau of African Affairs, 2010). More than this, the government of Godfrey Huggins used the worldwide Great Depression as an excuse to oppose and eliminate all other educational facilities for Africans except for elementary education, leading to a drastic decline in enrollment that reached 100,000 fewer students in 1930s.

After World War II, a 10-year education plan for the period 1947 to 1956 was established that resulted in a considerable expansion in primary education. Enrollment shot up to 164,000 when government policies began to change, and during that period the first secondary school for Africans, Goromonzi, was actually built near Salisbury (now Harare). Previously, Africans had acquired secondary and higher education from South Africa's black mine schools and overseas. Those few graduates of foreign programs then filled the only two positions available to blacks: clergyman or teacher. After Goromonzi opened, various missionary organizations followed suit and opened their own secondary schools, which enrolled approximately 600 students by 1949. The Kerr Commission appointed by the government to reassess the thorny issue of African education made progressive recommendations that were never implemented (Bureau of African Affairs 2010).

2.5.3.2 Constitutional & legal foundations

In 1953, under the short-lived Federation of Rhodesia and Nyasaland, when Rhodesia was combined with the countries that are now Zambia and Malawi, African education re-emerged as a sensitive issue. Godfrey Huggins'

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successor, Garfield Todd, was a strong supporter of African education and implemented several progressive policies for blacks before being ousted in 1958. However, the settler government that followed Todd did not abandon his progressive policies, using them as part of its political strategy so as not to alienate the British Colonial Office, which would have jeopardized independence negotiations. The federation even lied to further its cause by offering educational statistics that showed that 86 percent of school-age children were in primary school, when in fact a more accurate figure was 60 percent (Bureau of African Affairs, 2010).

In 1956, another Five-Year Plan was implemented. It called for five years of education for children up to age 14 in rural areas, an annual rural elementary school increase of 60 pupils, and eight years of schooling for urban children, not over 14 years old when reaching Standard Four. These restrictions forced many parents to forge birth certificates by altering their children's ages and birthplaces so that their children could gain admission to a school.

According to Bureau of African Affairs (2010) government education planning emphasized separate education rather than the provision of equal education for Africans and white settlers, as evidenced in the Native Education Act of 1959. In 1964 and 1965, Ian Smith's government was at the center of the country's unilateral declaration of independence, which changed the education administrative structure by creating a unified Ministry of Education. This ministry retained the separate divisions for blacks and Europeans, coloureds (interracial persons), and Asians. A new plan calling for compulsory education for all Africans was unsuccessful, as the government's ambitious plan was doomed to failure by a budget allocation of only 2 percent of the GNP for education. It was expected that any needed additional funds would come from private sources and voluntary organizations, but that did not happen.

Education and workforce policies that existed during the colonial era were essentially designed to ensure the existence of cheap and unskilled African labor. This was accomplished in two ways. First, colonial governments left education essentially in the hands of Christian missions, and second, the educational system that was offered was not technically or vocationally

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oriented. These two characteristics contributed to the present social, economic, and political problems in Zimbabwe. The colonial educational system has been criticized for being too literary and too classical to be useful. In 1978 the Ministry of Education and Culture combined its former divisions of European, African, Coloured, and Asian education into one structure and endorsed that structure in the Education Act of 1979, thus establishing a non-racial educational policy a year before independence (Bureau of African Affairs, 2010).

2.5.3.3 Zimbabwe After 1980

Zimbabwe used to boast one of Africa's highest literacy rates before its economic crisis around 2000s. Primary and secondary schools were racially segregated until 1979. In the first decade after independence in 1980, the educational system was systematically enlarged by the Zimbabwean Government, which was committed to providing free public education to all citizens on an equal basis. Although in the late 1970s only 50% of the black children (5-19 years old) were officially listed as attending rural schools, today most children attend primary school despite the fact that school fees are now charged for all schools at all levels. Primary through post-secondary enrollment has expanded from 1 million to about 2.9 million since independence. There is also an impressive network of independent private schools and church-run mission schools that have significantly more resources and thus significantly higher school fees than government-run schools (Bureau of African Affairs, 2010).

According to the Bureau of African Affairs (2010) despite attaining independence and the following two decades of development effort, Zimbabwe has retained and expanded the educational and sociopolitical infrastructures that were inherited from the colonial era. In 1980, the Zimbabwean government acknowledged that the education of many young people had been interrupted by the liberation war and by racist policies, and thus refused to implement any barriers to education. Once independent, Zimbabwe's education philosophy entailed a humanistic approach that emphasized promoting national development, a wider participatory process,

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sociopolitical, economic, and technology changes, and the overall culture of the nation. This was necessary for the moral, educational and material advancement of the majority of its population, as well as for the citizens to obtain equality, dignity, justice and liberty.

2.5.3.4 Public funding

The 1979 Education Act, which has undergone various amendments, defines aims and objectives, structures, and types of school programs, as well as evaluation and assessment procedures and ongoing scheduling. Although the act originally abolished compulsory education, the government of Zimbabwe reinstated compulsory universal primary education for every school-age child. However there was never any mechanism in place to enforce that policy, particularly in remote rural areas that are home to the majority of Zimbabwe's residents. Even without enforcement, the policy led to large increases in enrollment– increases that were so large, in fact, that at the end of the policy's first six years, the secondary, tertiary and higher educational systems, as well as the labor market, were stretched past capacity. The result was a shortage of available spaces and strict competition for the few that were in the secondary schools. Enrollment levels in primary education remain high at the present time, which uses up a large share of the education budget (Bureau of African Affairs, 2010).

The Zimbabwean government plays a dominant role in shaping policy and administering and financing education, even though local District Councils and voluntary organizations such as churches privately own the majority of schools. The government assumes the primary responsibility for administering education through the Ministry of Education and Culture, which is in charge of primary and secondary education, and the Ministry of Higher Education, which is responsible for tertiary education. These ministries are complemented by the Department of National Scholarships in the President's Office. The Ministry of Education and Culture also pays teachers and allocates government school buildings, as well as instructional materials, and it appoints public and private school teachers. The ministry's support for private schools is in the form of building grants and tuition assistance channeled through the

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appropriate committees and authorities. Subject panels define a centralized curriculum.

While the majority of teachers are civil servants, private schools can hire additional teachers in order to improve the teacher-student ratios, and such practices are common, especially among the private schools that serve the children of elite whites and blacks. Administration, supervision, and staffing are decentralized at the regional, district, and local school levels. Most schools are privately owned by individuals, local government, churches, and committees and boards. The District Councils administer the communal lands where the majority of Zimbabweans live and attend school.

Independent Zimbabwe has made great strides in racial integration in schools, with the exception of a few private institutions. Private schools continue to receive government subsidies, while former European schools continue to charge fees and are zoned only in certain geographic areas. These schools mainly cater to the children of elite families who can afford to pay high fees.

The total amount spent on education in Zimbabwe averaged 15 percent of the annual national budgets between 1980 and 1991, increasing to 17.7 percent in 1990 and 1991. This investment in education reflected the government's commitment to workforce development, as US$213,044,080 went to schools and US$32,947,245 went to tertiary education. With the rate determined by type of school, all secondary education institutions charge fees. In private elementary and secondary schools, parents pay building fees to supplement government building grants. Thus in addition to paying teachers' salaries, and building grants, the government also makes tuition contributions depending on grade and level of education.

In Zimbabwe, there are obvious regional disparities in personal and class income, wealth, and standard of living, all of which are related to levels of literacy. The budget of the Ministry of Education and Culture increased considerably, about from Z$3.1 million in 1993-1994 to just over Z$3.3 million in 1994-1995. The allocation for education also increased from almost Z$4.0 million in 1995-1996 to almost Z$4.5 million in 1996-1997. In total, the Ministry

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of Education and Culture was allocated 27.6 percent of the 1996-1997 national budgets. With the inclusion of the Ministry of Higher Education, the total allocation for education amounted to nearly 34 percent, of national expenditure in 1996-1997. In contrast, the Defense Ministry received only a little more than Z$5 million in 1993-1994. This amount was increased to approximately Z$2.1 million in 1994-1995, and then further increased to almost Z$2.4 million in 1996-1997, representing 11 percent of national expenditure for that fiscal year.

The increase in the percentage of the national budget that was allocated to education in a given year has been somewhat reflected in the literacy rate and the Index of Education and Human Development. For example, education received just over Z$.5 million in 1993-1994. This amount was increased to a little more than Z$2.1 million in 1994-1995, and further increased to almost Z$2.4 million a year later. At the same time, the adult literacy rate increased from 56 percent in 1970 to 86 percent in 1995. Education as percentage of gross national product in Zimbabwe increased from 6.6 percent in 1980 to 8.3 percent in 1995. Between 1988 and 1995, the increase in secondary and technical schools was 1.7 percent of total enrollment across Zimbabwe.

Zimbabwe has generally maintained public expenditure at above 5% of GNP since independence. This constitutes an average 18% of the national budget. In Zimbabwe, education and training accounted for about 35% of the national budget in 1999. However, in the Ministry of Education, Sport and Culture about 93% of the education budget goes towards salaries, leaving a paltry 7% for non-salary inputs which are used for the provision of instructional materials, school buildings and teachers' houses (Nziramasanga, 1999:125).

2.5.3.5 Grants

According to Nziramasanga (1999:126-28), central government provides funds for all administrators and teachers salaries and grants-in-aid to schools. A grant-in-aid includes:

Tuition grants which are payable to all schools;

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Building grants which are payable to all secondary schools to assist in capital developments;

Boarding grants which are payable to boarders at secondary schools (discontinued in the 1990s). The grants are not expected to cover the full costs of the buildings, so the agencies must find the balance. Provision of these grants allows the government to require minimum standards of construction.

Table 2:1: Zimbabwe per capita grants in Z$ by location of school as at 1999.

LOCATION OF SCHOOL	PRIMARY (PER ANNUM)	SECONDARY (PER ANNUM)
RURAL	$10	$10
HIGH DENSITY URBAN	$25	$20
LOW DENSITY URBAN	$50	$40

The per capita figures given above and prioritized figures show that government expenditure in education is biased towards primary schools and education in rural areas. A rural primary school pupil gets $50 per capita grant from government as compared to $40 for a secondary school pupil in the same area.

2.6 CONCLUSION

This chapter mainly focused on the origin or history of funding from an international perspective, dealing with the models of funding in England, the USA and Zimbabwe. Before the 19th century, education was funded mainly by churches and charitable societies. Many states realized belatedly that they should fund public education. After realizing that it is the state's responsibility to fund education, different countries funded public education through taxes and other means. However, it is not the responsibility of the state alone to fund public education; local communities, businesses and non-governmental organizations have a duty to help the state to fund education, especially if they want to have some say in the type of education provided.

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Effective education depends on how that education system is funded. Amongst all sources, the state remains the main source of funding of public education. Families or private households, businesses, interest groups and international assistance organisations may also be involved in funding education. The structure of the financing can enhance the quality and effectiveness of education.

Businesses depend on skilled human resources. It is therefore also necessary for the business world to fund education. This can be done by instituting bursaries, or by donating valuable materials that can enhance effective education. Interest groups, like religious ones, have been involved in education from the beginning of formal education. It is of utmost importance for the state to encourage the involvement of interest groups in education.

International Declarations from 1948 onwards indicate that states should at least fund basic education even if they are unable to fund higher education. This simply means that each and every citizen of a country should be literate. Such Declarations emphasize the fact that everyone has the right to education and every child is entitled to receive it.

The following chapter's focus will be on the public funding of public schools in the Republic of South Africa, and Limpopo Province in particular, according to 'National Norms and Standards for School Funding Policy' in the South African Schools Act of 1996.

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CHAPTER 3

PUBLIC FUNDING OF SCHOOLS IN SOUTH AFRICA AND LIMPOPO PROVINCE IN PARTICULAR

3.1 INTRODUCTION

There have been major changes in the state of South African schools, but there are also deep continuities with the past. It is no accident that the poorest provinces with the poorest schools are those that incorporate former homelands. The current state of the schools in those provinces is closely intertwined with the twists and turns of the history of apartheid over more than two centuries. It is also linked to present dynamics and social forces unleashed by democratization of South African society, as well as to the evolving nature of education itself, a system that is slow to change and so embedded in the tensions, stresses and strains of society itself that there is a continuous contradiction between its intentions and outcomes. This combination of history, contemporary dynamism and the character of the education system itself must go some way towards explaining both success and failure (Chisholm, 2005:203).

According to Malherbe (1977:535) education, like any other public or private service, has a twofold economic aspect:

- Where does the money come from to pay for it? –and
- What spiritual and material returns can be expected from the money so invested?

According to Classen (1995:487), the financing of education is a crucial component of any education system, as the entire system (that is, schools, policies and administration) is dependent on funds in order to function. In 1994 the South African Government of National Unity, led by the African National Congress, launched its Reconstruction and Development Programme (RDP) as a welfarist, social democratic or socialist initiative aimed at redressing the legacy of social and economic injustices and inequities of the apartheid era (Kallaway, 1997:35). The programme was aimed at

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redressing inequality, including in the education system. Kallaway interprets RDP policy as a policy which determines the caring for people, especially those in formerly disadvantaged communities, so that the policy was about redressing the imbalances of the past.

In this chapter, the researcher will discuss education in South Africa before 1994, then the transitional period in which the Reconstruction and Development Programme was the order of the day. The researcher will then focus on the funding of education in the country after 1994.

3.2 SOUTH AFRICA'S PRE-DEMOCRATIC ERA

In this section the significant years which determined the education system of the Republic of South Africa will be discussed. These are 1910, when the Union of South Africa was formed, 1948 when the Nationalists came into power, 1953 when the Bantu Education Act was introduced, 1983 when the Tri-Cameral parliament came into being and the early 1990s when Model C schools were introduced.

According to Fataar (1997:74), the existing pattern of provision of schooling in South Africa is the outcome of a history of colonialism, segregation and apartheid. Its vision can be traced back to the first colonial conquest by the Dutch East Indian Company in the mid-seventeenth century. From the earliest times education was configured along race, class and geographic lines. Generally the best available education was provided for the landed urban white classes, while rural whites (generally Afrikaners) provided mainly religious schooling for their children. African schooling was the most neglected, and missionary schools of various dominations and European origins remained the dominant form of schooling for Africans. However, as the demand for schooling increased, missionary societies became increasingly unable to fund schools adequately. The primary aim of missionaries was in any case to evangelise. Education was seen as a means of accomplishing this aim which, in most cases, resulted in the founding of schools and educational institutions linked to the mission stations (Lewis & Lemmer, 2004:58).

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Thus, from the arrival of the Dutch in the Cape, religion was the main motive in the financial support of schools for Africans. For many years the educational efforts of the missions among Africans were carried on without any financial aid from government (Malherbe, 1977:535). According to Masumbe & Coetzer (in Lewis & Lemmer, 2004:58) before the advent of colonialism and western education, the home and community were the important catalysts for social development among African communities. The arrival of missionaries of different denominations led to the introduction of formal education among the indigenous people, as literacy was viewed as essential to evangelisation.

3.2.1 The Union of South Africa

The Union of South Africa came into being as a British dominion in 1910, and four provinces were established: the Cape, the Orange Free State, the Transvaal and Natal. Schooling at the time of Union was already firmly segregated along racial lines and schooling for black (African) children was primarily provided by mission education. While some government primary schools for African learners had been established, mainly in Natal, the dominant view was that primary schooling for African children should be left in the hands of missionaries, who would be aided by provincial subsidies. The four different provinces were afforded control over primary and secondary education by means of their separate Provincial Councils (Lewis & Lemmer, 2004:67).

Up to the time of Union in 1910, 90% of the cost of African education was borne by the missions. The Native Economic Commission, in its 1930 report, states that two leading missionary churches had spent over one million pounds in furthering African education in South Africa during the previous century (Malherbe, 1977:540; Hartshorne, 1992:24).

As missions had already spent so much on black education, the state allowed further funding of such education by the missions. The mission schools rendered four forms of education (Malherbe, 1977:540) which were:

- They were the pioneers in school provision and the chief supporters of the school facilities;

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- They supplemented the government education where it was inadequate;
- They were experimental stations where educational adaptations are initiated and tested; and
- They were centers of Christian civilization in the colonies.

According to Lewis and Lemmer (2004:67), the Provincial Councils controlled and financed African education. Each of the four provinces had its own system of income tax for African people from which education was financed. This separate form of taxation for each province resulted in serious anomalies in that the rate of development in African education differed from province to province.

After looking at the anomalies, the Union's education department appointed an inter-departmental committee to investigate. After considering its findings, this committee made certain recommendations concerning African education, necessitating reforms (South Africa, 1936:5). The committee's findings included the following.

- The financing of African education was found to be unsatisfactory compared to white education.
- Nearly 70% of African children of school-going age were not at school, part of the reason being a lack of facilities.
- Education standards were not the same for white and African learners.
- The average school life of African pupils was less than three years, which resulted in alarming rates of juvenile delinquency. The commission did not recommend the adoption of compulsory education due to segregation. However, the feasibility of compulsion in certain areas had to be investigated.

Although criticism could be leveled against mission institutions, the missionaries were applauded for their efforts. Mission education, it was felt, was to play an important and continuing role in educating African learners.

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However, the report urged that a programme be planned which would lead to the state taking full responsibility for the education of African learners.

Malherbe (1977:545) states that, in addition, the Report indicated that 'Native education' should be taken out from under the jurisdiction of the Department of Native Affairs and placed under the Union Education Department, which administered white education. The Committee found that Africans would then not feel they were getting an educational system different from, if not inferior to, that of Europeans. It was decided that, like white education, African education should be financed by means of a per capita annual subsidy which would grow in proportion to the school population. At the time, the government was making a grant to the province of about R32 per white pupil, and R11 for Coloured and Indian pupils. The Committee accordingly recommended a per pupil grant of R7.50 for Africans.

These recommendations, however, were not accepted by the government. Instead, the percentage of 'Native' taxes paid into the Native Development Fund was increased very gradually over the next 6 years (two-fifths in 1936, three-fifths in 1937, two-thirds in 1940, five-sixths in 1942 and finally the whole amount in 1943) (Malherbe, 1977:545).

Malherbe (1977:545) relates that in 1945 there was a major reform when it was decided that all funds for African education should be drawn from a Consolidated Revenue Fund. Expansion was no longer to be dependent on the amounts the Natives paid in direct taxation. The result was that the amount spent on education rose from about R4 million to nearly R15 million in 1952. This principle underpinned the steady erosion of black rights in the Cape and the consolidation of the exclusion of Africans elsewhere (Ministry of Education, 2004:146).

3.2.2 The Nationalists rule (1948) and Bantu Education Act of 1953

In 1948 the Nationalist Party won the elections. 'Grand apartheid', which intended the separation of Africans and Europeans, was intensified. Acts like, the Prohibition of Mixed Marriages Act, the Group Areas Act, the Population Registration Act and the Bantu Education Act were passed in parliament

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(MoE, 2004:163-4). Reducing the scope of future generations of Africans to assert their rights or fulfill their aspirations in life was the goal that the Nationalists set themselves. Job reservation, limiting the jobs that Africans could be allowed to do, had already been established in the early decades of the century.

Fataar (1997:76) further argues that the policies of apartheid introduced a systematic attempt at separate development for separate ethnic groups. A central feature of grand apartheid was the setting up of Bantustans for separate ethnic groups. The introduction of Bantu education in 1953 was aimed at subjugating Africans psycho-ideologically to the designs of apartheid.

Shortly after the National Party came into power, it appointed a commission to investigate Bantu Education. The Eiselen Report paved the way for the abolition of missionary influence, which the Nationalist government regarded as nothing more than an instrument in the hands of liberalism (Malherbe, 1977:545).

The primary aim of the 1953 Bantu Education Act was to limit the tuition of African children to an inferior curriculum, sufficient merely to serve the European economy. Nonetheless, it created the foundation for mass education for the first time, although geared to imparting low-level skills to meet the requirements of post-war industry. It also shifted responsibility for African schools away from provincial education authorities to the Department of Native Affairs. It ended independent schooling for Africans, extensively reducing the role of the mission schools which had been so influential in producing articulate, confident African leaders. Although the quality of education was poor and there was gross under-funding, inadequate teacher training and very many pupils did not get beyond the first four years of schooling, the promotion of students to secondary level gradually rose (MoE, 2004:164-65).

Malherbe (1977:548) states that the biggest change came about in the shift of control from the churches to the local communities, where two African statutory bodies were set up, the school committee and the school board. Institutions that were more seriously affected were the teacher training

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colleges, the great majority of which had been run by missions, using white teachers. The government decided that the training of all teachers for government and government-aided schools should in future be conducted in state training institutions only. The managements of mission training colleges were invited to say whether they proposed to rent or sell their schools to the department, or to close the teacher training school and instead conduct a primary or secondary school in their buildings. If they were not prepared to do either, they might train teachers for their own schools entirely at their own expense, but the department would not necessarily employ teachers so trained.

The Bantu Education Act was broadly based on the report of Eiselen Commission which recommended (South Africa, 1951:112) that:

- The control of African education should be vested in a separate government department and not be run by provincial administrations; and
- A measure of decentralization had to be brought about with the establishment of six regional divisions. This division would ensure that homogeneous population elements were grouped together.

Malherbe (1977:554) argues that, during the rule of the National Party, the growth in the number of African children at school was so rapid that, within a few years, the financial provisions inaugurated by the Bantu Education Act of 1953 proved to be totally inadequate and a special Bantu Education Loan Account was set up, to which Parliament appropriated moneys from the Consolidated Revenue Fund to meet the deficits of African education. Finally the Loan Account was written off, and as from 1 April 1972 Parliament abolished the separate Bantu Education account with its fixed appropriation from the revenue account, and educational services for Africans were financed as follows:

- The Central Government undertook full responsibility for the services of African education in the White Areas. This was financed from the revenue vote in the same way as any other

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department of the state. In the African 'homelands', by then established, however, educational services were financed from the revenue funds available to each homeland government. These revenue funds were supplemented by over 80% of what was required by annual grants and additional appropriations made by the Central Government on the Bantu Administration and Development financial vote. No longer was the amount available for African education determined by what the Africans themselves could pay in direct taxes. This proved to be an improvement on previous policies.

Table 3.1 below shows how much these amounts have grown at 20-year intervals during the 60-year period, 1910-1960.

Table 3.1: Growth of state expenditure (in real money) on education per capita of population (1910-1970)

YEAR	WHITES R	COLOURED R	ASIATICS R	AFRICANS R	TOTAL R
1910	3.80	0.04	0.15	0.01	4.45
1930	9.50	1.13	0.73	0.20	2.30
1950	13.40	4.20	3.20	0.87	21.67
1970	33.90	8.30	15.80	1.20	59.20

Source: Education in South Africa. Volume II, 1923-1975.

3.2.3 The Tri-Cameral Parliament

The Ministry of Education (MoE, 2004:213) states that reform took a step forward in 1980, when the Senate was abolished and replaced with President's Council comprising nominated white, Coloured and Indian members, but no African representatives. This reform also included the funding of education according to race. African education was particularly affected because it was again inadequately funded.

Table 3.2 shows the per capita expenditure on school pupils for various years between 1982 and 1987, and expenditure on black education as a percentage of white education.

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Table 3.2: State per capita expenditure on school pupils per race (Rand per annum) (1982/83-1986/87)

YEAR	AFRICANS Per capita expenditure	% of white	COLOUREDS Per capita expenditure	% of white	INDIANS Per capita expenditure	% of white	WHITES Per capita expenditure
1982-1983	192,34	13.9	593,37	42.8	871,87	63.0	1385.00
1983-1984	234,95	14.2	569,11	34.4	1088.00	65.8	1654.00
1986-1987	476,95	19.0	1021,41	40.7	1904,20	75.9	2508.00

Source: Bilgnaut, Statistics on Education in South Africa (1982-1987)

3.2.4 Funding

As already stated, the segregation of education was also brought about by funding different ethnic groups and races. There was inequality in terms of funding for different learners, as funding was based on race (Nicalou, 2001:56).

Segregation of funding for education was also stipulated in the Bantu Education Act, as Behr (1984:84) states that the Republic of South Africa Constitution Act 32 of 1961 made provision in Section 88 for matters relating to the finances of the provinces. Each province had its own revenue fund, which comprised two accounts, a revenue account and a capital account. Into the revenue account was paid all income from taxation which the provincial councils were empowered to raise in terms of the provisions of the Financial Relations Consolidation and Amendment Act of 1945 (Act 38 of 1945). An important source of the funds paid into a revenue account was the subsidies voted by parliament for use by the provinces. The revenue account was used for financing of recurrent expenditure, such as the salaries of educators. The capital account was used for non-recurring expenditure such as the construction of new school buildings. As education was still divided by race, the funding was on a racial basis.

Buckland and Hofmeyr (1993:102) state that, until 1988, the Minister of Education in the House of Assembly functioned through four separate provincial departments, a hangover of the 1910 Act of Union, which had given power over education (excluding higher education) to the provinces. The Education Affairs Act of 1988 officially relegated these provincial departments to the status of regional departments of a single Ministry, but in practice they

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continued to be administered and financed independently of one another, although within the overall policies set by the Minister. Coloured education was under the House of Representatives and Indian education was under the House of Delegates (Pillay, 1990:30).

3.2.5 Model C Schools

The post-apartheid restructuring of schooling in South Africa began soon after the liberation movements themselves started to formulate polices in 1990. The demise of apartheid was heralded by the response to calls for the desegregation of state schools, with the National Party government focusing its restructuring efforts almost exclusively on those schools previously reserved for whites. These formed approximately 13% of the total number of schools in South Africa (Karisson, Mcpherson, & Pampallis, 2002:147).

After the former government had considered the democratic changes that were coming, according to Donald *et al.* (1997:16), more major policy documents on education appeared than at any time in the past. One example was that concerning Educational Renewal Strategy (Department of National Education 1991). The number of these documents, as well as their content, reflected not only the past distortions in education, but also the concern and urgency that were felt about educational reconstruction for the country's future.

In the early 1990s, when apartheid was about to come to an end, Model C schools were introduced. The reason for their introduction was to accommodate all racial groups. This was seen as a way to avoid racial discrimination in the education system (Karisson *et al.*, 2002:143)

According to Karisson *et al.* (2002:143), in 1990 the Minister responsible for white education announced that white state schools would be allowed to change their status from the beginning of 1991 if a large majority of parents voted to change. For the status of the school to change, 80% of parents had to vote in an election, with 72% of them voting in favour of change. Three new models were available:

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- **Model A** would result from the privatisation of the school.
- **Model B** schools could admit black learners up to a maximum of 50% of their total enrolment and would remain state schools.
- **Model C** schools could admit black learners up to 50% of enrolment and would get a state subsidy, but would have to raise the balance of the budgets through fees and donations.
- **Model D** was added; these schools would still belong to the Department of Education and Culture but were allowed to recruit an unlimited number of black learners, largely because of the declining enrolment of white learners.

Karisson *et al.* (2002:144) further state that the reason for the change in the status of white schools appears to have been twofold:

- The state was increasingly unable to provide the same level of financial support to white schools as previously. This was due to both the slow economic growth of the 1980s and the early 1990s and to the changing political climate that obliged government to move to greater equality in spending on black and white education.
- The change to Model C was an attempt to ensure that white communities could continue to control schools, rather than allowing them to fall into the hands of a democratically-elected government, which was foreseen for the near future.

In 1992, the government announced that all formerly white schools would become Model C schools unless parents voted by a two-thirds majority to retain status quo or to become Model B schools, and subsidies to all Model schools would be cut.

Despite the lifting of previous restrictions on black student enrolment and the fact that the criteria for admission at white state schools were devolved after 1990 to the governing committees of such schools, there was minimal deracialisation of schooling. The racially-segregated and ethnic structure of apartheid education remained essentially intact. With a self-governing and

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self-financing ethos, white state schools (Model C schools) increased school fees beyond the reach of the majority of black learners (Badat, 1997:11).

Since 1994, South Africa has undertaken the major task of transforming the inequitable political, economic and social system that characterized the apartheid era into a democratic society which aims to provide equal opportunities for all its citizens. Central to this transformation is the establishment of a quality, equitable and democratic system of education (Motala & Singh, 2003:2).

3.3 EDUCATION LEGISLATION SINCE 1994

According to Chisholm (2005:205) there can be little doubt that there have been major changes since 1994. In the first two years after 1994, racially divided departments were restructured into one national and nine provincial departments.

Although the development of human resources is seen as central to education in the future, the main emphasis has been on the structural changes which have to be made in the education system. The aim was to have one ministry of education with one policy, redressing the differences in resources and access to education controlled by one department and making coherent sense of national education needs in relation to syllabi, qualification structures, support services and teacher education (Donald *et al.*, 1997:16).

Immediately after the 1994 democratic elections, there was a drive to unify education departments, which were fragmented according to race and ethnicity, into one department. Commissions were appointed and White Papers were debated and passed in parliament. The commissions came up with recommendations on how education could be unified and how equity could be achieved. Legislation that came up is listed in Table 3.3 below:

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Table 3.3: Legislation passed between 1994 and 2000

DATE	LEGISLATION
1994	Reconstruction and Development Programme (RDP)
1995	White Paper on Education and Training
1996	Growth, Employment and Redistribution (GEAR
1996	Constitution of the Republic of South Africa
1996	National Policy Education Act
1996	South African Schools Act (SASA)
1998	Norms and Standards for School Funding

Each of these will be described further in the sections that follow.

3.3.1 Reconstruction and Development Programme (RDP)

As a macroeconomic policy, the RDP's values and objectives were driven by equity, democracy, redressing the social and economic burdens of the past, and promoting reconstruction and development. These types of objectives are associated with high degrees of state intervention, where the state increases the provision of social services to promote equity. The state is a better provider of equity than the market. Thus, the RDP falls into the theoretical category of a mixed economy with centralized state intervention (Nicolaou, 2001:61).

The RDP approach ascribed the destruction, distortion or neglect of the human potential of South Africa to a system fragmented along racial and ethnic lines. To address this legacy, the RDP promoted the integration of the education and training at all levels (Chisholm, 2005:205). The Reconstruction and Development Programme was replaced in 1996by a programme known as 'Growth, Employment and Redistribution' (GEAR), described further below.

3.3.2 White paper on Education and Training

The White Paper on Education and Training No. 196 of 1995 was published before the drawing up of the final Constitution of 1996. It was formulated after the Interim Constitution of the Republic of South Africa of 1993 introduced Bill of Rights incorporated in the final Constitution of the Republic of South Africa No.108 in 1996 and the Reconstruction and Development Programme of 1994.

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Considering the Interim Constitution of the Republic of South Africa of 1993, the White Paper (DoE, 1995:13) describes the purpose and scope of the paper as being the first steps in policy formation by the Ministry of Education in the Government of National Unity. Amongst these first steps, it:

- Previewed important developmental initiatives on which the Ministry of Education was engaged;
- Provided information about how the national and provincial departments of education were to be established;
- Analysed the budget process in education, and the necessity for a strategic approach to education funding in relation to the national priority for human resource development;
- Discussed in detail two significant policy initiatives for the school system: the organization, governance and funding of schools, and the approach to the provision of free and compulsory general education.

The White Paper (DoE, 1995:21-23) committed itself in some of the following:

- Deployment of the state's resources according to the principle of equity, so that they are used to provide essentially the same quality of learning opportunities to all citizens;
- Redress of educational inequalities among those sections of our people who have suffered particular disadvantages;
- The principle of equity, so that resources are used to provide essentially the same quality of learning opportunities for all citizens;
- Dispelling the chronic alienation of large sectors of society from the educational process; and
- Financial sustainability of education and training.

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3.3.3 Programme for Growth, Employment and Redistribution (GEAR)

The long-term vision of the GEAR macroeconomic strategy incorporated the following aims (Nicolaou, 2001:65):

- A competitive, fast growing economy that will create sufficient jobs for all work-seekers;
- A greater distribution of income and opportunities in favour of the poor;
- An economy in which good health care, education and other services are available to all; and
- An environment where homes are secure and workplaces are productive.

3.3.4 The Constitution of the Republic of South Africa

Under the Bill of Human Rights, this was also in the Interim Constitution of the Republic of South Africa of 1993, in terms of Section 29 (1) (a-b) of South African Constitution, Act 108 of 1996:

(a) Everyone has the right to basic education, including adult basic education; and

(b) To further education, which the state, through reasonable measures, must make progressively available and accessible.

To apply this, it would seem from the language of the Constitution that the state is obliged to provide basic education and such a right cannot remain unfulfilled or ignored. The failure to deliver basic rights such as these ones concerning education could well be regarded as a breach of the Constitution. As the Constitution stipulates, the state has the prerogative power to supply education. This mandated the Department of Education to come up with National Education Policy, Act 27 of 1996, which will be discussed in the next section.

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3.3.5 The National Education Policy Act (NEPA), 27 of 1996

The National Education Policy Act 27 of 1996 provides for a national policy on education, to amend the National Policy for General Education Affairs Act of 1984 so as to substitute certain definitions, and to provide a new policy on the salaries and conditions of employment of educators, and to provide for matters connected therewith.

In terms of Section 3 (4) (c) of the National Education Policy Act 27 of 1996, the Minister shall determine national policy for the planning, provision, financing, co-ordination, management, governance, programmes, monitoring, evaluation and well-being of the education system and, without derogating from the generality of that section, may determine national policy for facilities, finance and development plans for education, including advice to the Financial and Fiscal Commission.

3.3.6 The South African Schools Act (SASA), 84 of 1996

This South African Schools Act was enacted in 1996 and provides a uniform system for the organization, governance and funding of schools, to amend and repeal certain laws relating to schools, and to provide for matters connected therewith. It also specifies the way in which parents should help schools in terms of bringing their children to school and funding their children's education. It also provides guidance on how the state should fund schools.

According to Fiske and Ladd (2004:159), the main legislation related to schools is this South African Schools Act, No. 84 of 1996. It provides for a national system of schools that includes both public schools and privately-financed independent schools, makes education compulsory for learners from the age of seven to fifteen, or through Grade 9, and prohibits schools from discriminating among learners based on race or their inability to pay school fees. In accordance with the Constitution of the Republic of South Africa of 1996, Section 29 (1) (a-b), as cited above, the National Education Policy Act of 1996 calls on the Minister of Education to set norms and minimum standards for the funding of public schools after consultation with the Minister of Finance, the Council of Education Ministers from the nine provinces and the

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Fiscal Commission, an advisory group set up to provide advice on issues of inter-governmental relations.

The South African Schools Act of 1996 calls for all schools to be governed by elected governing bodies made up of all the school's stakeholders, including parents who comprise majority. Each governing body makes recommendations regarding the appointment of all educators, including the principal, and is mandated to take all reasonable measures within its means to supplement the resources provided by the state (Fiske and Ladd, 2004:159).

3.3.7 Norms and standards for school funding policy

The Minister of Education is given the mandate by the National Education Policy Act (NEPA) 27 of 1996 in terms of Section 3 (4) (c) of determining national policy for financing education. That is why a 'National Norms and Standards for School Funding' is set out in Section 35 of the South African Schools Act (SASA), 84of 1996. This section sets out the national and minimum standards for school funding, and Section 3(4) (g) of NEPA also states that the Minister may determine national policy for the organization, management, governance funding, establishment and registration of the education system.

Considering both these pieces of legislation, the Minister determined the 'National Norms and Standards for School Funding' as gazetted in October 1998 and this became national policy on 1 April 1999 with implementation in 2000 (Nicolaou 2002:95; Karisson *et al.*, 2002:159). The 'National Norms and Standards' thus established funding procedures which promote equity and redress inequity, within a context of inadequate government spending and increasing parental financial support for education. The document sets out the minimum standards for the public funding of public schools, and exempts parents who are unable to pay school fees.

The 'National Norms and Standards for School Funding' require provincial education departments to prioritise the neediest schools when making decisions about capital expenditure, and to provide higher levels of recurrent non-personnel, non-capital funding for schools in poorer communities. The

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procedures also provide for governing bodies to give fee exemptions to poorer learners. It does not address educator salaries or provincial education departments' school-level expenditure (Pampallis, 2002:107; Karisson *et al.*, 2002:159).

The purpose of the procedures is to effect redress and equity in school funding with a view of progressively improving the quality of school education, within a framework of greater efficiency in organizing and providing education services. The procedures indicate the method by which funds are to be distributed according to certain categories. The funding norms recognize that SASA imposes a responsibility on all public school governing bodies to do their utmost to improve the quality of education in their schools by raising additional resources to supplement those which the state provides (Patel, 2002:176).

According to Karisson *et al.* (2002:159), to bring about redress of inequity among existing schools, provincial education departments are required to direct 60% of the non-personnel and non-capital expenditure towards 40% of the poorest schools in their provinces. In order to implement this, provinces are required to compile a list of schools based on their socio-economic levels of development and physical resources. This 'resource targeting list' will be used to divide schools into five categories based on needs. The framework outlined in Table 3.4 below provides a guideline for the procedure, detailed further below.

Table 3.4: Resource targeting table based on condition of schools and poverty of communities

School quintiles from poorest to least	Expenditure allocation (percentage of resources)	Cumulative percentage of schools	Cumulative percentage of non-personnel and non-capital recurrent expenditure	Per learner expenditure indexed to an average of R100
Poorest 20%	35	20	35	175
Next 20%	25	40	60	125
Next 20%	20	60	80	100
Next 20%	15	80	95	75
Least 20%	5	100	100	25

Source: Government GazetteNo. 19347, October 1998:27

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According to quintile grouping of schools, the poorest 20% of schools will receive 35% of resources, while the next poorest 20% will receive 25%. The next two categories will receive 20% and 15% respectively. The last 20% of schools, which are largely former Model C and former House of Delegates schools which are regarded as least poor, will receive 5% of resources. The recurrent cost allocation will be used to fund water and electricity bills, maintenance of buildings and the purchase of learning materials equivalent to at least R100 per learner. If provinces lack sufficient funds, priority will be given to the poorest schools.

According to the National Norms and Standards for School Funding gazetted in 1998, the norms deal only with school level expenditure. The norms and minimum standards in the document apply:

- Uniformly in all provinces, and are intended to prevail in terms of Section 146(2) of the South African Constitution; and
- Only to ordinary public schools.

In terms of Sections 36-37 and 39 of South African Schools Act (SASA) 84 of 1996, the norms do not apply to funds raised by ordinary public schools through their own efforts. The national Department of Education is responsible for monitoring the implementation of the norms in terms of Section 8 of the National Education Policy Act (NEPA) 27 of 1996.

According to the 'National Norms and Standards for School Funding' policy of 1998, the Department of Education is required to undertake its monitoring and evaluation role in the following way:

- In a reasonable manner, with a view to enhancing professional capacities in monitoring and evaluation throughout the national education system, and assisting the competent authorities by all practical means within the limits of available public resources to raise the standards of education provision and performance.
- Each Head of Department will be expected to verify that the national norms are being complied with in allocating funds, or that acceptable alternatives are being implemented, after

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consultation with the Department of Education. If the Provincial Education Department is unable to comply with the norms because of lack of expertise or for any other reason, the Department of Education must be informed without undue delay, so that the problem can be examined and remedies sought.

- SASA imposes other important responsibilities on the state with respect to funding of public schools. The basic principle of state funding of public schools derives from the constitutional guarantee of equality and recognition of the right of redress. Section 34 (1) of SASA states that the state must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the rights of the learners to education and the redress of past inequalities in educational provision.

According to the Norms and Standards policy, the Ministry of Education's personnel policy for schools embodies the following principles:

- Schools must be supplied with an adequate number of educator and non-educator personnel;
- Such staff members must be equitably distributed according to the pedagogical requirements of the schools; and
- The cost of personnel establishments must also be sustainable within provincial budgets.

Further according to the policy, in order to make progress towards equity in school funding, each provincial education department must:

- Use relevant provincial data much more intensively in budgeting and planning decisions;
- Develop the necessary data systems to guide planning and allocations; and
- Be able to demonstrate to the Department of Education that progress is being made.

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Schools must provide information to provincial education departments. On their part, departments must ensure that information is received on time from schools, so that the necessary analysis can be undertaken, and resource allocation decisions made on time. Provincial Education Departments must annually provide public schools with sufficient information so that the schools' governing bodies can develop their budgets as required by Section 34 of South African Schools Act (SASA) 84 of 1996.

It also deals with the procedures to be adopted by provincial education departments in determining resource allocation to their schools.

3.3.7.1 Exemptions of parents from paying school fees

According to National Norms and Standards policy (DoE, 2000:5) partnership is a fundamental principle within SASA. Responsibility is shared by parents in school communities and the government. It is parents within each school who decide whether or not school fees will be charged and, if so, how much. If school fees are charged, this does not mean that parents who cannot afford to pay cannot be exempted. Government policy allows learners of families who cannot afford to pay school fees not to be denied access to education because they cannot pay school fees.

Parents who cannot pay school fees can apply to be exempted from paying, as most schools in South Africa charge school fees. According to the National Norms and Standards policy gazetted in 1998, the school is duty bound to ensure that all parents are aware of the regulations on school fees, and know that they can apply for exemptions from paying them.

In terms of Section 5 (3) (a) of South African Schools Act (SASA) 84 of 1996, no learner may be refused admission to a public school on the grounds that his/her parent is unable to pay or has not paid the school fees determined by the governing body.

According to the 1998 policy document, if a parent meeting decides to charge annual school fees, the following criteria for exemption from fee paying must be observed:

- **Full exemption:** if the combined annual gross income of the parents is less than ten times the annual school fees per learner, the parent

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qualifies for full exemption. A person who has the responsibility of a parent of a learner placed in a foster home, foster care or a place of safety, qualifies for full exemption.

- **Partial exemption:** if the combined annual gross income of the parents is less than thirty times but more than ten times the annual school fees per learner, the parent qualifies for partial exemption.
- **No exemption:** if the combined annual gross income of the parents is more than thirty times the annual school fees per learner, the parent does not qualify for exemption.
- **Conditional exemption:** the criteria for making a conditional exemption must be related to special circumstances affecting a parent's ability to pay school fees, or to the need to acquire relevant information about a parent's circumstances.

Table 3.5: Calculating exemptions for the payment of school fees

Annual income before deductions	Annual school fees	Ratio (Note 1) (Rands) Gross income / Total fees paid	Ratio (r=ratio)	Comment
R 15 000	R 2 000	R 15 000 / R 2 000 = Ratio 7.5	r<10	Full exemption
R 45 000	R 2 000	R 45 000 / R 2 000 = Ratio 22.5	r>10 r<30	Partial exemption (Note 2)
R 65 000	R 2 000	R 65 000 / R 2 000 = Ratio r.30	r>30	No exemption

Note 1: To calculate the 'ratio' (r), divide yearly income by the amount of total fees payable in the year.
Note 2: Actual exemptions depend on policy decided by parents.
Source: National Norms and Standards for School Funding Manual (2000)

According to the 1998 policy document, exemption can be obtained by following this procedure:

- Make an application for exemption;
- School governing body considers application;
- School governing body grants, rejects or alters application; and
- A parent who is dissatisfied with the decision relating to exemption may appeal to the provincial Head of Department.

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3.4 NATIONAL POWERS OF FUNDI

In this section I want to relate the national budgets of 2002/3 and 2003/4 to the whole budget of education, including that covering Learner Support Material. The national education budget, including conditional grants to the provinces, increased from R 8,821 billion in 2002/3 to R 9,883 billion in the following year, an increase of 12%. A substantial grant of over R 900 million in the higher education budget accounts for the bulk of this increase (Motala *et al.*, 2003:18).Table 3.6 indicates the allocations of the budget of 2002/3 and 2003/4.

Conditional grants that are disbursed by the national to the provincial education departments are:

- HIV/AIDS: R 120 million in 2003/4.
- Early Childhood Development Grant: R88 million-this is the last year that this will be allocated as a conditional grant and this grant has been incorporated into the provincial equitable share in the 2004/5 budget.
- Financial Management and Quality Enhancement: R234 million in 2003/4.

TABLE 3.6: Division of the national education budget in 2002/3 and 2003/2004

PROGRAMME	2002/3 (x R1000)	2003/4 (x R1000)	INCREASE
Administration	63,3	81,1	28.1%
Planning and Monitoring	326,5	379,1	16.5%
General Education	291,1	357,1	22.7%
Further Education	94,8	111,0	17.3%
Higher Education	8045,3	8954,5	11.3%
TOTAL	8821,4	9882,8	12.0%

Source: 2003 Estimates of national Expenditure

3.4.1 Funding of learning support material

Monitoring task teams from the Department of Education visited provincial education departments during September and October 2000 and in July,

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August and October 2002. Three teams visited provincial education departments to monitor the finalisation of the 1999/2000 learning support material procurement process as well as preparations for the opening of schools in 2001 (Department of Education Annual Report 2000/01:23 and Department of Education Annual Report 2002/03:21)

Table 3.7 below indicates that provincial departments of education have consistently increased their budget allocations for Learning Support Materials (LSM) over the past financial years. In producing materials, provinces prioritized grades for which the new curriculum was phased in during a particular year, and purchase LSM in full for learners in those grades. Owing to financial constraints, learners in other grades may not necessarily have received all the necessary textbooks. This implies that, even though the budget allocations were increased, it was still not enough to provide all the needs.

Table 3.7:LSM Budget allocations for the1998/1999-2002/2003 financial years

PROVINCE	1998/99 R x10^6	1999/2000 R x10^6	2000/01 R x10^6	2001/2002 R x10^6	2002/2003 R x10^6
Eastern Cape	42.1	120.0	155.5	180.0	272.3
Free State	26.9	72.1	75.7	77.8	84.1
Gauteng	52.3	95.4	153.4	176.0	240.0
Kwazulu-Natal	72.6	156.0	103.3	193.9	199.3
Northern Cape	6.6	27.6	10.7	28.9	29.8
Limpopo	51.5	148.3	244.2	269.4	330.0
North West	45.9	65.2	53.0	53.6	50.0
Western Cape	54.9	57.0	70.0	96.8	149.0
TOTALS	**392.6**	**805.5**	**920.2**	**1 262.9**	**1 565.6**

Source: DoE, 2002/3

The money allocated was used for buying Learning Support Materials.

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Table 3.8: Numbers of learners per province in 2000.

PROVINCE	NUMBER OF LEARNERS
Eastern Cape	212 1919
Free State	72 4981
Gauteng	131 9433
Kwazulu-Natal	257 5882
Limpopo	181 4771
Mpumalanga	88 5419
Northern Cape	193 760
North West	89 4606
Western Cape	86 0118
NATIONAL	**11 390 889**

Source: 2000 SNAP Survey (Education Statistics in South Africa at a Glance in 2000).

There were thus 11 390 889 learners in public schools in South Africa in the year 2000. Almost 56% of these learners were concentrated in three largely rural provinces, the Northern Cape, Eastern Cape and Kwazulu-Natal. Kwazulu-Natal had the highest number of learners, while the Northern Cape had the smallest number (Education Statistics in South Africa at a glance in 2000, 2000:5).

The statistics go hand-in-hand with the budget which was allocated for 2000/01. The number of the learners is increasing every year, which is why the budget allocation is increasing yearly.

3.4.2 Provincial funding

According to the Department of Education (DoE, 2003:18) South Africa's national division of revenue system funds provinces progressively– in other words, poor provinces get more funding per capita of the population than do rich provinces. This is in accordance with the equitable share formula. Table 3.9 below shows how funds were allocated between all provinces from 1995/96 to 2002/03.

Most Provincial Education Departments manage budgets of many billions of Rands. Targeting redress, and improving equity in public funding of public schools in an efficient manner requires the Department of Education to

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undertake serious budgetary and financial analysis, and to use information intensively.

Attaining an expenditure level of R 4, 489 per member of the population aged 6-17 across all provinces does not imply that each province must spend 41% of its total provincial budget on education. If for example, the Western Cape and Limpopo were to both spend 41% of the provincial budgets on education, the Western Cape would end up spending around R 6, 100 per child and Limpopo would spend R 4,300 per child (6-17) respectively. In order for both to spend R 4, 489 per child, the Western Cape would have to devote 30% of its budget to education, and Limpopo 43% Department of Education (2003:18). Table 3.9 shows how much each learner receives per year in all nine provinces between 1999 and 2003.

Table 3.9: Budget allocations from 1995/96 to 2002/2003

PROVINCE	1995/96 R x10^6	1996/97 R x10^6	1997/98 R x10^6	1998/99 R x10^6	1999/2000 R x10^6	2000/01 R x10^6	2001/02 R x10^6	2002/03 R x10^6
EC	45.1	61.8	67.5	42.1	120.0	155.5	180.0	272.3
FS	19.6	24.2	25.3	26.9	72.1	75.7	77.8	84.1
GP	49.3	55.7	58.6	52.3	95.4	153.4	176.0	240.0
KZN	57.9	67.2	72.0	72.6	156.0	103.3	193.9	199.3
LP	41.6	53.4	56.9	51.5	148.3	244.2	269.4	330.0
MP	19.6	24.1	25.0	51.0	63.9	49.5	68.5	212.0
NC	7.1	8.0	8.5	6.6	27.6	10.7	28.9	29.8
NW	24.5	29.6	32.4	45.9	65.2	53.0	53.6	50.0
WC	34.6	41.6	39.1	54.9	57.0	70.0	96.8	149.0
TOTAL	299.3	365.4	384.3	392.6	805.5	920.2	1 262.9	1 565.6

Sources: IDASA Budget Briefs July 2000 and DoE 2002/03

Note: Eastern Cape (EC), Free State (FS), Gauteng Province (GP), KwaZulu-Natal (KZN), Limpopo Province (LP), Mpumalanga Province (MP), North West (NW), Northern Cape (NC), Western Cape (WC).

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Table 3.10: Expenditure per learner by province (Rands)

PROVINCE	1999-2000 Actual	2000-01 Actual	2001-02 Actual	2002-03 Estimates
EC	2 846	3 362	3 866	4 466
FS	3 570	3 910	4 433	5 155
GP	4 021	4 384	4 655	5 077
KZN	2 633	3 069	3 432	3 762
LP	3 211	3 452	3 674	4 015
MP	3 019	3 287	3 685	4 321
NC	4 438	4 858	5 139	5 805
NW	3 602	4 065	4 447	4 727
WC	3 987	4 391	4 721	5 081
AVERAGE	3 234	3 631	3 995	4 437

Source: State of the nation 2004-2005: 209

3.5 FUNDING OF PUBLIC SCHOOLS

According to Karlsson *et al.* (2002:157), the issue of funding is probably the most difficult for the new government to come to terms with, largely because of the difficulties in reconciling the aims of equity and improved quality education with the constraint of insufficient state funding. The relatively small size of the more privileged sectors (mainly the previously white, Coloured and Indian schools) meant that merely equalizing expenditure would not result in any significant improvement in the schools that served the African majority. The options open to the government were to increase the size of the education budget or to find ways of utilizing non-state funds for public education.

South Africa is engaged in the task of transforming its politics, economy and social system into a democratic society that offers all racial groups the opportunity to participate fully as citizens, workers, and fulfilled individuals. The most important thing of all has been the construction of an equitable and democratic education system.

According to Chisholm (2005:210), keeping the budget within limits was one challenge, and improving both equity and quality within the context of constrained resources was another. In the first few years after 1994, the intention was to achieve both by redistributing the highest costs in the budget

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from resourced, white and mainly urban schools to poorly- resourced, African and mainly rural schools.

As already pointed out in this study, although there are difficulties in terms of funding, education is one of the most significant long-term investments any country can make. In South Africa, there has been a significant increase in expenditure under the post-apartheid democratic government, from R31.8 billion in 1994 to R75 billion in 2004/2005 (DoE, 2003:14; Tabane, 2004:29).

Contemporary budgets look very different from apartheid budgets. Budgeting is no longer done on the basis of race. Between 1994 and 1999, budgeting priorities fell on reorganizing rather than expanding the existing budget (Chisholm, 2005:206).

Since 1994, South Africa has been engaged in the ambitious task of transforming the rigid political, economic and social system that chacterised the apartheid era into a democratic one that offers all racial groups the opportunity to participate fully as citizens, workers, and fulfilled individuals. Central to this transformation has been the construction of an equitable and democratic education system (Fiske & Ladd, 2004:4).

According to Fiske & Ladd (2004:12), central to the design of the new system of co-operative government was the view that each province should receive an equitable share of the national revenue for the purposes of providing the public services for which it was responsible. Since 1997, the national government has transferred an annual, single, unconditional grant to each province to be spent on education, health, welfare and other miscellaneous services. These equitable shares are based on a weighted average of demographically-driven formulae that apply to each major functional area, where the weights reflect the proportions of spending allocated to each expenditure category. The funding goal for education, implicit in the calculation of the equitable shares, is the attempt to assure distributional equity across the provinces, where equity is defined in terms of the opportunity for each province, regardless of its wealth, to spend the same amount on education per learner as any other province.

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Fiske & Ladd (2004:15) further indicate that an adequacy approach to equity would have required the national government to provide each province with sufficient revenue for the province to meet the basic educational needs both of its typical learners and its costly-to-educate learners. Instead, the amount distributed to each province was determined primarily by the total funds available at the national level, with the distribution among provinces determined by the number of learners and school age population in each province.

According to South Africa Year Book 2004/2005 (2005:202) equity between and within provinces is achieved through the equitable division of national revenue between provinces, making use of an 'Equitable Shares Formula', the National Norms and Standards for School Funding, and the 'National Post-provisioning Norms'.

According to the Department of Education (DoE 2001:14) education is not only pivotal to economic prosperity but it also plays a crucial role in enabling South Africans to improve the quality of their lives and contribute to a peaceful, productive and democratic nation. In this post-apartheid era, the Department of Education also has the responsibility to reconstruct the education system and establish a unified national system underpinned by democracy, equity, redress, transparency and participation. In the following sections, equity will be discussed under the separate categories of distributional equity, adequacy and redress so as to examine national policy actions and their implications for educational equity across all provinces (Fiske & Ladd, 2004:157; Motala *et al.*, 2003:9-10).

3.5.1 Equity

There was no fair distribution of resources under apartheid, and after 1994, when education departments had been amalgamated into one education department, the notion of equity– which could be defined as fairness and justice in the distribution of financial resources –came into being. During apartheid, there was inequity and inequality in terms of public funding of public

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education. Discussion in this section will focus on the three concepts of equity: distributional equity, adequacy, and redress.

3.5.1.1 Distributional equity

The concept of distributional equity focuses attention on how the objects of interest, such as educational inputs, are distributed across the population. Distributional equity in this context is most commonly defined in terms of the quantity or quality of educational inputs. For example, there is variation across the relevant subgroups in spending in terms of pupil-to-teacher ratio, or an index which refers to the quality of the teacher. Much of the equity-based reform in South Africa is implicitly built on the concept of distributional equity, with a clear focus on the equality of inputs financed by public funds. The two primary goals are to promote equal spending per pupil and equal ratios of learners-to-educators. This equity discourse is explicitly motivated by distributional justice and is directed towards privileging those who were marginalized under apartheid era (Fiske & Ladd, 2004:157; Motala *et al.*, 2003:9-10).

Whatever measures are used, more equality across group is generally deemed to be more equitable than less equality. Full equity would require that all schools have access to equal resources. Of importance to the concept of distributional equity is that the whole distribution matters. If, for example, an education system were reformed in such a way that more resources were provided for the schools at the bottom, making the student in those schools better off in absolute terms, but at the same time even more resources were made available to schools at the top, the new system would be deemed less equitable than the old (Fiske &Ladd, 2004:6).

3.5.1.2 Adequacy

According to the adequacy approach, an equitable education financing system would assure that each school had sufficient resources to meet the needs of the learners it serves. Because of its focus on education outcomes, an adequacy approach typically calls for more resources to meet the needs of some learners than for others. For example, children whose parents have low incomes or limited education may require smaller class sizes and more individual attention at school than children from more affluent backgrounds.

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Schools serving large proportions of such needy learners would thus require more resources than other sorts of school, to compensate them for their higher costs. The notion of adequacy is significant, because it brings together inputs, processes and outcomes, and focuses not on equitable resources for all, but on adequate resources for different groups of students. According to the adequacy approach, an equitable education financing system would assure that each school has sufficient resources to provide an adequate level of education to the students it serves (Fiske & Ladd, 2004:157; Motala *et al.*, 2003:9-10).

According to Fiske & Ladd (2004:7), such an approach to equity turns the focus on the bottom end of the distribution, and particularly on those schools that serve large numbers of at-risk students, rather than on the whole distribution. As long as all schools have sufficient resources to provide an equal level of education, somehow defined, the fact that some schools have additional resources need not be deemed inequitable.

The Constitution guarantee of a basic education in South Africa would appear to make the adequacy concept of equity directly relevant to the education reform debate. Applying this concept of equity would have forced policy-makers to determine what is meant by basic education, to decide how much such an education would cost, and then to assure that the necessary resources were available, either through public or private sources. In the South African context, however, the additional spending required to assure adequate funding would most likely be unaffordable. That conclusion follows largely from the fact that the fraction of the student population that was disadvantaged and not receiving an adequate education, based on any reasonable definition of the term, was of the order of 80% of the student population in the mid-1990s (Fiske & Ladd, 2004:7).

3.5.1.3 Redress

The concept of redress explicitly recognizes inequities of the past. In the South African context, with its grossly unequal patterns of schooling resulting in unequal levels of educational attainment, the idea would be to direct additional resources to previously disadvantaged schools and communities in order to level the playing field (Fiske & Ladd, 2004:158).

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According to Fiske & Ladd (2004:8), there are at least two other areas where educational redress would call for additional resources in South Africa. One obvious area in particular need of redress is the quality of schools' physical infrastructures, many of which in former homeland areas and townships still do not have running water and electricity. The failure to invest in such schools in the past has clear adverse effects on the students currently being educated in those schools. Less obvious to the eye, but perhaps even more important, is the situation with respect to educators. Given that many of the educators in the formerly disadvantaged areas themselves had a limited education, a strong case can be made for redress in the form of additional efforts to upgrade their skills.

It is worth noting that an education funding system that achieved either full distributional equity with respect to inputs, or full equity in the sense of adequacy, would not eliminate the need for redress unless those equity concepts explicitly incorporated the legacies of the past. The more typical situation would be one in which the concepts of distributional equity and/or adequacy were applied to recurrent spending and would simplicity treat the playing field as level. Thus, while an adequacy-based funding scheme might well take into account the fact that students from economically disadvantaged backgrounds are more costly to educate than other students, it is less likely to take into account the fact that the existing educators in some schools require major upgrading of their skills, or that the facilities of some schools are far below acceptable levels (Fiske & Ladd, 2004:8).

3.5.2 The right to basic education

For the purposes of this study, it is necessary to emphasise the responsibility of the state in funding education. The state is responsible for the provision of education, as Section 29 (1) (a-b) of the South African Constitution guarantees all citizens the right to basic education, including adult education. The Constitution does not specify or define what 'basic education' is, but according to Section 3 (1) of the South African Schools Act (SASA), basic education refers to nine years of compulsory schooling for students between

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the age of seven and fifteen. This right is also based on equal access to education. SASA also goes on to add that the state's responsibility extends beyond the mere provision of schooling, in that the state must provide an increasing range of learning possibilities, offering learners greater flexibility in choosing what, where, when, how and at what pace they learn. Besides this, neither the Constitution nor South African Schools Act define what would constitute a basic education in terms of either of the quality of the inputs or of the outcomes to be achieved.

3.5.3 The role of School Governing Body (SGB) in financial planning

As it has been said above, in terms of Section 36 (1) of South African Schools Act (SASA), the governing body of a public school must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education provided by the school to all learners of the school.

Effecting redress and equity in school funding, with a view to progressively improving the quality of school education within a framework of greater efficiency in organizing and providing education services are matters of urgent priority for the Minister of Education. Parents also play an important role in supplementing funding.

The South African Schools Act (SASA) 84 of 1996 imposes a responsibility on all public school governing bodies to do their utmost to improve the quality of education in their schools by raising additional resources to supplement those which the state provides from public funds. All parents, particularly those with a good income, are encouraged to increase their own direct financial and other contributions to the quality of their children's education in public schools. Under the law, the Act does not interfere unreasonably with parents' direction as to how they spend their own resources on their children's education.

However, school governing bodies are not required to charge school fees. Whether or not to charge school fees is a matter for the parents of the school. At the parents' general meeting, any resolution that proposes fee payment must include the amount of fees to be charged. If a majority of parents vote in

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favour of school fees, each parent is responsible for paying the required fee, unless an exemption has been granted. But no learner can be denied admission, or otherwise discriminated against, on grounds of the parent's inability or failure to pay fees.

3.5.4 School fees based on a budget

Every school in the country should try to supplement government funding. There is no limit to the amount of school fees which parents can agree to pay (Pampallis, 2002:107).

According to Pampallis (2002:107), the rationale for allowing parents to set school fees was aimed principally at ensuring that the middle-class public schools would survive as institutions providing quality education. SASA provided for the poor by stating that the state must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of rights of learners to education and the redress of the past inequalities in education provision. The Minister was also required to develop norms and minimum standards for the funding of public schools, something that was accomplished by the legislation passed in 1998 and implemented from 2000.

In terms of Section 39 (1) of the South African Schools Act (SASA) 84 of 1996, school fees may be determined and charged at a public school only if a resolution to do so has been adopted by a majority of parents attending the annual budget meeting of the public school. Section 39 (2) (a-b) states that a resolution must provide the following:

- The amount of fees to be charged, and
- Equitable criteria and procedures for the total, partial or conditional exemption of parents who are unable to pay school fees.

According to Motala *et al.* (2002:204), the increasing reliance of schools on fees and community-based fundraising efforts suggests that the outcome of this policy may be increasing the inequity between schools, and between learners within a given school. Over time, middle-income families invest in

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exporting their children to schools that are perceived to be of higher quality. This leaves local schools in low-income neighbourhoods with few learners. Frustrations between the poor and the 'poorest of the poor' within a local community increase as families become stratified on the basis of payment of school fees, eroding the social cohesion within a school community. This may lead to children of the most devastated families leaving school system completely.

3.5.5 Self-managing schools – Section 21

In terms of Section 21 (1) (a-e) of South African Schools Act (SASA), a governing body may apply to the Provincial Head of Department of Education in writing to be allocated any of the following functions:

- To maintain and improve the school property, and buildings and grounds occupied by the school, including the school hostels if applicable;
- To determine the extra-mural curriculum of the school and the choice of the subject options in terms of provincial curriculum policy;
- To purchase text books, educational materials or equipment for the school;
- To pay for the services to the school;
- To provide an adult education and training classes or centre subjected to any applicable law; and
- Other functions consistent with the Act or applicable provincial law.

According to the Norms and Standards policy (DoE, 2000), if the school believes it can manage its own financial matters, it may apply to the Department of Education for the requisite functions or powers. The National Norms and Standards manual (DoE, 2000:11-12) further states that the

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activities which take place in the schools' performance of functions in terms of Section 21 are:

- **Provisioning:** The school buys its own stationery, text books, learning materials, furniture, cleaning materials, garden equipment, toiletries, labour saving devices (computers, type writers, photocopying machines), consumable items (for woodwork, home economics, biology, and science) and maintenance of service contracts.

- **Payment of services:** The school pays for its own water and lights, telephone, rates and taxes, postage, repairs and auditor.

- **Works:** The school pays for its own day-to-day maintenance, minor repairs, burst pipes, sewer blockages, window panes, light bulbs and security.

3.5.1.1 General requirements for section 21 schools

There are a number of requirements which all schools need to fulfill before they can apply for Section 21 functions. Firstly, in terms of SASA, there are general requirements which are specified in all provincial education departments. Secondly, there are other requirements which a provincial department may impose on any school for each of the Section 21 functions. According to the National Norms and Standards manual (DoE, 2000:5) the new South African education system is based on a worldwide trend towards self-managing schools away from a centralized bureaucratic control of education. This policy assumes that it is better for school communities to control their own affairs.

Self-management refers to the following aspects of schools (DoE, 1998):

- In each school there is power-sharing. Responsibility is shared by two teams working co-operatively: a school governing body and a school management team.

- Each school designs its own learning programme which suits its learners' needs and interests. Different school communities prefer different subject combinations, different methods, and different educational programmes.

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- Each school does its own development planning. Each school community develops its own vision and mission statement, decides on its own priorities, and draws its own action plan.
- Each school arranges its finances in ways to meet its own needs and plans. The school draws up its own budget, based on funds received from the government and supplemented by school fees and the results of other fund-raising.
- Each school manages its staff in ways which motivate them to provide the best possible teaching and learning of all members of the school community, that is, develop the school as a 'learning organization'.
- Each school negotiates its own codes of conduct and policies, and implements them in ways which the community members understand and support.
- Each school manages its own physical resources, and is responsible for maintaining and developing the school property and equipment.
- The school must have a well-functioning school governing body (SGB).
- Members of the SGB need to have a clear understanding of important educational laws and policies.
- The SGB must ensure that all legal requirements are met by the school.

3.5.1.2 Transfer of money to Section 21 schools

After applications have been received from schools which want Section 21 functions, the provincial education department assesses their ability to handle large sums of money. According to National Norms and Standards policy (DoE, 1998), each province asks questions like these:

- Are there enough people in the school with necessary skills to perform these functions? The skills needed are educational and

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technical as well as financial. Are there sufficient staff members who will accept specific responsibility for these functions?

- Does the school have a democratic structure to ensure that funds will be used in ways which are transparent, and in accordance with the school's development plans and budget?
- Does the school have accounting system in place to ensure that funds are administered efficiently and effectively? Will the school be able to provide accurate records of all money received and paid?

If the Department of Education is satisfied that the school is competent to perform these functions properly, it will transfer a sum of money into the bank account of the school. The school then has the responsibility to spend the funds properly. Most of the money will be spent on educational activities, and some on the supporting management, administration and technical activities. The provincial department has the responsibility to monitor the schools and ensure that they provide financial reports accurately and regularly (DoE, 1998).

According to the National Norms and Standards policy (DoE, 1998) most of the provinces should send the money to schools in installments. Different provinces will have different methods. Provincial policy may then require schools to submit periodic financial reports, e.g. quarterly or annually. If the reports are satisfactory, the next installments paid; if there are problems, the province may withhold the next installment.

3.6 A CRITICAL ANALYSIS OF PUBLIC FUNDING

The ranking of schools in the provinces has been complicated by the discrepancy between a school's ranking by the poverty of the community factor and its ranking by the poverty of the school. The relative poverty of the community around the school arises from the broad socio-economic conditions of that community. This poverty can also be interpreted as referring

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to the community served by the school, thus moving beyond the immediate geographical environment in which the school is situated. The physical condition, facilities and crowding of the school define the school's poverty, and deals with general infrastructure needs at school (Wildeman, 2000:2).

Wildeman (2000:2) further indicates that the major contribution of the Norms and Standards policy is that it makes provision for the targeting of non-personal expenditure to poor learners. The major challenge that this policy poses to Provincial Education Departments (PEDs), is to make meaningful distinctions between rich and poor learners as well as between different groups of poor learners.

Most PEDs are challenged by the size of redress funding, given the small share of non-personnel expenditure allowed in provincial budgets. This constraint restricts the ability of most PEDs to effect a meaningful distribution of redress funds to the majority of poor learners. Targeting would be substantially enhanced if the proportion of non-personnel expenditure in provincial education budgets could be increased (Wildeman, 2000:2).

Central to the success of the Norms and Standards policy is the ability of PEDs to make distinctions between affluent and poor learners, and the reality has proved to be complicated. Most PEDs have been faced with difficult decisions about who, properly, are to be considered the first claimants to redress funding in public schools.

3.7 PUBLIC SCHOOL FUNDING IN THE LIMPOPO PROVINCE

As stated in the previous section, public funding of public schools is determined by the provincial Departments of Education (PEDs). All provinces determine their funding, but they are guided by the National Norms and Standards policy discussed in the previous sections. This policy requires PEDs to prioritise the neediest schools when making decisions about capital expenditure, and to provide higher levels of recurrent non-personnel, non-capital funding for schools in poorer communities. The policy also provides for

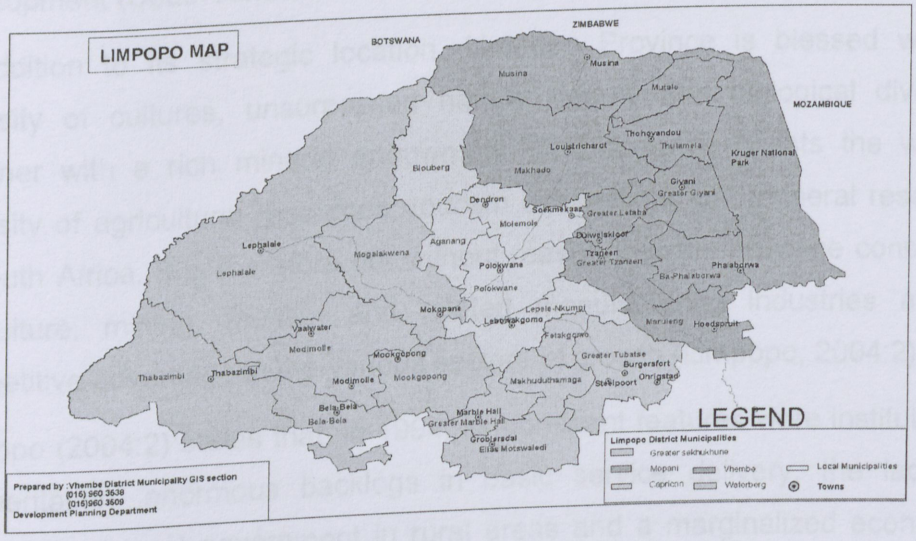
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school governing bodies to give fee exemptions to poorer learners. It does not address educator salaries or the PED's school level expenditure (Pampallis, 2002:107; Karlsson *et al.*, 2002:159).

In the following sections, contextual factors in the province –which form the background to the way in which Limpopo Provincial Department of Education funds public and independent schools –will be discussed. The demography and rates of literacy and illiteracy in the province will thus form part of the discussion.

Figure 3.1: Map of Limpopo Province



Source: GIS Vhembe District Municipality (2011).

Figure 3.1 illustrates municipal divisions in Limpopo Province, the northernmost province in the Republic of South Africa. The map divides the province into five districts, Sekhukhune in the east, Mopani in the north-east, Vhembe in the north, Capricorn in the centre, and Waterberg in the west of the province.

As described by Limpopo (2004:1), the province shares borders with Gauteng Province in the south, Mozambique in the east through the Kruger National Park, Zimbabwe in the north and Botswana in the west. The proximity of the province to Gauteng, the Kruger National Park, Zimbabwe, Mozambique and Botswana puts it in the strategic position of a gateway to the rest of Africa and its resources to unleash the economic potential of this great continent. The

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challenge to the province and its people is to maximize this opportunity by acting as a catalyst for economic growth and developing the opportunities arising from the 'New Partnership for Africa's Development '(NEPAD) initiatives across the sub-continent. To do this necessitates a healthy provincial economy.

Limpopo lies within the great elbow of the Limpopo River and is a province of dramatic contrasts, from bushveld to majestic mountains, primeval indigenous forests, latter-day plantations, unspoilt wilderness areas and a patchwork of farming land. Limpopo has a strong rural basis and its growth strategy centres on addressing infrastructure backlogs, the alleviation of poverty, and social development (South African Year Book 2004/5, 2005:23).

In addition to its strategic location, Limpopo Province is blessed with a diversity of cultures, unsurpassed natural beauty and biological diversity together with a rich mineral endowment. The province boasts the widest diversity of agricultural resources, tourism destinations and mineral reserves in South Africa. It is therefore not without reason that the province considers agriculture, mining, tourism and related manufacturing industries as its competitive advantage in the various sectors of growth (Limpopo, 2004:2).

Limpopo (2004:2) states that, in 1994, its dominant features were institutional fragmentation, enormous backlogs in basic service delivery, the lack of decentralized local government in rural areas and a marginalized economy. Institutional fragmentation was inherited from the manner in which the province was divided into the former homelands of Lebowa, Gazankulu, Venda and Kwa-Ndebele, surrounded by the Transvaal Provincial Administration.

The new democratic government professed a commitment to deal with the backlog in basic service delivery. This included the entire spectrum of economic, social and infrastructure services. The challenges of increased service delivery were compounded by a lack of reliable data on the backlogs and by the institutional fragmentation of government structures in the province. These conditions led to high operational expenditure pressures on

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the provincial budget, with a consequent deterioration in capital expenditure (Limpopo, 2004:25).

The main towns of the province are Thohoyandou, Musina, Polokoane, Tzaneen, Mokopane, Modimomolle and Bela-bela. In different districts there are development clusters (Limpopo, 2004:25).

- Platinum mining in Sekhukhune and Waterberg districts,
- Coal mining in Waterberg district,
- Fruit and vegetable in Vhembe and Mopani districts,
- Logistics in Capricorn district,
- Eight tourism sub-clusters at a high potential destinations,
- Red and white meat in all districts, and
- Forestry in Mopani and Vhembe districts.

3.7.1 The demographic profile

In Limpopo, more than 5.4 million people (10.8% of the South African population) live on about 123 910 km^2 of land. The population consists of predominantly black African people who account for 97.5% of its population, the highest percentage for a province in the country. According to the Census 2001 results, more than a third of adults in Limpopo aged 20 years and older have not received any form of schooling or education (South African Year Book 2004/5, 2005:23; Limpopo, 2009:2).

According to Limpopo (2004:8), the population of the province increased from 4.9 million in 1996 to 5.2 million (11% of the population of South Africa) in 2001. This implies an annual population growth rate of 1.3%. During 2002 the Department of Finance and Economic Development of the Limpopo government made projections for the 'Development Information Database,' to the effect that the population growth rate is expected to decline to 1.0% by 2008. Table 3.12 gives the breakdown of this by district.

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Table: 3.11: Distribution of the population of Limpopo by district

DISTRICT	Population (1996)	Population (2001)	AVERAGE ANNUAL GROWTH RATE (%)
Capricorn	1,063,179	1,154,690	1.66
Mopani	872,179	964,230	2.03
Sekhukhune	717,650	745,568	0.76
Vhembe	1,097,630	1,199,880	1.79
Waterberg	548,673	614,158	2.28
TOTAL	4,299,311	4,678,526	1.8

Source: Limpopo (LP, 2004:44)

According to Limpopo (LP,2004:9), the age distribution of the population resembles the typical broad-based pyramid of developing countries, with a large portion of population in the ycunger age groups and a steadily decreasing proportion in the older age groups. The population of the Limpopo Province is, at the same time, younger than that of South Africa as a whole. This implies a unique challenge for educational, recreational and developmental interventions, but also offers an opportunity for growth.

Another distinctive feature of the province is that it has the highest female/male ratio in the country. Females account for 54.6% of the population in the province, while the national average is 52.2%.

Limpopo (LP, 2004:10) quoted SAIRR's South African Survey 2003/2004 in which, according to the Actuarial Society of South Africa, life expectancy in Limpopo declined from 58 years in 2000 to 52 years in 2003 and was anticipated to decline even further to 42 years by 2010. This decline is mainly the result of the impact of HIV/AIDS. Underdevelopment, malnutrition and chronic diseases, such as tuberculosis and respiratory diseases, aggravate the condition, since they reduce the body's resilience and increase the patients' vulnerability to the effects of HIV/AIDS.

The population, age and gender profile of the province should also be seen within the context of the skills level within the province. Approximately 76% of its economically active population is only qualified to do skilled and semi-skilled labour with only approximately 3.5% being highly skilled (LP, 2004:10).

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3.7.2 Economic profile

According to Limpopo (LP, 2004:12), the province's economy enjoys a competitive advantage in mining, agriculture, tourism and manufacturing along the value chains of the first three sectors. On the demand side, the province is faced with the key developmental challenges of unemployment, high dependency ratios, poverty, and skewed distribution of resources, equity and illiteracy. The economy in the province constituted 6.5% of the total economy of the country in 2002, compared to 5.7% in 1995. For the period 1996 to 2002, the economy of the province has been growing at an annual average rate of 4%, which is higher than that of all other provinces.

Despite this marked improvement in the economic growth of the province, the employment growth rate is generally low. This gives rise to a very high dependency ratio, the implication thereof being that each individual employed has to support 11 or 19 other people in addition to him/herself. Such a high dependency index stunts domestic investment and lowers the quality of life for the populace. Even so, the overall level of poverty in the province has declined marginally from 62.4% to 60%. This is, however, still alarmingly high and it has a significant bearing on human development (LP, 2004:16).

According to South Africa Yearbook 2004/5 (2005:24) the official unemployment rate for Limpopo is 30.6%. This rate impacts on the education provided by parents who are supposed to supplement their children's education. Table 3.13 indicates the percentage of people living in households with an income less than the poverty income. The poverty income is defined as the minimum monthly income needed to sustain a household and varies according to household size. The larger the household, the larger the income required to keep its members out of poverty.

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Table 3.12: Number of people in poverty, Limpopo, 1998 and 2003

DISTRICT	1998	%	2003	%
Capricorn	588 345	60.9	680 216	65.3
Mopani	554 706	61.4	537 757	55.5
Sekhukhune	534 206	70.4	545 362	67.2
Vhembe	720 434	60.9	786 842	62.0
Waterberg	380 348	55.4	373 800	50.8
TOTAL PROVINCE	2 778 039	61.8	2 923 977	60.0

Source: Global Insight Southern Africa: 2004

The province's poverty level is high, as its percentage was 60.0% in 2003. This means that the Department of Education has a serious role to play so as to finance education, as majority of households in the province are poor.

3.7.3 Education profile

In 2007, 19.4% of people aged 20 and above in Limpopo had no schooling, which is much higher than the national 9.4%. In 2008 Limpopo had a total of 57 264 educators, 24 105 being male and 33 159 being female.

Table 3.13: 2007 level of education of people aged 20 and above in Limpopo and South Africa

LEVEL OFEDUCATION	LIMPOPO		SOUTH AFRICA	
	NO.	%	NO.	%
Some primary	582 579	22.1	6 230 263	31.9
Some secondary	820 233	31.2	9 041 543	22.0
Completed primary	155 967	5.9	1 996 139	7.0
Std 10/Grade 12	329 924	12.5	5 117 071	18.0
No schooling	511 714	19.4	2 672 549	9.4
Tertiary	168 645	6.4	2 501 022	8.8
Others	62 966	2.4	801 364	2.8

Source: Statistics South Africa Community Survey 2007

Table 3.14 looks at the proportion of people aged 20 and above in Limpopo and South Africa by level of education. To elaborate on the table(LP, 2009:8):

- In Limpopo, 22.1% of people aged 20 and above had some primary education compared to 31.9% nationally.
- Of the people aged 20 and above in Limpopo, 12.5% passed Std/Grade 12, which is lower than the national18.0%.

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- About 6.4% of the people aged 20 and above in Limpopo had tertiary education compared to 8.8% nationally.
- About19.4% of those aged 20 and above in Limpopo had no schooling, which is higher than the national 9.4%.

According to Limpopo (LP, 2009:9) in 2008the province had a total of 1 708 250 learners who attended school. Vhembe District had the highest total number (431 638) in the province, followed by Capricorn (388 545), Mopani (357 621), Sekhukhune (361 243) and Waterberg (169 203).

3.8 IMPLEMENTATION OF THE 'NORMS AND STANDARDS' POLICY IN THE LIMPOPO PROVINCE

The Limpopo Province looked for some central core of poverty, some set of consistent and relatively homogeneous indicators, all inter-co-related. After the census of 1996 review of unemployment variables, a combination of factors such as community illiteracy, income and infrastructure (indicated by the percentage of houses without piped water) constituted poverty. This made refusal of an arbitrary weighting for each of these more reasonable when a more defensible method existed, especially one such as the 'principal components analysis' (PCA). A PCA does what the name says: it identifies the components that underlie all the variables included for consideration. The procedure is used to identify a 'cost of living index', and has been used in other countries to obtain an assessment of poverty (Limpopo Department of Education Circular No. 233 of 2003).

As already stated, most provincial Departments of Education, including the Limpopo Department of Education, manage budgets of many billions of Rands. Targeting redress, and improving equity in the public funding of public schools in an efficient manner, requires the national Department of Education and Provincial Education Departments to undertake serious budgetary and financial analysis, and to use the information intensively.

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According to the Norms and Standards policy (DoE, 1998:2B-38), in order to make progress towards equity in school funding, each provincial education department must:

- Use relevant provincial data much more intensively in budgeting and planning decisions;
- Develop the necessary data systems to guide planning and allocations; and
- Be able to demonstrate to the Department of Education that progress is being made.

Limpopo Province's Department of Education established a brochure for implementing Norms and Standards in the province. The brochure is written for parents, school governing bodies, educators in schools, and in anyone interested in schools and their funding. The brochure indicates the method in which the Department of Education will fund schools according to the Norms and Standards policy (DoE, 1999:1).

According to the Limpopo the Province Department of Education (DoE, 1999:2) the Norms and Standards ensure that the Department of Education shares funds amongst their schools according to the basic principles of equality and equity, and redress. Equality and equity, and redress are defined as follows:

- *Equality and equity*: Every child and adult in South Africa (Limpopo) has an equal right to education. However, there should be an understanding of equality and equity in the context of South Africa's unequal past.
- *Redress:* In the past, education spending on some population groups was much greater than on others, as much as up to four times more. As a result, some schools are better built and better equipped, and inequalities still exist. The Norms and Standards policy directs more funds to poorer communities and schools. Over time, hopefully, the inequalities will be evened out, and all learners will receive equal funding for education.

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The Norms and Standards policy divides education costs into two main categories:

- **Capital costs**: Examples of these are the building of new classrooms and other construction. The Limpopo Provincial Department of Education has developed a target list so that it can target funds to build in the neediest schools where there are not enough classrooms and toilets, or where learners are overcrowded. The 'Target List for Capital Costs' is similar to, but separate from the 'Resource Targeting List' a list which is obtained after a survey has been conducted in which schools are surveyed to find out their status in terms of their poverty level.
- **Recurrent costs**: These are continuous, and examples include improvements, repairs, textbooks, and stationery. Again, the Limpopo Provincial Department of Education has developed a 'Resource Targeting List' so that it can prioritise poorer schools to receive a larger contribution towards their recurrent costs (DoE, 1999:2).

Development of the Resource Targeting List

The Norms and Standards policy ensures that provincial departments of education share education funds amongst their schools according to principles of equality, equity and redress. Therefore, the Limpopo Provincial Department of Education is expected to develop its own Resource Target List (DoE, 1999:2).

This Resource Target List includes all schools in the province, from the poorest to the least poor. When deciding how each school should be ranked between the poorest to the least poor, there are two criteria which are equally important which are used determine the amount of funds that different schools will receive.

- The first criterion is the physical condition of the school, and its overcrowding. This refers to whether school buildings need repair, whether there are facilities such as toilets, running water,

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electricity and telephone and how many learners are there in the classroom (DoE, 1999:2).

- The second criterion is the relative poverty of the school community. How poor is the community that geographically surrounds the school and how poor is the community that is served by the school? The relative poverty of the school community is determined by firstly whether the average household in the community around the school have running water, electricity, a telephone and the average income of the household. Secondly, to determine how poor the community is that is served by the school, the poverty level in the homes of the learners is looked at. There might be schools in middle-income areas attended by learners from very poor households. Alternatively, the families may live in shacks and have no running water and electricity.

The information that leads to the drawing up of such a Resource Target List is obtained from the 1996 Census, 1996 School Register of Needs, Annual School and Snap Survey, or Special Surveys (DoE, 1999:2).

Based on all this information, the Limpopo Department of Education develops its own Resource Target List which shows a rank order of all schools, from poorest to least poor. Poorest schools receive bigger share of resources. Based on their positions in the rank order list, schools are then allocated a per learner amount. All schools are grouped in ranks of five known as quintiles. The poorest quintile receives the most funding (35% of resources) and the least poor quintile receives only 5% of the available resources.

The Resource Target List was developed after the survey which the Department of Education has undergone in the Limpopo Province. The survey indicates the categories of schools that need to be more resourced, and those that need fewer resources. According to Limpopo Province (DoE, 1999:3), its Department of Education has its own Resource Target List. If, for example, Limpopo Province has 5 000 schools, the list will show all the schools from

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poorest to the least poor. The question is how to decide where each school appears on the list. The two criteria described above together total 100% of the information required for Resource Target List.

The Norms and Standards policy allows different criteria and methods to measure poverty. The Limpopo Provincial Department of Education consults widely, asking community representatives, experts, and department officials how they would assess comparative poverty. When drawing up the Resource Target List, the province uses information from the 1996 Census, the 1996 School Register of Needs, Annual School and Snap Surveys, or special surveys.

The distribution of schools is broken into quintiles with the:

- Poorest 20% of schools receiving 35% of the budgeted fund,
- The next 20% of schools receiving 25% of the budgeted fund,
- The next (quintile) 20% of schools receiving 20% of the budgeted funds,
- The next receiving 15%, and
- The least poor quintile receiving the remaining 5%.

Therefore the poorest 40% are to be given 60% of the funds allocated to a provincial Department of Education (DoE, 1999:4).

The Department of Education (DoE, 1999:4) states that schools are to be ranked by relative poverty from the greatest to the least, based on the conditions in a school's catchment area, i.e. in the community where the school is situated, and on the condition of the school, i.e. whether the school is overcrowded, and there is electricity or water. Each of these two measures takes into consideration–

- Poverty from the greatest to the least, based upon the conditions in the school catchment area, and
- The condition of the school.

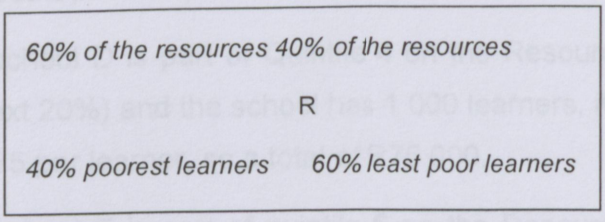
Each of these two measures must then carry same weight.

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As stated, and shown in Table 3.4, the Norms and Standards legislation suggests that the rank order list of schools should be divided into five groups, called quintiles: the poorest 20%, up to the least poorest 20%. The quintiles system targets learners regardless the number of the schools. Learners are divided into five quintiles of 20% each (Mabidi, pers. comm. 2006). Based on their positions in the rank order list, schools are then allocated a '*per learner amount*'. The poorest quintile receives the most funding, i.e. 35% of the resources, and the least poor quintile receives only 5% of the available resources. Below (Fig 3.2) is the illustration given by Norms and Standards policy. It shows that 60% of provincial recurrent expenditure should be spent on the 40% poorest learners.

Figure 3.2: Allocation of educational resources



Source: Limpopo DoE 2003

Table 3.15: Resource targeting table based on condition of schools and poverty of communities

School quintiles from poorest to least	Expenditure allocation (percentage of resources)	Cumulative percentage of schools	Cumulative percentage of non-personnel and non-capital recurrent expenditure	Per learner expenditure indexed to an average of R100
Poorest 20%	35%	20%	35%	R 175
Next 20%	25%	40%	60%	R 125
Next 20%	20%	60%	80%	R 100
Next 20%	15%	80%	95%	R 75
Least 20%	5%	100%	100%	R 25

Source: DoE (1998)

The last column in the table gives an example of the different amounts that may be allocated to schools in the quintiles. The amount in the last column can be multiplied by the number of learners in the school.

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A provincial department calculates that it will pay an average of R100 towards the recurrent costs for each learner in the whole province. Poorer schools will be allocated more than R100 per learner, and other schools less than R100. The following is an illustration of how Table 3.15 may operate:

- If school A is part of Quintile 1 on the Resource Targeting List (poorest 20%), and the school has 1 000 learners, it will be allocated R 175 per learner, so a total of R175 000.
- If school B is part of Quintile 2 on the Resource Targeting List (next 20%), and the school has 1 000 learners, it will be allocated R 125 per learner, so a total of R125 000.
- If school C is part of Quintile 3 on the Resource Targeting List (next 20%), and the school has 1 000 learners, it will be allocated R 100 per learner, so a total of R100 000.
- If school D is part of Quintile 4 on the Resource Targeting List (next 20%) and the school has 1 000 learners, it will be allocated R 75 per learner, so a total of R75 000.
- If school E is part of quintile 5 on the Resource Targeting List (least poor 20%) and the school has 1 000 learners, it will be allocated R 25 per learner, so a total R25 000.

This means that poorer schools are allocated a larger share than less poor schools. Eventually, the big differences between poor schools and less poor schools should be evened out. Hopefully, the education system will provide equal quality education for all learners.

3.8.1 Resource Targeting List Methodology of Allocation

The Department of Education (DoE, 1999:3) states that schools are allocated funds according to the Resource Target List, which considers poverty in the community where the schools are situated. There are a number of steps that are to be followed in assessing this:

- The average number of learners to a general classroom;

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- Whether the school has power and water available on site; and
- The condition of the school building.

It is important that criteria should be chosen for which data is available or can be easily collected and that assessors should agree on the criteria that will be used to determine the 'relative poverty' of the school community. These criteria may include:

- Whether the household has water and electricity;
- Level of education of the adult community; and
- Unemployment rate of adult community.

Such criteria are used to distinguish the poor communities from the less poor communities and generally this kind of information is available from publications of census data.

The information that is needed for the agreed criteria is collected and a score for each of the criteria is determined and is assigned to each category for each of the criteria. For example, when looking at the 'average number of learners to a general classroom', one needs the number of learners and the number of general classrooms. By dividing the number of learners by the number of classrooms, one gets the average number of learners to a classroom, or learner-classroom ratio. This ratio can vary greatly between schools; some schools may have less than 25 learners to a classroom while others may have more than 80 learners to a classroom. The ratios are categorized and scores are assigned to each category (DoE, 1999:3).

For example:

- Less than 40 learners to a classroom: score 0
- Between 40 and 50 learners to a classroom: score 0.5
- More than 50 learners to a classroom: score 1

The scores for each of the criteria are added together to give the school their own, individual 'total poverty score'. Figure 3.3 compares the 'total poverty score' of two schools as an illustrative example.

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Figure 3.3: Examples of two different schools

School A		School B	
This school found in a poor, rural area has an average of 62 learners to a classroom. There is no water or power available at the school and the school building is in a very poor condition and needs to be repaired and renovated. The households in the area do not have electricity or water in-doors. The adult community is generally illiterate and many of them are unemployed.		This school is in a more urban area. While the school does have power and water on site, the buildings do need minor repairs and a cost of paint. On average the school has 43 learners to a classroom. All the households in the area have power and water. The adult community is generally all employed and the majority of them have some form of professional or formal qualification.	
How will these schools score in terms of the criteria? (Score 0 = Good, 0.5 = Average, and 1 = Bad).			
Assuming that each school has 285 learners,			
School A has been assigned to the poorest grouping and will therefore receive the highest per learner allocation, say R220.23 per learner.		School B has been assigned to the least poor grouping and will therefore receive the lowest per learner allocation, say R27.25 per learner.	
School A: learners x per learner allocation = school's allocation 285 x R220.23 = R62 765.55		School B: learners x per learner allocation = school's allocation 285 x R27.25 = R7 766.25	
Physical condition of school, facilities and overcrowding			
Number of learners to a classroom	1	Number of learners to a classroom	0.5
Water availability	1	Water availability	0
Power availability	1	Power availability	0
Condition of school buildings	1	Condition of school buildings	0.5
Relative poverty of the school community			
Water availability within households	1	Water availability within households	0
Power availability within households	1	Power availability within households	0
Level of education	1	Level of education	0
Unemployment rate	1	Unemployment rate	0
Total Score	**8**	**Total Score**	**1**

The list of all schools is then sorted according to the 'total poverty score' and divided into groups.

The next step involves sorting the schools according to their individual 'total poverty score', from poorest to least poor. All the poorest schools, those that scored 8 in this example, will be at the top of the list and the schools with a score of 0 for their 'total poverty score' will be at the bottom of the list (DoE,1999:5).

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- ***Determining the Rand-per-learner allocation for each grouping***

Keeping the principles of the prescribed Resource Targeting Table (Table 3.15) in mind, and given the amount of money available for distribution to schools for non-personnel expenditure, a Rand–per-learner allocation is determined for each grouping. It is important that the principle is maintained and that 60% of the resources are assigned to 40% of the poorest learners.

The result is a variable Rand-per-learner allocation. The first group with the poorest learners will receive the highest allocation, the second group will be slightly less poor and would therefore receive a lower per learner allocation. The last grouping, with the least poor learners, will therefore receive the lowest per learner allocation.

- ***Determining the school's allocation for the year***

Once the Rand-per-learner allocation is determined for each grouping of schools, on an individual school basis, the appropriate Rand-per-learner allocation for a particular school is multiplied by the number of learners at that school. In this way the total allocation is determined.

- ***Schools are informed of their allocation***

The department is then required to inform schools of the monetary allocation that will be made available to them. This is generally done by the end of September of the previous year, so that schools can plan and budget accordingly for the following financial year. Mostly, the department sends each school a personalized letter indicating the amount of money that is to be made available to them.

- ***How schools access their funding allocation***

Schools which are not under Section 21 have their funds administered by the department on their behalf. A school is required to prepare a budget and plan for how the money will be spent. The school then requests the money from the department to make the required purchases on their behalf. A commitment register keeps track of what monies have been spent and the funds that are still available to school (DoE, 1999:5).

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3.8.2 The role of the Department of Education

According to National Norms and Standards manual (DoE, 2000:7) the role of the national and provincial education departments is to support self-managing schools at many levels:

- To provide a broad policy context for schools;
- To build capacity in schools so that they can develop all the skills required to do their work effectively and efficiently; and
- To monitor schools and ensure that they are working within guidelines provided by the policies.

3.8.3 How Section 21 schools access their allocation

In the Limpopo Province Department of Education, a school's allocation is paid directly into its bank account. The school is required to monitor carefully how the money is spent. At the end of the financial year, the school has to report to the department on exactly how the allocation was used. It is important to note that schools with Section 21 status do not receive a different allocation on account of having Section 21 status. They do not receive more or less money just because they are Section 21 schools. It is the manner in which they receive the allocation that is different (DoE, 2000:8).

3.8.4 A profile of funding for 2005/6 and 2006/7 in Limpopo

According to Wildeman (2006:4), the increased tax collection, associated with economic growth and greater efficiency by the South African Revenue Services (SARS), has resulted in a projected deficit of 0.5% for 2005/2006. While this deficit on the main budget is projected to increase to 1.5% in 2006/2007, by the end of the Medium Term Expenditure Framework (MTEF) for 2008/2009), the projected deficit was 1.2%. Increased financial muscle resulted in real expenditure of 8.3% in 2006/2007, while over the medium term, real average annual increases were projected to be 6.1%, while

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corresponding revenue estimates achieved a 5.2% growth rate over the same period.

According to the National Treasury (2006:3) the 2006 budget shifted social services expenditure towards quality improvements in education and health care support for poverty-focused community development and welfare services.

If it is accepted that the heart of government's anti-poverty strategy is located in the social services sector, and then the logical question becomes how education expenditure and funding patterns aid the shift towards quality service provisioning. Alternatively, how do education funding patterns engage the objectives of redistribution of resources, while giving expression to service delivery outcomes (for example quality learning) that depend on processes which require an 'optimal' mix of resources? Then the primary point of entry into education budgets should be a thorough examination of the distribution of these categories of expenditure (Wildeman, 2006:5).

Table 3.16: Total education expenditure by Limpopo Province, 2005/6 to 2008/9

2005/2006	2006/2007	2007/2008	2008/2009
R104 558 92	**R110 665 40**	**R122 681 82**	**R136 14452**

Source: Provincial Budget Statements 2006

Consolidated provincial budgets were projected to grow from R72.9 billion in 2005/2006 to R94.9 billion in 2008/2009. This represents a real average annual increase of 4.4%, while the projected change in 2006/2007 was 4%.

Table 3.17: Total per learner expenditure by the Limpopo Department of Education, 2002/2003 to 2005/2006

2002/2003	2003/2004	2004/2005
R3871	**R4333**	**R4816**

Source: Statistics at glance, 2002 to 2004 (Department of Education) and Provincial Budget Statements 2006.

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The Table 3.17 provides per learner expenditures in the Limpopo provincial education department for the period 2002/2003 to 2004/2005. In 2004/2005 the Limpopo Department of Education spent an average of R 4 930 per learner, which was 20% higher than the consolidated provincial average in 2002/2003.

The payment estimates for the financial years 2005/6 and 2006/7 were only for Learner Support Material. The greater allocation goes to ordinary public schools, as they form the majority of all learning institutions. The budgeted allocation excludes the salaries of teaching and non-teaching personnel and is only for the learners of all categories of schools and administration for education in Limpopo Province.

Table 3.18: Summary of payments and estimates (R x1000)

	2005/6	2006/7
Programme 1: Administration	1 006 896	699 698
Programme 2: Public Ordinary Schools	8 287 989	9 494 244
Programme 3: Independent Schools Subsidies	28159	30 975
Programme4: Public Special Schools Education	148 036	183 482
Programme 5: Further Education and Training	183 058	234 433
Programme 6: Adult Basic Education and Training	58 992	78 144
Programme 7: Early Childhood Development	21 809	52 723
Programme 8: Auxiliary and Associated Services	332 684	292 841
TOTAL PAYMENTS AND ESTIMATES	**10 067 553**	**11066 540**

Source: Limpopo Department of Education Budget Speech, 2006/7 (Vote 3).

3.9 NO-FEE SCHOOLS

All public schools which have been declared 'No Fee Schools' must not charge mandatory school fees from any parent, as defined in the South African Schools Act (SASA) as amended. The minimum standard requirement for all No Fee Schools should entail the following (LP, 2001):

- 60% of the total allocation must be spent on curriculum needs;
- Supplementary Learning Teacher Support Material (LTSM) to address the curriculum needs e.g. teaching aids, education toys, charts, science kit;

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- Schools must be permitted to use funds for local sporting activities/ equipment but this should not exceed 10% of total allocation;
- Schools have to prioritise allocations to pay for the running of the school, i.e all operational expenses, e.g. leasing of copiers, water and electricity, telephone; also including:
    - Proper security fencing;
    - Provision of clean water or borehole;
    - Repair of all broken windows and doors, electrical and gas fittings, filling cracks and painting and other repairs;
    - Annual servicing of fire equipment;
    - Eradication of termites and other pests every 3 years;
    - Quarterly cleaning, weeding and maintenance of gutters, channels and other storm water drains to prevent flood damage to foundations and other facilities;
    - Annual repairs and maintenance of roofs to prepare for the rain season, treating roof trusses and replacement of gutters;
    - Annual maintenance of ablution blocks, including the speeding up of digestion in toilets and emptying toilets;
    - Annual painting and treatment of outdoor equipment to prevent rust damage to metal works.
- Schools could be allowed to erect ablution facilities, provided approval is granted. The department is to assist schools with the specifications for such structures. The norm of one seat per classroom should apply. The allocation for this should not exceed 8% of the total allocation.
- The school allocation may not be used to cover cost of personnel and new buildings, e.g. new classrooms or administration blocks.

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- Extra-mural curriculum and choice of subject options must be exercised in terms of Provincial Curriculum Policy.
- Travel claims must be minimized and payments should be as per the SGB approved rates. The transport budget should not exceed 5% of the total allocation with no option of virement (budget shifting).
- Travel claim forms for principals must be authenticated by the Circuit Manager and SGB chairperson before payment can be effected.

3.9.1 Transfers to schools from the Department of Education

According to Limpopo Province (LP, 2011) the education department will transfer allocations to schools in two tranches, by 15 May and by 15 November. The transfer by 15 May will represent 50% of the total allocation and will depend on the receipt of the certificate as contemplated in Section 38 (1) (j) of the Public Finance Management Act, (PFMA) and acknowledgement of receipt and a bank statement reflecting the last transfer received.

The second tranche is dependent on receipt of the audited financial statements for the preceding academic year, acknowledgement of receipt and bank statement reflecting the last transfer received, and any relevant document required by the department.

Schools will also be required to submit a self-assessment questionnaire together with the audited financial statement and compliance certificate. The schools' audited financial statements will be subjected to review by the department for their appropriateness and compliance with prescribed formats. The financial year of a public school commences on the first day of January and ends on the last day of December of each year (LP, 2011).

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3.9.2 Control and monitoring of school funds

At each school meeting the School Governing Board (SGB) shall check all expenditure incurred since its previous meeting. The SGB shall inspect supporting vouchers to ensure that they are in line with all prescripts or other provincial directives. The SGB shall satisfy itself that expenditure is in accordance with the approved budget and Public Finance management Act regulations (LP, 2011).

- ***Obligations of the school principal***

Limpopo Province (LP, 2011) states that the principal must maintain a complete set of the statutory provision of prescripts and departmental directives relating to the finances and financial management of the school. The principal must ensure that he/she and staff members under his/her control are appointed to assist the governing body in the execution of its duties and are acquainted with all statutory provisions, prescripts and departmental directives of which he/she must have knowledge to enable him/her to assist the governing body in the execution of its duties.

The principal must ensure that all statutory provisions, prescripts and departmental directives are observed without fail by him/her and by employees under his/her supervision. The principal should maintain and retain sufficient documentary evidence and make such documentation available for inspection. The principal shall avoid fruitless, wasteful and unauthorized expenditure when expending school funds as contemplated in Section 45 of Public Finance Management Act (LP, 2011).

3.10 CONCLUSION

In this discussion of national powers for the funding of education, funding according to the national government, i.e. the national Department of Education was considered. The emphasis was given to the budget for learning support materials, because without learning support materials education cannot take place effectively.

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The administration of South African education was divided according racial and ethnic groups before 1994. The democracy which came into being in 1994 amalgamated different education departments into one and issues like equality, redress and equity were seriously considered in order to determine the quality of education to be offered to the learners.

In 1996, the South African Education Policy Act (NEPA) and the South African Schools Act (SASA) became the legislation which controls the education system. SASA deals with funding.

The way in which provinces provide education is not equivalent to the way in which they look at their population and the poverty of the inhabitants of their provinces. The Limpopo Department, like the National Department of Education, uses a formula of Norms and Standards for the public funding of public education. The department just modified this where it was suitable for its situation, as situations are not the same for education in the whole Republic.

This chapter gave some background for Limpopo Province and its demography and poverty level were discussed. The province, with its six Districts, has clusters of economic activities which will also help in the financing of future education. Education is mainly financed by the province; and even independent schools receive subsidies which help in the running of schools.

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CHAPTER 4
RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

In Chapters 2 and 3 the literature related to the funding of public schools was summarized and reviewed. The purpose of this chapter is to describe the methodological approach of the main study, the aim of which was to find out whether the Norms and Standards policy for school funding is in fact addressing the imbalances of the past in South Africa.

This chapter explains and justifies the research design utilized in the investigation. Briefly, the chapter focuses on the following:

- Aims of the study;
- The research design;
- The population and sample used for the study;
- The data collection instrument;
- Procedure; and
- Data analysis.

4.2 AIMS OF THE INVESTIGATION

The aim of the study was to examine and compare the models of funding for public education in the United States of America (USA), England, Zimbabwe and South Africa.

The following objectives were formulated to guide the study:

- To examine how models of state funding of public education developed in the USA, England and Zimbabwe.

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- To investigate the Norms and Standards policy of educational funding in South Africa, and its implementation in the state funding of public schools, to establish how it affects the provision of quality education and redresses the imbalances of the past in South Africa.
- To identify the challenges experienced by South African public schools in the implementation of the financial policy and the provision of quality education.
- To develop a proposed model of funding basic education that can be suitable for South Africa.

4.3 RESEARCH DESIGN AND METHODOLOGY

4.3.1 Research Design

According to Flick, Kardoff & Steinke, (2004:146) research design is a plan for collecting and analyzing evidence that will make it possible for the investigator to answer a question he/she has posed.

McMillan & Schumacher (2001:234) distinguish between three kinds of research, namely: explorative, descriptive and explanatory research. They further distinguish between qualitative and quantitative research.

For the purpose of this study, the researcher used a multi-method strategy that combines quantitative data with qualitative data in order to add depth to findings (Swanson & Holton, 1997:93).The multi-method strategy allows for the verification and triangulation of data.

For the collection of quantitative data the researcher used a questionnaire. The qualitative data collection instruments consisted of individual interviews. The confirmation and corroboration of data requires that the researcher should triangulate data (McMillan & Schumacher, 2001:408), and the multi-method approach facilitates this.

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4.3.2 Research Method

The term 'methodology' literally refers to the science of methods and it embodies the standards and principles employed to guide the choice, structure, process and use of method as directed by the underlying paradigm. It is the way in which people proceed to solve problems (De Vos *et al,* 1998:56) as already specified, this study utilized a multi-method approach. The following section focuses on how the research was actually conducted.

4.3.2.1. Population

A population is the entire group of items or individuals from which the samples under consideration are presumed to come. Melvin and Goddard (1996:29) state that a population is any group that is the subject of research interest. A population is also sometimes referred to as a 'universe' and is defined as the entire group the characteristics of which are to be estimated (Ndagi, 1984:75). Cardwell (1999) conceives of population as a group of people who are the focus of a research study and to which the results could apply. A population can therefore be viewed as a group from which a sample is drawn. For this study, the population was schools in rural and peri-urban areas of Limpopo Province. Principals and treasurers from these schools responded to the questionnaires. In addition, one senior official from the Limpopo Provincial Department of Education participated in interviews.

4.3.2.2. Sample

The small group or portion selected from a population to represent the whole is called a 'sample' (Brynard & Hanekom, 1997:43). In this study, the principals and treasurers of ten primary and secondary schools falling within quintiles 1-3 in rural and peri-urban areas which are were selected, and one senior official from the Limpopo Department of Education was also selected to participate.

The researcher needed information from key informants. In this case the informants who were rich with information were the principals and treasurers and that one senior official. These participants were chosen because they were most likely to be knowledgeable and informative about the phenomena

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the researcher was investigating (McMillan & Schumacher, 2001:173). The sampling could therefore be described as 'purposive' because the respondents were selected on the basis that they:–

- Had relevant information on how the schools are funded;
- Had sufficient experience in their positions; and
- Operated in peri-urban and rural schools falling within quintiles 1 to 3.

4.4 DATA COLLECTION STRATEGIES

The following sections discuss the strategies that were used in data collection, namely: literature review, questionnaires and interviews.

4.4.1 Literature Review

Some researchers refer to this exercise as a 'literature study' or 'literature survey'. According to Welman & Kruger (2002:33), it is of little use to research a topic on which has been researched. By compiling a review of research findings on a particular topic that have already been published, researchers may become aware of inconsistencies and gaps that may justify further research. Such a survey or review enables researchers to establish more exactly where their research fits in.

In this study, the literature survey consisted of books, reports from appointed commissions of the National Department of Basic Education, legislation, journal articles, newspapers, specialist reports, union and conference proceedings, newspapers and magazines.

In this comparative study, the researcher reviewed such literature for the following reasons (De Wet *et al.* as quoted by Brynard & Hanekom 1997:31):

- To obtain a perspective on the most recent research findings related to the topic of the research;
- To obtain an indication of the best methods, instruments for measurement, and statistics to be used;

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- To improve the interpretation of my own research results; and
- To help determine the actuality of the research on the topic the researcher had selected.

The advantage of a literature study is that the daily activities in the rest of the research are not disturbed. Data can be easily obtained, as everything is in writing (Brynard & Hanekom, 1997:31).

The literature research for this study concentrated mainly on an analysis of relevant documents so as to establish the models of public funding of public education in England, the United States of America and Zimbabwe. Furthermore, an in-depth analysis was undertaken to find out how state funding developed in these countries and also particularly in South Africa. The results of that portion of the research are reflected in Chapters 2 and 3 of this study.

4.4.2 Interviews

Interviews have long been the dominant research technique used in the field of qualitative research. De Vos *et al.* (1998:67) define the interviewing process as an interaction between individuals, where the goal of one of the individuals is to obtain recognizable responses to specific questions. According to Tuckman (1994:216) interviews are used by researchers to convert into data the information directly given by a person and Creswel (1994:1520) states that a protocol is also useful in conducting interviews.

Since this study focuses on the implementation of policy in the funding of public education and its impact on the provision of quality education, this is the main reason for using a qualitative approach, as interviews may be used to 'get under the skin' of an organization being investigated. Thus, to address each of the questions listed above, this investigation utilized interviews.

Structured interviews were conducted to explore participants' experiences regarding public funding in South Africa and in Limpopo in particular, 17 years after democracy was sought in South Africa. Each participant was interviewed for at least one hour. Mertens (1998) contends that interviews allow an

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intimate, repeated and prolonged involvement of the researcher and the participant, and that this enables the researcher to get to the root of what is being investigated. A common interview schedule was used for all the participants, for reasons of consistency. Structured interviews were employed, as they ask all participants the same questions and give them the same options for answering. It is suggested (Hoofste, 2006:132; Rubin & Rubin (in Arskey & Knight, 1999:33) that structured interviews are a way of uncovering and exploring the meanings that underpin people's lives, routines, behaviours, and feelings.

Thus, to find out what is really happening in schools, the scheduled questions were the same for all participants.

The protocol included the following components: heading, instructions to the interviewee, key research questions, probes to follow up key questions, record of the interviewer's comments, and a space in which the researcher could record reflective notes. The protocol used is given in the Appendix to this study, and the researcher recorded information by using notes and audiotape.

The researcher used the protocols to determine whether schools:

- Receive funding according to the published Norms and Standards policy;
- Receive funding at a specific time yearly;
- Take their budget estimates to the Department of Education every year; and
- Receive the same amount of funding per year according to their quintiles.

Tuckman (1994:235) shows that it is usually desirable to run a pilot test of an interview and to revise the interview based on the results of the test. The researcher conducted a pilot test using one participant who was part of the intended population but who was not to be part of the sample. This was done in an attempt to determine whether the interview questions yielded the desired qualities of measurement and discriminability.

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4.4.3 Questionnaires

A questionnaire is a predetermined set of questions dealing with the same topic or related group of topics, given on paper to a selected group of individuals, for them to read and give written answers, for the purpose of gathering data on a problem under consideration (Van Rensburg, Landman & Bodenstein, 1994). It is a scientific instrument for the measurement and collection of particular kinds of data and has to be especially designed according to particular specifications and with specific aims in mind (De Vos *et al.,* 1998; Cohen & Manion, 1994). According to McMillan and Schumacher (2001:257), the use of a questionnaire is economical, as it contains standard questions and uses uniform procedure. The interesting part of questionnaires is that they have the same questions for all subjects and can ensure anonymity.

In preparing questionnaires, researchers should be cautious. Answers to the following questions need to be considered (Tuckman, 1994:216):

- To what extent might a question influence respondents to show themselves in a good light?
- To what extent might a question influence respondents to attempt to anticipate what researchers want to find out?
- To what extent might a question asked for information about respondents that they may not know about themselves?

The validity of a questionnaire is limited by all three of these considerations (Tuckman, 1994:216).

The questionnaire used for this study (see appendix) was piloted. Test respondents were requested to circle the numbers of and to underline phrases and words contained in the items they did not understand. On the basis of their reactions to the items, a number of items were modified.

Twenty questionnaires were distributed to principals and treasurers respectively of schools which were selected according to their quintiles, being quintiles 1-3 in rural and peri-urban areas. The researcher personally handed questionnaires to the respondents which were designed with the help of my

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supervisor. The closed-option questions serve to determine categories, characteristics and preferences associated with the variables determined in advance (outlined in Chapters 2 and 3) for the target schools. Above all, they are designed to yield frequencies for specified variables.

The advantage of this method is that it enables the collection of data in a relatively short time and proves extremely efficient at providing large amounts of data, at relatively low cost. The method also allows anonymity, in that individual respondents' names need not be recorded, it being possible to represent individuals only by a number, thus encouraging frankness where sensitive issues are involved.

However, one weakness of the method is that it does allow respondents to provide data in a way that shows them in a good light. In other words, it could be said to suffer potentially from a 'social desirability response biases'.

4.5 QUALITY ASSURANCE TECHNIQUES

4.5.1 Quantitative Data

4.5.1.1. Validity

By validity is the degree to which a study accurately reflects or assesses the specific concept that the researcher is attempting to measure (Litwin, 1995:33).

This study relied on valid, authentic and trustworthy methods of collecting and presenting information and interpretations, as specified by Hammersley & Atkinson (1983:191).

To reduce further by some degree the limitations of the research, certain measures may also be taken to enhance design validity (McMillan & Schumacher, 1993:389). The Table 4.1 sets out what the researcher did where this research was concerned, according to the criteria set by McMillan & Schumacher (1993).

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Table 4.1: Actions taken to enhance validity of research design

STRATEGY	DESCRIPTION OF ACTION
Multimethod approach	I conducted Interviews to aid the interpretation of quantitative data from the questionnaire.
Mechanically recorded data	I used an audio cassette recorder during interviews.
Verbatim accounts	Interviews exist in a fully verbatim form as a result of mechanical recording.
Consistency of application	A single questionnaire was used, duplicated for every respondent, and a single interview schedule used for all interviews conducted

(Adapted from McMillan and Schumacher 1993)

In this study I used two approaches: face validity and content validity. In addition to the described measures of validity and reliability, I have attempted to provide as much information as possible about the research design and research methods. Triangulation was thus used to assess reliability of qualitative analysis.

- ***Face validity of the questionnaire***

Face validity is based on a cursory review of items by judges (Litwin, 1995:35). The questionnaire was administered to elicit information, and certain steps were taken to facilitate validity of the questionnaire. To ensure face validity in this study, principals and treasurers in the field gave their opinion as to whether the items of the questionnaire, on the face of it, could determine funding models for basic education and their implications for the provision of quality education

- ***Content validity***

To demonstrate this form of validity, the instrument must show to reviewers who have some knowledge of the subject matter the appropriateness of the items (Litwin, 1995:35). The items must also be validated by means of a literature review. Both of these contribute to the content validity of the research.

In this study the literature review which validates the items – in this case the variables to be measured – was also used to determine the selection of the

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factors to be tested concerning the implications for the provision of quality education. Furthermore, the wording and positioning of the questions were checked by various experts.

- ***Reliability***

Reliability is the degree to which an instrument measures what it is supposed to measure (Gay & Airasian, 2003). Reliability thus refers to the degree of consistency and/or accuracy with which a questionnaire measures its variables (Mulder, 1989:209). Mason (1996:24) maintains that reliability involves the accuracy of the research methods and techniques used.

In this study, the reliability was checked by means of a computer analysis –in the software of the SPSS package.

- ***Triangulation***

Triangulation is defined as the use of several different research methods to verify the same finding (Babbie, 1992:109). It is maintained (Baumgartner & Strong, 1998:184) that triangulation is the process of cross-validation among researchers, research methods and data sources. Triangulation is critical in establishing data-trustworthiness (Lather, 1986:270; McMillan & Schumacher, 1989:418). Validity and reliability are enhanced by including triangulation in qualitative research (Maxwell, 1996: 94) as it reduces the risk of chance association and systematic bias.

In this study, the researcher used more than one method for the same study:

- Conducting interviews (qualitative approach);
- Administering questionnaires and deriving frequencies there from (quantitative approach);
- Administering questionnaires and comparing interviews and questionnaires (quantitative and qualitative approaches);
- Using documents to arrive at understanding and interpretation (qualitative approach).

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4.5.2 Qualitative Data

4.5.2.1. Trustworthiness of data

The focus of the interpretation of any social phenomenon, which in this case is the qualitative data from both the questionnaire and the interviews, should be viewed as something that can be used for better understanding. In order to increase the trustworthiness of a qualitative study, Denzin & Lincoln (2000) and Lincoln & Guba (1985) suggest that the following characteristics should be checked:

- Credibility,
- Transferability,
- Dependability, and
- Confirmability.

For the purposes of this study the researcher sought to increase the credibility of the interview data by implementing member checking and peer-review. Krefting (1991) suggests that member checking, which is where the interviewee plays an active role in being part of the process, in bringing in his/her own meaning or interpretation of the data, is a form of triangulation and thus minimizes researcher bias (Creswell, 2003:98). It was therefore planned that the principals and treasurers should be given the opportunity to review the data and make comments and/or changes where they felt it was necessary. In a peer review, the data are given to impartial colleagues who may have experience of the qualitative methods, and the research findings are then discussed (Krefting, 1991).

4.6 DATA ANALYSIS

Data analysis is the process of bringing order to research results, by unravelling the messy, ambiguous, unstructured and meaningless mass of collected data. Although time-consuming, data analysis can be a creative and fascinating process.

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Qualitative data analysis is primarily an inductive process of systematically organizing the data into categories and identifying patterns among those categories. Most categories and patterns emerge from data, rather than being imposed on the data collection (McMillan &Schumacher, 1993:480). McMillan & Schumacher (1993:480) further state that what should be borne in mind is that data analysis is the process of systematically searching and arranging the interview transcripts and other materials that the researcher accumulates, so as to increase understanding of them in order to present what has been discovered to others.

In this study I analysed data collected from a literature review, questionnaires and interviews, so both qualitative and quantitative data were involved. The quantitative data collected by using questionnaires were analysed using SPSS Package.

From the literature study, the data consisted of in-depth notes which were taken to provide an answer to the first research question. Transcripts and notes taken during the interviews conducted with participants, and responses from questionnaire disseminated to participants, were used to search for patternsso as to provide an explanation of the public funding which impacts on the quality provision of education for all.

4.7 DELIMITATION AND LIMITATIONS OF THE STUDY

4.7.1 Delimitation

Castetter & Heisler (in Creswell, 1994:110) state that another parameter for a research study establishes the boundaries, exceptions, and qualification inherent in every study. Delimitations address how the study will be narrowed in scope.

This study was conducted in Vhembe District, Limpopo Province, and also only included schools in quintiles 1-3 in rural and peri-urban areas.

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4.7.2 Limitations

Limitations are constraints beyond the control of the researcher which are known to influence the objects of the enquiry (Murrey & Laurence, 2000:48).

Due to financial constraints, the researcher could not do research on how quintile 4 and 5 are funded according to the policy. So apart from delimiting the study, this also represented a limitation on its scope.

4.8 ETHICAL CONSIDERATIONS

As science has developed, scientists have also developed codes of conduct in order to regulate the behavior of members of the scientific community. Such codes of conduct are usually enforced through professional societies and associations and universities (Mouton, 2001:239). Mouton (2001:239) further indicates that scientists have the right to search for truth, but not at the expense of the rights of other individuals in society. Researchers have the right to collect data through interviewing people, but not at the expense of an interviewee's right to privacy.

For these reasons, in the conduct of this study, respondents were asked to read a covering letter before they responded to the questionnaire. Before being interviewed, principals signed a consent form which has a summary of my study and the specification that the information they were providing is confidential.

By means of a letter to the Senior District Manager of the Department of Education in the Vhembe District, the researcher also asked for permission to conduct research in the sampled schools. All respondents/participants signed consent form for their participation which also assured them of confidentiality.

Considering the specifications of Mouton (2001:78), cited above, my participants or respondents were informed of my study and its intention before they were interviewed. Their privacy and anonymity will be protected.

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4.9 CONCLUSION

This chapter specifically illustrates how the research was undertaken in terms of its design, population and the sample interviewed. The questions and responses of respondents were audio record.

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CHAPTER 5

PRESENTATION OF FINDINGS

5.1 INTRODUCTION

Chapter 4 focused on the empirical research design and method of investigation for the questions posed by this study. This chapter presents the results collected through literature, questionnaires and interviews. The findings focused on the main or critical question: Which model of funding can be used in South Africa in order to redress the imbalances of the past – which were lack of equity, equality, adequacy and access to quality education? Subsidiary questions, as posed in Chapter 1, section 1.5, are:

1. How did models of state funding of public education develop in England, the USA and Zimbabwe?
2. How does the implementation of the Norms and Standards policy for education funding in South Africa impact on the provision of quality education and redress the past imbalances?
3. What are the challenges for the provision of quality education experienced by public schools in the implementation of the current public funding policy?

5.2 MAJOR FINDINGS

The findings presented and discussed below also answer the three subsidiary questions listed above, as will be seen.

5.2.1 Literature study

This section discusses findings obtained through a survey of the literature on the subject. The survey examined and compared models of state funding for public education developed in England, the USA and Zimbabwe. Literature was also consulted to determine the situation for South Africa.

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5.2.1.1 History of funding public educat

The literature shows that the funding of public education in the early years was provided by religious institutions. Churches and charitable societies promoted schools more extensively than did government. Education was regarded as a private commodity by many nations. It was not regarded as the responsibility of the state, and most institutions of learning depended primarily on private contributions or developed under the auspices of the church (Hallas, 1995:1025 and West, 2003:35). This section focuses on all four countries examined: England, the USA and Zimbabwe, as well as South Africa.

- ***England***

Charity and church-related schools offered limited basic education to children from the industrial and agricultural working classes. The Church of England supported education and bodies such as philanthropic societies and voluntary organizations such as the Society for the Propagation of Christian Knowledge became involved. Between 1800 and 1840 the largest contributors to education revenues were working parents, and the second largest was the church (Hallas, 1995:1025; Gutek, 1993:97; West, 2003:35).

- ***United States of America (USA)***

Church groups owned and operated many schools. Religious groups were instrumental in establishing their own schools so that children should be educated in order for them to be able to read and understand the bible, and to be able to defeat Satan (World Book, 1997:182).

- ***Zimbabwe***

In the early days of education in Zimbabwe, missionaries contributed towards education funding (Bureau of African Affairs, 2010).

- ***Republic of South Africa***

In the early days of colonial rule religion was the main motivator for the financial support of schools for Africans. The arrival of missionaries of different denominations led to the introduction of formal education among the indigenous people, as literacy was viewed as essential to evangelization. As the demand for schooling increased, missionary societies became increasingly unable to fund schools adequately. The primary aim of

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missionaries was to evangelise. Education was seen as a means of accomplishing this, and in most cases resulted in the founding of schools and educational institutions linked to the mission stations (Lewis & Lemmer, 2004:58; Malherbe, 1997:535).

5.2.1.2 Models of state funding

Models of state funding for public education were looked at for England, the USA and Zimbabwe. From what may deduced from these models, new approaches to funding for education in South Africa may be formulated.

- ***England***

❖ *Education Reform Act of 1988*

The Education Reform Act of 1988 ensures that resources are allocated to schools by local authorities under a policy of 'Local Management of Schools'. In 1999 a 'Fair Funding' model for the funding of education was introduced. It required more delegation of funds from Local Education Authority (LEA) to the school, with expenditure on central education services being strictly regulated. This has increased the level of financial delegation to schools in respect of building work, the school meal service, some central support services and curriculum, and advisory and training services (West & Pennel, 2002:215).

❖ *Local Education Authorities (LEA)*

For the majority of maintained schools, funds pass from the Department of Education and Employment, through LEAs, to the governing bodies of schools. Funds pass through the finance department of the LEA, with which schools have to negotiate concerning enrolment and other considerations. This is influenced year-by-year by two key variables: demographic change, and the outcome of the open enrolment policy (Griffin & Brock, 2002:59).

Central Government funds each Local Education Authority in the form of a Revenue Support Grant (RSG) which takes account of the authority's need for spending on education, estimated through 'Education Formula Spending Shares' (EFSSs). The Department of Education and Employment sets the value of the EFSSs based on the relative circumstances of the LEA. The

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EFSSs cover both pupil provision School Formula Spending Shares, most of which LEAs are expected to pass on to individual schools and LEAs central provision. LEAs decide how much of their resources to spend on education and, within that, how much to spend on pupil provision in the schools budget. The governing body of each school is responsible for deciding how to spend the individual school budget to ensure that the resources are allocated in line with agreed priorities and will deliver value for money (Teachernet, 2003:1). The central government distributes the nationally-contributed revenues to local authorities, using a rate support grant as an equalizer to ensure a minimal standard of education throughout the country.

The Education Reform Act of 1988 extended the powers of governing bodies so that they took control from the LEAs of the larger part of their expenditure, and are given almost complete responsibility for the appointment and dismissal of staff. Local management schools give schools autonomy, but they are held accountable for their management by the publication of examination results, the provision of information on the national assessments, and through reporting to the Annual Parent Meeting (Gutek, 1993:109; Thomas & Martin, 1996:12).

- ***United States of America***

American education is governed by a complex power-sharing arrangement between local authorities (43%) and the state (49.8%) with the federal government (6.9%) playing a significant role.

States

Expenditures on schooling are not equal from state to state; there is still a large gap between states spending due to different tax revenue collection from state to state. Within a state, spending between districts also varies.

Local authorities or governments

Approximately 43% of the total income of the local authorities is allocated to education (Serow *et al.*, 2000:273). Local school districts, which bear most of the responsibility for primary and secondary education in the USA, undertake a host of classroom, extracurricular and social service activities aimed at disadvantaged young people. Most districts use a formula that starts by

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allocating staff positions and other resources to schools, based on the number of pupils in a school.

School vouchers

An education voucher system exists whereby the government makes payments to families that enable their children to enter public or private schools of their choice. The tax-funded payments can be made directly to parents or indirectly to selected schools, their purpose being to increase parental choice, to promote school competition, and to allow low-income families access to private schools (West, 2003:150).

Charter schools

Charter schools are a new kind of institution, and not surprisingly even experts have trouble in figuring them. Although state laws differ in detail, charter schools in general receive public funds in a set amount for every child that they enroll. Unlike conventional public schools, charter schools can decide how to spend their money, whom to hire, whether to have any full time administrators, what books and equipment to buy, and what emphasis to put on technology. Charter schools operate with a degree of autonomy from local school boards, and state funding follows students to charter schools. Charter schools are organized by individuals or groups, not school boards, as private, non-profit organizations. Charter schools are created around the concept of a charter or contract between the group that organizes the school and its sponsor, a designated governing body. Grants, especially from government agencies, also sometimes impose a judgment on schools and are competitive. However, some charter schools purposefully stay away from government grants to avoid government involvement in their schools. Their goal is to stay autonomous. Charter schools have no notable financial savings; moreover, lack of accountability has resulted in cases of gross mismanagement and dishonesty, resulting in charter revocation (Schneider, 2000:59; Conway *et al.*, 2002:88; Hill *et al.*, 2002:4; Kirkpatrick, 1994:248).

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- ***Zimbabwe***

The Zimbabwean government plays a dominant role in shaping education policy and administering and financing education, even though local district councils and voluntary organizations such as churches privately own the majority of schools and institutions for tertiary education. The total amount spent on education has averaged 15 percent of the annual national budget (Bureau of African Affairs, 2010). With the rate determined by the type of school, all secondary education institutions charge fees. In private elementary and secondary schools, parents also pay building fees to supplement government building grants. Zimbabwe has generally maintained public expenditures at above 5% of GNP since independence; education and training accounted for about 35% of the national budget in 1999. However, in the Ministry of Education, Sport and Culture about 93% of the budget goes towards salaries, leaving a mere 7% for non-salary inputs which are used for the provision of instructional materials, school buildings and teachers' houses (Bureau of African Affairs, 2010).

5.2.1.3 Similarities amongst the three countries and with South Africa

- Education in England, the USA and Zimbabwe education was initially funded by missionaries who wanted children to learn reading so as to understand the Bible. This was the same in South Africa.
- All these countries have formulae and policies which determine how funds are distributed to different schools.
- There is financial delegation to schools through districts and LEAs. Their funding is decentralized, as local authorities are given education funding responsibility.
- Funds are paid to schools in accordance with the number of learners.

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5.2.1.4 Differences

- The USA's Federal government provides a small proportion of the funding (6.9 of budget), whereas England, Zimbabwe and South Africa's central governments are responsible for funding public education.
- In England, the Education Reform Act of 1988 ensures or determines what resources are allocated to schools.
- The USA has introduced a voucher system of funding to increase parental choice and to promote competition amongst schools.
- The USA has also introduced Charter schools which have freedom of choice in how to use their allocated funds.
- In USA, expenditures on schooling are not equal from state to state; there is still a large gap between state spending due to tax revenue collection.
- Within a state in the USA, spending between districts also varies.

5.2.2 Results obtained by means of questionnaires administered to school principals and treasurers in Vhembe District, Limpopo Province, South Africa

Data collected by means of the questionnaire (see Appendix B) addressed the second subsidiary question of this study, namely: How does the implementation of the Norms and Standards policy for education funding in South Africa impact on the provision of quality education and redress past imbalances? The questionnaire comprised structured questions and was responded to by ten principals and ten treasurers at ten schools, so that the number of respondents was 20.

5.2.2.1 Section A

- ***Biographical data***

Biographical data was sought to document the experience of the respondents, including information about where their schools are situated, whether the

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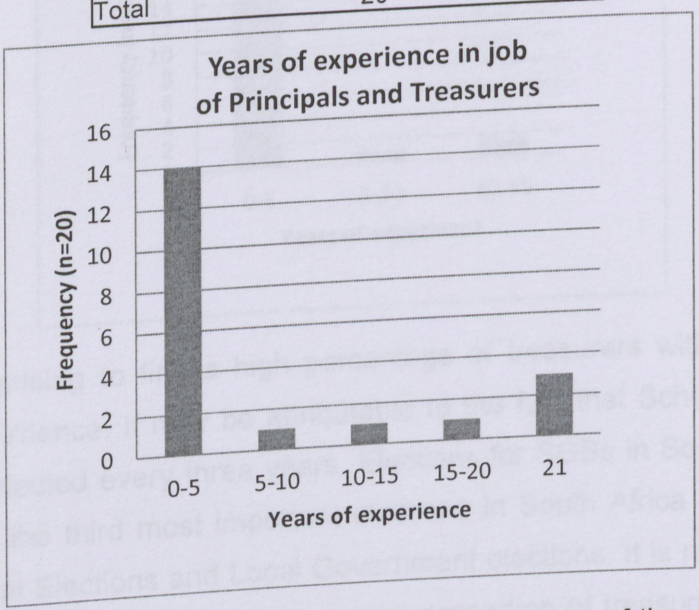
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schools are situated in a rural or a peri-urban area, and in which Quintile (1-3) the respondent's school is grouped.

- ***Frequency tables***

Table 5.1: Years of experience of principals and treasurers.

YEARS	FREQUENCY	PERCENT
0-5	14	70.0
5-10	1	5.0
10-15	1	5.0
15-20	1	5.0
21	3	15.0
Total	20	100.0



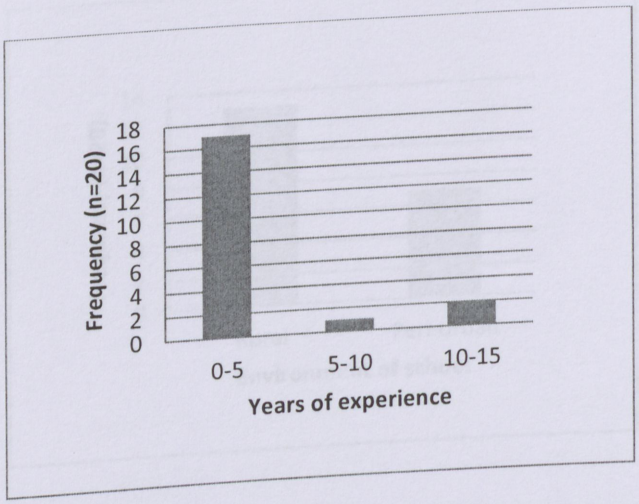
From the Table 5.1, it can be seen that the great majority of the principals had less than five years of experience in their jobs. This does not determine school funding; in this study it did not matter on how long a person had been a school principal, although the Norms and Standards policy was introduced to redress the imbalances of the past. Most of these principals had no experience of the past.

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Table 5.2: Year of experience of treasurers

YEARS	FREQUENCY	PERCENT
0-5	5	50.0
5-10	3	30.0
10-15	2	20.0
Total	10	100.0



It is not surprising to find a high percentage of treasurers with less than 5 years of experience. It may be attributable to the fact that School Governing Bodies are elected every three years. Elections for SGBs in South Africa are regarded as the third most important elections in South Africa after National and Provincial Elections and Local Government elections. It is not interesting, though, to note that there are such a high proportion of treasurers who have so little experience, because the handling of finances needs experience. Although it is not possible for a treasurer to be in that position for more than twelve years due to elections process and when a parent does not have child (ren) in a particular school, experience in this position is important. If we count number of years of our democracy in our country, it is possible for treasurers to have less than ten years of experience.

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Table 5.3: The location of the school

LOCATION	FREQUENCY	PERCENT
Rural	7	70.0
Peri-urban	3	30.0
Total	10	100.0

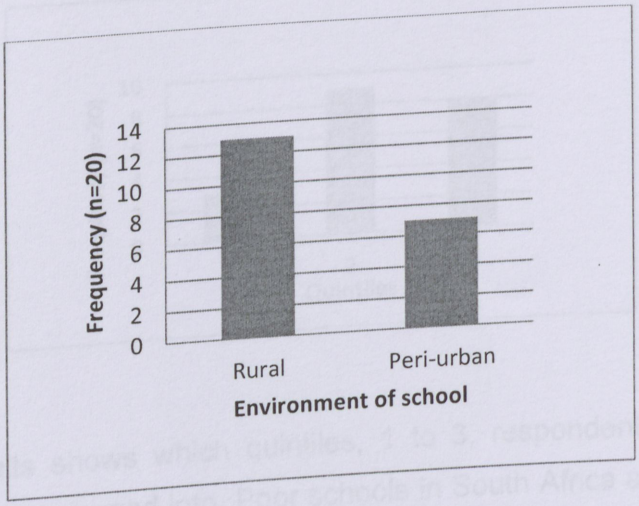


Table 5.3 indicates that 70% of the sampled schools are in rural areas. Most South African schools in rural areas are very poor. It is not surprising to find that the majority of quintile 1 schools are found in poor rural areas. This is where quintile 1-3 schools are found. According to Karlsson *et al.* (2002:159), provincial education departments are required to direct 60% of the non-personnel and non-capital expenditure towards 40% of the poorest schools in their provinces, in order to bring about redress among existing schools. In order to implement this, provinces are required to compile a list of schools based on their socio-economic levels of development and physical resources. The 'resource targeting list' is used to divide schools into five categories based on needs.

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Table 5.4: Quintiles of schools

QUINTILE	FREQUENCY	PERCENT
1	3	30.0
2	4	40.0
3	3	30.0
Total	10	100.0

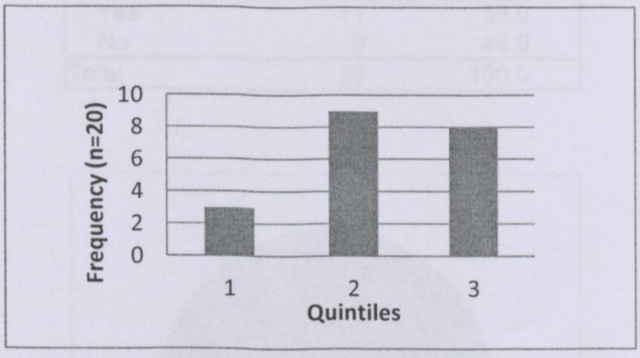


Table 5.4 results shows which quintiles, 1 to 3, respondents thought their schools had been grouped into. Poor schools in South Africa are grouped into quintiles 1 through 3. All are allocated to quintiles, with the poorest 20% of schools (Quintile 1) receiving 35% of the budgeted funds, the next 20% of schools (Quintile 2) receiving 25% of the budgeted funds, the next 20% of schools (Quintile 3) receiving 20% of the budgeted funds, the next (Quintile 4) receiving 15%, and the least poor 20% (Quintile 5) receiving the remaining 5% of the funds (DoE, 1999:1).

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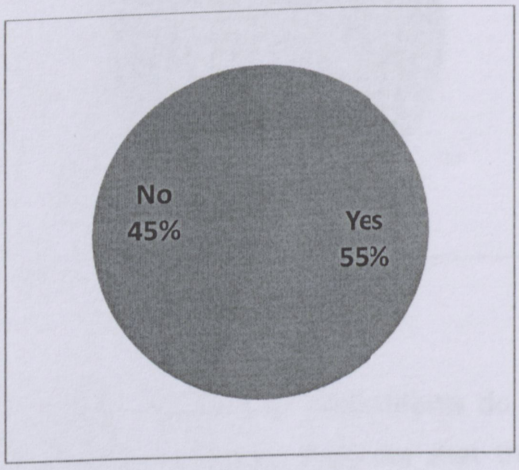
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5.2.2.2 Section B

PUBLIC FUNDING OF PUBLIC SCHOOLS

Table 5.5: Understanding of the Resource Target List

	FREQUENCY	PERCENT
Yes	11	55.0
No	9	45.0
Total	20	100.0



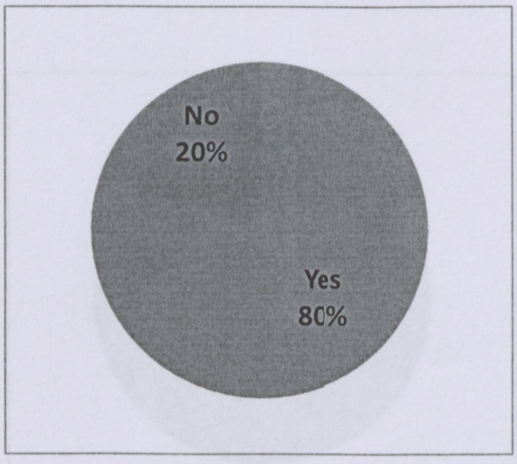
It is interesting to note from Table 5.5 that 55% of respondents indicated that they know about and understand the Resource Target List, which is not a very great majority. The Resource Target List ranks all schools in the province from the poorest to the least poor. When deciding how each school should be ranked, there are two factors which are equally important. The first factor takes into account the physical condition of the school, and overcrowding. The physical condition of the school refers to whether school buildings need repair, whether there are facilities such as toilets, running water, electricity and telephones, and overcrowding looks at how many learners are there in each classroom. The second factor is the relative poverty of the school community. How poor is the community that geographically surrounds the school, and how poor is the community that is served by the school (DoE, 1999:3)?

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Table 5.6: Understanding the application of quintiles

	FREQUENCY	PERCENT
Yes	16	80.0
No	4	20.0
Total	20	100.0



At least Table 5.6 indicates that 80% of respondents do know what a quintile is. The Norms and Standards policy suggests that the rank order list of schools be divided into five groups, called 'quintiles' (Mabidi, personal communication 2006), as described above.

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Table 5.7: Knowledge of the criteria used to determine funding

	FREQUENCY	PERCENT
Yes	12	60.0
No	8	40.0
Total	20	100.0

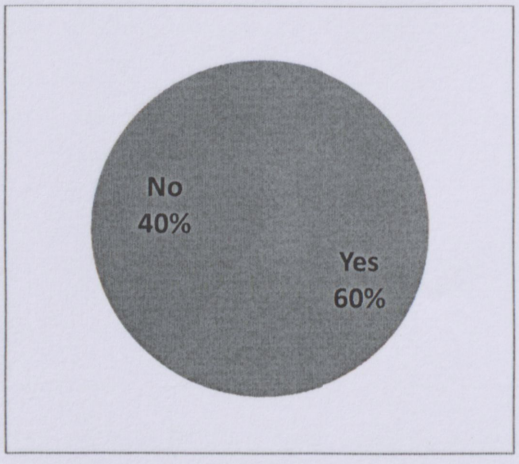


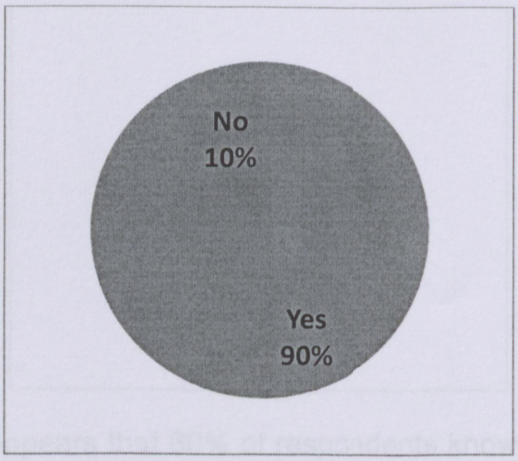
Table 5.7 indicates that only 60% of respondents know the criteria which are used to determine funding for their schools, which seems quite a low majority. Due to the fact that a Snap Survey is conducted yearly, principals and treasurers should know that annual survey determines funding and that the number of learners in the schools is the main determining factor in allocating funding.

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Table 5.8: Knowledge about the physical condition of the school

	FREQUENCY	PERCENT
Yes	18	90.0
No	2	10.0
Total	20	100.0



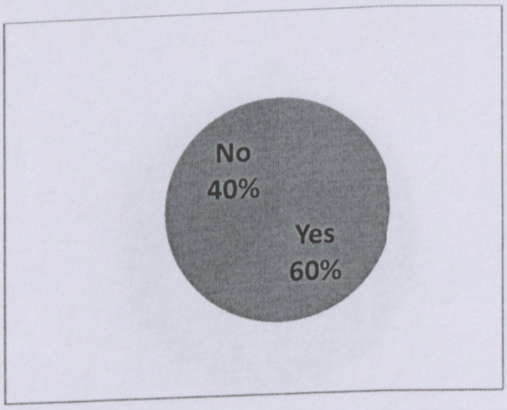
As the physical condition of the schools is obvious, it is not surprising to find that the overwhelming number of respondents in Table 5.8 could know what it was, although it is surprising to find out that as many as 10% of respondents did not know, considering that they are in their schools almost every day. The physical condition of the school looks at school buildings, whether they need repairs or not, and what facilities are available, e.g. toilets, running water, electricity, telephone.

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Table 5.9: Knowledge about the poverty level of the school community

	FREQUENCY	PERCENT
Yes	12	60.0
No	8	40.0
Total	20	100.0



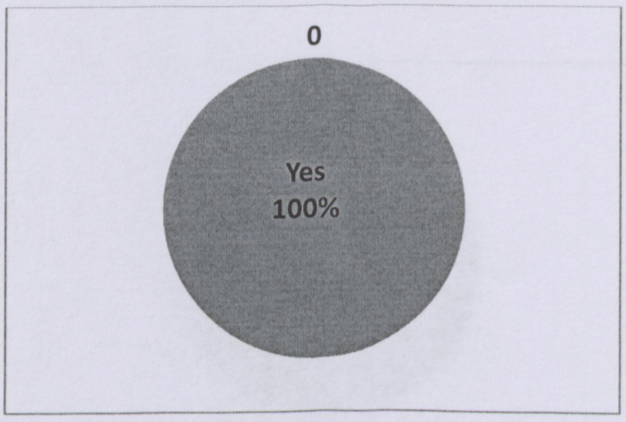
From Table 5.9, it appears that 60% of respondents know the poverty level of their school community, although it seems strange that as many as 40% do not know the poverty level of their school community.

The poverty level of the school community refers to the condition of the households around the school and considers whether houses are built in face brick or mud brick, and whether the community has running water and electricity (DoE, 1999:3).

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Table 5.10: Whether school submits an annual budget to the Provincial Department of Education

	FREQUENCY	PERCENT
Yes	20	100.0
No	0	0.0
Total	20	100.0

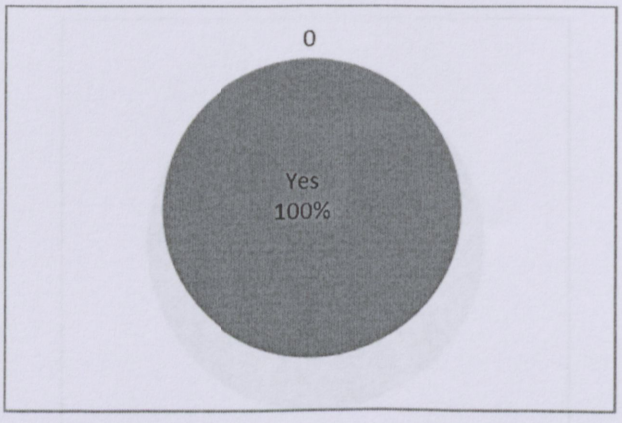


It is not surprising to find that 100% of respondents submit an annual budget to the Department of Education. All schools are supposed to submit one, and if they do not, it is likely that they may not receive their annual allocation according to the scripts of the Education Department (LP, 2011).

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Table 5.11: Whether the school annually submits audited statements to the Provincial Department of Education

	FREQUENCY	PERCENT
Yes	20	100.0
No	0	0.0
Total	20	100.0



Again in this regard, Table 5.11 shows that 100% of respondents indicated that they submit an annual budget to the Department of Education, as per policy. In terms of this, schools are supposed to appoint independent auditors who audit their annual income and expenditure. Schools are also required to complete a self-assessment questionnaire and submit it together with the Audited Financial Statement and Compliance Certificate (LP, 2011).

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Table 5.12: Whether school receives notification of how much is school going to receive every year

	FREQUENCY	PERCENT
Yes	19	95.0
No	1	5.0
Total	20	100.0

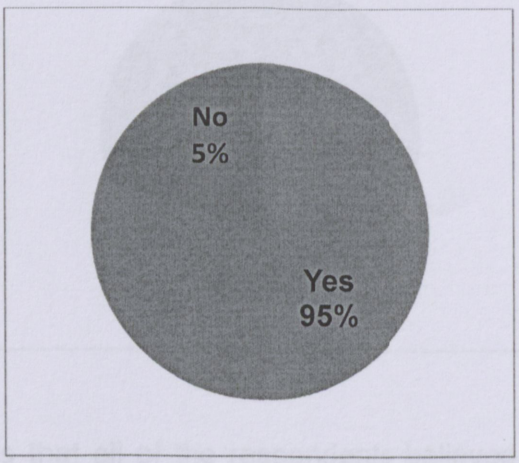


Table 5.12 indicates that 95% of respondents received notification of how much they are going to receive every year, whereas 5% do not. Every year in September, the Education Department notifies all schools how much they are going to receive in the following financial year (LP, 2011:7).

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Table 5.13: Whether the number of learners is considered when funds are allocated to the school

	FREQUENCY	PERCENT
Yes	20	100.0
No	0	0.0
Total	20	100.0

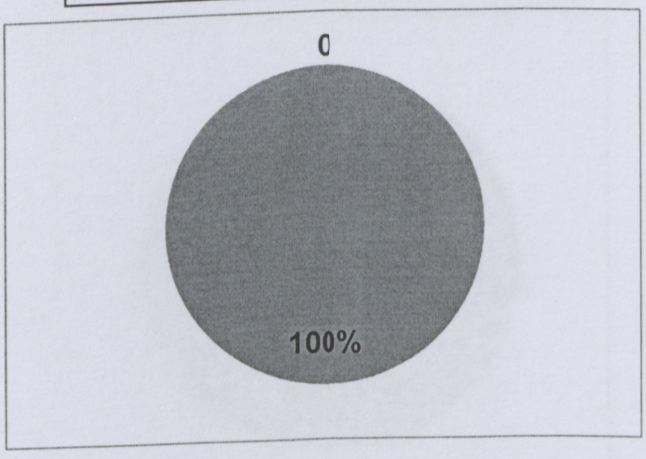


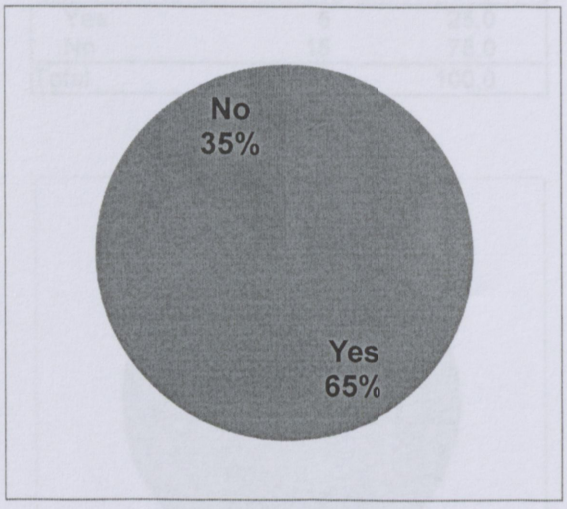
Table 5.13 indicates that all of the respondents believed that the number of learners is considered when funds are allocated to their schools. The Resource Target List is no longer considered when funds are allocated to schools and only the number of learners per school is considered. According to Muedi (pers. Comm. 2011), the funding is allocated according to the enrolment of the previous year. It would be unfortunate if a school admitted more learners than the previous year, and it can be advantageous for a school which had more learners the previous year and fewer learners in the current financial year.

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Table 5.14: Whether learners are fully exempted from paying school fees

	FREQUENCY	PERCENT
Yes	13	65.0
No	7	35.0
Total	20	100.0



The literature shows that, for learners to be fully exempted, the following criteria are used (DoE, 2000:18-19):

- If the combined annual gross income of the parents is less than 10 times (x10) the annual school fees per learner, the parent qualifies for full exemption.
- A person who has the responsibility of a parent of a learner placed in a foster home, foster care or a place of safety, qualifies for full exemption.
- Parents who cannot pay school fees can apply to be exempted from paying

Table 1.14 indicates that 65% of respondents indicated that their learners' parents are fully exempted from paying school fees, whereas the remaining 35% indicated that their learners' parents are not fully exempted from paying

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school fees. The 'no' response here can be taken to mean that there is only partial exemption from school fees in the responding schools.

Table 5.15: Whether learners are partially exempted from paying school fees

	FREQUENCY	PERCENT
Yes	5	25.0
No	15	75.0
Total	20	100.0

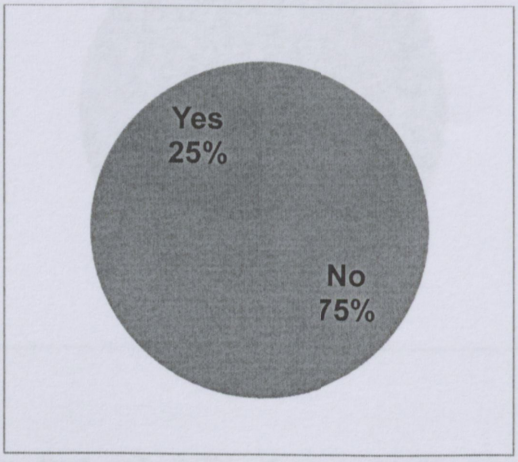


Table 5.15 reflects 25% of respondents who have learners who are partially exempted from paying school fees, and the rest do not have learners who are partially exempted from paying school fees. Partial exemption is when the combined annual gross income of the parents is less than thirty times (x30) but more than ten times (x10) the annual school fees per learner, in which case the parent qualifies for partial exemption (DoE, 2000:18-19).

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Table 5.16: Whether learners are conditionally exempted from paying school fees

	FREQUENCY	PERCENT
Yes	4	20.0
No	16	80.0
Total	20	100.0

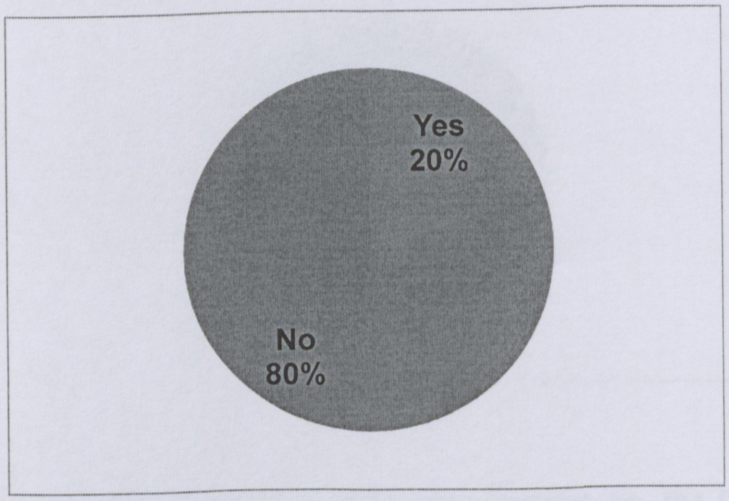


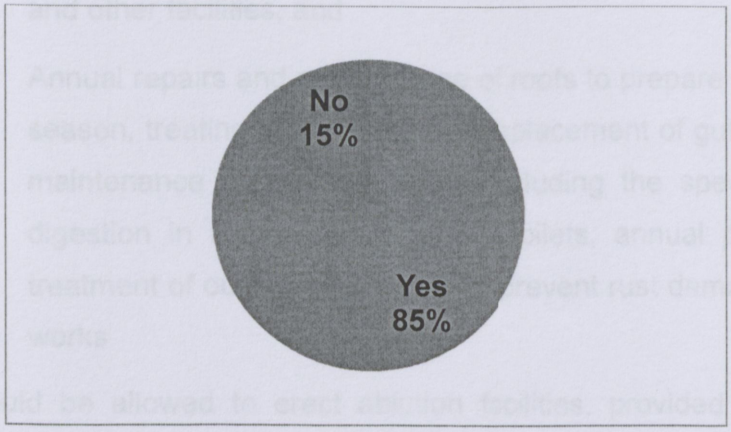
Table 5.16 indicates that only 20% of respondents have learners who are conditionally exempted from paying school fees. Conditional exemption must be related to special circumstances affecting a parent's ability to pay school fees, or to the need to acquire relevant information about a parent's circumstances (DoE, 2000:18-19), so such a small proportion is not surprising.

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Table 5.17: Prescription of utilization of funds by schools

	FREQUENCY	PERCENT
Yes	17	85.0
No	3	15.0
Total	20	100.0



The results reflected in Table 5.17 are not surprising as the Department of Education prescribes what schools should do with the funds, although it could be wondered why 15% of respondents do not seem to know this, or are not told by the Department how their funds should be used. All public schools which have been declared 'No Fee Schools' should not charge mandatory school fees, as defined in SASA as amended. The minimum standard requirement for all No Fee Schools should entail the following (LP, 2011):

- 60% of the total allocation must be spent on curriculum needs, supplementary Learning Teacher Support Material (LTSM) to address the curriculum needs e.g. teaching aids, education toys, charts, science kit
- Schools be permitted to use funds for local sporting activities/ equipment but should not exceed 10% of total allocation,
- Schools have to prioritise allocations to pay for the running of the school i.e. all operational expenses e.g. leasing of copiers, water and electricity, telephone, proper security fencing, provision of clean water or borehole, repair of all broken

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windows and doors, electrical and gas fittings, filling cracks and painting and other repairs, annual servicing of fire equipment, eradication of termites and other pests every 3 years, quarterly cleaning, weeding and maintenance of gutters, channels and other storm water drains to prevent flood damage to foundations and other facilities, and

- Annual repairs and maintenance of roofs to prepare for the rainy season, treating roof trusses and replacement of gutters, annual maintenance of ablution blocks including the speeding up of digestion in toilets and emptying toilets, annual painting and treatment of outdoor equipment to prevent rust damage to metal works.

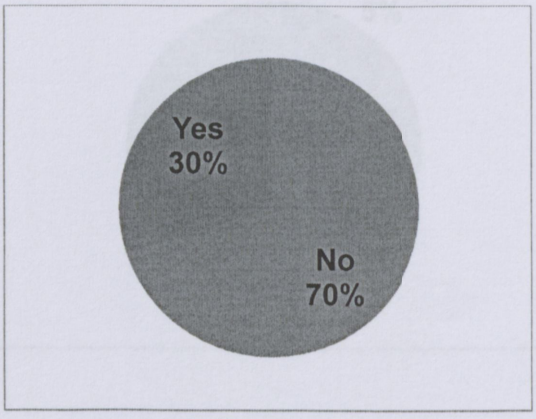
Schools could be allowed to erect ablution facilities, provided approval is granted, the school allocation may not be used to cover cost of personnel and new buildings e.g. new classrooms or admin blocks, extra-mural curriculum and choice of subject options in terms of Provincial Curriculum Policy, travel claims to be minimized and payments should be as per the SGB approved rates. Transport budget should not exceed 5% of the total allocations with no option of virement (budget shifting), and travel claim forms for principals must be authenticated by the Circuit Manager and SGB chairperson before payment can be effected.

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Table 5.18: Supplementary funding from other sources

	FREQUENCY	PERCENT
Yes	6	30.0
No	14	70.0
Total	20	100.0



In this regard Table 5.18 indicates that about 30% of respondents considered that they do have other sources of funding. Section 39 of SASA (imposes a responsibility on all public school governing bodies to do their utmost to improve the quality of education in their schools by raising additional resources to supplement those which the state provides from public funds. It may be difficult for parents to get funding elsewhere as most of them are illiterate.

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Table 5.19: The payment or non-payment of school fees

	FREQUENCY	PERCENT
Yes	1	5.0
No	19	95.0
Total	20	100.0

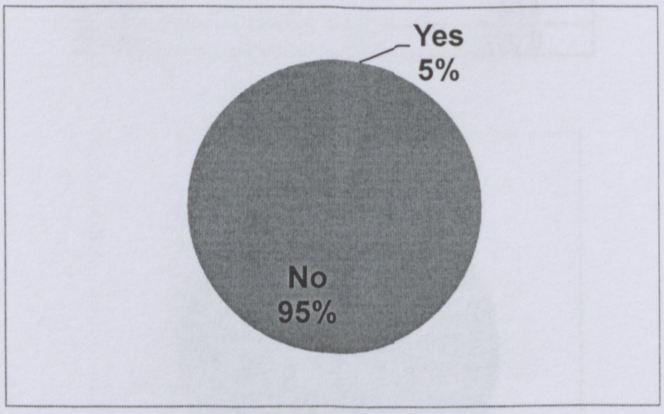


Table 5.19 shows only 5% of respondents indicating that parents pay school fees for their children, whereas the rest indicated that parents do not pay school fees.

Every school in the country should try to supplement government funding. There is no limit to the amount of school fees which parents can agree to pay (Pampallis, 2002:107). In terms of SASA (South Africa, 1996c:Section 36 (1))a governing body of a public school must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education provided by the school to all learners of the school. In fulfilling their obligation to raise supplementary resources, governing bodies are not required to charge school fees. Whether or not to charge school fees is a matter for the parents of the school. SASA links the question of fees to the budget of the school, which the governing body must present to a general meeting of parents for approval. The intention is that the governing body will give the parents all necessary information about the school's income, from the state and other sources, and its educational needs. Parents will then decide what additional revenue the school needs for educational purposes, and how that revenue is to be raised, including whether or not fees are to be charged (Government Gazette no. 19347 of Norms and Standards for School Funding, 1998:2B-36).

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Table 5.20: The remuneration of educators by the School Governing Body

	FREQUENCY	PERCENT
Yes	4	20.0
No	16	80.0
Total	20	100.0

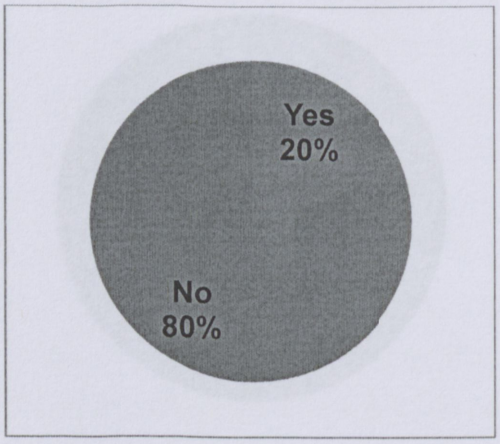


Table 5.20 shows that only 20% of the respondents indicated that they have educators who are paid by School Governing Body. As there are new amendments to the Norms and Standards for policy, parents no longer pay school fees in schools which fall in Quintiles 1 to 3. That is why 80% of schools apparently do not have money to pay teachers, and themselves no longer employ educators.

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Table 5.21: The availability of activities to raise funds for the school

	FREQUENCY	PERCENT
Yes	14	70.0
No	6	30.0
Total	20	100.0

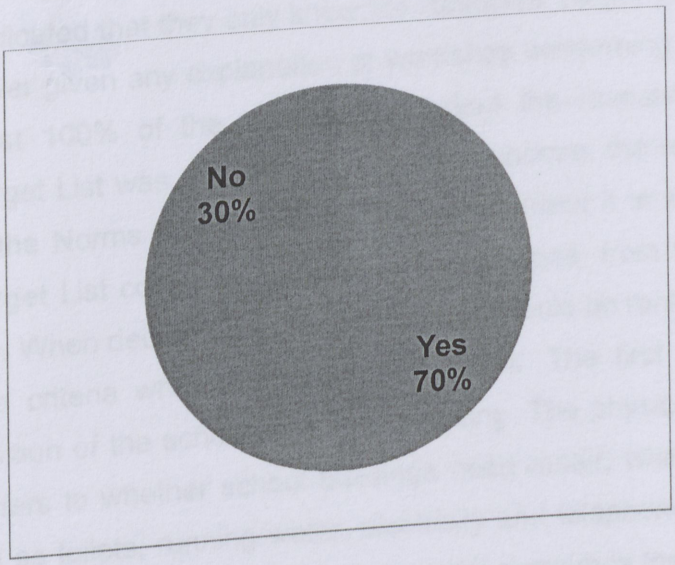


Table 5.21 indicates that 70% of respondents engage in activities to raise funds for their schools

In terms of SASA (South Africa 1996c:Section 36 (1)), a governing body of a public school must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education provided by the school to all learners of the school.

5.2.3 Results obtained from interviews with school principals and a senior official of the Provincial Department of Education

Interviews were conducted with ten school principals and one senior official of Limpopo Provincial Department of Education in order to identify the challenges experienced by public schools in the implementation of financial policy for the provision of quality education. The information obtained served to answer subsidiary question three: What are the challenges experienced by

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public schools in the implementation of the current public funding policy on the provision of quality education?

5.2.3.1 Resource Target List

The principals were asked if they had any knowledge about Resource Target List. Some indicated that they only knew the Resource Target List partially, as they were never given any explanation or workshop concerning it. It was very interesting that 100% of the respondents asked the researcher what the Resource Target List was. As the researcher's response, the researcher told them that in the Norms and Standards policy document it is stated that the Resource Target List covers all schools in the province, from the poorest to the least poor. When deciding where each school should be ranked on the list, there are two criteria which are equally important. The first considers the physical condition of the school, and overcrowding. The physical condition of the school refers to whether school buildings need repair, whether there are facilities such as toilets, running water, electricity and telephone. The second considers the poverty level of the community that surrounds the school (DoE, 1999:3).

5.2.3.2 Understanding of the 'Snap Survey'

The majority of the respondents said that they understood that the Snap Survey revolves around the number of learners and educators in school. They also indicated that Snap Survey includes infrastructure, water supply, electricity, computers and sanitation. They did know what the Snap Survey is, unlike Resource Target List. They say it goes further, to take in the number of teachers in the school and number of learners and their gender. According to some of the participants, the Snap Survey is very sketchy because it covers a range of things in the school instead of only the number of learners. According to them, the Snap Survey was supposed to be an instrument to address the shortages in the school.

5.2.3.3 Understanding of quintiles

All respondents indicated that they had developed an understanding that a quintile is a measure of the grouping or grading of schools according to their

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levels of poverty and that of their surrounding communities. The researcher assumed that they meant a very low level of poverty, as most of the sampled schools are in very poor communities.

5.2.3.4 Quintiles into which schools fall

All respondents indicated that their schools are in Quintiles 1-3. What surprised me was that some of the principals indicated that they are not sure in which quintile within that range their schools actually are, as one of them said: "I think my school is in Quintile 1 and 2". Those participants who were not sure about their school's quintile status stated that, as long as their schools have a nutrition programme, this means that their schools fall into either Quintile 1 or Quintile 2.

5.2.3.5 Physical condition of the school

This question explored what was known about the physical condition of the school – whether the school buildings need repairs or not, which facilities are available, e.g. toilets, running water, electricity, telephone (DoE, 1999:2). Respondents indicated that, for most of the schools, the physical condition is very poor. The majority stated that they have dilapidated toilets. They indicated that their schools' roofs are leaking and might collapse at any time, and they also indicated that most of the classes need to be renovated. The other problem that most of schools experience is overcrowding, as some of the classrooms are accommodating more than 83 learners. This is in contravention of policy which says that the educator-learner ratio in secondary schools should be 1:40, and in primary schools 1:35 (Mukhuba pers comm., 2012). Respondents were also worried about the condition of the toilets. Sanitation is very poor, as some of the schools have no toilets at all, and teachers and learners use the bush to relieve themselves, which is a health hazard particularly in crowded conditions.

5.2.3.6 Poverty level of the school community that determines funding

This refers to whether the structures in the community are built of face bricks or mud bricks, and whether the community has running water and electricity. Respondents indicated, also, that some families are headed by children.

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Almost all mentioned that most of parents around their schools are unemployed, and they cannot provide much for their children. The nutrition programme rescues children of impoverished families and contributes to enhancing their earning capacity (DoE, 2011:12). Respondents also indicated that the level of illiteracy is also high in the communities. In addition, even if there is electricity in some villages, because of poverty people cannot afford to buy units in order to use it. Then there is a high prevalence of teenage pregnancy. Now that teenage mothers receive monthly social grants, some girl learners just tell their teachers that they will come to school a bit late on pay day.

5.2.3.7 Understanding of the criteria used to determine funding

All respondents indicated that, as far as they knew, the criterion which is used to fund schools is the number of learners who were there the previous year. When I asked the further question about why Resource Target List is not used as a determining factor in funding, they did not have satisfactory answers as they did not know of any other criterion used to determine funding. There was also a complaint that the funding is very low, especially for schools which have low enrolment.

5.2.3.8 Submission of an annual budget to the Department of Education

All respondents emphasized that they do submit annual budget, even though it is sometimes difficult to receive the funds as stipulated in their budget. This issue is further discussed in section 5.2.3.12 below. Submission of audited statements to the Department of Education is done annually.

The respondents stated that, for the schools to receive funds, they are supposed to submit audited statements to the Department of Education. If audited statements are not submitted, they do not receive funding. As they receive their allocations late, they argue that they sometimes have to pay auditors from their own pockets or persuade auditors to wait for their payment from The Department of Education, which they will receive after their schools' allocation has been paid. They indicated that it is expensive to pay auditors they usually do not have enough funds even to run their schools.

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5.2.3.9 Notification of how much the school receives every year

All respondents stated that they do receive notification before the end of year of how much they are going to receive. The funding is determined by the level of enrolment of the previous year. They stated that it is difficult for them to run schools if the number of learners increases in the subsequent year, as enrolment fluctuates. It only becomes advantageous if the enrolment decreases.

5.2.3.10 Determinant factor of funding schools

All respondents said that the number of learners is the main determinant factor in funding. They indicated, as in their responses above (section 5.2.3.10), that the education department funds schools according to the number of learners who were enrolled in the previous year.

5.2.3.11 Period in which schools usually receive their funds

According to all respondents, the prescripts (LP, 2011) state that schools should receive their payments in two installments.

According to Limpopo Province (LP, 2011:6), the education department transfers allocations to schools in two tranches. The first allocation is supposed to be received on 15 May and second allocation is supposed to be received on 15 November every year. However, the Department of Education does not stick to the prescribed dates. One of the respondents went as far as to say: "Our government is very unfaithful. Why are we supposed to submit budgets when there is no money forthcoming? This is so frustrating, we work so hard; unfortunately we are working with unfaithful people". All respondents indicated that they received the first payout, which is 50% of the budget, in August 2011 and they did not receive a second payment.

They also said that, from the beginning of the year, there was no money to buy stationery, toners and to pay for electricity. This is a very frustrating situation, as the principals did not hesitate to say. One even remarked: 'It is better to take early retirement as there is no direction in the Department of Education. I will be taking care of my grandchildren".

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5.2.3.12 *Availability of learners who are fully exempted from paying school fees*

The respondents indicated that all their schools are No Fee schools, so that parents are no longer obliged to pay school fees, meaning that all learners are exempted from paying school fees. They stated that the prescripts (LP 2011) indicate that all public schools which have been declared No Fee schools must not charge school fees from any parent. They said that, if one persuades parents to pay school fees, it should be with the authority of the school and parents, because if the education department becomes aware of it, there is the threat that they (principals) may be charged for enforcing parents to pay school fees.

5.2.3.13 *Prescriptions for using funds*

All respondents indicated that Department of Education specifies what to do with the allocated funds. They said that 60% is supposed to be allocated to curriculum needs, and 10% goes for sporting activities. Other percentages go to security, leasing of copiers and paying for municipal services. The respondents indicated that, as the funds are minimal, it is particularly difficult for them to pay security personnel or for other aspects of security. Schools which do not have fences for now cannot erect a fence, as it is very expensive to erect and the funds allocated are not to start any new project.

5.2.3.14 *Other sources of funding besides the funds received from the Department of Education*

Almost all respondents stated that they request donations from business people, philanthropists and institutions. They went on to say that usually responses from institutions and business people are negative. Businesses only fund schools which are well known and which produce good results. So poor schools, and those which do not produce good results, do not stand a chance of receiving any donations from anybody. Principals can only wait for the meager funds from the Department of Education.

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5.2.3.15 *Activities to raise funds for the school*

Some of the respondents stated that they raise funds through selling the vegetables which are grown in the school yards. As most schools are in remote areas, one respondent indicated that they sell these vegetables on credit, as local buyers do not have money to pay immediately. They can pay for vegetables after they have received their monthly grants.

5.2.3.16 *Challenges experienced by public schools in the implementation of the current public funding policy on the provision of quality education*

In interviews, several challenges were discussed. These challenges may be categorized into four major themes, as laid out in Table 5.22.

Table 5.22: Classification of challenges faced by school principals

THEMES	THE RESPONSES
Lack of proper planning and organisation within the Department of Education	Unfaithfulness (as all respondents called it) of the Department of Education in terms of paying out allocations to different schools in the province. All respondents indicated that schools which have a low number of learners receive amounts which are too small. This means that such schools will remain in the same position of poverty and there will never be growth for those schools. Per-learner calculations for the allocation of funds are a problem for many principals. The funds, such as they are, do not come to school in time. There are inconsistencies in terms of grading schools according to quintiles. In villages where there two schools, those schools may be grouped in different quintiles, either 1 or 2.
Insufficient funds	The funds are inadequate, and they do not come to the schools when they should. The majority of respondents indicated that, when parents were still paying school fees, there was enough money to run a school, so it was better than now when schools No Fee schools. All respondents indicated that there is no money to pay labourers (non-teaching staff) in the schools. All respondents indicated that the money allocated to schools is not enough to buy curriculum-oriented equipment. The funds allocated are not allowed to pay extra teachers.
Poor infrastructure	Most of the respondents indicated that they have a high number of dilapidated classrooms. One respondent indicated that the school does not have sanitation. Teachers and learners use the bush to relieve themselves which is health hazard for all. In some schools accommodation is a problem. Respondents indicated that their classes carry about 83 learners, and they also reported a shortage of furniture.
Poor infrastructure	Most of the respondents indicated that they have a high number of dilapidated classrooms. One respondent indicated that the school does not have sanitation.

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	Teachers and learners use the bush to relieve themselves which is health hazard for all. In some schools accommodation is a problem. Respondents indicated that their classes carry about 83 learners, and they also reported a shortage of furniture.

5.2.4 Responses from a senior official of Limpopo Provincial Department of Education

A senior official of the Limpopo Province Department of Education was interviewed about the questions and responses and issues which were raised by the principals during interviews.

5.2.4.1 Delay in the payment of funds to schools

. The official stated that it is not a matter of unfaithfulness; it is a matter of delay on the part of the Department of Education in transferring funds to schools. He indicated that there are different reasons why payments are delayed, such as late submission of audited statements from schools. A further question concerned who pays for the auditors, and he indicated that auditors are supposed to be paid by the schools. Even though it is expensive for schools to pay auditors, the Department of Education insists that books should be audited.

5.2.4.2 Salaries of non-teaching staff

The Department of Education insists that there should be security personnel in schools. Besides security personnel, there are people who are known as food handlers (cooks), as schools in Quintile 1-3 have a nutrition programme which provides food for learners. People who cook for children should be paid on a monthly basis, as they are regarded as labourers. Responding principals indicated that these people had not been paid for some months, as their schools were not allocated what was due to them. When the official was asked about the plight of these people, the response was that it was not because there are no funds, it was because there are insufficient funds to pay labourers. The Norms and Standards money pays food handlers and security personnel, not labourers. He further went on to say that, in most cases, these personnel are employed voluntarily. Some of the principals indicated that they

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sometimes use their own money to pay these personnel out of their generosity.

The official stated that principals are not allowed to use their own funds to pay food handlers and security personnel.

5.2.4.3 Resource Target List

It is true that the funds allocated to schools are not sufficient, and that small schools are mostly the ones that are suffering in terms of funding. The responding official even said that there should be a debate on this issue of funding schools. However, with the Resource Target List, there is a formula which forms the basis of how schools are funded. The researcher probed the official further to find out about the funding to schools which have few students, because schools which have a small number of learners receive less funding, and lack of sufficient funding affects the results as it means too few teachers have to teach many subjects, which affects adequate curriculum delivery. Most of the dysfunctional schools are small schools which have low enrolments. The responding official indicated that all this is true, but does not take into account the Resource Target List which provides a formula which is used to fund these schools.

5.2.4.4 Dilapidated classrooms

The responding official agreed that dilapidated schools can be renovated, according to the guidelines (DoE, 2011), as Norms and Standards funding can be used for annual repairs and the maintenance of roofs to prepare for the rainy season, treating roof trusses and replacement of gutters, including the annual painting and treatment of outdoor equipment to prevent rust damage to metal works. However, the school allocation may not be used to cover building activities, e.g. new classrooms or administration blocks.

5.2.4.5 Sanitation

The responding official said that schools are allowed to erect ablution facilities, provided that approval is granted. The researcher asked who approves such a request, and the answer was the education department. What the researcher could not understand was which level of the department gave such approval,

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whether it was issued at circuit, district or provincial level. In the building of an ablution block, if granted, the education department assists schools with the specifications for such structures. The norm of one seat per classroom applies. The financial allocation should not exceed 8% of the total allocation of funds per year. On the issue of composting bucket ('enviroloos') toilets, the official indicated that the department is looking for a service provider who will empty these toilets, and went on to say that at present there are no funds to pay such a service provider.

5.2.4.6 National nutrition programme

As the responding principals stated, their schools are under a nutrition programme, but unfortunately there is no money to pay for food handlers (cooks). The responding official indicated that it is true that the education department is unable to provide enough funds to schools, but he said that there must also be money for buying wood or paying electricity. What surprised me was the statement by the responding official that, in the near future, the education department is going to provide utensils to be used by food handlers for nutrition programme. How the department is going to do that still surprises me. The responding official said that parents must assist in taking care of these utensils.

5.2.4.7 School fees

Before the No Fee School programme was introduced, parents used to pay school fees for their own children. The principals were satisfied because there was money to run their schools, unlike now, when they anticipate the money on the prescribed dates, and that money is not forthcoming. The responding official raised the point that, when parents were still paying school fees, this adversely affected those parents who could not pay school fees. Schools exaggerated the amount of school fees that were paid at that time. The question which the researcher asked then was what is the best for schools? Is it running a school without funds or running a school with funds?

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5.2.4.8 Overcrowding

When the researcher raised the concern expressed by principals about overcrowding, the responding official reiterated that accommodation is a problem and went on to say that, unfortunately, Norms and Standards funds are not meant to build classrooms. The funds can buy chairs for a school, but it is only the Department of Education that builds schools and additional classrooms. In the past, the Department of Public Works used to build schools and it was not the duty of the Department of Education. the researcher further asked the responding official why education department does not renovate existing structures rather than building new state-of–the-art schools. The responding official acknowledged that it was a good point.

5.2.4.9 Municipal services

In the prescripts LP (2011:8) it is stated that, from the funds allocated to schools, schools are supposed to pay municipal services. The responding principals said that schools are paying for municipal services even though basic services are not provided. It is difficult for municipalities to provide basic services, such as the grading or maintenance of streets, refuse removal and water provision, so that most schools do not have water, and have poor streets. The responding official agreed with the points raised by the principals.

5.3 CONCLUSION

This chapter dealt with the findings of the research, and provided some interpretation of the data. Findings showed how developed countries, such as England and the USA, and a developing country, Zimbabwe, fund public education in their different ways, and also how the Norms and Standards policy of school funding is implemented in South Africa, and the challenges that school principals face in the implementation of the policy.

The implementation of the Norms and Standards policy for school funding still needs attention, as far as the principals are concerned. The challenges are clear from the responses to the questionnaires and provided in the interviews. They may be categorized into the following themes:

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- Lack of proper planning and organisation within the Department of Education;
- Insufficient funds;
- Poor infrastructure;
- Poor municipal services.

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CHAPTER 6

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This Chapter gives an overview of the study, and discusses the philosophy and lessons that had been learnt from the material in Chapters 2 and 3. It will also look at recommendations and come up with a model for the funding of basic education in South Africa. The model is based on how other countries fund basic education, derived from lessons learned in England, the USA and Zimbabwe.

6.2 OVERWIEW OF THE STUDY

Chapter 1 dealt with the introduction and background to the study. It outlined how research was conducted. This included a summary of the research design, methods of research, collection of data and sampling. The delimitation and limitation of the study was also mentioned in this chapter.

Chapter 2 discussed the international declarations which oblige world states to offer basic education to their inhabitants. The chapter also discussed historical aspects of the funding of public education and the current models which are used to fund public basic education in England, the USA and Zimbabwe.

Chapter 3 discussed the historical background of the funding of public education in South Africa. Historical funding is divided according to key years, which are1910, 1953, 1976, 1983 and the early 1990s. The new dispensation after 1994 was then discussed according to newly formulated legislation and the main current funding policy, known as 'Norms and Standards'. Chapter 3 also discussed how South Africa and the Limpopo Provincial Education Department are implementing the policy.

Chapter 4 dealt with the design of the research, expanding on the summary given in Chapter 1. Chapter 4 discussed how the research was conducted and how data was collected and analysed. It specified how data collection was through literature, questionnaires administered in 10schools to the principals

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and their treasurers, and further interviews with the principals, plus an interview with one senior official in the Provincial Department of Education.

Chapter 5 presented the analysis of the data which was collected from the literature, questionnaires and interviews.

This Chapter 6 discusses the findings and makes recommendations for a model of funding which might be a solution to the provision of quality education in South Africa.

6.3 CONCLUSIONS

This summarizes the conclusions which may be drawn from the literature, questionnaires and interviews. The literature concerned practices in England, the USA and Zimbabwe.

6.3.1 England

England has the Education Reform Act of 1988, which is a driving force in the funding of education. The country utilizes the notion of 'Grant Maintained Schools' and Local Education Authorities are responsible for distributing funds to schools.

In England, according to Osler & Vincent (2002:57), schools have been given increasing control over their own budgets and local education authorities have seen many of their responsibilities disappear. School governing bodies now have significant decision-making powers.

- ***The Education Reform Act (ERA)of 1988***

This Act had a major impact on the way in which resources were allocated to schools by local authorities under a system known as the 'Local Management of Schools' (LMS). It requires more delegation of funds from the local education authority (LEA) to the school with expenditure on central education services being strictly regulated.

The ERA established the system of local management for schools. LEA schools represent a change which has many features of an educational

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voucher scheme. A 'voucher' is a physical coupon which transfers purchasing power to the consumer but does not actually transfer money, as this is paid directly to the provider (e.g. the school). School budgets for staffing, premises and services were now delegated to individual schools. The delegated budget would be determined by a formula largely reflecting the number of pupils on a school roll. Accompanying this change was an alteration to admission regulations which meant that schools in future would be obliged to admit to their full capacity (Chitty, 1992:37)

- ***Grant Maintained Schools***

Grant Maintained Schools (GMS) own their land and buildings and are employers of staff. They have control over all their funding and are responsible for the provision of almost all services for the pupils and students at their schools (Thomas & Martin, 1996:14).

According to Thomas & Martin (1996:15) decentralized management, crucially located within a strategic national framework, is central to achieving the government's 'themes' of contemporary reform. The components of decentralization are: Financial delegation and Formula funding.

Financial delegation: Schools are allowed to move money from one budget item to another. For example, within their cash-limited budgets, schools may decide on the numbers and type of staff and how to spend money on their premises.

Formula funding: The formula refers to a pupil-driven system of funding schools, in which a minimum of 80% of the money which is allocated by formula must be tied to a pupil.

- ***Local Education Authorities (LEA)***

Funds pass through the finance department of an LEA with which schools have to negotiate concerning enrolment and other considerations. This is influenced year-by-year by two key variables: demographic change, and the outcome of the open enrolment policy.

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6.3.2 United States of America (USA)

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The USA has three different kinds of school funded by the states and districts: public schools, Voucher schools and Charter schools.

- ***Public funding of public schools***

Local school districts, which bear most of the responsibility for primary and secondary education in the USA, undertake a host of classroom, extracurricular and social service activities aimed at disadvantaged young people. Expenditure on schooling is not equal from state to state.

The literature shows that most districts use a formula that starts by allocating staff positions and other resources to schools, based on the number of pupils in the school. Then districts add staff positions and dollars on top of the formula-driven resources, using criteria other than student enrollment. In a system of student-based budgeting, it is the learners who are funded, not the schools. The concept is simple: each learner receives a base 'weighting' of 1.0, which represents a foundational dollar amount. Then weights are established for groups of learners who have specific educational needs (Miles *et al.*, 2003:116).

According to Serow *et al.* (2000:273), American education is governed by a complex power-sharing arrangement between local authorities and state, with the federal government playing a significant role.

The inevitable result is that richer districts can afford better facilities and higher salaries, and consequently attract better educators. Fiscal disparities are caused by the unequal distribution of the local property tax base (Theron, 1995:587; Odden, 2003:121).

The federal Constitution determines that state authorities should be primarily responsible for public education and should have the power of jurisdiction over it. From very early on, many educational responsibilities were transferred to the care of local authorities. However, the state authorities remain legally responsible for education. When local authorities run out of funds, there is an increase in the financial support given by the state authorities, but the allocation varies substantially from state to state. In an attempt to provide all

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pupils with equal educational opportunities, the state gives more assistance to poor districts than to rich ones (Theron, 1995:587-88).

The local school district is the basic administrative unit for the operation of public schools in USA.

Local school districts use local property taxes as the principal basis of revenue for schools. Such a scheme produces considerable inequities, since property values are not equally distributed across the country. Hence poor school districts are often able to levy only a modest sum per pupil despite high property tax rates, whereas rich school districts are able to raise considerable sums per pupil despite low tax rates. The American system of free education exists for all children regardless of their parents' station in life. In every state, the child and its parents have no choice but to take advantage of this educational opportunity, since school attendance is required by law up to the age of sixteen. American youths are guaranteed an educational opportunity, but there is no guarantee that the opportunity will be equal for all, and in reality it is quite unequal. The child in the plush suburb is likely to come to school already advantaged educationally to a much greater degree than the rural (Nelson *et al.*, 1993:79).

- ***School vouchers***

An education voucher system exists by which the government makes payments to families to enable their children to enter the public or private school of their choice. These tax-funded payments can be made directly to parents or indirectly to selected schools; their purpose is to increase parental choice so as to promote school competition, and to allow low-income families access to private schools (West, 2003:150).

- ***Charter schools***

Despite the rapid growth and popularity of charter schools, an exact definition is difficult to pin down, because of the many forms of charter school legislation, and because it is a product of compromises to win the support of reformers with differing political outlooks (Wells *et al.*, 1999:521).

State or district education authorities contract with outside organizations to establish individual schools. The contract, or charter, makes the school

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providers accountable to state authorities since it specifies the organizational structure and educational goals of the school, while at the same time relaxing government regulations under which conventional public schools operate (Cibulka, 1999:185).

Charter schools operate with a degree of autonomy from local school boards, and state funding follows students to charter schools. There is a degree of parental choice in the school selection, so charter schools are also accountable to parents, in that dissatisfied families can enroll somewhere else (Conway *et al.*, 2002:88).

Unlike conventional public schools, charter schools can decide how to spend their money, whom to hire, whether to have any full time administrators, what books and equipment to buy, and what emphasis to put on technology. No child is required to attend a charter school, so all learners enroll by choice. In contrast to public schools, charter schools enjoy autonomy with little oversight. Free from bureaucratic restraints, they are able to develop their own curricula, select textbooks and determine class size.

6.3.3 Zimbabwe

The Zimbabwean government plays a dominant role in shaping policy and administering and financing education, even though Local District Councils and voluntary organizations such as churches privately own the majority of schools. It assumes the primary responsibility for administering education through the Ministry of Education and Culture, which is in charge of primary and secondary education, and the Ministry of Higher Education, which is responsible for tertiary education. These ministries are complemented by the Department of National Scholarships in the President's Office. The Ministry of Education and Culture pays teachers and allocates government school buildings, as well as instructional materials, and it appoints public and private school teachers. The ministry's support for private schools is also in the form of building grants and tuition assistance channeled through the appropriate committees and authorities. Subject panels define a centralized curriculum.

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While the majority of teachers are civil servants, private schools can hire additional teachers in order to improve the teacher-student ratios, and such practices are common, especially among the private schools that serve the children of elites. Administration, supervision, and staffing are decentralized at the regional, district, and local school levels. Most schools are privately owned by individuals, local government, churches, and committees and boards. The district councils administer the communal lands where the majority of rural Zimbabweans live and attend school.

Independent Zimbabwe has made great strides in racial integration of schools, with the exception of a few private institutions. Private schools continue to receive government subsidies, while former European schools continue to charge fees and are zoned only in certain geographic areas. These schools mainly cater to the children of elite families who can afford to pay high fees.

6.4 RECOMMENDATIONS

6.4.1 Recommendations arising from the study

These recommendations are based on the views of respondents and other participants about how funding is done in South Africa, particularly in the Limpopo Province.

- *Workshop*

  It is recommended that the Department of Basic Education conducts workshops on how schools are funded according to national policy as principals do not know some of the terms used in the policy, such as 'Resource Target List'.

- *Grouping of quintiles*

  Principals must be updated on how schools are grouped into quintiles. Some principals stated that they did not understand why schools in the same village are in different quintiles. This must be clarified so that all stakeholders understand why their schools are grouped in a particular quintile.

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- *Criteria for funding*

  Principals must be given clarification as to which criteria are used to determine the funding of their schools.

  Where minimal funds are allocated to schools, these should be allocated according to the prescripts for financial management of school funds in public schools. Needs of school cannot be determine by authorities of Provincial Education Department. Therefore, schools should be allowed to budget according to their needs.

  The Department of Basic Education should consider the shortage of classrooms. The educator-learner ratios of 1:29 at secondary schools and 1:40 at primary schools should be recognized as maxima beyond which quality education cannot be provided.

6.4.2 Recommendations for further study

The following questions still arise, and require further research in order to provide answers.

- Why is the Department of Public Works not responsible for the infrastructure of schools?
- What other mechanisms can be used to redress the imbalances of the past as far as funding basic education is concerned?

6.5 PROPOSED SOUTH AFRICAN MODEL OF FUNDING OF PUBLIC EDUCATION

The South African National Norms and Standards policy on funding allows schools to budget for their financial needs, but it is not understandable why the Department of Basic Education and provincial education departments are not allocating the requested amounts of money to schools. Schools are being required to budget according to the needs of the departments instead of according to their own needs.

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Although the Norms and Standards policy was instituted to redress the imbalances of the past, it is unable to address its main objectives of equity and equality as well as quality. The poorest schools remain poor, with low allocations of resources from the government. Even though the policy states that the poorest schools –which are in quintile 1 – should receive more funding than less poor schools –in quintiles 4 and 5 –poor schools remain poor. The affluent schools, which were receiving more from the previous government, remain advantaged even under the new dispensation. Their infrastructures remain as they were because they are still receiving resources from donors to maintain them. For the South African government to redress the imbalances of the past, it is important for it to decentralize the funding for public schools. The Department of Basic Education, which receives its budget allocation from the Department of Treasury (Finance), distributes its funds to provincial education departments by considering the budgets the provincial departments have submitted to the Department of Basic Education.

In the proposed model, schools should be allowed to draw up their own annual budgets according to their needs. After doing this, schools should then take their budgets to the circuit offices. Circuit offices should then send their schools' budgets to the district offices, which will then send the budgets to the provincial governments, and provincial education departments will send budget estimates to the Department of Basic Education. Estimated budgets which go to the Department of Basic Education will be considered for the operational budget.

The Department of Public Works, which is responsible for infrastructure, should deploy its personnel to circuit offices and district offices in the Department of Education. These officials should be responsible for the maintenance and building of ablution blocks, classrooms and sporting facilities –which are still a challenge to many schools, especially the previously disadvantaged schools. These officials should also assist in drawing up the budgets of schools. The Public Works Department personnel will establish an annual capital budget for all schools in their jurisdiction. This annual budget will go from the schools to the circuit offices and then to districts; from the districts, budgets will be sent to the provincial Public Works Departments.

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Such budgets will be for the maintenance of available infrastructure in all schools, and for establishing new infrastructure. By this method, the building of new classrooms should not sound as if a school has 'won the lotto', as it is the case now. Classrooms should be built in order to avoid overcrowding. It is a challenge that most schools have a shortage of classrooms, and some learners are still learning under trees. With this proposed model, the challenges that have been alluded to may be addressed. A budget from the Department of Public Works would be considered as a capital budget.

- ***Capital budget cycle***

A capital budget deals with large amounts that the government pays to develop something, and suggests how the government will pay. In this case the Department of Public Works will have to erect classrooms that will accommodate the number of learners according to ratios specified by the Department of Basic Education. In contrast to operating budget time frames, capital budget time frames are always multi-year, typically spanning between two and ten years. Governments are more likely to use longer time frames, and because time frames are long, the time value of money becomes a significant factor in capital planning, particularly if capital funds are borrowed or acquired through equity participation such as stock issues (Lynn, 2011).

- ***Operational budget cycle***

  An operating budget deals with the day-to-day costs and maintenance of the existing infrastructure. Operating budget items are therefore recurring items that must be paid on a periodic basis. For instance if one hires an employee, one must pay an employee every month (Lynn, 2011).

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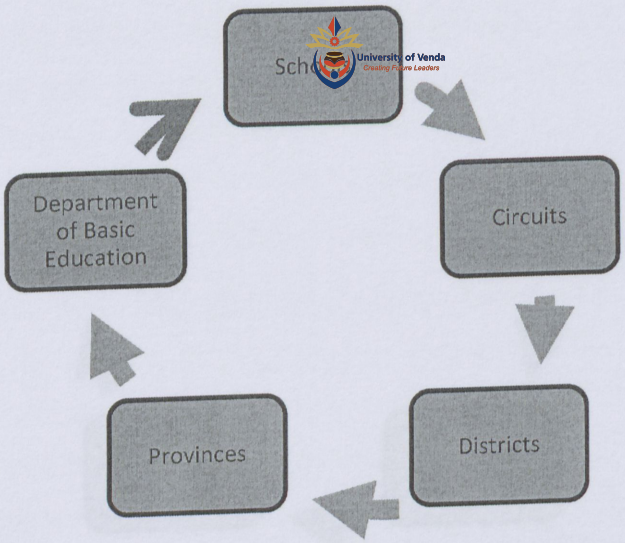


Figure 6.1: The flow of budget from school to the Department of Basic Education (Operational Budget)

Figure 6.1 shows the proposed flow of budget estimates from schools. Schools should draw up a budget according to their needs. The budget from a school is sent to the circuit offices. Circuit offices then send their schools' budgets to district offices, and then district offices send budgets to the provincial education departments. Then the Provincial Departments of Education send estimated budgets to the Department of Basic Education.

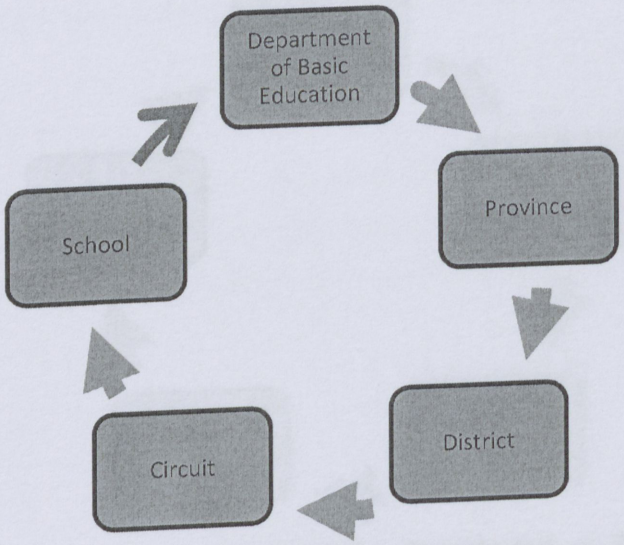


Figure 6.2: The transfer of funds from the Department of Basic Education to schools (Operational Budget).

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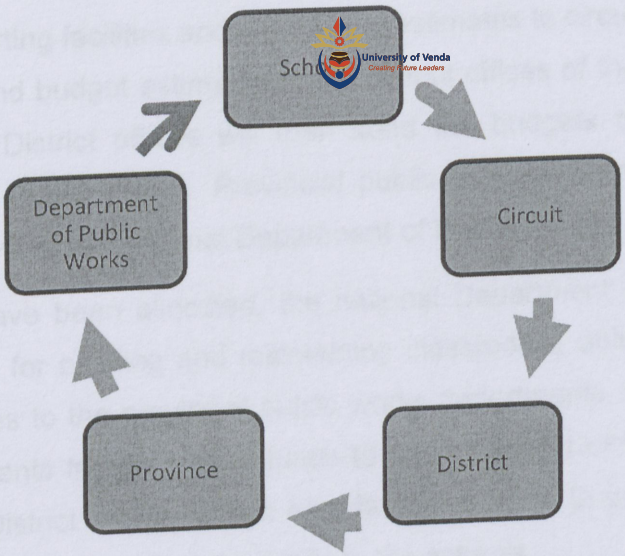


Figure 6.2 shows the flow of funding back from the Department of Basic Education to the schools. The Department of Basic Education transfers funds to provincial education departments; provinces will then transfer funds to district offices, and then district offices will transfer funds to circuit offices. Circuit offices will transfer the funds to the schools.

Figure 6.3: The flow of budgets from schools the National Department of Public Works (Capital Budget)

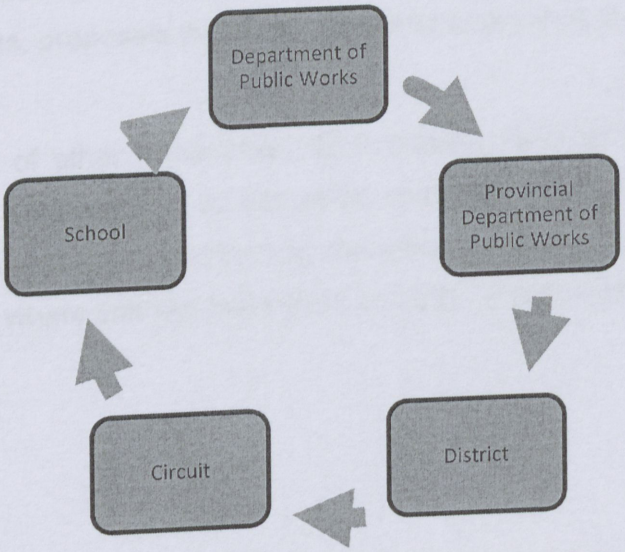


Figure 6.4: The transfer of funds from the Department of Public Works to schools (Capital Budget)

Schools, with the assistance of the Department of Public Works personnel, draw up budgets for the building and maintenance of classrooms, ablution

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blocks and sporting facilities and send these estimates to circuit offices. Circuit offices then send budget estimates to the district offices of the Department of Public Works. District offices will then send the budgets to the provincial Department of Public Works. Provincial public works departments will then send the budgets to the national Department of Public Works.

When funds have been allocated, the national Department of Public Works transfers funds for building and maintaining classrooms, ablution blocks and sporting facilities to the provincial public works departments. Provincial public works departments transfer these funds to district offices of the public works departments. District offices in turn transfer these funds to circuit offices and then the circuit office transfers the funds to the schools.

6.6 CONCLUSION

The South African Department of Basic Education is trying its best to address the imbalances of the past, and this is not working. With adequate funding for all schools throughout the country, it should be easy to improve the quality of education in South Africa. By looking at how other countries fund their education systems, proposals might be made that could change status quo for the country.

The involvement of other government departments, such as Department of Public Works to participate in infrastructure maintenance and development, can minimize the present over-crowding classrooms. The quality of education can be improved where schools have good enough infrastructure.

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PERSONAL COMMUNICATIONS

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Muedi, F. (Manager: Governance. Department of Education, Limpopo Province). 12 December 2012, Polokwane.

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Seakamela, M. (Research and planning in the Department of Education, Limpopo Province). 30 March 2006, Polokwane.

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APPENDIX A:

Letter sent to schools asking permission to conduct research

UNIVERSITY OF VENDA

SCHOOL OF EDUCATION:

Department of Curriculum Studies and Education Management

Cell: 076 265 1563

Dear Principal/Treasurer

I am currently conducting research on how schools are funded in South Africa according to their quintiles. I have been granted permission by the Department of Education, Vhembe District to conduct research in the school which you are currently managing and your school treasurer will also be respondent to the questionnaire.

You will be required to fill in questionnaire which might take 20 minutes of your time. There is neither known risk nor costs involved in the research.

You are assured that your identity and responses to this questionnaire will be regarded as extremely confidential at all times and that they will not be made available to any unauthorized user.

Should you have any queries or comments, you are welcome to contact me.

Mashau Takalani Samuel

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APPENDIX B:

QUESTIONNAIRE FOR THE SCHOOL PRINCIPALS AND TREASURERS

CONFIDENTIAL

PART A

BIOGRAPHICAL DATA

Kindly answer the following questions by putting a cross (X) in the appropriate block.

Experience as a principal (in years)

0-5	1
5-10	2
10-15	3
15-20	4
21	5

Experience as a treasurer (in years)

0-5	1
5-10	2
10-15	3
15-20	4
21	5

Is your school situated in

Rural area	**1[ ]**
Peri-Urban area	**2[ ]**

In which quintile does your school fall under?

1	1[ ]
2	2[ ]
3	3[ ]

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PART B

PUBLIC FUNDING OF PUBLIC SCHOOLS

This part of questionnaire is to determine whether public funds for public education are received by schools with an understanding of how schools are funded, and the terms used in Norms and Standards for funding.

Please indicate whether you understand or apply the following in terms of funding of your school indicating by (X):

QUESTION	YES	NO
1. Do you know about the Resource Target List?	1	2
2. Do you understand what a quintile is?	1	2
3. Do you know the criteria used to determine funding for schools?	1	2
4. Do you have any knowledge of the physical condition of your school?	1	2
5. Do you know the poverty level of your school community that determines funding?	1	2
6. Does your school submit an annual budget to the Department of Education?	1	2
7. Does your school submit audited statements to the Department of Education annually?	1	2
8. Do you receive notification of how much your school is going to receive every year?	1	2
9. Is the number of learners considered when funds are allocated to your school?	1	2
10. Do you have learners who are fully exempted from paying school fees at your school?	1	2
11. Do you have learners who are partially exempted from paying school fees at your school?	1	2

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12. Do you have learners who are conditionally exempted from paying school fees at your school?	1	2
13. Does the Department of Education prescribe to your school what to do with the funds?	1	2
14. Besides the funds your school receives from the Department of Education, does your school have any other sources of funding?	1	2
15. Do parents pay school fees for their children in your school?	1	2
16. Does your school have educators who are paid by the School Governing Body?	1	2
17. Does your school do any other activities to raise funds for your school?	1	2

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APPENDIX C:
Letter to Limpopo Department of Education, requesting interview for research

Enq. Mashau T.S.
Cel. 076 265 1563

P.O. Box 2498
Thohoyandou
0950
21 June 2011

The District Senior Manager
Department of Education
Vhembe Region
Private Bag x2250
P.O. Sibasa
0970

Dear Sir

REQUEST FOR PERMISSION TO DO RESEARCH IN YOUR DISTRICT

I am currently a PhD student at the University of Venda. My study topic is: "**A COMPARATIVE STUDY OF STATE FUNDING MODELS FOR BASIC EDUCATION: IMPLICATIONS FOR THE PROVISION OF QUALITY EDUCATION.**"

I hereby wish to request for permission to do research from randomly selected schools within your jurisdiction. Ten schools from quintile 1-3's principals and treasurers will respond to questionnaires that will be distributed to them.

I hope my request will be considered.

Thanking you in anticipation.

Yours faithfully
Mashau Takalani Samuel
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