

FUNDING BASIC EDUCATION



#Vote4Education

Section 29(1)(a) of the Constitution states that *everyone has the right to basic education, including adult education.*

The right to basic education requires the government to make quality basic education available and accessible to all. The Constitutional Court has acknowledged that unlike other socio-economic rights, the right to basic education is unqualified and immediately realisable (not subject to progressive realisation or available state resources).¹

The courts have also acknowledged certain core components of the right, including infrastructure, textbooks, desks and chairs and transport for learners.² The realisation of the right to education by making these components available to all learners advances democracy, equality and human dignity.

South Africa's education system was grossly unequally funded in the past. Government's post-apartheid policies have been focused on improving infrastructure, literacy and the quality of education in disadvantaged schools. However, austerity measures adopted during the 5th democratic administration have resulted in decreased funding per learner in real terms and spending cuts in education programmes, which have resulted in slowed progress towards realising quality education for all learners.

Ahead of the 2019 elections, SECTION27 has partnered with the Institute for Economic Justice (IEJ) to analyse key budget trends for basic education over the last five years.³

THE STATE OF EDUCATION TODAY

Prior to 1994, the education system was central to entrenching segregation and inequality. Quality education was limited to the minority White population while Black, Coloured, Indian and Asian South Africans and the disabled received a vastly inferior basic education. Schools for White learners received ten times more funding than disadvantaged groups, leading to:

- substandard infrastructure
- lower scores and literacy, and
- higher dropout rates at historically black schools.

The government has made great strides in overcoming this segregated education system. The large increase in no-fee schools has helped South Africa to achieve almost 100% school enrolment with gender parity. The number of learners who passed matric increased from 50% in 1994 to 78% in 2018 and we have a universally applied curriculum. The school nutrition programme provides nutritious meals to approximately 9 million learners every school day.

However, South Africa's learners continue to perform poorly in a wide range of international comparative assessments. For example, the 2016 Progress in International Reading Literacy Study (PIRLS) revealed that after four years of schooling, 78% of South African learners cannot read for meaning. This compares with an international average of 4%. Grade 4 children in South Africa scored the lowest of the 50 countries participating in the study. Dropout rates remain high: of 100 learners that start school, 50–60 will make it to matric, 40–50 will pass matric, and only 14 will qualify to go to university.⁴



THE 2014 ANC ELECTION MANIFESTO PROMISED TO:

- Improve the quality of teaching and learning
- Build 1 000 new schools
- Respond to the challenges of rural schooling

1. *Governing Body of the Juma Masjid Primary School v Essay* NO 2011 (8) BCLR 761 (CC); 2011 ZACC 13 at para 37.

2. See *Equal Education v Minister of Basic Education* on infrastructure, *Madzodzo v Minister of Basic Education* on furniture, *Minister for Basic Education v Basic Education for All* on textbooks, and *Equal Education v MEC for Education, KwaZulu-Natal* for transport. SECTION27 is amicus curiae in the transport case.

3. SECTION27 is a public interest organisation advocating for the right to basic education for all. The IEJ is a progressive economic think tank which aims to provide rigorous economic analysis on South Africa's policy options.

4. Nic Spaull "Priorities for Education Reform (Background Note for Minister of Finance)" 19/01/2019. Available at: <https://nicspaull.com/2019/01/19/priorities-for-education-reform-background-note-for-minister-of-finance-19-01-2019>.



AUSTERITY BITES INTO THE BASIC EDUCATION BUDGET

Addressing the underlying causes of these ongoing challenges will require additional investment into public education. Yet during the past five years, investment in education has stalled.

Real spending on basic education has increased very little in the past five years, and the share of the budget going to basic education has not changed much. However, the small increase to the basic education budget masks a real decline in funding per learner.

Analysis by education researcher Nic Spaull has found that education spending per learner has been steadily decreasing for years, largely unnoticed. Figure 1 shows an average real terms reduction in spending from R17 822 per learner in 2010 to R16 435 in 2017. This represents an 8% decline since 2010. This is a result of education allocations failing to increase in line with a rapid rise in birth rates between 2003–2008 leading to increased school enrolment, as well as personnel (mainly teacher) compensation rising at a rate well above average inflation. By comparison, government has been adjusting education spending just above average inflation and Treasury has no accounted for above expectation wage agreements in budget allocations.

One of the areas in which the underfunding of basic education over the past five years can be seen is in the difficulty provinces have had in meeting minimum per learner non-personnel funding requirements. Table 2 below shows that in 2017, five provinces were unable to fund schools at the minimum per learner level.

The minimum per learner funding provided to schools must pay for all of their non-personnel costs, such as textbooks, furniture, electricity and maintenance. Funding no-fee schools below this threshold is particularly damaging as these schools cannot raise additional funds through fees. However, almost 1 000 fee-charging schools also failed to make up for their underfunding by Provincial Education Departments in 2017 and as a result had school budgets that were below the minimum per learner threshold.

TABLE 1: EXPENDITURE ON BASIC EDUCATION IN REAL TERMS AND AS A SHARE OF TOTAL GOVERNMENT EXPENDITURE (2019/20 RANDS)⁵

Billions	2015/16	2016/17	2017/18	2018/19	2019/20
Basic education	R250.90	R253.20	R254.40	R258.90	R263.30
Share of non-interest expenditure	16.4%	16.8%	16.7%	16.7%	16.6%

FIGURE 1: REAL PER LEARNER EXPENDITURE ON BASIC EDUCATION FROM 2010–2019 (USING REAL COST DRIVERS AND EXPRESSED IN 2017 RANDS)⁶

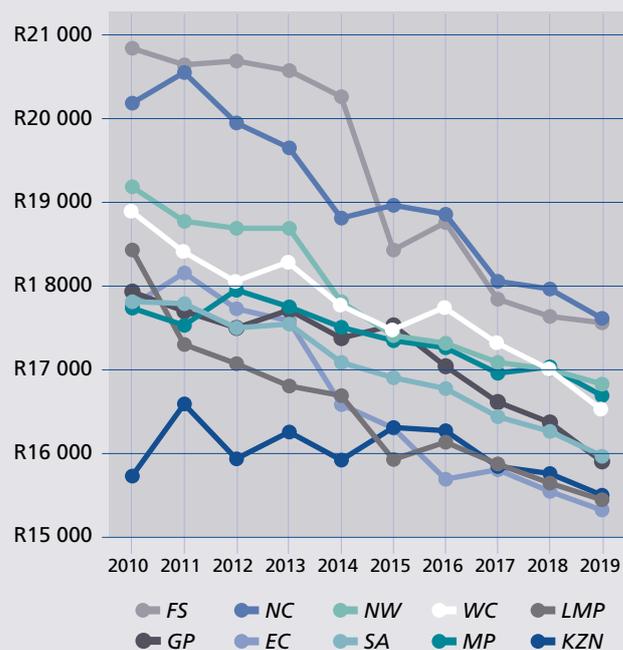


TABLE 2: 2017 PER LEARNER FUNDING ALLOCATIONS BY PROVINCES: WHICH PROVINCES ARE UNDERFUNDING SCHOOLS?⁷

2017 Rands	Quintile 1–3 (no fee schools)	Quintile 4	Quintile 5
Minimum threshold ⁸	R1 243	R623	R215
Actual funding provided			
Eastern Cape	R1 177	R590	R204
Free State	R1 243	R623	R240
Gauteng	R1 243	R623	R623
KwaZulu-Natal	R 955	R522	R179
Limpopo	R1 241	R621	R205
Mpumalanga	R1 059	R530	R183
Northern Cape	R1 177	R736	R346
North West	R1 243	R623	R215

5. National Treasury Budget Reviews, Consolidated Expenditures Tables 2015–2019. Available at: <https://vulekamali.gov.za>.

6. Nic Spaull “Basic education thrown under the bus – and it shows up in test results,” Business Day, April 16, 2018.

7. Presentation by the Department of Basic Education to the NCOP Portfolio Committee on Education and Recreation, 29 November 2017. Available at: <https://pmg.org.za/committee-meeting/25629/>.

8. Established annually by the Minister of Basic Education.





MISSUSE OF ALLOCATED FUNDS

The flip-side of the austerity budget crisis is a crisis of capacity, performance and accountability in provincial education departments that results in funds that are available not being spent efficiently.

Section 195 of the Constitution requires the state to ensure that public administration is governed according to principles of efficiency, effective use of resources, transparency and accountability. Trends show that in many provinces, this obligation is not being fulfilled. This has been especially true in Limpopo, where R194.5 million of wasted expenditure was recorded in 2017/18, for which no one has been held accountable.

IMPACTS OF DECREASING FUNDING

School infrastructure

The Education Infrastructure Grant (EIG) provides funding for provinces on top of their equitable share allocation to use specifically on school infrastructure development. This includes refurbishments and building new schools. Table 4 shows that, after a large increase in the grant in 2015/16, funding has since been reduced. The budget for the grant is R1 billion less in 2019/20 than it was in 2015/16. This de-funding of school infrastructure occurs against the backdrop of learners dying in pit latrines and having their dignity undermined daily in dirty and unsafe toilets, as discussed along side.

The Accelerated School Infrastructure Delivery Initiative (ASIDI) is funded by the School Infrastructure Backlogs Grant. ASIDI funds are transferred to “implementing agents” rather than provincial education departments, in an alternative delivery model. The aim of this programme is to further contribute to the eradication of infrastructure backlogs in schools especially those with dangerous structures and a lack of water, sanitation and electricity, to contribute towards better teaching and learning environments that are compliant with the government’s minimum norms and standards for school infrastructure. Since the inception of ASIDI in 2011, underspending and poor performance by implementing agents has been a consistent challenge. Table 5 shows that only 46% of schools targeted by the programme since 2011 received sanitation upgrades.

TABLE 3: FRUITLESS AND WASTEFUL EXPENDITURE, IRREGULAR EXPENDITURE BY LIMPOPO DEPARTMENT OF EDUCATION⁹

	Rand Millions	2015/16	2017/18
Fruitless and wasteful expenditure <i>(could have been avoided)</i>		R13.3m	R194.5m
Irregular expenditure <i>(failed to follow due process)</i>		R630.4m	R957.1m

TABLE 4: EDUCATION INFRASTRUCTURE GRANT, REAL ALLOCATIONS AND ANNUAL PERCENTAGE CHANGE, 2015/16–2019/20¹⁰

Rands Millions	2015/16	2016/17	2017/18	2018/19	2019/20
Education Infrastructure Grant	R11 489	R11 597	R11 496	R10 588	R10 514
Real Percentage Change	20.9%	0.9%	-0.9%	-7.9%	-0.7%

TABLE 5: ACCELERATED SCHOOL INFRASTRUCTURE DELIVERY INITIATIVE (ASIDI) TARGETS AND ACHIEVED OUTCOMES, 2011/12–2017/18¹¹

ASIDI Provision of Sanitation	2016/17	2017/18	Total 2011/12–2017/18	Targets achieved since inception
Target	265	257	992	46%
Achieved	9	29	453	46%

9. Limpopo Department of Education 2015/16 and 2017/18 Annual Reports. Amounts are nominal.

10. National Treasury, Estimates of National Expenditure, 2018 and 2019, and own calculations.

11. Passmark (<https://passmark.org.za/asidi-schools/>) and SECTION27 report ‘Towards Decent Sanitation’ (2018). Available at: <http://section27.org.za/wp-content/uploads/2019/01/TOWARDS-SAFE-AND-DECENT-SCHOOL-SANITATION-IN-LIMPOPO-1.pdf>. →



Education resource allocations are the responsibility of both national and provincial education departments. Conditional grants are ring-fenced funds passed from national to provincial government for a particular component of basic education. These include the Education Infrastructure Grant and the School Infrastructure Backlogs Grant, as well as the School Nutrition Programme Grant. Equitable share funds on the other hand are delivered to provinces as a bulk transfer which provincials can decide how to utilise.

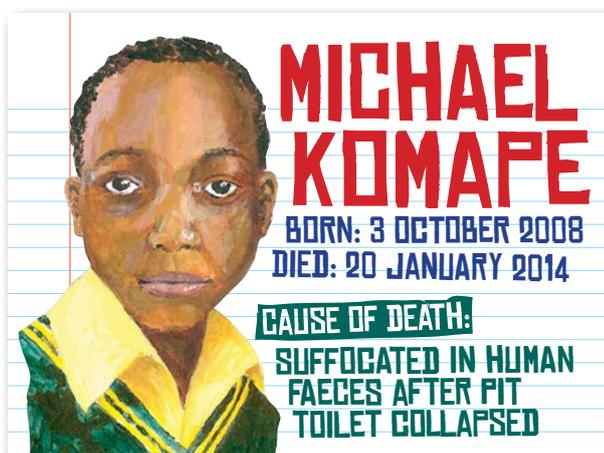
SECTION27 has been working in Limpopo since 2012 and compiled a report on school sanitation challenges in 2018. This report documented consistent underspending of the ASIDI grant. An audit by SECTION27 also found that at 86 schools contacted:

- 33 had unventilated pit toilets and unacceptable sanitation
- 10 had new sanitation facilities but unsafe pit toilets remained on site
- 35 had inadequate toilets, of which 3 were not fit for purpose
- 11 had poorly maintained toilets.

Unsafe sanitation poses a threat to learners. Michael Komape (2014) and Lumka Mtetwa (2018) are just two of many learners that have died or been severely injured in unsafe pit latrines in recent years.

A difficulty with the government's sanitation response that SECTION27 has found again and again is the inconsistency and inaccuracy of data that is collected on the infrastructure needs of schools. So long as government is unable to collect accurate data on what schools need, it will be unable to plan and budget appropriately.

Our report concludes that government must prioritise "accurate information, with concrete time-bound and budgeted for steps for alleviating the sanitation crisis" in our public schools.



Learners with disabilities grossly underfunded

KZN department of education spends only 2.3% of its budget on special needs education. This is not dissimilar to other provinces. Data collection on special needs children is also very poor but our fieldwork in the provinces and consultations with various stakeholders estimates that about 10% of children in KZN have a physical or intellectual disability. The DBE estimated in November 2015 that there were as many as 182 153 children with disabilities in KZN with 137 889 (76%) not receiving any schooling. Nationally, the key issues faced in public special schools are:

- Inappropriate infrastructure, such as steep stairways in hostels
- Lack of appropriate learning material
- Lack of adequate support staff to care for learners
- Lack of appropriate transport for learners.

Long walks to school continue

Access to affordable and appropriate school transport is an important component of the right to basic education. The General Household Survey of 2017 found that 68.1% of approximately 14 million learners in the country walk to school. Learners who walk long distances are faced with many dangers including violence, theft and sexual harassment. Learners with disabilities are further affected as the available public transport (particularly in rural areas) consists of taxis and "malume" transport (pick-up trucks), which are not suitable for learners with disabilities.

Despite repeated commitments by government, in the last budget of the 5th Parliament, there was still no sign of a scholar transport grant. A government study on the implementation of the scholar transport programme revealed gaps and inconsistencies in the data and performance in provinces. This has led to the formation of two working streams to establish a national approach to the issue and the process is likely to conclude only in 2020.





EDUCATION PRIORITIES FOR THE NEXT ADMINISTRATION

1. **End budget austerity by reversing cuts to provincial equitable shares and conditional grants.** Immediately ensure that provincial education departments have sufficient funds to comply with the Minimum Norms and Standards for School Funding and School Infrastructure.
2. **Within two years, conduct a participatory needs-assessment** involving learners, parents, teachers and administrators, to understand and build consensus on the steps and the funding model that is necessary to provide quality and equal education for all.
3. **Bring all schools up to the Minimum Norms and Standards for School Infrastructure** without delay. In addition to sufficient funding, this will require enhanced inter-governmental cooperation to ensure effective planning and execution of infrastructure projects, accountability for underperformance and misuse of funds by public officials, as well as an improved delivery model that builds the capacity of provincial education departments to maintain and improve infrastructure rather than relying on implementing agents.
4. Develop and implement a **comprehensive, rights-based policy for Learner Teacher Support Material (LTSM)** which includes Braille LTSM for blind learners.
5. Provide a conditional grant for **scholar transport** that ensures access to all learners who qualify for state-subsidized transport to school, including learners with disabilities.
6. **Enforce the 80:20 personnel to non-personnel spending guideline** more effectively so that personnel (compensation) costs do not crowd out non-personnel budgets.
7. **Improve data collection and disaggregation**, especially relating to infrastructure and special needs education.
8. Ensure that **disciplinary action** is taken against officials involved in financial and other irregularities and that errant contractors are reported to the Treasury for blacklisting.

Key Sources

Centre for Economic and Social Rights, Institute for Economic Justice and SECTION27 “Joint Submission to the Committee on Economic, Social and Cultural Rights on the occasion of the review of South Africa’s first period report” (October 2018). Available at: https://tbinternet.ohchr.org/Treaties/CESCR/Shared%20Documents/ZAF/INT_CESCR_CSS_ZAF_32295_E.pdf.

National Treasury documents available at: <https://vulekamali.gov.za>

SECTION27 Towards Decent Sanitation (2018). Available at: <http://section27.org.za/wp-content/uploads/2019/01/TOWARDS-SAFE-AND-DECENT-SCHOOL-SANITATION-IN-LIMPOPO-1.pdf>.

SECTION27 Basic Education Rights Handbook (2017). Available at: <http://section27.org.za/basic-education-handbook>.