

## The Importance of State Funding for Quality Education: South African Perspective

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**ABSTRACT** Before 1994, South Africa had sixteen education departments which were divided according to ethnicity, and the funding of education was also determined by ethnicity. South Africa amalgamated all these departments after the dispensation of democracy in 1994. In order to amalgamate former education departments, the newly elected parliament promulgated National Education Policy Act 24 of 1996 (hereinafter, Education Policy Act 24 of 1996). Parliament went further to promulgate the South African Schools Act 84 of 1996 (hereinafter Schools Act 84 of 1996). In terms of Section 34 (1) of the Schools' Act 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 the learners to education and the redress of past inequalities in education provision. Therefore, the minister, in terms of Section 35 Schools Act 84 of 1996, was assigned to determine Norms and Standards for the funding of public schools after consultation with the Council of Education Ministers, the Financial and Fiscal Commission, and the Minister of Finance. The Norms and Standards for the funding policy came into being in 1998. Bearing in mind inequalities of the past, the researchers investigated whether the policy is addressing the funding inequality of the past in the provision of quality education. The research paper used quantitative design to collect data. Data was collected from quintile 1 to 3 school ten principals and ten School Treasurers and analysed using SPSS Version 21. The findings of this research informed that unfortunately schools do not plan annual budget according to their needs and imbalance and inequality persists.

### INTRODUCTION

There have been major changes in the state of South African schools; however 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 in 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; Carrim 2013).

According to Malherbe (1977) and Nkomo et al. (2013), education like any other public or private service, has two-fold economic aspects:

its source of funding for and the spiritual and material returns on investment of that funding.

According to Classen (1995) and Sayed and Kanjee (2013), 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 welfare, social democratic or socialist initiative aimed at redressing the legacy of social and economic injustices and inequities of the apartheid era (Kallaway 1997). The programme was aimed at redressing inequality, including inequality that occurs in the education system. Kallaway (1997) interprets RDP policy as a policy which determines the caring for people, especially those in formerly disadvantaged communities, in order to redress the imbalances of the past.

Most people believe that students do better in well-funded schools, and that public education should provide a level playing field for all children. Nearly half of the funding for public schools is provided through taxes, thus generating large differences in funding between

wealthy and impoverished communities (Biddle and Berliner 2002).

### **Objectives of the Study**

This paper investigates whether the implementation of Norms and Standards of funding impact on the provision of quality education and redress the past imbalances in South Africa. In addition, this paper seeks to find out the challenges faced by public schools in the implementation of the current public funding policy on the provision of quality education.

### **Research Questions**

This research paper attempts to answer the following questions: 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? What are the challenges experienced by public schools in the implementation of the current public funding policy on the provision of quality education?

### **Conceptual Framework**

Since the main focus of this research paper is on 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 basic education. Policy implementation of public funding of public basic education in South Africa should impact on the provision of quality education to target the impoverished groups or citizens of South Africa. Quality education depends on equity and equality as far as funding is concerned.

### **Theoretical Constructs**

The groundwork for this research paper was developed from three theoretical constructs to be discussed below. These are:

#### ***Policy Implementation***

Problems that arise in the implementation process make it less likely that policy objectives will be achieved in many government programmes. Implementation problems may also

damage the morale and external reputations of the agencies in charge of implementation. Although many implementation problems occur repeatedly across programmes and can be predicted in advance, legislators often pay little attention to them when programs are being enacted or overhauled (Weaver 2010).

The challenge above also affects South Africa as the country is still engaged in the task of transforming its politics, economy and social system into a democratic society that offers all ethnic groups the opportunity to 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 and Singh 2001; Carrim 2013).

With regards to challenges of policy implementation, Boundless (2014) states that effective policy implementation involves three key elements broadly categorized as organization, interpretation, and application. Effective organization entails that policies be implemented by the appropriate government agencies or the agencies that are created for this purpose. Interpretation means that legislative intent is translated into operating rules and guidelines. Application means that the new policy is in coordination with ongoing operations. Policy implementation is very difficult to achieve, and most policies will either take a long time getting off the ground or not be implemented at all.

#### **Quality Education**

It is difficult to define quality as per Carrim's (2013) statement that quality is assumed as that which is 'better than'. However what does not seem to be clear is on what basis, is that which is 'better than' are actually made, in relation to what, and using which criteria. South Africa shares the problems with the definition and measuring of education quality with other parts of the world. Education authorities wrestle with the question of quality in education while trying to improve accessibility, equality and equity (Niewehuis 1996). Sources of funding and methods of funding allocation have important implications for the outcomes of quality educational systems (Schiefelbein 1983).

Although opinions about quality in education are by no means unified, at the level of international debate and action, the education 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).

Quality education enables people to develop all of their attributes and skills to achieve their potential as human beings and members of society. In the words of the Delors Commission (UNESCO 2006), education is at the heart of both personal and community development; its mission is to enable each individual, without exception, to develop all talents to the full and to realize creative potential, including responsibility for individuals' lives and achievement of their personal aims. Quality education is a human right and a public good. Governments and other public authorities should ensure that quality education service is available freely to all citizens from early childhood into adulthood. Quality education provides the foundation for equity in society and is one of the most basic public services. It not only enlightens, but also empowers citizens and enables them to contribute, maximally, to the social and economic development of their communities (Delors Commission UNESCO 2006).

With people grappling with what quality education is, UNICEF (2000) states that quality education includes: learners who are healthy, well-nourished and ready to participate and learn, and who are supported in learning by their families and communities; environments that are healthy, safe, protective and gender-sensitive, and provide adequate resources and facilities; content that is reflected in relevant curricula and materials for the acquisition of basic skills, especially in the areas of literacy, numeracy and skills for life, and knowledge in such areas as gender, health, nutrition, HIV/AIDS prevention and peace; processes through which trained teachers use child-centred teaching approaches in well-managed classrooms and schools and skillful assessment to facilitate learning and reduce disparities; and lastly, outcomes that encompass knowledge, skills and attitudes, and are linked to national goals for education and positive participation in society.

### *Funding of Public Education*

In the world of education, the existence of funding inequities has long been a known fact, but the sources of these inequities have not always been obvious. Typically, people have blamed local property tax variation as the sole, or at least primary, cause of inequalities and called for greater state funding as the solution. In practice, however, the states that provide a large share of state aid are not necessarily more equitable in their distribution of school funding (Baker and Corcoran 2012).

According to the World Bank (1995), 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 pivotal role in promoting equality of opportunity. According to Weber (2002), the Schools Act of 1996 provides room for differential fee structures across schools. These structures proclaim that 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 parents who were liable for payment of school fees could be prosecuted if they did not do so.

### **RESEARCH DESIGN AND METHODOLOGY**

This research paper utilized the quantitative method approach focussing on the following:

#### *Population and Sampling*

The researchers needed information from key informants. In this case, the informants were school principals and school treasurers. These respondents were chosen because they were likely to be knowledgeable and informative (McMillan and Schumacher 2010) about the phenomena which the researchers were investigating. The schools were thus randomly sampled from either secondary or primary levels of Quintiles 1-3, that is, the poorest of the five quintiles designated by the Department of Basic Education at Vhembe District. Ten school principals

and school Treasurers of such schools responded to questionnaires and their experience in their positions as principals and Treasurers was not considered.

### *Data Collection Strategies*

As mentioned above, data was collected through a questionnaire. Questions were chosen as the research tool due to economic reasons. This choice of a research tool was also informed by McMillan and Schumacher (2010) who point out the various advantages of questionnaires which are that the use of a questionnaire is economical, it contains standard questions, and that questionnaires use uniform procedures, 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.

## **OBSERVATIONS AND DISCUSSION**

Quantitative data gathered from the respondents was analyzed using a standard Statistical Presentation Software Package (SPSS) Version 21 package, thus enabling the results to be widely understood. The following statements indicate how respondents responded to the questionnaire:

### **Quintiles of Schools**

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

### *Understanding of the Resource Target List*

Surprisingly, 55 percent of respondents indicated that they know about and understand

the Resource Target List, which is not a very good percentage as all should understand what it is. The Resource Target List ranks all schools in the provinces 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 and how many learners are there in each classroom. The second factor is the relative poverty of the school community. This refers to the level of poverty of the community that geographically surrounds the school, and the poverty level of the community that is served by the school (National Norms and Standards for School Funding 2009).

### *Understanding the Application of Quintiles*

At least 80 percent of respondents responded that they knew 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.

### *Knowledge of the Criteria used to Determine Funding*

Only 60 percent of respondents know the criteria which are used to determine funding for their schools, which seems quite a low percentage. It is assumed that since a SNAP Survey is conducted annually, 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. The data collected from the SNAP Survey of Ordinary Schools is collected from all schools each year. The data forms part of the national Education Management Information Systems (EMIS) database used to inform education policymakers and managers in the Department of Basic Education and the Provincial education departments, as well as to provide valuable information to external stakeholders. For example, general school data from the survey is used to compile and maintain the Master List of Schools in the country for education planning purposes (DoE 2014).

### ***Knowledge about the Poverty Level of the School Community***

It appears that 60 percent of respondents know about the poverty level of their school community, although it seems strange that as many as 40 percent of respondents do not know about 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).

### ***Submission of an Annual Budget to the Provincial Department of Basic Education***

It is not surprising to find out that 100 percent of respondents do submit an annual budget to the Department of Education. All schools are required 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 in the following financial year (LP 2011).

### ***Annual Submission of Audited Statements to the Provincial Department of Basic Education***

In this regard, it was interesting to find out that 100 percent of respondents indicated that they submit an annual budget to the Department of Education, as per policy. In terms of this, schools are required 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; Corruption Watch 2013).

### ***Consideration of the Number of Learners When Funds are Allocated to the School***

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.

### ***Prescription of Utilization of Funds by Schools***

The Department of Basic Education prescribes what schools should do with the funds, although from the responses, it could be wondered why 15 percent of respondents do not seem to know this, or are not told by the Department how their funds should be used. According to the amended Schools Act of 1996, public schools which have been declared 'No Fee Schools' should not charge mandatory school fees. The minimum standard requirement for all 'No Fee Schools' should entail the following (LP 2011):

*At least 60 percent of the total allocation must be spent on curriculum needs, supplementary Learning Teacher Support Material (LTSM) to address the curriculum needs, for example, teaching aids, education toys, charts, science kit;*

*Schools should be permitted to use funds for local sporting activities/ equipment but should not exceed 10 percent of total allocation;*

*Schools have to prioritize allocations to pay for the running of the school. This entails all operational expenses such as leasing of copiers, water and electricity, telephone, 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 should be done to prepare for the rainy season. This includes, treating roof trusses and replacement of gutters, annual maintenance of ablation 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 are allowed to erect ablation facilities, provided approval is granted. In addition, the school fund allocation may not be used to cover cost of personnel and new buildings such as new classrooms or administration blocks, extra-mural curriculum and choice of subject options in terms of the Provincial Curriculum Policy; schools are also required to minimize travel claims, and payments should be as per the

SGB approved rates. Transport budget should not exceed 5 percent 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 the SGB chairperson before payment can be effected.

#### ***Supplementary Funding From Other Sources***

In this regard, about 30 percent of respondents reported that they do have other sources of funding. Section 39 of Schools Act 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. It may be difficult for parents to get funding elsewhere as most of them are illiterate.

#### ***The Payment or Non-payment of School Fees***

Only 5 percent of respondents indicated 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). In terms of the Schools Act of 1996 Section 36 (1) (c) 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 decision that rests on the parents of the school. Schools Act of 1996 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.

#### ***The Availability of Activities to Raise Funds for the School***

At least 70 percent of respondents reported that they engage in activities to raise funds for their schools. In terms of the Schools Act of 1996, 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.

### **CONCLUSION**

The South African government provided a legal framework which incorporated all ethnic groups which were divided during apartheid era. The intention of the government was to offer education to all its citizens equally and fairly. The National Education Policy gives the Minister of Education the prerogative to formulate policy on funding. The Schools Act of 1996 provides framework on how funds should be distributed to schools. It is at this period that the Minister of Education provided Norms and Standards for funding policy, which is an instrument which is used in determining the allocation and criteria of funding schools.

The implementation of the Norms and Standards policy for school funding still needs attention, as far as the respondents are concerned. Inadequate funding which is allocated to schools does not have an impact nor does it make any difference to poor schools which fall under quintile 1-3. It is clear that South Africa is not yet at the stage in which she can provide quality education for its citizen. Norms and Standards for School Funding Policy was therefore the vehicle that the government sought to utilize in order to redress the imbalances of the past; unfortunately the dream of redressing the imbalances of the past is not yet realized.

### **RECOMMENDATIONS**

School principals and Treasurers should be trained to understand the National Norms and Standards for school funding policy. This policy has terms and conditions through which schools are funded. Understanding of the policy will enable them to voice some of the challenges they are facing in the administration and

managing of their schools where there are inadequate resources, to the Department of Basic Education.

The Resource Target List and the number of learners that the school has admitted should be instruments which are used concurrently to determine allocation of funds to schools. Schools should be free to spend their allocated funds to meet their needs, rather than being given pre-scripts from the Department of Basic Education on how they should spend the funds. Schools should be allowed to raise funds to supplement funding that they receive from basic education department. Principals, Chairpersons and Treasurers who are members of all School Governing Bodies should undergo rigorous training where they can be awarded certificates of competence in order to understand their roles and functions.

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