Pro-poor education:
An analysis of key policies guiding funding to basic education at a primary level in South Africa

by

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COMPULSORY DECLARATION

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

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ABSTRACT

Ensuring that the contents of a policy actually reflect the approach adopted by policy-makers is important if implementation and outcomes are expected to meet expectations.

This dissertation examines a key South African education funding policy, the 2006 Amended National Norms and Standards for School Funding, which has been promoted as one of the first pro-poor education funding policies in South Africa. We assess whether it is in fact aligned with the principles necessary to ensure pro-poor education. The basis for this evaluation is a list of USAID-developed principles whose presence would be a good indication of the degree to which an education policy is pro-poor. This research expands upon that list, and includes a further range of factors that it deems essential in narrowing the inequality between those who have access to quality education and those who do not. Adopting a pro-poor approach to education ensures a multi-dimensional view of this sector, and one that focuses on both direct and indirect factors that could impact upon the ability of learners to access education services as well as on factors that may hinder the success of learners in progressing from one grade to another. The importance of this research lies in the priority attached to education as a means of improving the living standards of the poor and vulnerable in society. Its premise is that education should be used in conjunction with the various national and international developmental targets (such as the Millennium Development Goals that the governments of developed and developing countries, such as South Africa, have committed themselves to meeting in the near future. The large proportion of national revenue that most developing countries, especially South Africa, allocate to education necessitates a review of whether such spending is warranted and whether it is being implemented in the most effective manner. To explore whether a key funding policy, as represented by the National Norms and Standards for School Funding, is pro-poor in terms of the contents of its policy guidelines is the key exercise undertaken in this research.

What the assessment uncovers is that the 2006 Amended National Norms and Standards for School Funding policy does not fare badly when compared against the list of pro-poor education policy principles. Nonetheless, five key omissions are

identified. If addressed, they would ensure that this policy is pro-poor not only in name but also with regard to the interventions and practical implementations it proposes.

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LIST OF ACRONYMS

ANC	African National Congress
DFID	Department for International Development
DOE	Department of Education
DPEP	District Primary Education Programme
ECD	Early Childhood Development
EFA	Education For All
FRESH	Focusing Resources on Effective School Health
GDP	Gross Domestic Product
LSM	Learning Support Material
NIC	Newly Industrialised Countries
NNSSF	National Norms and Standards for School Funding
OECD	Organisation for Economic Cooperation and Development
PSNP	Primary School Nutrition Programme
SADC	Southern African Development Community
SAP	Structural Adjustment Programme
SASA	South African Schools Act
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WHO	World Health Organisation

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CHAPTER 1
INTRODUCTION

1.1. Introduction

A significant group of donors (the World Bank, the United Nations Development Programme [UNDP], the Department for International Development [DFID, the United States Agency for International Development [USAID]) and researchers (Kakwani and Pernia, 2000; Klasen, 2001; Pernia, 2003) claim that pro-poor education is a powerful tool in overcoming poverty and improving standards of living in a society. Its strongest characteristics are its emphasis on reducing inequality through distributing assets in the form of human capital and the fact that it offers strong financial returns (Berthelemy, 2006; Fields, 1980). Research shows that both the individual and the state stand to gain from improvements in the provision of education (see amongst others, Heyneman, 1984; Knight and Sabot, 1987; McGavin, 1991; Psacharopolous, 1994). The potential gains that can be derived from this investment can be categorised as either economic (improved productivity, high rates of return for the state) and or non-economic and social (social cohesion and strengthened democracies) (Boissière, 2004).

In South Africa, access to basic, including adult basic, and further education, is entrenched in Section 29 of the Constitution. This provision does not restrict educational access to any category of individuals based on race, gender or age. A number of new policies, intended to give effect to the constitutional imperative, and to modernise the provision of education in accordance with principles of access and equality for all learners, have been implemented since 1994.

Within the broader context of fiscal policies in South Africa, education currently receives the largest share of funding relative to other state provided social services, namely, social development, health-care and housing. In monetary terms, education consumes 5.4 per cent (or R105 billion) of South Africa's gross domestic product (GDP). At the level at which actual service delivery takes place, an average of 43 per cent of the total provincial resource envelope is allocated to education (National Treasury, 2007:49, 121, 142). South Africa's stance on the pro-poor debate was recently articulated by the Minister of Finance, Trevor Manuel, when he listed education as one of the four focus areas of the country's development policy, the underlying aim of which is to meet the challenge of making growth more pro-poor

(Manuel, 2005: 8).[1] The sentiment echoed by this statement alludes to the dual purposes of education. On the one hand, education can promote economic growth (by raising productivity levels); if these are directed disproportionately towards the poor, it would alleviate inequality and thus make education ultimately pro-poor. On the other hand, education in itself can be more pro-poor and empower people when it is made more accessible to the marginalised and vulnerable members of society. In this dissertation we focus on the latter approach, that is, on the question of whether education policy could, and should be, expressly used to target education disproportionately towards the poorest of the poor.

It is the position of this dissertation that, in terms of the national priority attached to education, both legislatively and fiscally, the concept and underlying principles of the pro-poor approach are indeed promoted in the South African education sector.

Research by Van der Berg and Burger (2003) shows that educational output in South Africa is low. Performance is poor relative to international educational benchmarks (i.e. South Africa has performed poorly in international tests), both in quantitative terms (the Matriculation failure rates are high) as well as in qualitative terms (only a small number of students choose or even qualify to do Maths and Science as subjects). Chisholm (2004) discusses the improvements in the education sector since 1994, but notes that quality education has yet to be realised in the, *"... majority of primary schools"* (Chisholm, 2004:5).

Research (Crouch and Mabogoane, 1998; Fedderke and Luiz, 2002), regarding the factors associated with improved educational outcomes, consistently highlight the negative impact of *poverty* on learner performance. In South Africa the problems of poverty are exacerbated by *high levels of inequality.* These were first created during colonialism and maintained by subsequent governments, thus exacerbating the problems presented by poverty. The legacy of under-funded schools, poorly prepared or under-qualified educators and a lack of mathematics and science educators continue to have a negative impact on the quality of education. This further limits the potential of education to improve standards of living in our society.

The evidence of poor educational performance in South Africa necessitates an evaluation of the reasons why the Department of Education (DOE) failed to realise greater improvements in levels of equity, quality and access of education to learners who are poor.

[1] The other three focus areas were, (i) investment in transport, communication, water and energy work; (ii) addressing the barriers to small business development and job creation and (iii) mobilise capacity to save

1.2. Research Question and Focus

1.2.1. Research Question

How can the South African Department of Education's limited achievements in educational outcomes for primary school pupils that have been classified as poor be explained? A key funding policy, the 2006 Amended National Norms and Standards for School Funding, will form the basis for the analysis. As a result, in order to more sharply focus the analysis, a subsidiary question arises, namely: How can the 2006 Amended National Norms and Standards for School Funding Policy be modified in order to reflect an explicitly pro-poor orientation? An explanation can be found in all or some of the following directions, namely:

i. flawed policy **design**;
ii. a situation resulting in the pro-poor aspects of education policy having 'lost' against other, **competing policy objectives**;
iii. inadequate **implementation**; a
iv. combination of the above factors, or
v. some, as yet, unidentified factors.

This dissertation examines primarily (i) above, viz. flawed policy design. Policy design in the context of this study refers to the actual content of policy documents and the textual commitments expressed within them. It includes a focus on the nature of the origins, intentions and operation of specific policies (De Coning, 2000:7). Within this study, the terms policy *design* and *content* are considered interchangeable.

Roux identifies policy design as *"... probably the most important state in the process of policy analysis"* (Roux, 2000:115). Policy forms the starting point and framework for all forms of state intervention. Consequently, policy documents play a vital role in both implementation and eventual outcomes. Policy guides the latter and therefore policy design may be a key explanation for policy failure.

1.2.2. Focus

We limit the focus of this study to *funding for general education at a primary school level.* As alluded to in Section 1.2.1, funding allocations are governed by the *South African Schools Act* (SASA), (Act 84 of 1996) and the *National Norms and Standards for School Funding* (NNSSF), which were implemented in 2000 and give effect to financial redress in the area of education. Other relevant policy documents and departmental reports that will be assessed in terms of their implications for funding, include the *Review of Financing, Resourcing and Costs of Education in Public Schools* (2003), the *Plan of Action to Improve Access to Free and Quality Basic Education for All* (also 2003), the *Education Laws Amendment Act* (2005) and the *Amended National Norms and Standards for School Funding* (2006) – (Amended NNSSF) These documents will form the foundation of our analysis in Chapter 5.

As illustrated in Table 1 below, policy-making in South Africa has undergone distinct phases since the start of the 1990s (see Booysen, 2001). Sectoral policy amendments have been and are still driven by these periodic policy-making phases. As a result, evaluating a policy document at the outset of democracy when much state intervention was driven by the 'symbolism' of creating the new South African democracy would merely provide a static and somewhat unrealistic view of the evolution of education policy in South Africa. It is for this reason that we think it critical to include all relevant amendments up until 2006 within the framework of our analysis.

Table 1. Phases of policy-making in South Africa, 1990 to present

Period	Policy activity
1990 – 1994	Symbolic policy-making / macro-windows for policy innovation
1994 – 1998	Policy focused on framework development
1999 – present	Implementation

(Source: Booysen, 2001)

1.3. Methodology

In order to establish the cause of the problem identified in the research question, a key question should be: '*Is the policy design flawed?*'

Given the historical legacy of excluding the majority of people from educational opportunities and delivering poor quality education, the *pro-poor education framework* provides us with the best conceptual framework and tools to analyse and evaluate South Africa's education policies. The pro-poor approach explicitly emphasises the disproportionate flow of benefits to the poorest groups within society, thus reducing inequality.

Direct and specific policy prescriptions regarding the components of a pro-poor education policy are not very advanced. The available literature provides very broad reasoning as to why human capital and hence education should form part of any pro-poor strategy but it is often silent as to specifics.

Literature searches regarding a pro-poor education framework, against which current policy can be evaluated, show very limited results. The only set of guidelines that could be found came from a USAID document titled, *Guidance Manual on Pro-poor Economic Growth.* This manual provides nine guidelines on ensuring that the provision of education is biased towards the poorest of the poor (USAID, 2002). This list of nine guidelines recommended by USAID can generally be described as a starting point on the issue of pro-poor education policy. It provides a more detailed set of guidelines than what is currently available elsewhere.

Since this research regards the USAID framework as a *starting point*, we first critically assess the nine guidelines and thereafter, where necessary and based on case-study evidence, recommend either further inclusions to the framework. It is this new framework that is then used to evaluate the South African case.

1.4. Parameters and Limitations of the Study

To summarise, the aim of this dissertation is to determine the role that policy design plays in contributing to the limited pro-poor education outcomes observed in South African primary education. We evaluate the design of key education policy documents for evidence of the USAID guidelines. This study, therefore, does not fully explore the manner in which policies are formulated nor how they are implemented. As such, possible explanations for the limited benefits derived from pro-poor education may be overlooked.

Similarly, a limitation exists with regard to our decision to focus on policies pertaining to funding for basic education at a primary school level. As a result of this, we do not interrogate a number of other key policies within the South African education system as a whole or at secondary and tertiary level.

> A limitation also exists with regard to the use of the normative, USAID-based framework to construct our own framework for a pro-poor education policy. Notwithstanding this limitation, the lack of an alternative makes the use of this framework the only viable option. In a document commissioned by the Canadian-based *Policy Research Initiative*, the authors favour a normative framework in analysing policy.

> *"Public policy development currently takes place within a normative framework composed expressly of agreements, legislation, and constitutional law. This framework is dynamic. It continues to evolve both nationally and internationally"* (Eliadis and Lemaire, 2003: no page)

Furthermore, they argue that,

> *"Normative approaches to policy provide us with a mirror on ourselves – about how our own country behaves, how other countries perceive us, and how others are likely to behave and interact. In short, normative approaches provide a critical piece of the policy puzzle by identifying "the rules of the game" today, and the analysis of what the next set of rules is likely to be*" (Eliadis and Lemaire, 2003: no page).

This introductory chapter has detailed the focus and accompanying rationale motivating this dissertation. In addition to the Introduction, the dissertation is divided into five further chapters. Chapter 2 looks at the available literature. Chapter 3 discusses the existing set of USAID principles for ensuring a pro-poor education, their shortfalls and factors that should be added, thus creating an expanded and revised set of principles. Chapter 4 looks at the context of education in South Africa. Chapter 5 assesses a key education funding policy, the NNSSF (considering both the initial 1998, and the recently amended version of 2006) against the revised set of principles for ensuring that education policy is pro-poor. Finally, Chapter 6 concludes with set of key observations.

CHAPTER 2
LITERATURE REVIEW

2.1. Introduction

This chapter will look at the following aspects. The first section will review the available literature regarding policy design or content. The second part of the literature review will focus specifically on pro-poor education and its central concepts. And lastly, we will consider how the importance of education for children classified as poor is to be found in the pro-poor growth approach. As a result, background information to this debate is also included in the literature review.

2.2. Literature on Policy Design and Content

Policy design refers to the stated policy objectives and goals – the substance of policy. This area of policy analysis has enjoyed limited attention. In most instances, the focus has been on the impact that influence, resources and strategies play at different stages in the policy cycle Schneider et al (1990: 510). Though many factors play a role in determining policy outcomes, this dissertation takes the stance that actual policy content provides an important starting point in assessing factors that facilitate or hinder successfully implementation..

A theorist that does focus on this aspect of policy analysis is Theodore Lowi. Heinelt (2005:2), notes that for Lowi, the content of a policy 'implies' a particular outcome. This results in, "*... particular responses from those affected which in turn have an impact on political debate in terms of decision making as well as implementation"* (Heinelt, 2005:2). As a result, Lowi produces a categorisation of policy content, namely policies that are distributive (the policy making process is conflict free as costs and benefits associated with the policy are unclear), redistributive (the policy making process is characterised by conflict as the policy involves the unequal allocation of costs and benefits) and regulatory (similar to distributive policies in that the policy making process is relatively conflict free as a result of unclear costs and benefits) (Heinelt, 2005: 2). A pro-poor policy as defined and examined in this dissertation is one that allocates disproportionate benefits to the poorest and most vulnerable members in society. As such, pro-poor education policies would, according to Lowi's categorisation, be classified as a redistributive.

The South African public education sector underwent a substantial paradigm shift post-1994. The rationale was to align policy and decision-making processes with the principles of democracy. It entailed moving from a top-down, fragmented and discriminatory system to one that encompassed the ideals of democracy and inclusiveness.

Focussing specifically on South African education policy developments, Ota (1997) advises consideration of, amongst others, the following dimensions:

- *"... language and changing voices in policy making – that is, a consideration of the difference between an empirical analysis of policy texts per se and an analysis that distinguishes between texts that give readers a role, function, and contribution and texts that render readers idle and redundant;*
- *the degree of policy recontextualization or the identification of forces of resistance, accommodation, subterfuge, and conformity within and between areas of practice; and*
- *the path from the context of influence (policy construction) to the context of policy text production and further to the context of practice (reinterpretation and re-creation) ..."* (Ota, 1997:1-2).

Ota highlights the importance of policy content in terms of the language used to construct policies and, importantly, how implementation is affected by one's subjective understanding of the intentions of a policy. He cites evidence from South Africa, specifically the legal action instituted by Grove Primary School against the Minister of Education in 1996 to illustrate the importance of these aspects of policy analysis and the legal constraints placed on the government as a result of promises made in policy documents (Ota, 1997: 14-15). According to the teacher redeployment process implemented by the DOE, understaffed schools could only hire teachers from the pool of teachers 'released' by overstaffed schools. Grove Primary claimed that the limitation placed on the selection of teachers by the Department was contrary to the contents of the SASA and thus unlawful. Despite the fact that the state was trying to inject a measure of equity and redress into the spread of teachers across the education sector, the courts ruled in favour of Grove Primary. Ota notes that, following this verdict, there has been a trend on implementing policies *"... according to the letter rather than the spirit of the relevant acts and regulations"* (Ota, 1997: 15).

This case described above, emphasises the need for policy-makers to be precise in terms of spelling out the objectives and desired outcomes of policies. In terms of this dissertation, a central education funding policy, the National Norms and Standards for School Funding, is termed pro-poor. According to the literature, the adoption of the pro-poor approach entails consideration of a range of factors especially those that lead to improvements in inequality. This dissertation will assess the National Norms and Standards for School Funding policy to determine whether the principles of the pro-poor approach are indeed reflected in the clauses that compose the policy.

2.3. Literature on Pro-Poor Education

2.3.1. Policy areas that promote pro-poor growth

A survey of the pro-poor literature (see in particular Kakwani and Pernia, 2000; Klasen, 2001; Pernia, 2003; Kakwani et al, 2004) reveals that it consistently recommends a focus on five areas of concern, namely the institutional or policy-setting environment, agricultural and land reform, education, employment and a well functioning public sector. Table 2 provides more information regarding these five areas.

Table 2. Policy areas that promote pro-poor growth

Policy Issue	Research Finding
1. Institutional or policy-induced bias such as discrimination on the grounds of gender (ethnic and religious-based discrimination would also fall into this category)	Klasen (2001:5) argues that gender inequality reduces the impact of other welfare measures because women are more likely to allocate resources towards food, education and other necessities for their children. Klasen flags the particular importance of gender inequalities in terms of literacy, general access to education, technology and employment (Klasen, 2001:5).
2. Agricultural or Land Inequality	Inequality in terms of land is a factor addressed by most proponents of pro-poor growth. Kakwani et al note that Vietnam, considered the fastest-growing economy in Asia in the last two decades, implemented a reform strategy (known as '*doi moi*') that focused specifically on the agricultural sector and the redistribution of land to peasant households (Kakwani et al, 2004:17). Another classic example of pro-poor growth based on agricultural development is China in the 1980's. When China changed its development programme to be driven by exports and foreign direct investment, growth was notably less pro-poor; furthermore, inequality increased and poverty reduction decreased (UNDP, 2002:4).
3. Education	Klasen highlights two important facts regarding human capital: 1. "*... growth is highly contingent on the state of human capital in a country.*"

	2. Human capital *"... is one of the central avenues through which inequality appears to negatively affect economic growth"* (Klasen, 2001:10). Investment in human capital to ensure that the poor are the main beneficiaries will yield two benefits, that is, higher economic growth and growth that is more pro-poor. The East Asian record is illustrative of this (Klasen, 2001:10). Ravallion and Datt (2002:105) in their analysis of growth in India and the effects thereof on the poor, list education and human resource development as a critical precondition to pro-poor growth.
4. Developing employment opportunities in the non-agricultural sector	Growth that is pro-poor and that leads to an immediate reduction in poverty has a pattern that directs resources towards the factors of production that the poor possess. According to the UNDP, not all developing countries have large agricultural sectors. In such economies, labourers need to be attracted into industrial sectors that are initially labour-intensive. The UNDP notes that this is an aspect that contributed to the success of the East Asian model of development, as illustrated by Japan and the Republic of Korea (UNDP, 2002:4).
5. Competent public sector	An effective public sector and policy processes are crucial in effecting government-led pro-poor policies (Klasen, 2001:11). Klasen further notes that these strategies *"... are not automatic and are mediated by contentious distributional battles over the resources generated by growth"* (Klasen, 2001:12). Stern, speaking on a strategy for development for Pakistan, concurs with this view and emphasises the need for committed leaders who will aid change and combat mismanagement and corruption (Stern, 2001:88). According to the UNDP, political conditions also factor into the success of poverty reduction strategies. The UNDP cite the example of Kerala, an Indian state that experienced healthy poverty reduction, despite a slow growth rate. Part of the Kerala's success can be attributed to political conditions that were favourable to redistribution (UNDP, 2002:5).

Given these five focus areas education can be viewed as having a dual role in the pro-poor approach:

- On the one hand, it is capable of improving earnings and productivity levels and thus promoting economic growth. If such growth is disproportionately directed towards the poor to reduce inequality, then education in this instance has acted as a catalyst for pro-poor growth.

- On the other hand, if publicly provided education is disproportionately directed towards the poor, it has the effect of transferring human capital assets to this group, thus also making it pro-poor. Education can thus, in itself, also be pro-poor.

This research focuses on the latter. Given the cross-cutting nature of areas 1 and 5 listed in Table 2 above, viz. the prevention of institutional or policy induced bias and the creation of a competent public sector, these themes are considered throughout this dissertation. Lopez (2004) provides a review of the spectrum of literature comprising the pro-poor approach, notably, the linkages between policy and poverty reduction (that is poverty reduction in the pro-poor sense with disproportionate benefits accruing to the poor). He notes that there are two dominant strands regarding this aspect of the pro-poor approach, namely analysis based on cross country data and analysis that relies on specific, country-based case study data. His assessment of these two approaches is that, with respect to the former, *"Education, macroeconomic stability, and infrastructure seem to be not only good for growth but also for inequality"* (Lopez, 2004:14). With respect to the latter, country based analysis, the results indicate that similar policies do not necessarily have similar effects in different countries, thus suggesting that there is no 'one size fits all' solution to the developmental challenges faced by countries. The advice Lopez offers is to *"... carefully analyze the problem in the particular country context"* (Lopez, 2004:15). Notwithstanding the findings derived from the country-based case study approach, this research proposes that experiences from a variety of countries and the manner in which these may have addressed challenges to pro-poor education may not represent a perfect-fit solution for the South African context; nonetheless, they do provide a foundation for further exploration of possible and tested solutions that could assist in overcoming obstacles to ensuring that education policies are indeed pro-poor.

Lopez (2004) highlights an important finding by Easterly (2001), which paradoxically showed an increase in inequality where World Bank Structural Adjustment Programmes (SAPs) were implemented. Easterly's explanation for this finding was that the poor may be unable to capture the benefits generated by reform or poverty relief programmes (Lopez, 2004:11). In other words, the ability of the poor and the existence of adequate opportunities for them to take advantage of benefits arising from reform programmes are thus important considerations when assessing the ability of interventions to reduce inequality and bring benefits to intended recipients.

2.3.2. Zoning in on education

As identified in Table 2 above, education and the development of human capital are key amongst strategies that induce pro-poor change.

Using Lipton and Maxwell's (1992) graphic relating to development paradigms and the strategies to achieve them and a paper by Rose (2002) regarding, in part, the changing debates in World Bank educational priorities, we can link the changing World Bank view on education to the dominant development paradigm of the time. In so doing, we illustrate the effects that the development paradigm has on various sectors, in this instance education. Given the dominance of the Bretton Woods institutions in the development debate, the stance of the World Bank regarding education serves as an indication of what most of its member countries prescribe to. This is evident from Table 3 below.

Table 3. Tracing the evolution of World Bank thinking on education

Period	Dominant development paradigm	World Bank view on education
1960	Agricultural intensification to service growth, human capital development	Introduction of human capital theory and the economic value of education, using rates of return. The World Bank dismisses the prospect of Bank lending for education on the grounds of comparative advantage in other areas (Rose, 2002: 2-3).
1970	Redistribution with growth	World Bank adopts a 'basic needs' approach, which leads to the gradual acceptance of the value of education. As noted by Rose (2002:3), *"Commitment for education increased from an average of $154 million between the years 1963-69 to $528 million per annum on average during the period 1970-74..."*
1980	Neo-liberal, structural adjustment, rolling back the state (refers to a reduction in the extent of state involvement) (Washington Consensus)	George Psacharopoulos is appointed to World Bank's education research unit and human capital and value of education gains prominence. Whereas Washington Consensus-based SAPs called for reordering expenditure towards education and health, the reality was that education budgets suffered in a number of countries, as governments tried to cut deficits via social expenditure cuts. Despite this, World Bank lending to education doubles between the eighties and early nineties (Rose, 2002: 4-5). It is also during this period that the World Bank, using

		the efficiency-equity argument, sets a price for education consumers.
1990	Poverty reduction	1. failure of SAPs, and 2. success of East Asian Newly Industrialised Countries (NICs) where state involvement was relatively more extensive, particularly in education investment. Emergence of the Post-Washington consensus. As poverty becomes the dominant development paradigm, the importance of non-economic goals such as education is highlighted. According to Rose (2002: 10), the post-Washington Consensus provides the opportunity for greater investment on education as education is now viewed as a means **and an end** of development.

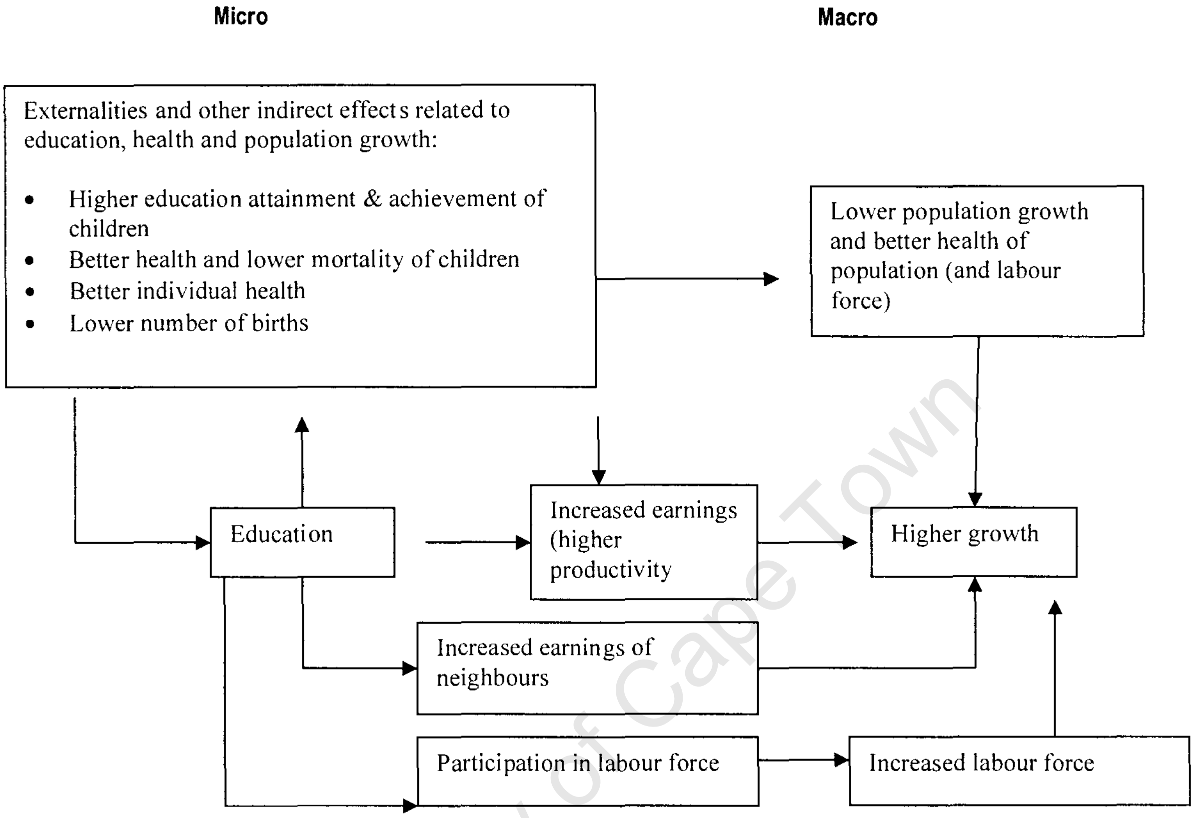
(Source: Lipton and Maxwell, 1992:2 and Rose, 2002)

As indicated above, the view and therefore role of education has undergone a number of changes. Currently, education is viewed as a vital form of social investment and is considered critical to any developmental strategy. Investment in education is associated with gains for both the state (social gains) and the individual (private gains). These gains can be economic and non-economic. Robeyns (2006) delineates the difference between these gains as follows:

- **private economic role:** education assists an individual to find employment in the labour market;
- **social economic role:** an educated workforce plays a critical role in enhancing economic growth. For example, an educated workforce is necessary in moving from an agriculture-based to a knowledge-based economy;
- **private non-economic role:** education empowers an individual by giving them the ability to access and understand information regarding healthcare, politics and information that influences other important spheres of life;
- **social non-economic role:** education can assist in creating a more tolerant society (Robeyns, 2006:71).

According to Michaelowa (2000: 2), the micro and macro impact of education can be depicted as follows:

Figure 1. Micro and Macro Impacts of Education



(Source: Michaelowa, 2000: 2)

As is evident from the Figure 1 above, at the micro, individual level, education results in increased earnings, which in turn has an impact on economic growth. Also captured are the positive externalities derived from education, such as lower child mortality rates, higher education attainment by children and other, health-related benefits. These micro benefits, in turn affect the macro context (growth). According to Michaelowa (2000), the externalities derived from education result in a lower population growth and a healthier workforce, which in turn, has a positive impact on economic growth. It is clear that the potential benefits that can be derived from an educated society are numerous and in most cases they result in positive economic growth within a country. If education is pro-poor – that is, if access is directed towards the poor and vulnerable in society – we move a step closer towards narrowing the inequality gap between the haves and have-nots by ensuring a transfer of human capital assets and creating an environment where the poor are able to access the many benefits that education can provide. Maximising the gains possible from pro-poor education is contingent on providing the right kind of education, at the *right level*. What follows is an explanation of the appropriate level within the pro-poor approach to education.

2.3.2.1. Level of education

To be effective in reducing poverty, the focus in education should be placed, in the first instance, on basic, primary education[2]. Practical evidence of this at the country level is provided by Birdsall and Sabot (1998), who write about the linkages between poor educational performance, slow growth and high inequality in South America. They note that, by comparison, East Asian countries, which experience both higher rates of growth and lower levels of inequality, *"... have significantly higher primary and secondary enrolment rates than predicted based on their per capita income..."* (Birdsall and Sabot, 1998:424).

Use of this model, where basic education is emphasised, is evident in a number of internationally agreed upon development targets that have identified this type of education as a key area of concern. Examples include the *Education For All* (EFA) initiative established in 1990, which saw over 155 countries pledging to provide basic education for all children, youth and adults by 2000, and the adoption of the *Millennium Development Goals* (2000), which aim to achieve, amongst others, universal primary education by 2015 (World Bank, 1999 and World Bank Group, 2004).

Central to any pro-poor strategy is a concern with inequality. In order to ensure this, the state has to play an active role in ensuring that assets – in this case, human capital assets – are distributed such that inequality decreases. State involvement raises concerns regarding the 'trade-off between equity and efficiency'. The following section discusses the issues of equity and efficiency within the context of state provided education.

2.3.2.2. Equity and efficiency in the education sector

In the quotation below, Hanushek provides a good description of the benefits that can be derived from investment in education.

[2] Basic or primary education is the point of entry into the education system, forming the foundation upon which advancement towards secondary and tertiary levels is contingent. The *Universal Declaration of Human Rights, Article 26 item 1*, recognises elementary (primary) education as the first step to realising everyone's human right to education. See www.un.org.

"For individuals, schooling increases earning power and helps them obtain such intangible goods as health and happiness. For society as a whole, schools foster the productivity improvements that drive economic growth, inform the dialogue of democracy, and reduce the gaps of understanding and income dividing the groups that make up the nation's diverse society" (Hanushek, 1994: xvii).

However, like any other investment, one needs to ensure that, in order to maximize returns, resources are allocated in such a way that possible pitfalls are avoided. Furthermore, when the state is the entity that is investing the resources, there is a further concern that the benefits that are reaped must be fairly distributed amongst the population. These concerns bring us to the twin considerations of efficiency and equity.

According to the World Bank's *Review on Priorities and Strategies for Education* (1995:63), there are three criteria that can be used to assess whether education expenditure – or any form of public expenditure for that matter – is equity-enhancing. The first criterion is to assess whether the share of the public financing subsidy received by the poor is larger than the share of national income they receive. If this is indeed the case, then it means that the size of the subsidy is larger for poor people in terms of their proportion of per capita income. The second equity-enhancing criterion, which is perhaps easier to assess in terms of its workability, is to determine whether the proportion of the subsidy received by the poor is larger that their share in the population. The last of the three – and the strongest in terms of its equity-enhancing effects – is to ensure that all subsidies and loans are arranged such that no student who qualifies is excluded from enrolment or making use of educational opportunities, simply because of an inability to pay (World Bank, 1995:63). Proper poverty targeting of subsidies is clearly important in ensuring that the effects of pro-poor education are realised.

Burnett (1996: 218-219) lists equity as one of the key ways of reforming education finance and management. He stresses that states need to ensure that, with respect to compulsory levels of education, schools are indeed available and accessible and that the methods used to determine who qualifies for entry are based on principles of fairness and validity.

For Burnett (1996:219), there are two routes to achieving equity in terms of access to education – one is financial and the other administrative. Looking specifically at financial mechanisms to promote equity (and this is in accordance with the World Bank's equity enhancing criteria), the state usually uses scholarships, subsidies or loans to ensure that all those who qualify for access to education services are not denied such access on the basis of an inability to pay. From the perspective of the state, the aim is to make these various forms of assistance available at a point in the education process that will ensure effective use thereof and also provide gains to the state. Often these forms of assistance are pitched at the higher education level. The problem with this, particularly in South Africa's racially stratified population, is, as Crouch notes, that the *"... recipients of university subsidies, of whatever race, are relatively privileged"* (Crouch, 1996:132). Using empirical data analysis, Crouch builds a case in favour of education reforms that employ financial or subsidy type mechanisms based on individual need as opposed to ethnic groupings. His reasoning for this is that assessing individual needs in terms of income will more adequately reach the poorest of the poor.

Grosskopf et al (1995) provide a counter-argument to this. The findings of their analysis of data from over three hundred school districts in Texas in the United States showed that fiscal reforms aimed at bringing about equity, can in fact exacerbate existing inequality with regard to student achievement (Grosskopf et al, 1995). Despite a growing body of literature that expressly opposes the ability of increased expenditure/inputs as a means of improving equity, Grosskopf et al notes that, *"... judicial authorities continue to require fiscal reforms designed to make expenditures more equal"* (Grosskopf et al, 1995:116). There seems to be a tension between formal budget reform requirements and the impact of potential negative, unintended consequences. Despite this, equity in *expenditure* is taken as a precursor to ensuring equality.

According to Crouch (1996), investment in education is equity-enhancing in two ways. Broadly speaking, investment in education is critical in developing countries, given its ability to correct for extreme inequalities in income distribution. At a deeper, sectoral level, investment in primary and secondary education has had greater equity inducing effects than similar allocations to university education. For him, this is corroborated by the fact that expenditure on these two lower levels of education *"...results in the poorest deciles ... receiving more of the expenditure in question than their share in the population"* (Crouch, 1996:132). This is in accordance with the second equity criteria outlined by the World Bank (see above) and thus equity enhancing.

With regard to efficiency in education, there is an interesting review by Samhoff (1993) on the restructuring of education, which argues that in the educational discourse-structuring terminology utilised in the sector, policy attention is diverted away from the important issues. According to Samhoff (1993), 'efficiency' as it relates to education, is one of the concepts that has fallen prey to this kind problem. For Samhoff, the application of efficiency to the education sector has two aspects: internal efficiency involves *"... the concern with student progress through school, teacher-student ratios, the use of physical facilities and measure of* *achievement"*, whereas external efficiency refers to the, *"... relationship between schooling and the labour market"* (Samhoff, 1993:207).

For Samhoff (1993), it is the commonly held view that efficiency implies lower expenditure or lower failure rates that forms the basis of the problem. He objects to this view on two counts. Firstly, he notes that current expenditure on education in developing countries is already inadequate in relation to the need for education, and that reducing these costs further may be less advantageous than employing more effective methods. Secondly, Samhoff questions the logic of using low pass rates as an indicator of inefficiency. The rationale for this rests on the fact that pass/graduation rates are largely a consequence of prescribed educational and national policies (Samhoff, 1993:207). In support of Samhoff's standpoint, it seems that the use of these two constructs – internal and external efficiency – as they relate to the education sector is problematic, if it attributes inefficiency to schools when in fact such schools are operating in an environment constrained by policy and legislation that has been drafted at national or state level.

This is linked to an efficiency concern raised by Archer (1995: 19) relating to the appropriate level of financing and administering of education. The norm is to make those closest to the ground, so to speak, responsible for these functions. Archer, using a very effective quote from a 1993 publication by R. M. Bird to substantiate this practice, notes that, *"... so long as there are local variations in tastes and costs, there are clearly efficiency gains from carrying out public sector activities in as decentralized a fashion as possible"* (Bird, 1993, as cited in Archer, 1995:19).

The problem in South Africa – and this is true not only of education, but of all government departments that operate on a concurrent, power-sharing basis – is that the national sphere is tasked with policy-making and monitoring, whilst provinces have the responsibility of actual service delivery. As Archer puts it, this practice results in, *"... allocative decisions about education ... being taken usually at higher-than-optimal efficiency levels"* (Archer, 1995:19).

The obvious problems relating to informational and control difficulties give rise to inefficiencies in this scenario. Hoxby (1996) points out that, whilst government intervention in the provision of schooling is essential in terms of equity considerations (in the sense that children from poorer households are more likely to access suboptimal schooling), in general when adding government service provision into the equation, the possibility that what will be provided will be done in an inefficient manner can almost always be taken for granted. Hoxby's reasoning rests on the classic problems associated with government procurement

(Hoxby, 1996:55). So while it seems that we may be saddled with inefficiency either way, when education is provided in a decentralized fashion we may, at least to some extent, be able to minimise the degree of inefficiency.

Findings by Grasskopf et al (1995), who use a method known as a cost-indirect output distance function, provide some solace. One of the conclusions they were able to draw from their analysis was that, despite inefficiency, directing fiscal reforms to schools can have a positive effect on achievement. It should be noted, however, that these gains are relatively small when compared to potential gains resulting from increased efficiency.

A concern raised by Hoxby (1996) regarding productive efficiency relates to the measurement of this type of efficiency. The crux of the issue centres how one can be confident that the education being provided is being done at the lowest cost possible. Since we cannot, for example, know for sure the amount of effort put in by teachers or the quality of their contribution to the learning process, we largely have to depend on indicators of student achievement, usually measured by performance in a cognitive assessment (Hoxby, 1996:59). This brings us to one of the dominant themes in the literature being surveyed – the use of indicators as a measurement of efficiency.

According to Seekings (2002:4), *"No assessment of efficiency can be undertaken without accurate data on expenditure and reliable and meaningful indicators of desired educational outcomes."* The use of indicators, particularly in South Africa, as a tool for assessment, is a relatively new practice – the use of Grade 12 or Matriculation results being the exception. Whilst the use of indicators is advantageous, it is not without problems.

For instance, Gilmour (1997), discussing the use of indicators as a measure of quality, identifies a general problem associated with putting too much faith in the use of indicators. His concern rests with the conceptualization of what needs to be measured and how this conceptualization affects the types of indicators that are chosen. An incorrect notion of what needs to be measured, results in incorrect selection of an indicator, which can ultimately distort one's assessment of what is being measured. This highlights the need for unambiguous and clear language when conceptualising and describing (policy content) the objectives, and desired outcomes of policy.

2.4. Literature on the Origins and Characteristics of the Pro-Poor Approach

The centrality afforded to poverty reduction against the backdrop of widening and deepening poverty has brought into focus ideas and policies that centre on pro-poor growth. Pro-poor growth, in principle, is similar to the terms *broad-based growth* and *redistribution with growth*[3] (bottom–up growth) and is part of the cyclical strategy changes that have occurred in the field of development over the last fifty years. These strategies have been introduced after '*trickle down policies*' were deemed to have failed.

This approach represents a departure from the traditional focus on economic growth, free markets, liberalisation, deregulation and the like, as the tools necessary to engender development. As indicated by the World Bank, *"In the late 1990s, the term pro-poor growth became popular as economists started to take a new look at how growth and changes in inequality together affect poverty reduction"* (World Bank, 2008; no page).

Implicit in a pro-poor approach is an active role for the state. This represents a departure from the 1980s 'rolling back of the state', where the role of the state was reduced. Singh (1994:1812) notes that evidence from East Asian economies such as Japan, South Korea and Taiwan contests the claim that less intervention by the state heightens economic growth. Throughout the course of economic success experienced in these three countries, the government *"... played a leading and heavily interventionist role"* (Singh, 1994:1812). Klasen notes the emergence of a new consensus on the role that the state should assume. Whereas heavy state intervention was warned against in the eighties, Klasen (2001) lists three reasons for the renewed call for state intervention:

- weakened state capacity: a shrinking civil service that is unable to properly carry out its duties;
- a demoralised civil service: discouraged workers are often less efficient or productive; and
- the dominance of the private sector: the private sector is able to take advantage of the weakened state capacity (Klasen, 2001:20).

With respect to definition, a pro-poor growth strategy will need to encompass two main characteristics. It will refer to a strategy or policy that results in:

[3] The World Bank published a book titled *Redistribution with Growth*. See Chenery et al, 1974.

- the removal of institutional and policy-induced biases against the poor and other traditionally excluded groups, including but not limited to children, women and the disabled (Kakwani and Pernia, 2000:4);
- the disproportionate flow of benefits – both social and economic – to those in the lowest income quintiles (Klasen, 2001:2).

The above definition allows us to make a couple of basic assumptions regarding the nature of pro-poor strategies. We can assume that any pro-poor strategy will entail

- some form of targeting, thus necessitating
- state intervention,
- a reconfiguration of state resource allocation – budgetary reform, and
- an enhancement of individual freedoms such as freedom from hunger, freedom from disease and freedom from violence.

What sets the pro-poor approach apart from other approaches to poverty reduction is an explicit emphasis on the **distribution** of the benefits derived from economic growth. For growth to be classified as pro-poor there needs to be a **disproportionate flow of benefits** – both social and economic – to those in the lowest income quintiles (Klasen, 2001:2).

Taking into account the definitions offered by Kakwani and Pernia (2000) and Klasen (2001), it is the viewpoint of this dissertation, that a concern with **equity** is central to any pro-poor strategy.

2.5. Conclusion

> *"Education is arguably a society's most powerful transformation lever. Economists have estimated that in developing countries some 60% of the national wealth is the knowledge and skills embodied in individuals and institutions ... And this wealth is indestructible"* (DOE, 2003:9-10).

The potential value of education is clear. The evidence however shows that, despite the large state investment in education, the returns, particularly at the primary school level, are not optimal.

Policy design is classified as a crucial area of policy analysis. Yet it is an area that is often overlooked. This is true in South Africa as well. It is the view of this research that the commitments expressed within the policy documents themselves, and thus the policy design, represents the framework for any form of state intervention and as such should clearly and coherently reflect the intent of policy-makers. This dissertation evaluates a South African education funding policy, in order to determine whether it is in accordance with the development principles espoused by the DOE.

The conceptual framework used to evaluate these policies is the pro-poor education approach. The central theme of this approach is its emphasis not only on poverty reduction but on a narrowing of the inequality gap. This aspect of the framework is of importance to South Africa, given our difficulty in effectively reducing the Gini coefficient[4] over the last ten years. Chapter 3 will introduce and describe the set of principles necessary to ensure that an education policy is pro-poor.

[4] The Gini coefficient is used to measure inequality

CHAPTER 3
A FRAMEWORK FOR A PRO-POOR EDUCATION POLICY IN SOUTH AFRICA

The pro-poor approach places an explicit focus on reducing inequality. This chapter will discuss three main issues. First, it considers the applicability of the pro-poor approach to the South African context. It then describes each of the nine USAID principles needed to ensure that an education policy is pro-poor. Finally, it highlights the shortcomings of the USAID set of principles and suggests a few additions to the set.

3.1. Applicability of the Pro-Poor Approach to the South African Context

South Africa is a middle-income country faced with high levels of poverty and inequality. According to 2006 statistics, South Africa had a Gini coefficient of 0.57 (UNDP, 2006). High levels of inequality are often accompanied by a majority of the population being poorly educated. This, in turn, affects national skills levels, productivity, social cohesion and economic growth. High levels of inequality in a middle income, democratic society are a potential political threat because of the likelihood of unrest, civil disobedience, looting and crime, which are often expressed by the 'excluded' population. Where democratic systems are in place, the poor are given a 'voice' in terms of voting and public participation. However, as the South African and Brazilian cases illustrate, this does not automatically result in reduced poverty and inequality. The Overseas Development Institution (ODI) (2004), for example, notes that non-democratic regimes such as China can sometimes be more successful in preventing greater inequality than their democratic counterparts. Countries therefore need to be cognisant of the role that education can play in non-economic, political terms as well as in enhancing socio-the economic and economic conditions of society.

An important and complementary factor that requires attention when using education as a tool for reducing inequality is the concept of '*quality*'. This was mentioned in Chapter 1, where the author noted that where quality of education is deficient, the potential for it to improve standards of living is limited.

The pro-poor approach, which specifically targets the most vulnerable in society and which encompasses concerns of equality and quality, is thus well suited to a country such as South

Africa. There is a strong nexus between equity (the main tenet of pro-poor policy) and quality. When the *Education For All (EFA) Declaration* was adopted in 1990, *quality education* was pinpointed as fundamental to reaching the goal of equity (United Nations Educational, Scientific and Cultural Organisation [UNESCO], 1990). Quality in the context of education is a hotly debated issue with a number of definitions in existence. General consensus does, however, exist with regard to the following aspects:

- Learners must be healthy and well nourished;
- Learners need to receive support in learning from their families and/or communities;
- Learners should be exposed to a healthy, safe, protective and gender-sensitive learning environment; and
- Learning environments need to have adequate resources and facilities (United Nations Children's Fund [UNICEF], 2000:4).

A noteworthy study by Crouch and Vinjevold (2006) concludes that, whilst an initial negative relationship often exists between equity, in terms of increased access to schools, and quality, countries typically tend to deal with this tension quite well. The exception, they note, are countries in Southern Africa, including South Africa. Whilst Crouch and Vinjevold's (2006) analysis tends to focus on secondary education, they do note that, when considering both secondary and primary education, South Africa once again emerges as an outlier and further that countries in Southern Africa, *"... in general, whether they were part of the apartheid system or not, seem to have an unbalanced approach, where access does not go along very well with learning achievement"* (Crouch and Vinjevold, 2006:7). We thus need to remain cognisant of the fact that all the woes that currently befall the South African education system, may, apart from Apartheid, also be rooted in some regional-based problem.

As will become clear in this chapter, these factors are all either contained within the checklist of principles necessary to ensure a pro-poor education policy or are recommended for inclusion by this dissertation.

3.1.1. Political and socio-economic reasons for proposing a pro-poor education policy

3.1.1.1. The political argument for a pro-poor education policy

> *"An instructed and intelligent people ...are more disposed to examine, and more capable of seeing through, the interested complaints of faction and sedition..."* (Adam Smith, as quoted in Sachs, 2005:253).

Sachs further quotes Smith as saying, *"... when any segment (of a society) is poorly educated it is a threat to society..."* (Sachs, 2005:253). This general argument is also supported by Hunter (2004) in her analysis of Brazilian politics. Hunter notes the effect that the process of democratisation has had on the wellbeing of Brazil's inhabitants and concludes that, *"... high levels of poverty and ignorance impede legions of Brazilians from meaningful participation in the democratic system. They render them vulnerable to the promises and machinations of demagogues and of patronage-wielding politicians who buy votes and handouts"* (Hunter, 2004:4). Robeyns (2006) supports the view that an educated population plays an important role in the political process within a country by ensuring better access to information. We are further reminded that democracy requires not only educated voters but, most importantly, tolerant voters. The benefit of an educated population is that it aids, at the societal or collective level, the development of a more tolerant environment (Robeyns, 2006). T he positive effect of education on tolerance is further supported by Bobo and Licari, who hold that this relationship exists as a result of the *"... more sophisticated styles of reasoning"* (Bobo and Licari, 1989:306) associated with obtaining an education.

3.1.1.2. The socio-economic argument for a pro-poor education policy

Education also has strong and positive socio-economic spill-over effects. Parker and Wilson (2000:82, 83), in their discussion on 'diseases of poverty', note that there is an inverse relationship between adult literacy and child mortality and, more notably, between maternal education and child mortality. World Bank data on this issue illustrates that in countries such as India and Bangladesh, where the education level of women is not high, the under-five mortality rate is high. A study conducted by Wamani et al (2004) in rural Uganda supports this proposition. The study assessed the impact of a number of different socio-economic factors, namely mothers' education, fathers' education, household assets and land ownership, on child health inequalities. Their findings point to the strong impact that the levels of education of the mothers play in determining inequalities in child health and nutrition. As a result, they stress the importance of education, particularly for girl children (Wamani et al, 2004).

Education thus appears to be a single key factor capable of changing peoples' lives and the state for the better in the long term. An educated society brings with it political benefits (i.e. a constituency that understands its rights), socio-economic benefits (i.e. an educated society enjoys lower child mortality rates) and economic benefits (it has the effect of reducing income inequality in the long run).

3.1.2. The counter-argument

One is aware of counter-arguments that propose that state expenditure on education does not necessarily guarantee the high return on investment that we have been traditionally made to believe. Wolfe (2004), Pritchett (2001) and Lau et al (1991) are among such dissidents who believe that education is not necessarily a panacea for the various economic woes a country may encounter. Whilst Pritchett (2001) and Wolfe (2004) do not absolutely deny the benefits that can be derived from a more educated society, they hold that the overwhelming emphasis on the role that education can play in an economy, ignores the substantial amount of evidence that finds *no* relationship between *"... increasing schooling levels and growth"* (Wolfe, 2004:321). In fact, according to Pritchett, a number of countries that have increased public investment in education continue to face *"... declining real wages and slow economic growth"* (Pritchett, 2001:382), thus suggesting a potential negative relationship between increasing education and the level of economic growth.

Schtulmann and Geary (2003), writing an editorial on William Easterly's publication titled *The elusive quest for growth: Economists' adventures and misadventures in the tropics,* note that according to Easterly (2001) many African countries that had substantially increased education levels between 1970 and 1990 are still failing to achieve favourable levels of economic growth (Schtulmann and Geary, 2003). Easterly suggests that investment in education may yield substantially more benefits if it were accompanied by development in areas that are complementary to high level skills acquisition. He notes that *"High skills are productive if they go together with high-tech machinery, adaptation of advanced technology..."* (Easterly, 2002: 84). The thrust of Easterly's argument is thus that investment in education by itself is insufficient to promote economic growth. The emphasis on investments that are complementary to skills acquisition is similar to the central theme of Wolf's argument. She too, highlights the importance of technological advancement (Wolf, 2004). Conclusions drawn from a study conducted by Lau et al (1991) on a set of fifty-eight countries concur with the propositions suggested by Wolfe and Pritchett. What the results of Lau et al's (1991) study suggest is that whilst education is an important ingredient in determining output or productivity, particularly in the case of primary education, *"... its effect varies considerably across countries and regions"* (Lau et al, 1991:22).

However, even if it is correct that increased education does not yield substantial benefits, it should be kept in mind that there are negative costs associated with choosing not to do anything and not prioritising education. For example, reduced expenditure on education may allow the state to reduce taxes. This option, despite being a benefit to middle to high-income earners, is a short-term gain. The concomitant short-term loss in this instance is experienced by the children who do not have access to education.

In the long term, taxes may need to be raised, if as a result of an uneducated population and subsequent high levels of unemployment, the state has to allocate increased resources and funding to provide for a social security safety net for the unemployed, poor and vulnerable. Furthermore, the choice not to prioritise education has long-term impacts if one considers that an important predictor of an individual's level of education is his/her parent's level of education. If we take this to be true, as this dissertation does, then a lack of concern for creating an educated society can lead to an increase in inequality.

This dissertation proposes that, from a moral and human rights standpoint, the provision of basic education and the social benefits that it has the potential to create is cause enough for it to be an area of national priority. Furthermore, the political, socio-economic and economic benefits that can be derived from an educated society outweigh solely economic arguments and disputed social claims.

In conclusion, we focus on the appropriateness of the pro-poor education argument for South Africa. There are two compelling arguments that support South Africa's implementation of a pro-poor education policy. In terms of the political, health and social arguments made for the benefits of good quality education for the poor, there seems little that is controversial in respect of middle income countries with high inequality. The author is persuaded of the short-term and long-term benefits. I would argue that implementation of a high quality, pro-poor education policy is necessary and would be sufficient to bring about economic growth, social development and secure democracy in the long term.

3.2. Towards a Set of Guidelines for a Pro-Poor Education Policy

3.2.1. Inadequacy of literature regarding policy specifics for advancing a pro-poor education policy

The literature provides very broad reasoning as to why human capital and hence education should form part of any pro-poor strategy. However, it is often silent as to the specifics of such strategies. Consequently, the direct and specific policy prescriptions regarding the components of a pro-poor education policy are not sufficiently detailed or elaborated upon in the literature. It should further be noted that what is viewed as pro-poor varies, so that whereas one paper may use the phrase 'pro-poor' loosely to indicate a policy that broadly benefits the poor, another may use the phrase in the strict sense to indicate a policy that apportions disproportionate benefits to the poor, thus reducing levels of inequality.

In the text below, examples will be given of countries or areas where a pro-poor education policy has been implemented and the results of such implementation will be discussed.

3.2.2. Use of the USAID framework: Why use it?

USAID, as part of its *Guidance Manual on Pro-poor Economic Growth,* provides nine recommendations on how to bias the provision of education towards the poorest of the poor (USAID, 2002). These recommendations are specific to the education sector and thus form a basis for building a more comprehensive list of requirements to help ensure a more pro-poor education policy.

The recommendations are as follows:

Table 4. USAID's 9 principles to promote a pro-poor education policy

1. public subsidies should be focused on pre-schooling or basic education services;
2. quality and access to education needs to be improved;
3. scholarships for basic education should be made available to the poor;
4. the bulk of education decision-making needs to be decentralised to the local level;
5. investments undertaken early on in the lifecycle that are related to education, for example, nutrition should be promoted;
6. investments that promote the health of school going aged children should be promoted;
7. a level playing field should be created for the different providers – public and private – of education;
8. suppliers of education should make known the value added by their services;
9. greater investment in improved forms of analyses and information on which to base education policy decisions.

(Source: USAID, 2002:3-4)

According to USAID, these nine recommendations summarised in Table 4 above can be viewed as good practice when it comes to a pro-poor education policy. They do, however, note that success is ultimately dependant on the political and socio-economic conditions prevalent in the implementing country (USAID, 2002). This concurs with Klasen (2001:11), Stern (2001:88) and the UNDP (2002:5), who cite the importance of an effective public sector, a healthy political environment and committed leaders as key components of a successful pro-poor strategy.

The list of guidelines recommended by USAID should not be viewed as the definitive authority of the subject. It does, however, provide a starting point and a more detailed list of guidelines than what is currently available elsewhere. Before we move on to a discussion of what we consider to be missing ingredients on USAIDs list, we take a closer look at what they recommend.

3.2.2.1. Public subsidies should be focused on pre-schooling or basic education services:

The importance of focussing on basic education services (such as early childhood development [ECD] and primary school), has been established in the preceding chapters – see Section 2.3.2.1. The focus of this section is the issue of public subsidies and their potential for achieving intended outcomes. Van de Walle (1998) categorises government spending on poverty reduction into two groups – broadly targeted expenditure and narrowly targeted expenditure. Broadly targeted expenditure focuses on *types* of expenditure, whilst narrow targeting entails a focus on a specific *category* of people. Public subsidies focused on pre-schooling or basic education fall into the former category.

According to Van de Walle (1998), broad targeting can be a costly tool for reducing poverty. Since it is focussed on a type or category of service delivery, broad subsidies reach unintended recipients as well. In this case, for example, while the aim is to reach those pre-primary and primary school children who due to a lack of funding cannot afford to attend school, this type of subsidy often also benefits those whose families are able to pay. The result is less than optimal since those who can afford to pay, consume services which could be more efficiently and equitably distributed to those who really need it (Van De Walle, 1998).

Castro-Leal et al (1999) in their study on the effects of public spending on the poor in Africa conclude that, *"... government subsidies in education and health care are poorly targeted to the poor and indeed favour those who are better off"* (Castro-Leal et al, 1999: 49). They suggest that in order to improve the accrual of real benefits to the poor, subsidies need to be better targeted and policy-makers need to consider factors that affect the ease with which the poor are able to access the services that are being subsidised (Castro-Leal et al, 1999:49). The solution according to Van de Walle is a flexible approach that combines both broad and narrow targeting (Van de Walle, 1998:231). For example, broad targeting can be used to increase budget allocations towards the lower end of the human capital pipeline – pre-primary and primary school education. Narrow targeting can be employed to ensure ease of access for poor learners. A service such as learner transport is a good example. In this instance, geographical targeting or a focus on the region of residence can be used to reach specific groups of poor learners. This combination approach would assist in addressing Castro-Leal et al's (1999) concern regarding access factors as well, since actually getting to school is a constraint for many poor learners residing in rural areas where there may be no schools nearby.

3.2.2.2. Quality and access to education needs to be improved:

In order to realise the full range of potential benefits that can be derived from an educated society, the quality of the education provided is an important aspect for consideration. In 1990, the *World Declaration on Education for All* (EFA) identified quality as a prerequisite for achieving equity. In the South African scenario non-White South Africans, although they did receive an education, received what is well documented as an inferior quality of learning, which explains the high levels of inequality that currently exist. The growing importance attached to this aspect of education is evident in the *Dakar Framework for Action*, adopted in

2000, which affirms the status of quality as being 'at the heart of education' (UNESCO, 2005:29).

3.2.2.3. Scholarships for basic education should be made available to the poor:

According to Van de Walle's (1998) categorisation of public spending listed above, scholarships directed at the poor (a specific category of people) are a form of narrow targeting. There are two types of narrow targeting. The one stipulates an indicator, which is used to determine who qualifies or not. This form of narrow targeting involves an administrative cost, since providers have to determine whether potential recipients are eligible or not. These interventions are more workable when a national registry of those qualifying for scholarships is available. For this to happen, it is necessary to establish a reliable (state) agency to carry out a census operation. The second method of narrow targeting is referred to as self-targeting. In this form of targeting, the recipient selects him-/herself (Van de Walle, 1998). The various public works programmes in South Africa, which are aimed at reducing unemployment, are an example of this type of targeting – if an unemployed individual is willing to work and earn a sum of money, then s/he may decide to join.

3.2.2.4. The bulk of education decision-making needs to be decentralised to the local level:

The term decentralisation refers to *"... multiple processes of relaxation of control by a central authority"* to the *"... most appropriate level of government and to the most appropriate institution or agency at that level"* (Upadhyay and Koirala, 2004:306).

Decentralisation represents a departure from the trickle-down approach to development where processes were centrally organised. Upadhyay and Koirala (2004) list six reasons why such decentralisation is needed:

- centralisation places the stability of the state at risk;
- with centralised power comes the risk of religious, ethnic and minority upsurges;
- centralised states are prone to protecting their own interests at the expense of the interests of poor and vulnerable groups;
- the promotion of democratic values and approaches to solving problems pose challenges in centralised states;
- central control leads to a concentration of power and development in urban areas, thus prompting migration to these areas; and
- when power and decision-making is centralised, local knowledge is largely ignored (Upadhyay and Koirala, 2004:307).

It is clear that decentralisation offers a viable alternative to a number of serious shortfalls that central planning can give rise to. Upadhyay and Koirala's (2004) six reasons for decentralisation all have one thing in common – a concern for poor and vulnerable groups in society.

Delivery of pro-poor education requires effective leadership and policy implementation. Therefore, if competencies at the local level are not present, the consequence is at best uneven implementation and at worst an undermining of the education system. Consequently, regional inequality could increase and impact upon political instability (Stern, 2002:77). Upadhyay and Koirala concur with this and note the possible rise of what they refer to as 'centrifugal forces' that put national unity at risk (Upadhyay and Koirala, 2004:307). These authors further note that the process of decentralisation needs to be coupled with processes of social mobilisation and interventions targeted directly at the differing groups of the poor. They warn that, without this, there is a danger of 'mirroring' elitism, that is, reconstructing the elite at the local level (Upadhyay and Koirala, 2004:335). This is what the pro-poor school categorically advocates against.

3.2.2.5. Investments undertaken early on in the lifecycle that are related to education, for example, nutrition should be promoted:

Van de Walle notes that, "*... there is an emerging consensus that poverty reduction and human development call for expanding access to certain publicly provided social services such as basic education and health care*" (Van de Walle, 1995:226). According to Meier (1984), expenditures on these constituent elements of human capital are positively related and lead to an improvement in productivity levels. The effects of good health on learner attendance and cognitive ability are further reiterated in Section 3.2.2.6 below. To be included under the umbrella of "*... investments early on in the lifecycle and related to education*" are early childhood development programmes, such as preschool programmes. A research project aimed at ascertaining the link between participation in a publicly funded, early childhood programme and educational attainment, juvenile arrests and the need for remedial services was initiated in the United States in 1967. The project tracked 1 539 children enrolled in a preschool programme[5] located across a number of poverty-stricken neighbourhoods over a fifteen-year follow-up period. Findings indicated a positive relationship between attendance in the programme and the rate of high school completion and number of years of educational attainment, and a negative correlation between attendance in the programme and the number of juvenile arrests and the need for additional remedial services. More detailed information

[5] The official name of the programme is the Chicago Child-Parent Center (CPC) Program.

regarding the study can be found in Reynolds et al (2001). What these research findings allude to is the positive impact on educational attainment and lower crime levels, that can be derived from public expenditure on programmes directed at earlier stages of the human capital pipeline – preschool education is an example of such an intervention.

3.2.2.6. Investments that promote the health of school going aged children should be promoted:

Learners in good health are, all things being equal, more likely to attend school more regularly than those in poor health. According to UNESCO (2005:144), the ill health of learners, *"... affects attendance, retention, cognitive development and academic performance."* Furthermore, *"... there is strong evidence that poor nutrition and health in early childhood severely affect cognitive development in later years"* (UNESCO, 2005:144). Adequate and good health of learners is essential in ensuring that learners are present at school and able to participate actively in the learning process. Given the reference to good health and its impact on cognitive ability, it appears that healthy learners are also more likely to be able to grasp conceptually what is being taught. Important considerations that should be linked to the health status of learners are the availability of water and proper sanitation at schools.

3.2.2.7. A level playing field should be created for the different providers – public and private – of education:

As a result of having access to a greater pool of resources, private schools are often able to attract more and better qualified educators. As a result of lower remuneration in publicly funded state schools, educators may be inclined to seek jobs in private schools. The consequence of this competitive remuneration and benefits system is that state schools end up having a staff complement composed of mainly entry level, graduate and inexperienced teachers. Although numerous calls have been made to reduce personnel-related costs (which often consume the bulk of education budgets), the fact is that if educator remuneration within state-funded schools is not attractive, learners attending these schools will, in all probability, not have access to high quality educators (in terms of their academic qualification and perhaps experience). This will predominantly affect learners coming from lower-income households who may not be able to afford to send their children to private schools.

As a result of a greater financial resource base, private schools also enjoy access to better and more facilities such as libraries, science and computer laboratories, extramural activity-related equipment and facilities than do public schools. With respect to the literature, little consensus has been reached regarding the importance of infrastructure in determining educational outcomes. Available evidence suggests that basic infrastructure and facilities (access to electricity) affects educational outcomes for all learners. However, the marginal utility derived from infrastructure declines the more advantaged a school is (Boissière, 2004:16-17). This highlights the importance of proper targeting of funding to ensure that spending is effective.

3.2.2.8. Suppliers of education should make known the value added by their services:

A study by Rivkin et al (2002), conclude that teacher quality plays an important role in determining learner performance. One of the earlier such studies in South Africa, by Crouch and Mabogoane (1998), corroborate Rivkin et al's emphasis on the teacher quality variable. Crouch and Mabogoane found that poverty and socio-economic variables displaced all other resource variables, except for the average qualification of educators. Educators are thus a critical factor in determining successful educational outcomes. At present, most indicators focus on outcomes, such as Matriculation pass rates, literacy or numeracy surveys. Performance in these areas is usually assumed to be a proxy for the quality of educators. A number of educator evaluation measures are currently being considered (for example, the Tennessee Value Added Assessment System[6]), yet many of these value-added methodologies are vulnerable to technical flaws. For example, the Tennessee Value Added Assessment System is unable to disaggregate the effects of certain factors such as poverty in the overall performance of learners (Barry and Fuller, 2006). A methodology that can more accurately gauge the impact or value added in terms of learner performance thus needs to be developed, as the current popular method of simply assessing pass rates ignores a number of factors that significantly impact on learner performance.

3.2.2.9. Greater investment in improved forms of analyses and information on which to base education policy decisions:

Sound analyses are underpinned by sound and relevant data. Data relating to learner educator and learner institution ratios are important measures of service delivery norms that can be used to determine minimum standards and targets towards the progressive realisation of constitutionally mandated basic services, such as basic education. The types of indicators used to determine outputs and outcomes in a particular sector need to be relevant and reflective of both challenges and successes within a sector. Such non-financial data is essential, if policy is aimed at addressing the current challenges within the education sector. A number of initiatives have been formed in an attempt to address the quality and relevance of education-

[6] For more detail, see Kupermintz, H. 2003. Teacher Effectiveness: A Validity Investigation of the Tennessee Value Added Assessment System. *Educational Evaluation and Policy Analysis*. 25(3): 287-298.

related research. Examples include the Education Policy Support Initiative whose membership is comprised of Southern African Development Community (SADC) member countries and which is based on assessing each country's research knowledge base so as to inform future research. An additional notable, international initiative is the Organisation for Economic Cooperation and Development (OECD) Educational Committee, which consists of member countries and whose aim it is to reach consensus on a common research agenda and a list of indicators to be developed and used (UNESCO, 2005:180).

3.3. What is missing from the USAID Framework? Experience of others

3.3.1. The challenges and can they be overcome

The policy prescriptions provided by USAID are heavily descriptive and lack detail. Aspects not accounted for in the list of recommendations outlined by USAID include challenges relating to gender biases, cultural sensitivity, adequate sanitation, location, issues of safety, the costs involved (sometimes hidden or indirect) in obtaining access to an education and language barriers.

Castro-Leal et al (1999:49) note that, *"Improving targeting to the poor involves not simply rearranging the public subsidies but also addressing the constraints that prevent the poor from accessing these services."* If poverty eradication strategies are to be effective in those countries where they are most needed, then these are crucial issues that need to be tackled.

What follows is an overview of the research findings regarding the importance of the above-mentioned factors as well as specific country-level evidence of how others have managed to overcome these obstacles. This section will be divided into obstacles that:

a. keep children *out of* schools, and
b. keep children *from succeeding at school.*

3.3.1.1. Gender:

Klasen (2001) notes that one of the most important conclusions to be drawn from the literature regarding the linkages between poverty, inequality and growth is the centrality of ensuring gender equity. He provides two advantages of reduced gender inequality – one being the promotion of economic growth itself and the other being the promotion of the economic impact of growth on poverty reduction (Klasen, 2001:5). In terms of the specific value of education for women, evidence shows that both social and economic rates of return are higher for women than for men (World Bank, 1993)[7].

Women face numerous obstacles in accessing quality education. Gender stereotypes, early marriage, the low status of women in general and a patriarchal society all reinforce the low priority afforded the education of girls and women. UNICEF has proposed interventions to help overcome some of these obstacles. It involves a three-pronged approach, encompassing gender awareness training, community participation and, an issue that is important in a number of countries, the endorsement of girls' education by religious leaders (UNICEF, 2005). The merits of these types of interventions are evident in various countries. Examples include Balochistan in Pakistan, where girl enrolment rates doubled between 1992 and 1997 (see Stern, 2001), and in India, where the establishment of the District Primary Education Programme (DPEP) has resulted in keeping a number of children, particularly girls, in school (Ferro et al, 2002).

Gender is a cross-cutting issue. We need to remain cognisant of the fact that whilst the challenges discussed below pose obstacles for the majority of poor people, they are, in all likelihood, an even greater barrier for women or girls. The 'gender' factor thus falls within both categories (a) and (b). For example, cultural attitudes and a stereotypical view that girls do not need education can prevent girls from going to school, whilst special needs of girl learners, such as proper sanitation (which is discussed in more detail below), can lead to girl learners being absent and falling behind, thus threatening their success at school.

3.3.1.2. Ethnicity and culture:

Stern (2001:101) cites an example of how a national scholarship programme for rural girls in Bangladesh overcame parents' apprehension towards sending their daughters to coeducational schools by building school facilities that would ensure privacy for female students. In addition to this, the programme also implemented the provision of monthly stipends into the girls' bank accounts, which served as a message to their parents regarding the value the state placed on the education of females. Ethnicity and culture therefore represent factors that can prevent children from getting into school (category (a)).

[7] For an updated review of returns to investment in education, see Psacharopoulos and Patrinos, 2002.

3.3.1.3. Sanitation:

Sanitation and adequate water supplies are critical when trying to attract children to school and keeping them in school. In terms of the health risk factor, UNESCO has found that infections arising from poor sanitation can negatively affect cognitive development. Sanitation thus falls within category (b) – it can hamper the success of a learner, particularly of girl learners. Due to a lack of proper sanitation, girl learners may be forced to miss out on school, thereby causing them to lag behind academically and threatening their success.

The availability of water supplies and the role it plays is another important factor. The task of gathering water supplies, which are often located far from the household is, in Sub-Saharan Africa at least, usually left to women and children (see Blackden and Bhanu, 1999:xi). This chore often has to be done to the detriment of attending school. In fact, Blackden and Bhanu's analysis introduce a gender dimension to the issue of education and adequate sanitation. They show that whilst girls showed greater progress in completing primary school than boys, one of the core challenges limiting girls access to education were domestic chores, "*... notably fetching fuel and water...* " (Blackden and Bhanu, 1999: xv). Burrows et al concur with this finding in their publication titled *Water and Sanitation: The education drain* (see Burrows et al, 2004). In recognition of the importance of sanitation and safe water supplies, UNESCO, in partnership with the World Health Organisation (WHO), UNICEF and the World Bank, launched the *FRESH*[8] *School Health Tool Kit* in 2000, which is a programme that aims to promote effective school health programmes (World Bank, 2000).

3.3.1.4. Location and safety:

The location of a school is an important element if the goal is to expand access to education. Location has a critical impact on potential learners' ability to access the school. Considerations of safety whilst travelling to and from school should also be factored into whether learners will attend on a sustainable basis. It should be borne in mind that, no matter how close a school is, if it threatens the safety of learners, it can affect progress and success at school. According to a 2005 EFA monitoring report, behaviour which adversely affects safety at schools include, "*... bullying, sexual harassment, abuse and vandalism...* " (UNESCO, 2005:144).

Location and safety are thus factors that fall into categories (a) and (b).

[8] FRESH is the acronym for *Focusing Resources on Effective School Health.*

3.3.1.5. Costs of education:

There are many costs associated with obtaining an education – some direct, such as the cost of books, stationery and uniforms. Another type of cost involved, termed indirect, refers to the income many poor families have to forego when allowing their children to attend school. Child labour and the income derived from it have proven a particularly tough obstacle to overcome. The direct and indirect costs associated with obtaining an education falls into both categories (a) and (b) – they are factors that can prevent learners from accessing and succeeding at school.

There are, however, ways of getting around this problem. Prime examples include Brazil's *Bolsa Escola* and Mexico's *Progresa* programmes. *Bolsa Escola* and *Progresa* are both examples of targeted income transfer programmes (Behrman et al, 2001). They are targeted in the sense that only families within a certain income quintile are eligible to receive benefits and they are conditional upon school attendance.

The size of the income transferred under the *Progresa* programme is dependent on the age and gender of the learner. This is based on the logic that, the older the learner, the higher the probability that s/he will forced to partake in paid employment, therefore jeopardising school attendance. The gender control is based on the lower enrolment rates observed for female learners (Behrman et al, 2001:1). Using a schooling transition model to gauge the impact of *Progresa*, Behrman et al conclude that where learners were benefiting from the programme, there was evidence of:

- reduced grade repetition;
- improved grade progression;
- lower dropout rates;
- higher school re-entry rates among dropouts;
- reduced dropout rates for learners in transition from primary to secondary school;
- improvements in the grade progression of young learners not yet benefiting from the programme, indicating the forward-looking behaviour of parents (Behrman et al, 2001:21).

These types of income transfer programmes have become increasingly popular. Further examples include Turkey, where, in order to increase girls' enrolment rates, stipends are deposited into the girl learner's bank accounts, where they can only be accessed by their mothers, and Bangladesh's *Female Secondary School Assistance Project* (jointly funded by the government and the World Bank), which is based on a similar principle and has resulted in a marked increase in secondary school enrolment rates (World Bank, 2004).

Making education more attractive to parents, via cash stipends, is an appealing means of solving the child labour problem. By using a targeted cash stipend in rural Bangladesh, Ravallion and Wodon (1999) tested the assumption that child labour displaces schooling. Their findings indicate that a Bangladeshi *Food-for-All* programme resulted in a higher attendance rate relative to the increase caused by an enrolment subsidy. Despite the fact that the enrolment subsidy did reduce the incidence of child labour, this reduction only accounted for a small portion of the observed higher attendance rates, thus indicating that the benefits of schooling go beyond mere monetary compensation but extend to other social benefits as well (Ravallion and Wodon, 1999:15-16).

Regarding the ability of these programmes to have a positive impact on poverty, a study carried out by Bourguignon et al (2003) on the *Bolsa Escola* programme showed that, in terms of effects on behavioural responses to the implementation of a stipend programme, learners reacted positively and the impact is deemed considerable. In terms of the programme's effect on poverty reduction, however, the impact was smaller. The intention of the authors, though, was not to discredit the efficacy of the programme, but merely to show that, whilst the programme has an impact on poverty reduction, the potential to magnify its effects is possible through allocation of greater resources (Bourguignon et al, 2003:24-25).

3.3.1.6. Language barriers:

Language presents a factor that can hinder both access to educational services and success of students once at school – it thus falls into categories (a) and (b). For countries facing severe illiteracy rates, language plays an important role in the success of such interventions.

The importance of this factor is highlighted in a UNESCO study, which notes that, "*... children achieved better and stayed in school for longer when they started their education in a language they spoke*" (UNESCO, 2000:63). Boissière (2004) concurs with this, noting that evidence suggests that language proficiency is particularly important in performing well in areas such as reading and mathematics. Whilst it may be costly to provide sufficient educators and textbooks in a variety of languages, policy-makers need to weigh this against the long-term benefits that can be derived from education. In Papua New Guinea, for instance, education policy was expanded to include all spoken languages (the country has 820 languages, 3 of which are classified as national languages) as the medium of instruction for the first three years of schooling. According to the UNESCO report, statistics already show an improvement in the level of performance of learners that have benefited from this amendment to the education policy (UNESCO, 2000:63). A more recent, 2005, EFA global monitoring report, reaffirms these findings and notes that:

> *"In a growing number of countries, after four or five years ... there is a transition to learning and using the second or foreign language as the medium of instruction. In this way initial literacy is acquired more easily, facilitating the acquisition of the language that will become the medium of instruction for the rest of the school years"* (UNESCO, 2005:156).

Many countries, including China, and a range of South-East Asian countries such as Indonesia, Malaysia, Thailand, Cambodia, Myanmar, Philippines and Vietnam, are employing this strategy (UNESCO, 2005:155). In countries that have substantial educational challenges to overcome, choice of language to be used as the medium of instruction requires careful consideration.

Table 5 below categorises the effect of each factor according to its impact, based on the evidence described above, on learner's ability to access, remain and even succeed at school.

Table 5. Challenges and their impact on (a) allowing learners to access education and (b) contributing to the success of learners once at school

Challenge	(a) Access	(b) Success
1. Gender	+	+
2. Ethnicity and Culture	+	-
3. Sanitation	-	+
4. Location and Safety	+	+
5. Costs of Education (direct/indirect)	+	+
6. Language	+	+

As is clear from the above table, most of the challenges assessed affect both factors associated with accessing, remaining and possibly even succeeding at school. Given their inter-relatedness, solutions need to be holistic by targeting both aspects of access and success. If one takes this holistic approach, then from a public expenditure point of view, obtaining value for taxpayers' money is more attainable than if we provided funding in 'silos' – that is, funding only one aspect of what is needed to ensure that learners enter the classroom at a basic level and exit with a qualification to continue to the next level, whether it be secondary or even tertiary education.

This view is verified by the conclusions of a study undertaken in Ghana, which centres on a cultural inquiry into the impact of gender on obtaining a basic education. The study concludes that, *"... much more needs to be done in framing both problem and solution within a holistic framework that takes account of the domains of home, economy and school"* (Stephens, 1998: 143). The domain '**home**' refers to ethnicity, cultural practices and views on what the 'place' of a woman is, '**economy**' refers to the indirect costs associated with obtaining an education such the income foregone in order to attend school, and '**school**' refers to, for example, factors such as sensitivity to language policy. It is thus these three domains and their associated factors that need to be considered if education policies are to be fully pro-poor.

3.4. Towards a New Framework for Pro-Poor Education Policy

The framework provided by USAID provides a starting point for evaluating the pro-poorness of education interventions. Most of the prescriptions it recommends are broad and, as a result, omit a number of considerations that are in fact critical to ensuring pro-poor growth. Most of these omissions relate to factors that impinge on the ability of potential learners to access education services. These include aspects related to gender biases, cultural sensitivity, adequate sanitation, location, issues of safety, costs involved in obtaining an education and language barriers. Evidence from various countries shows that these obstacles can be overcome. A number of creative and innovative programmes, as mentioned in this chapter, have been implemented with high levels of success.

Table 6 below outlines a revised list of recommendations to promote pro-poor education policy. The importance of this table is highlighted in Chapter 5, where we will assess the *South African Schools Act* [1996] and the South African *National Norms and Standards for School Funding* [2007], in terms of the extent to which they concur with the principles as set out in the table below. In so doing, consideration will be given to the content of the policy documents.

Table 6. Revised set of principles to promote a pro-poor education policy

1. public subsidies should be focused on pre-schooling or basic education services;
2. quality and access to education needs to be improved;
3. scholarships for basic education should be made available to the poor;
4. the bulk of education decision-making needs to be decentralised to the local level;
5. investments undertaken early on in the lifecycle that are related to education, for example, nutrition should be promoted;
6. investments that promote the health of school going aged children should be promoted;
7. a level playing field should be created for the different providers – public and private - of education;
8. suppliers of education should make known the value added by their services;
9. greater investment in improved forms of analyses and information on which to base education policy decisions;

Proposed Inclusions:

10. *dedicated funding should be set aside to promote the access of especially girl children to education;*
11. *ethnicity and culture are factors that can hinder access to education and should thus be considered when attempting to draw in and provide education to the poor;*
12. *sanitation is a factor that impacts heavily on girl learners and can both prevent them from accessing education and succeeding at school;*
13. *location and safety is another aspect that can hamper access to and success at school;*
14. *costs of education, both direct and indirect, need to be considered if education is to be successfully extended to lower income groups;*
15. *if education is to be pro-poor, the language of instruction needs to be tailored to the targeted group such that their chances of succeeding are improved.*

3.5. Concluding Remarks

The USAID guidelines provide a good starting point with regard to what policies need to focus on if their ultimate goal is to promote pro-poor growth. This dissertation has added a few more guidelines to that list. The contribution can be divided into factors that keep children out of school and those that hinder their success. The result is a more comprehensive and holistic list of requirements, which this dissertation proposes *ought* to be considered when assessing the extent to which education policies are pro-poor.

CHAPTER 4
THE STATE AND EDUCATION IN SOUTH AFRICA

4.1. Introduction

From the preceding sections it is clear that an educated society brings with it many benefits, for the state and for individuals. During the decades of Apartheid, however, the education sector in South Africa, and the benefits that could be derived from education were skewed toward the White minority. Under the new regime, the emphasis is on inclusiveness. This is entrenched in Section 29 of the Constitution (RSA, 1996).

The focus of this dissertation is on the pro-poorness of current policies that impact upon and guide the funding of basic education at a primary level. It is, however, necessary to place South African education into context and to provide an holistic view of developments in the sector both before and after democracy. This is necessary since the past provides the starting point of inequality in South Africa. As noted by Van der Berg (2004:1), "*More affluent families are better able to support their children through school*" and "*Generational effects also play a role. Children of better-educated parents progress faster in school and also fare better in the labour market.*" Given that wealth and higher levels of educational attainment were, before the end of Apartheid, almost exclusively the domain of White South Africans, one is able to understand the continuing challenges that beset poorer and, mostly, Black schools. Thus, a review of the education system before 1994 will result in a more accurate assessment of current successes, failures and challenges.

4.2. A Snapshot: Post-1994 and before

The following sections will provide, firstly, an overview of the current status of education in South Africa, with a particular focus on the development of recent policies (1996 to the present) guiding the public provision of education as well as issues relating to funding. Thereafter a brief look at the period preceding 1994 is provided. Although this section will focus largely on developments in the 1980s and 1990s data outlining inequalities in funding that were prevalent during the 1930s is included. This approach was adopted to provide the reader with a relatively holistic view of South African education pre- and post-Apartheid.

4.2.1. Education in South Africa post-1994: Towards education for all

The effects of Apartheid-based education are far-reaching. Today, large portions of the population remain unable to find jobs. This is largely as a result of the low levels of education received by many Africans, thus making them unsuitably skilled for employment in a number of sectors. In 2001, for example, 50 per cent of all Africans entering the job market were unable to find employment (Terreblanche, 2002:13). This implies that there is a large cohort of African people that is not adequately educated or that does not possess the required skills to find suitable employment.

This situation is cause for concern, especially in light of research findings that show that a learner's level of academic performance is, amongst other factors, linked to the parent's level of educational attainment. A further concern is that a number of students are being taught by educators who were scho oled under the Apartheid system, thus implying that they also received an education and subsequent training that was flawed. Consequently, an overhaul of the entire education pipeline, from educators to syllabi to education sector financing, is required in order for substantive transformation to take place.

When the African National Congress (ANC) came into power in 1994, its stance on, and strategy towards, the transformation of the education system was detailed in its official "*Policy Framework for Education and Training*". On the issue of restructuring school education, this document sets out that, "*The absolute priority will thus be the introduction of ten years of free and compulsory general education. This new compulsory general education phase will be of a high quality starting with a reception year, and proceeding for a further nine years to what is now Standard 7*" (ANC, 1994). The document thus clearly delineates the intent of the ruling party regarding education – it positions education as the most important policy area. Clear parameters regarding the type of education to be delivered (high quality), as well as the time-frame (Reception year to Grade Nine/Standard Seven), are provided.

Notwithstanding the intent of the ANC's plans to introduce free and quality education, the reality of public education in South Africa, post-1994, presented, and in most instances continues to present complex challenges. Valley et al (1999:83) succinctly describes the situation in Black schools, pointing out that,

> "*... apartheid education meant minimum levels of resources, inadequately trained and few staff, poor quality of learning materials, shortages of classrooms, and the absence of laboratories and libraries. Besides these tangible deprivations, schools also inculcated unquestioning conformity, rote learning,*

autocratic teaching, authoritarian management styles, syllabi replete with racism and sexism, and antiquated forms of assessment and evaluation."

Reschovsky concurs with this, noting that richer provinces such as the Western Cape and Gauteng, which had a higher concentration of White people, also had access to more experienced and more highly skilled teachers. Furthermore, increasing personnel costs, post-1994, had the effect of crowding out expenditure on learner support materials, maintenance and utilities (Reschovsky, 2007:6). The implication was, and still is, that wealthier parents who are capable of sending their children to wealthier and better resourced schools (in terms of access to teachers and education-related facilities) are thus able to ensure that their children do, at the very least, have access to a minimum standard of quality education. In effect, whilst the post-1994 period marked the end of legal discrimination on the grounds of race, access to quality education is increasingly being based on income / class.

4.2.1.1. Institutional arrangements and legislation

After 1994, the education sector was restructured into one national department and nine provincial departments. In accordance with Schedule Four of the Constitution, education in South Africa is now a concurrent, or shared, function between the national and provincial spheres of government (RSA, 1996). According to Sections 1(vii), 3(2) and 8 of the National Education Policy Act, the National Department is responsible for policy formulation, coordination, monitoring and evaluation of implementation whilst the provincial sphere is responsible for actual implementation (DOE, 1996a). All provincial actions occur within the policy parameters and budgetary allocations of the national department.

Following the transition to a democratic state in 1994, numerous policies, aimed at transforming the public education system, came into being. In short these were:

The South African Constitution

Given the legislative supremacy of the South African Constitution, it provides a natural point of departure for this section. In terms of the provision of education, Section 29(1) of the Constitution states that,

"*Everyone has the right –*

(a) to a basic education, including adult basic education; and

(b) *to further education, which the state, through reasonable measures, must make progressively available and accessible"* (RSA, 1996:14).

Furthermore Section 29(2) states that,

> "*Everyone has the right to receive education in the official language or languages of their choice in public educational institutions where that education is reasonably practicable. In order to ensure the effective access to, and implementation of, this right, the state must consider all reasonable educational alternatives, including single medium institutions, taking into account – (a) equity, (b) practicability; and (c) the need to redress the results of past racially discriminatory laws and practices*" (RSA, 1996:14).

Education is the only non-qualified social service stipulated in the Constitution. Whereas health care, social security and provision of food and water are all to be provided within the framework of "*available resources*", this is not applied to education. The Constitution thus clearly articulates the provision of basic education as a priority area in South Africa. If one uses Salisbury's theory and corresponding hypothesis, the South African Constitution takes an 'allocative' stance on the provision of education. Education is furthermore an area of governance that is a popular political draw-card, and a government's proper handling of the sector can yield high political returns.

If one assesses the Constitution based on the wording of Section 29(2), then the state can be held accountable for all those who do not have access to basic education in South Africa. As financial and human resources in South Africa are limited, the lack of any legal constraint on the provision of education has the potential to incur liabilities for the state. Roux (2000:122) notes that, "*The best policy option may look favourable on paper (or in principle) but is handicapped by the realities of life.*" Whilst the provision of education for all is a laudable government decree, if it cannot be implemented, it can impact upon the 'faith' that the constituency places in the abilities and capabilities of government to deliver on its promises. Policymaking should therefore be continually focussed on what is possible with a given basket of resources and in the context of social and other responsibilities of the state. Essentially, a sound policy is one that can be implemented and whose intended and unintended impacts have been catered for.

South African White Paper on Education and Training (1995)

The 1995 White Paper on Education and Training was the first education policy document by the new government. The purpose of the White Paper was to emphasise the importance of education and to articulate its role within the new government of national unity. This policy document, therefore, outlines the parameters within the sector, in accordance with predetermined constitutional prescripts regarding the provision of education in South Africa.

As such, the White Paper elaborates on issues pertaining to fundamental rights to education, organisational matters and funding issues. The White Paper in fact dedicates two chapters to the issue of funding. These chapters outline the processes involved in financing education, the powers of national and provincial education departments with respect to funding education, the advisory role of the Financial and Fiscal Commission, and details regarding the budgetary overhaul and reform process that funding of education should undergo.

South African National Education Policy Act (Act 27 of 1996)

The National Education Policy Act of 1996 was drafted, "*To provide for the determination of national policy for education...*" (DOE, 1996a). Essentially, this Act confers policy-making authority on the national Minister of Education. The policy clearly outlines the process of monitoring and evaluating education in South Africa. In general, the content and thrust of this policy concurs with Booysen's assertion that policy-making during the 1994 to 1998 period was strongly focused on framework development issues (Booysen, 2001).

South African Schools Act (SASA) (Act 84 of 1996)

Another central piece of education legislation is the South African School Act, which lays the foundation for the governance, organisation and funding of schools in South Africa. It also calls on the Minister of Education to formulate norms and standards for the funding of schools. It provides some detail regarding the payment of school fees, parents' liability to pay fees, as well as recourse for obtaining a fee exemption. According to Section 5(3) of this Act, "*No learner may be refused admission to a public school on the grounds that his or her parent is unable to pay or has not paid the school fees determined by the governing body...*" (DOE, 1996b).

This policy was drafted and came into effect during 1996. According to Booysen's (2001) categorisation of the phases undergone by South African policy-making, the SASA would fall within the 'policy focused on framework development' phase. If one accepts Soudien et al's (2001) notion that the inception of policy is surrounded by distinct discourses, then the SASA would seem to fit well within the social reconstruction discourse/framework, where the emphasis is on how things ought to be organised in terms of responsibilities and general governance issues.

National Norms and Standards for School Funding (NNSSF) (Last amended 31 August 2006)

The NNSSF set out norms and standards for school level expenditure as called for in the SASA of 1996. The NNSSF became national policy in 1999 and represents the introduction of pro-poor school funding in South Africa (DOE, 2003:15, 25). From 1999 onwards, policy-making has been geared towards a heavy emphasis on implementation (Booysen, 2001). In order to ensure that the lofty goals as set out in earlier framework documents could be met, the NNSSF focused on bringing about transformation at the school level in terms of equity and redress. The Norms and Standards have undergone numerous amendments to make them more applicable to the current realities within South Africa – the most recent amendment being 2006. This policy will be explored in greater detail in Chapter 5.

4.2.1.2. Intergovernmental fiscal relations and funding post-1994

In South Africa, the provinces are granted very limited revenue-raising capacity, even though they are responsible for service delivery. As a result, an equitable share allocation, which forms the largest revenue source for provinces, exists to enable provinces to finance service delivery. This principle is entrenched in Sections 214 and 227 of the South African Constitution (RSA, 1996). The equitable share formula consists of six components[9], one of which is education. Each of the six components is weighted according to importance. Education receives the largest weighting, amounting to 51 per cent. The 51 per cent allocated to education is then distributed across the nine provinces according to need, thus indicating to provinces the proportion of their provincial budgets that should be spent on public education. The measure of need is determined by the size of the school going population and the number of learners enrolled in public ordinary schools (National Treasury, 2007a:240). The aim of using these need-based criteria is to ensure that provinces that have more learners depending on the public education system are not disadvantaged.

The equitable share allocation to provinces is furthermore unconditional, in the sense that provinces receive a lump-sum and then have to decide how they will allocate resources amongst the various provincial departments. Importantly, though, they have to make these decisions within the parameters of national policies and priorities. Thus, whilst, "... *provincial departments of education are responsible for the provision of education, their fiscal autonomy is constrained*" (Reschovsky, 2007:3).

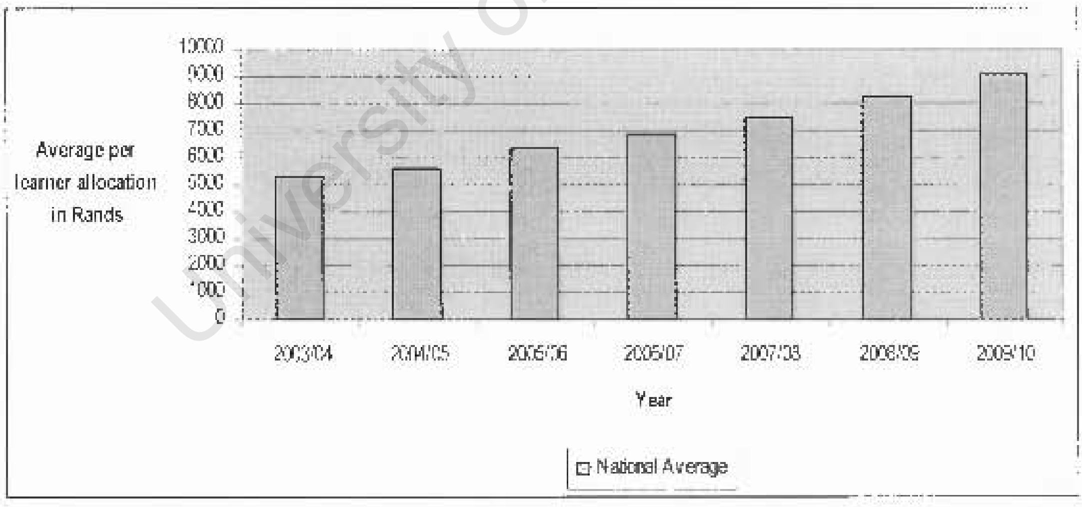
Reschovsky further notes that two things limit the autonomy of provincial education departments. Firstly, education personnel costs account for the bulk of spending within provincial education budgets. For example, during the 2007/08 financial year, this budgetary item is projected to have consumed 78 per cent of total provincial education resources (National Treasury, 2007b:16). However, given that this expense represents the livelihood of

[9] The other components are health, a basic share, an institutional component, a poverty component and an economic output component (National Treasury, 2007:240-241).

individuals (i.e. educators) and considering the disastrous effects that strike action can incur, this is a budgetary item that cannot be easily reduced. The implementation of pro-poor school funding, in the form of the NNSSF, implemented in 2000, provides guidelines on how non-personnel funds (the balance of the 78 per cent consumed by personnel costs), should be spent. According to Reschovsky (2007:6), the NNSSF, in particular, "*... reduces the fiscal autonomy of provincial government and places conditions on how they spend their equitable share allocations contrary to the constitutional prescription that the equitable share be considered unconditional allocations to provincial and local governments*".

As noted in Section 4.2.2. above, when the ANC came to power in 1994, it clearly positioned education as the most important policy area. In 2007, the priority attached to this sector remains unchanged. This is evident from the large proportion of financial resources that are allocated to this function. At a provincial level, education continues to account for the bulk of expenditure. During the 2007/08 financial year, 43 per cent of total provincial expenditure was allocated to this sector. Projections for 2008/09 and 2009/10 confirm the continuation of this trend, where education will consume over 40 per cent of provincial budgets (National Treasury, 2007b:13). With respect to equity, the graphic below illustrates the growth in the average allocation per learner in South Africa. It shows that, since 2003/04, there has been a consistent increase in the average per learner allocation.

Figure 2. National Average Per Learner Allocation in South Africa, 2003/04 to 2009/10



(Source: National Treasury, 2007b:25)

Table 7 below disaggregates per learner allocations by province over the same period (2003/04 up until 2009/10). The result is a more nuanced view of the differentials that exist across the provinces. Of concern are the provinces whose per learner funding lies below the national average. In 2007, the Eastern Cape, KwaZulu-Natal, Mpumalanga and North West provinces all showed per learner allocations below the national average. Whilst not advocating for a uniform amount across all provinces, one would expect to see poorer, more rural provinces with many learners dependant on the public education system to spend on par with the national average. Part of the aim behind the implementation of the NNSSF in 2000 was to eliminate interprovincial inequality. As illustrated in Table 7 below, however, whilst the gap between the highest and lowest per learner allocations have improved, poorer provinces, who have to cater for larger numbers of learners depending on the public education system, continue to show low allocations relative to richer, better resourced provinces. It remains to be seen whether the implementation of no-fee schools in 2007 will correct the situation and ensure that the poorest of the poor do have access to quality education. This will be discussed in more detail in the following chapter.

Table 7. Per learner allocation by province, 2003/04 to 2009/10

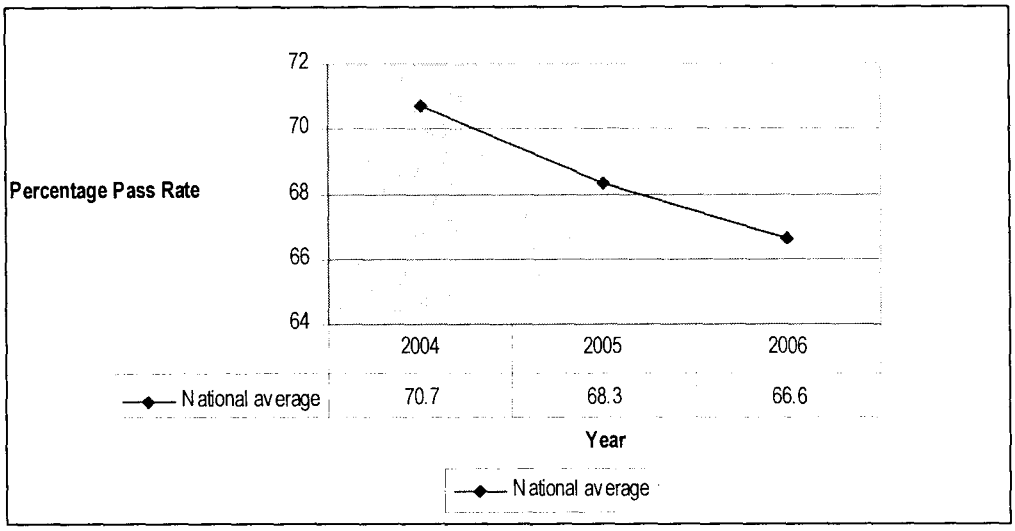
	In South Africa Rands						
Province	**2003/04**	**2004/05**	**2005/06**	**2006/07**	**2007/08**	**2008/09**	**2009/10**
Eastern Cape	4870	4955	5222	6058	7007	7906	8412
Free State	5871	6372	7349	7771	8294	9224	10217
Gauteng	5740	5792	6184	7039	7861	8630	9260
KwaZulu-Natal	4320	4795	5526	6003	6698	7349	8124
Limpopo	4549	5075	5435	5902	6777	7736	8521
Mpumalanga	4951	5211	6323	6688	7215	7800	8500
Northern Cape	6458	6685	7440	7838	8661	9684	10589
North West	5495	5733	7034	7490	6790	7571	8241
Western Cape	5544	5814	6580	7270	7851	8681	9543
National Average	**5311**	**5603**	**6344**	**6895**	**7461**	**8287**	**9045**

(Source: National Treasury, 2007b:25)

4.2.1.3. Education outcomes post-1994

In South Africa, the most important indicator of performance is the Matriculation/Grade Twelve pass rate. It is a matter of concern that, despite an increase in inputs such as the per learner allocation, educational outcomes have not shown significant improvement. In fact, Figure 3 shows a clear and consistent downward trend in the Matric pass rate (percentage of learners who are passing).

Figure 3. Matriculation Pass Rate Percentage, 2004 to 2006



(Source: National Treasury, 2007b:26)

Van der Berg (2004:11) provides a disaggregation of the quality of Matriculation pass rates by population group / race, for 2003. Key observations include:

- The majority of matriculants are Black learners;
- Black matriculants recorded the highest number of fail results and White learners the lowest; and
- The group that showed the highest number of A+ passes (that is, a pass at, or above the 90 per cent mark) were White matriculants.

Table 8. Matriculation results by population group, 2003

	African	Coloured	Indian	White
Total matriculants	340,832	31,843	16,868	46,434
Fail	110,936	3,855	1,195	520
A+(90%) aggregate	124	97	756	2,421
A(80%) aggregate	709	308	1,115	4,082
B(70%) aggregate	3,169	921	1,798	6,789
C(60%) aggregate	12,129	2,631	2,758	10,110
D(50%) aggregate	39,377	6,273	3,647	11,685
E(40%) aggregate	98,345	11,378	3,951	9,013
F(below 40%) aggregate	76,043	6,380	1,648	1,814

(Source: Van der Berg, 2004:11)

4.2.2. Education in South Africa pre-1994: Education for some

4.2.2.1. Institutional arrangements and legislation pre-1994

The establishment of nineteen separate education departments was central to the framework of state-led discrimination designed by the then-South African government. The nineteen departments were divided as follows:

Table 9. Organisational structure within the education sector pre-1994

Quantity	Name and Responsibility
1	Department of National Education (DNE) which was responsible for the establishment and monitoring of norms and standards
1	Department of Education and Training (DET), which was responsible for the education of Africans outside the homelands
4	Departments for each of the independent homelands (TBVC states, i.e. Transkei, Bophuthatswana, Venda and Ciskei)
6	Departments for each of the non-independent homelands (self-governing territories, i.e. Gazankulu, Kangwane, Kwandebele, Kwazulu, Lebowa and Qwaqwa)
3	Departments for each of the houses in the tri-cameral parliament, that is: House of Assembly (Whites), House of Representatives (Coloureds) and House of Delegates (Indians)
4	Departments set up for Whites in each of the provinces and which was responsible to the House of Assembly

(Source: Pampallis, 2002:1)

Pampallis (2002) notes that, despite the multitude of separate education departments, certain features such as funding and curricula were centralized in the sense that they had to fit the prescripts set by the national Department of Education (DOE) Fiske notes that, "*With school content controlled by the government ... blacks were limited as to what they could study and for how long, as it was considered 'immoral' to teach blacks at an advanced level for jobs that they could never have*" (quoted in Tamer, 2005: no page). Thus the centralization of certain core functions within education eased the implementation of Bantu education in South Africa.

Two policies were central to sustaining the Apartheid education system, namely:

- Bantu Education Act (Act No. 47) of 1953: The aim of this Act was to create a separate Black Education Department that would formulate a syllabus appropriate for Black people, that is, one that would ensure that Black people would be, "... *taught from childhood to realize that equality with Europeans is not for them*" (Parsons, 1982:291-293). This provided the legal requirement for Black schools to have a different syllabus to those of White schools. Subsequently, similar legal provision was made for Indian and Coloured school syllabi.

- National Education Policy Act of 1967: This Act promoted a racially and culturally segregated education system, which led to the establishment of 18 different education departments.

4.2.2.2. Funding pre-1994 and early signs of reform

Policies provide a starting point and framework for sectoral developments, especially with regard to funding. Given that broad educational policy frameworks pre-1994 advocated a separate form of education for White and non-White learners, though, it is not surprising that financial resources were divided on a discriminatory.

Training of White and Black teachers, their remuneration, the quality of schools, the range of subject matter taught to White as opposed to Black learners, are all given legal force in the Bantu Education Act of 1953. This policy marked the official sanction of race-based separate education. Even before 1953, though, racial inequality already underscored education policies and practices – see for example the financial contribution to schools in the 1930's and 1940's (Table 10 below).

Table 10. Per learner allocation to learners by race, 1930 to 1945

Date	Whites	Blacks
1930	R309.92	R28.31
1935	R324.61	R16.54
1940	R352.21	R28.59
1945	R533.09	R44.43

(Source: Christie and Collins, 1982:62) Figures were provided in pounds and have thus been converted to current Rand amounts based on the current 2007 exchange rate, that is, R/£= R14.01

It is evident that funding for White learners' education far exceeded the per capita amount for Black learners. On average, between 1930 and 1945, the per capita amount for White learners was 13 times the allocation to Black learners. In addition to funding challenges, Black schools suffered from "*... a shortage of teachers, many of whom were poorly qualified, or not qualified at all*" (Christie and Collins, 1982:62). The low per learner funding allocated to Black students affected the quality of teachers that could be employed and attracted to teach at Black schools, the quality of infrastructure or facilities available at these schools (with reference not only to 'additional' facilities such as laboratories and libraries but also basic classroom facilities) and non-educator supplies such as learner support material (for example, textbooks and stationery). These are all important ingredients that have an effect on educational outcomes.

From the 1970s onwards, the strict form of educational segregation that had become the norm in South Africa started displaying weaknesses. This was largely the result of student protests and boycotts that were characteristic of the 1970s and 1980s; an example of this was the 1976 uprising in Soweto. Weaknesses became evident when wealthy private schools started enrolling the children of Black diplomats, those from high income households or those whose parents were government officials. This development alerts one to an important variable that requiring consideration – that of inter-racial class variations. These are the qualitative differences in services that high to middle income groups within the same racial grouping can access as opposed to their low income counterparts.

Notwithstanding the enforced racial discrimination that was the overarching tenet of Apartheid, education-based inequalities between different income groups (classes) within the same racial grouping did already exist before Apartheid, as well as during its implementation, and, as mentioned previously in this chapter, these inequalities are still prevalent today. For instance, in the Coloured community, a number of schools, such as South Peninsula, Livingston and Harold Cressey high schools, were and are still renowned for being better resourced and equipped, relative to their (poorer) counterparts. Students attending these schools were, and continue to be, predominantly from middle to upper-class families that are able to afford higher schools fees. As a result of this, these schools attract better qualified and more teachers relative to their counterparts.

Following the student uprising of 1976, Catholic schools, from a less classicist point of view (that is, not based on the income level of parents), also started allowing Black learners to enrol. By the mid-1980s, Coloured and Indian schools were also admitting Black students. Up until 1990, the practice of allowing Black students to enrol at non-Black schools was considered illegal (Vally and Dalamba, 1999:10). In preparation for the incoming democratic government, however, a process of reform was administered at White state-funded schools, namely, the introduction of the 'Model C School' in 1992. Model C schools can be defined as *"... state-aided schools run by a management committee and the principal"* (Vally and Dalamba, 1999:10).

On the surface, the shift to Model C schools effectively meant that White state-funded schools would be (legally) allowed to enrol Black students. Certain conditions were attached to this reform. They related to:

I. Limitations regarding the number of Black students that were allowed to enrol at Model C schools: According to the reform, the White student body had to constitute the majority (that is, 51 per cent);
II. Limitations regarding the recognition of student body diversity and cultural identities: Model C schools had to ensure the status quo in terms of the cultural ethos of the school;
III. Lack of racial representivity in teaching staff: Governing bodies, which were effectively in charge of managing Model C schools, did not actively promote the inclusion of Black teaching staff; and
IV. Financial liability: Black parents were responsible for paying the fees of Black students (Carrim et al, as cited in Vally and Dalamba, 1999:10).

The literature (Vally and Dalamba, 1999; Pampallis, 2002; Roithmayr, 2002) suggests that the Model C reform was weak in many respects. This assertion is verified by the key limitations (conditions listed above) that accompanied the shift to Model C schools. Whilst extending (limited) access to Black students but demanding fees, as determined by management committees and governing bodies, the reform effectively ensured that the majority of Black students, given the socio-economic conditions of the majority of Black families both then and now, would still be unable to access education services at these schools. It is clearly a reform that was, and currently is, not substantively strong. Though race became a secondary issue, the act of inserting income and class as an access card to attending certain schools lessened the impact of the 'reform', given that in South Africa, race and class (income level) are inextricably bound.

Table 11 below provides information on per capital funding in 1986, and in 1993, after the introduction of Model C schools. Even though racial integration was proceeding in a number of schools, predominantly Black schools continued to receive a lower per capita allocation. In terms of funding, stark variations are evident in per capita education allocations across the various racial groupings.

Table 11. Per capita education allocation according to racial grouping

RACE	1986	1993
Black	R572	R1 440
White	R2 365	R4 700

(Source: Vally et al, 1998:8).

As is clear from the figures in the above table, despite showing an increase of more than double in the 1990s, per capita allocations to Black students were still three times less than the level of resources provided to White students. The effects of large variations in per capita funding and other policies that were purposely designed to discriminate against Black people has led to a complexity of economic and social inequalities which still characterize South African society in the early 21st century.

Between 1995 and 1997, before the implementation of broad-based budgetary reforms, interprovincial inequalities with respect to education funding, were dealt with directly, by the national Minister of Education. In practice this meant that the Minister, via direct intervention in provincial budgetary provisions, could ensure that poorer provinces such as the Eastern Cape and Northern Province were ensured greater financial resources, whilst better-off provinces, for example, the Western Cape and Gauteng, experienced relatively marginal growth in the amount of education funding it was allocated. This direct intervention came to an end during the 1997/98 financial year when the budget reform process was introduced. The rationale behind this reform was improved service delivery based on amongst others, the principle of devolution of power and accountability (Folscher et al, 2001:4). In effect, the reforms prevented a national minister from interfering in the provincial allocation of funds. This effectively put provinces in charge of the way in which funds would be allocated amongst various provincial functions.

4.3. Conclusion

It is clear from this chapter that any attempt at providing equitable education in South Africa is complex. As a result of South Africa's history, an array of factors needs to be considered when working towards equity and the provision of quality education for all. For example, whilst the core of discrimination was race-based, for the state to focus measures of redress solely on the basis of race, is to ignore crucial intra-racial inequalities and class variations, thus making interventions inadequate if measured against the criteria of effectiveness. A range of policies have been implemented to try and bring about redress, and whilst the majority of these transformatory pieces of legislation are ground-breaking, South Africa needs to guard against the crafting of policies that cannot be implemented in practice. Furthermore, care needs to be taken to ensure that resource increases fund tangible improvements in educational outcomes such as pass rates. Resource increases should also be channelled to the neediest learners, where the effect of increased funding will have more than just a marginal impact. It would prove highly inefficient if, despite significant investment in education, outcomes remain poor. Chapter Five will assess the extent to which certain key policies can be said to be pro-poor, thus reflecting whether they do in fact promote the allocation of resources to the poorest of the poor.

CHAPTER 5

ANALYSIS OF POLICY IN LIGHT OF THE REVISED PRO-POOR LIST: FINDINGS AND IMPLICATIONS

5.1. Introduction

The overarching focus of this dissertation is the pro-poor education policy of South Africa. In the preceding chapters, we have established that an educated society has strong, positive externalities or spill-over effects. It was found that inequality in terms of access to quality education and factors that enhance potential for success, thus pose a danger to the general wellbeing of society.

By adopting a pro-poor approach to the education funding policy, as proposed in this dissertation, we go a step further in closing the gap between those who have access to quality education and those who do not. Pro-poor education policy emphasises the reduction of inequality (see Section 1.4.3.1). In essence, the pro-poor approach to crafting education policy is synonymous with improved access and thus, ultimately, outcomes. By aligning funding with the principles necessary to ensure the implementation of a pro-poor education policy, we ensure funding for a holistic set of education-related elements, such as nutrition, learner transport, and language of instruction – all aspects that have the ability to improve access to education and the success of learners. As mentioned in Chapter 1, the gains derived from education, have a societal and individual value. The extent to which education is pro-poor is heightened when it is made accessible to the marginalised and vulnerable in society.

Ideally this approach should be applied throughout the human capital pipeline from primary through secondary to higher education levels. By initiating the process at the primary, basic education phase, we assist in strengthening the foundation phase of learners.

Ensuring that education policies are pro-poor, not only in theory but even more importantly in practice, we need to consider, promote and address, both verbally and in writing, factors that limit both access to education and success of learners. Policies need to be clear so that implementers are fully aware of what is required from them. This is critical if the aim of a policy intervention is to provide the returns associated with a particular policy approach. This dissertation posits that, in so doing, the potential for sustainability and success of an intervention is enhanced.

Due to the extent to which the Apartheid regime's policies affected the majority of people in South Africa, learners from disadvantaged backgrounds (i.e. disadvantaged on the basis of race, gender and geographic location) continue to be less likely to succeed than their more advantaged counterparts. This is supported by the data in Chapter 4, Table 8 which illustrates Matriculation results by racial group.

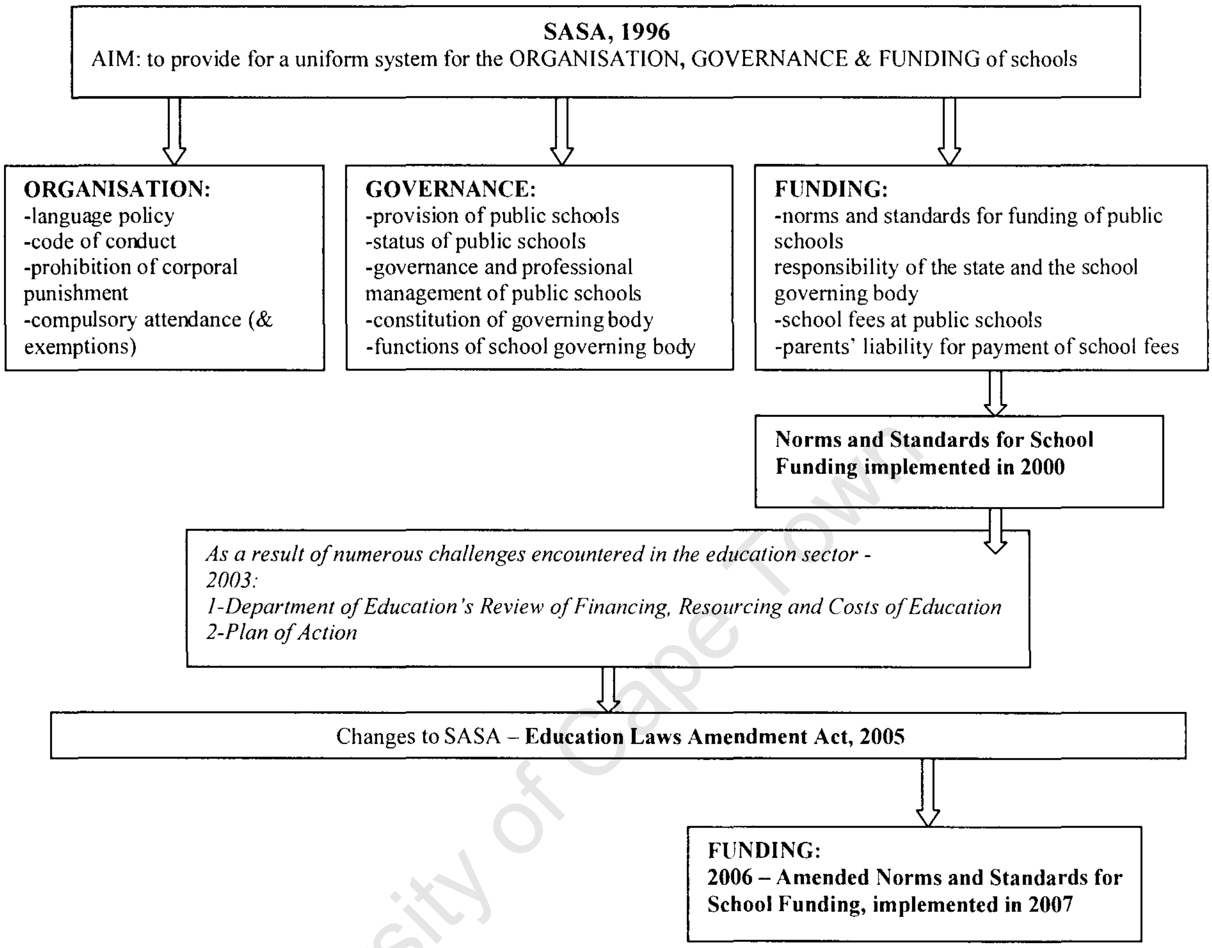
It is for this reason that the pro-poor approach, which incorporates a strong focus on inequality, is appropriate for South Africa. In this chapter, two key education policies will be explained and assessed, namely, the **South African Schools Act (SASA)**, which is a framework document that spells out the need for the Minister of Education to develop norms and standards for school funding and the establishment of school governing bodies, and the **2006-amended National Norms and Standards for School Funding (NNSSF)**. These policies have been selected because they set the tone for financing basic education in South Africa.

5.2. The evolution of education funding policy

5.2.1. Brief explanation of the chronology of events

The SASA, promulgated in 1996, is South Africa's national education framework setting document. Section 35 of this Act calls on the Minister of Education to develop norms and standards to guide the funding of public schools (DOE, 1996b). Section 35 became a reality in 1998, when the National Norms and Standards for School Funding (NNSSF) became national policy. Following its implementation in 2000, the NNSSF encountered and uncovered an array of challenges (discussed below). These led to the release of the DOE's report during March 2003, which reviewed the financing, resourcing and costs of education in public schools. This report furthermore put forth a number of recommendations aimed at improving the, "*... efficacy and outcomes of education resourcing policies...*" (DOE, 2003:ii). In response to the analysis and recommendations proposed in the review document, the DOE, a couple of months later, in June 2003, released its "*Plan of Action for Improving Access to Free and Quality Basic Education".* Aspects of this Plan of Action prompted policy amendments to the SASA, which are reflected in the 2005 Education Laws Amendment Act, and to the NNSSF. The latter is contained in the 2006 Amended NNSSF, which were then implemented as of 2007. Figure 4 below illustrates the chronology of these events and their effects in terms of the amendments that were made to the SASA and the Norms and Standards policy.

Figure 4. The South African Schools Act & the National Norms and Standards for School Funding



In the subsequent sections, we focus primarily on the SASA and the Amended NNSSF as the primary pieces of legislation responsible for the financing of public ordinary schools. Where necessary, however, we weave in applicable aspects of the research conducted or proposals made within the "*Review Report on the Financing, Resourcing and Costs of Education in Public Schools and Plan of Action*", mentioned above.

5.2.1.1. The Framework Setting Document: The South African Schools Act (SASA)

The SASA applies to public, private (independent) and special needs schools at both primary and secondary level in South Africa. The Act places emphasis on institutional form, governance and funding (SASA Review Task Team, 2006). The SASA is included in this analysis because it represents the starting point of the move towards a pro-poor education policy. This is particularly evident in sections 35 and 39 of the Act, which are the all-important sections with respect to this dissertation.

Section 35 is critically important, as it represents the call to the Minister of Education to develop a set of norms and standards to guide the funding of public schools. As noted by the DOE, "*The introduction in 2000 of pro-poor school funding will have an even greater impact as it is oriented at the more discretionary types of expenditure that can make a quality difference*" (DOE, 2003:15). Section 35 of the SASA as amended in the 2005 Education Laws Amendment Act (DOE, 2005) notes that the, "... *Minister must determine national quintiles for public schools and national norms and [minimum] standards for [the] school funding [of public schools]...* ". This section represents a departure from the initial version of the SASA, which did not require adherence to any nationally determined quintiles (DOE, 1996b). The policy shift from provincial to national quintiles represents the realisation of a key change visualised in the DOE's Plan of Action (DOE, 2003:17). Whereas the initial NNSSF implemented in 2000 were based on provinces determining their own quintiles with the aim of eradicating intra-provincial inequities, the shift implied a desire to move closer to inter-provincial equity. According to the DOE, the aim was to ensure that, "... *equally poor learners [would be] funded at the same level across the country...*" (DOE, 2003:17).

Section 39(7), states that based on the national quintiles determined by the Minister of Education, certain schools will not charge school fees. According to Section 16 of the SASA, school governing bodies were given authority to govern the activities of a school as well as, in Section 36, finding ways of supplementing the income of the school. As noted by Roithmayr (2002:8), the SASA provides governing bodies with, "... *no discretion as to whether to raise private funds*". The quote from Roithmayr emphasises the inadequate level of state funding, thus prompting the strong need for school governing bodies to raise additional income.

In most instances the supplementary income comes in the form of school fees. In less poor schools this provides room for schools to hire additional and better skilled educators, whereas in poorer schools, the payment of fees places an additional financial burden on already needy households. Given that race and income or wealth are inextricably linked in South Africa, the effect of this has been, in the majority of cases, that formerly White, Model C schools still have better resources with access to better facilities and relatively higher skilled educators. Roithmayr notes that because, "... *the right to education is so fundamental, the only way to guarantee the full exercise of such a right is to make education free to all learners. In this regard, user fees would be unconstitutional in principle*" (Roithmayr, 2002:11). The policy shift to no-fee schools appears to be moving in this direction – towards ensuring that accessing basic education, at least for very poor learners, is not contingent on the payment of fees.

This section is explicitly pro-poor. The expanded list of principles (outlined in Table 6, Section 3.4) needed to ensure a pro-poor education policy mention the necessity of scholarships to fund basic education for the poor. In South Africa, funding by the state, in terms of scholarships for primary education, comes largely in the form of exemptions from schools fees. Section 39(7) perfectly fulfils this requirement by ensuring that the poorest of the poor, as identified in the quintiles established by the Minister of Education, will not be charged school fees. Before the inclusion of this section to the act, poorer learners within quintile one received the largest share of non-personnel funding governed by the School Funding Norms and Standards, although they were not legally exempted from paying school fees. The result was that over and above the school allocation received from the government, most school governing bodies still required parents to pay some level of school fees. This placed an additional financial burden on the parents of learners from poor households.

Further sections contained in the SASA allude to the adoption of a pro-poor approach to education policy, for example:

a. Section 16(1) decrees that school governing bodies are solely responsible for the governance of a school. The specific functions allocated to all school governing body are described in Section 20 of the Act. Based on its capacity, a school governing body may acquire additional, Section 21 status, allowing it control over the school's budget (see Section 21(1) (a) to (e)). This fulfils the pro-poor principle of devolving decision-making to the lowest level possible – that is, decentralisation. In this case, decision-making has been delegated to the level of the school, as represented by school governing bodies, which are primarily composed of parents.

b. Sections 6 and 7 of the SASA ensure that no learner is discriminated against on the grounds of language of instruction or religion. These sections are explicitly pro-poor in nature. Given that South Africa has eleven official languages, the language of instruction is an important consideration that affects affecting the potential success of learners. The Act thus grants the Minister of Education the scope to develop norms and standards for language policy (Section 6(1)). Those most affected by the legacy of Apartheid are likely not to have English as their mother tongue or as their first language. Digesting mathematical concepts in a second or third language is difficult and has a negative impact on the success of a learner. Anecdotal evidence suggests that this may very well be the reason for the low Matriculation pass rates and declining university endorsement statistics. Whilst the DOE website lists a language policy for higher education, there is no similar Act for the General Education and Training (GET) band of education, which relates mainly to primary and secondary education. The same is true for the religion variable. South Africa is a melting pot of various cultures and religious practices. That the Act specifically makes mention of this represents the progressive nature of South African policy-making.

c. Section 12(6) states that the Act does not hamper the establishment of girls-only or boys-only schools. Whereas the Act does not make any restrictions with respect to gender-specific schools, neither does it explicitly provide any funding guidelines to enable the establishment of such schools. The DOE website lists gender mainstreaming as a priority and mentions the establishment of a Gender Equity Directorate with the purpose of measuring gender mainstreaming. The role of this Directorate is, however, not particularly well defined. Among the measurable achievements listed for this Directorate, there is a distinct absence of success at grassroots level, particularly with regard to issues that affect girl learners on a daily basis. An example of the type of gender-sensitive policy that this Directorate has successfully implemented, for example, relates to the accessibility of housing allowances, pension and medical benefits to women, irrespective of their marital status (DOE, 2002).

As the framework-setting document guiding the organisation, governance and funding of schools in South Africa, the SASA fares well in terms of including principles for a pro-poor education policy. This is particularly so with respect to the call for the establishment of national norms and standards to fund schools and the introduction of no-fee schools to assist needy learners.

5.2.1.2. School Funding Norms and Standards as Amended in 2006

5.2.1.2.1. Description of the National Norms and Standards for School Funding

As mentioned previously in this chapter, the enactment of the NNSSF aims to give effect to the call, in Section 35 of the SASA (as amended in the 2005 Education Laws Amendment Act), for the Minister of Education to determine national quintiles and minimum norms and standards for public schools (DOE, 2005). The need to transform the education sector from one that was based on Apartheid principles, which promoted vast inequalities, to one that embraced equal, quality education for all South Africans, prompted and in fact necessitated the reformation of the entire education system and the subsequent establishment of the NNSSF.

The NNSSF became national policy in April 1998 and were implemented in the South African education sector in 2000. The aim of implementing the NNSSF is to guide the distribution of the recurrent, non-personnel portion of provincial education expenditure – hereinafter referred to as the *school allocation.* As mentioned in Chapter 4 (Section 4.2.1.2), the bulk of provincial education budgets are allocated in respect of personnel expenditure. The balance (referred to as the recurrent, non-personnel portion or the school allocation), amounts to less than 20 per cent of total provincial education budgets. The actual proportion of the budget available for allocation under the NNSSF is reflected in the Table 12 below.

Table 12. Provincial education non-personnel, non-capital expenditure as a proportion of total provincial education spending, 1999/00 to 2005/06

Province	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	%	%	%	%	%	%	%
Eastern Cape	3.6	5	6.5	8	9.5	10.4	12.9
Free State	10.8	8.8	8.5	10.7	12.9	14.2	14.7
Gauteng	10.2	12.6	14.2	13.6	14.2	13.9	13.4
KwaZulu-Natal	7.6	4.4	5.1	6.9	7.2	7.3	7.4
Limpopo	7.2	7.0	6.7	7.8	9.4	9.9	9
Mpumalanga	5.7	5.5	8.4	13	13.9	13.8	13.6
Northern Cape	11.9	15.9	15.3	17.6	18.3	18.2	19.2
North West	7.3	6.5	7.8	6.8	10.4	13.7	14.7
Western Cape	12.2	9.9	11.7	13.6	13.1	12.9	13.2
Average	**7.9**	**7.5**	**8.5**	**9.8**	**10.9**	**11.4**	**11.8**

Source: Intergovernmental Fiscal Review, 2003: Annexure A.

As is clear from Table 12 above, on average, whilst the percentage allotted to recurrent, non-personnel funding (or the school allocation), has increased from 7.9 per cent to 11.8 per cent), it remains a very small portion relative to what is allocated to personnel costs. Furthermore it is evident that the historically well resourced provinces, for example, the Western Cape and Gauteng, are able to allocate proportions that often exceed the national average. Based on this it appears that poorer learners in historically better resourced provinces, such as the Western Cape, enjoy access to a greater portion of the budget being allocated in respect of the school allocation.

The school allocation can be used to cover the cost of three categories of expenditure, namely, maintenance of school buildings, municipal services and utilities, and learning support material (LSM) (Wildeman, 2001). Even though *quality* of education is fundamental, the NNSSF represent an attempt to address the quantitative issue of spending, that is, ensuring that poor schools have funding to acquire particular educational inputs (size of spending) first.

Table 13 below provides a detailed break-down as per Section 96, of what the 2006 Amended NNSSF allocation may be used to purchase (DOE, 2006a:27).

Table 13. Items covered by the school funding norms and standards allocation

CATEGORY OF EXPENDITURE	EXAMPLES of SPECIFIC ITEMS
Learning Support Materials (LSM)	textbooks, library books, charts, models, computer hardware & software, TV's, video recorders, video tapes, home economics equipment, science laboratory equipment, musical instruments, learner desks & chairs
Non-LSM Equipment	paper copier machines, telephone sets, fax machines, intercom systems, equipment for connectivity within the school & to the internet, hardware tools, cleaning equipment, first aid kits, overalls for cleaners & ground staff, sporting equipment, electrical accessories
Education-related Consumables	stationery for learners
Non-education related Consumables	stationary for office use, paper, cleaning materials, petrol, lubricants, food
Services Relating to Repairs and Maintenance	building repair work, equipment repairs & maintenance, light bulbs
Other Services	workshop fees, TV licences, internet service providers, school membership of educational associations, postage, telephone calls, electricity, water, rates& taxes, rental of equipment, audit fees, bank charges, legal services, advertising, security services, public/scholar transport, vehicle hire, insurance, copying services

Source: DOE, 2006a:27

Whereas the NNSSF do not prescribe what proportion of the recurrent, non-personnel funding should be allocated to each category of spending, it represents an improvement from the 1998 version, which lacked any specificity with respect to the items that the school allocation should be used to cover (DOE 1998). As a result, provincial education departments and schools now have a more detailed notion of what the schools allocation can be used to fund. This was a recommendation made by the Department's Plan of Action (DOE, 2003:20).

An examination of the items covered under the school allocation (highlighted in the Table 13 above), emphasises the pro-poor nature of the NNSSF. By ensuring that poor schools are ensured disproportionate (i.e. larger) funding with respect to items such as learner support materials, electricity, sanitation, learner transport and security services, the school allocation goes a long way in mitigating many of the negative elements that may hinder the potential for learners to access education and to succeed in their studies.

5.2.1.2.2. Division of School Allocation amongst Schools

A. Resource Targeting List: The Basis for the Division

According to Section 100 of the Amended NNSSF, the resource targeting list, "... *forms the basis for the pro-poor distribution of the school allocation budget*" (DOE, 2006a:28). This list assigns a poverty score to each school, thus facilitating the ranking of all public ordinary schools in a province along a scale from poor to least poor. The various groupings of schools are then sorted into five quintiles reflecting the level of poverty. Quintile one reflects the poorest schools and quintile five, the least poor. The basis for determining the poverty score of a school is the relative poverty of the community surrounding the school in question (which in turn, is based on Census data). This represents a departure from the 1998 version of this policy where poverty was determined on the basis of the relative poverty of the community surrounding the school and the physical condition, facilities and level of crowding at a school (DOE, 1998) According to the Financial and Fiscal Commission (FFC)[10], relying on the physical conditions and facilities of schools to determine the poverty ranking of schools, creates distortions in the poverty targeting process, which can disadvantage poor schools that happen to have new buildings, for example. An example of this was in the Eastern Cape, where a school had been built and was in a good condition in terms of facilities; however, it had no textbooks or stationery for learners because the community around the school was so poor that parents were hardly able to pay school fees (FFC, 2007:3).

Key to the methodology employed in drawing up this resource targeting list is that it should be "... *national in order to promote a pro-poor funding framework that treats equally poor school equally, regardless of the province they find themselves in*" (DOE, 2006a:29). Thus a quintile one school in the Western Cape should be equivalent to a quintile one school in the Eastern Cape. This aspect of uniformity also represents a shift from the approach adopted in the 1998 version of the NNSSF, where Section 103 granted provincial education departments greater flexibility in determining how they divided their provincial schools into the five

[10] The Financial and Fiscal Commission is an independent, constitutionally-created body, established to, "...*make recommendations to Parliament and provincial legislatures about financial issues affecting the three spheres of government*" (National Treasury, 2007: 154).

quintiles (DOE, 1998). The shift reflected in the latest, amended norms represents an attempt to bring about greater levels of inter-provincial equity in spending per learner. However, although equity considerations are important, uniform spending per learner across the nine provinces may not be an ideal solution. If one considers the different situations with respect to poverty, the extent of ruralness, the availability of educators et cetera, per province, it is clear that a '*one size fits all*' approach may limit the extent to which true redress can be achieved. It thus seems that, whilst the general nature of the NNSSF may be pro-poor, the specifics of a policy and its implementation can often lead to less than optimal outcomes.

B. National Targets Guiding the School Allocation and No-Fee Schools

Depending on the poverty ranking of a school and its placement into a particular quintile, the national poverty distribution table outlined in Section 109 of the NNSSF is used to determine the actual per learner, monetary allocation to schools (DOE, 2006a:31). This is illustrated below in Table 14.

Table 14. National table of targets for the school allocation, 2007 to 2009

	A	2007	2008	2009
National quintile 1	30.0	R738	R775	R807
National quintile 2	27.5	R677	R711	R740
National quintile 3	22.5	R554	R581	R605
National quintile 4	15.0	R369	R388	R404
National quintile 5	5.0	R123	R129	R134
Overall	100.0	R492	R517	R538
No-fee threshold		R554	R581	R605

(Source: DOE, 2006a:31).

The table above illustrates the pro-poor funding approach used to divide the school allocation amongst public schools. Column A indicates the percentage of the total available school allocation to be allocated to schools within quintile one – schools that are classified as the poorest of the poor. As is evident, a quintile one school should receives six times the proportion allocated to the least poor schools, which are classified as quintile five schools.

The amounts under the 2007 column indicate the target per leaner allocation in monetary/Rand terms for each quintile for 2007. So, for example, a learner in quintile one should receive about R738 versus a learner in a quintile five school, who would receive R123. The columns headed 2008 and 2009 each show the target per learner allocation for each quintile, for that specific year. The row titled 'no-fee threshold' indicates the amount "... *that Government considers minimally adequate for each year*" (DOE, 2006a:31). The adequate amount refers to the minimum amount that the Department of Education deems acceptable to fund the set of inputs covered by the school allocation (which in turn, is guided by the NNSSF).

The development of national norms has resulted in provincial education departments having to re-rank public schools to align them with the new system. It remains to be seen how this process of re-ranking, which will determine the quintile to which a schools belongs and therefore the per learner allocation for which it qualifies, will affect learners. Currently, schools have yet to be assessed. A critical omission in the 2006 Amended NNSSF is an explanation as to how the per learner allocation for each quintile is derived. This calls into question the way in which basic education and its component parts are defined, as well as the adequacy of current per learner amounts.

Following the publication of the 2006 Amended NNSSF, the Minister of Education announced the implementation of no-fee schools, which meant that all learners attending schools within quintiles one and two would be exempt from paying school fees (DOE, 2006b). This announcement by the Minister of Education is in accordance with the key recommendations put forth in the DOE's 2003 Plan of Action, wherein the Department acknowledged that its "*... most urgent goal is to ensure that no poor school should need to charge school fees owing to inadequate public funding*" (DOE, 2003:25). This development also serves to give effect to Section 39(7) and 39(9) of the SASA as amended in the 2005 Education Laws Amendment Act and Section 43 of the Amended NNSSF (DOE, 2005 and 2006). According to Section 43, "*In no-fee schools, parents may not set compulsory school fees, and the school may not levy such fees. This is to protect households in the socio-economically least advantaged sections of society*" (DOE, 2006a: 11-12).

Table 15 below illustrates the effect of the implementation of no-fee schools at the provincial level. Of the total number of learners in the Eastern Cape, for example, 57.3 per cent, located in 3 835 schools, are exempted from paying fees. Furthermore, learners in both quintile one and two are being funded at the no-fee threshold amount (see Table 14 above illustrating the National Targets) of R554.

Table 15. The Effects of the Implementation of No-Fee Schools

Province	Number of Learners	% of Learners Exempted from School Fees (Quintile 1+2)	Number of No-Fee Schools	% of Schools Not Charging Fees	Per Learner Allocation Q1 (Rands)	Per Learner Allocation Q2 (Rands)	Total Spent (Rand Thousand)
Eastern Cape	1,224,711	57.3%	3,825	64.5%	554	554	678,490
Free State	298,184	44.5%	1,304	74.4%	721	596	202,761
Gauteng	377,274	23.3%	432	23.0%	738	738	278,460
KwaZulu-Natal	1,173,503	44.1%	3,341	59.1%	629	560	703,604
Limpopo	1,015,524	53.4%	2,557	60.3%	579	579	587,988
Mpumalanga	404,431	43.8%	983	56.2%	829	648	72,063
Northern Cape	102,244	49.1%	335	79.6%	557	555	56,877
North West	267,042	29.9%	728	34.4%	658	658	349,194
Western Cape	132,560	14.0%	407	28.0%	738	677	93,361
AVERAGE	**4,995,473**	**41.8%**	**13,912**	**55.2%**	**667**	**618**	**3,022,798**

Source: National Treasury, 2007b:19

The adoption of no-fee schools places considerably more pressure on Government to make available more funding for poor learners. In the context of other pressing social commitments (the provision of public health-care, social welfare services and housing, to name but a few), such a commitment will place tremendous strain on the fiscus. It is thus a matter of some concern that the DOE, even though it has already begun implementing this change, has not yet clarified where the funding for these no-fee schools will come from. It has merely cautioned that any school falling within quintile 1 and 2 (the poorest quintiles) would have to get DOE approval to charge fees, and that poor schools that continue charging fees without adequate reasoning and approval will be guilty of transgressing the guidelines set out by the DOE (2003:26).

Generally what can be deduced is that under the norms and standards guiding the division of the school allocation, the poorest learners per province are to receive a disproportionate slice of the school allocation, thus reflecting the pro-poor nature of this particular funding policy. This policy decision represents a major shift in the South African education landscape, moving the country a step closer to its constitutional mandate of providing a basic education to all, irrespective of income, colour or gender.

5.3. Alignment of Education Funding Policy to the Revised Set of Pro-poor Policy Principles

The table below delineates the revised list of principles needed to ensure a pro-poor education policy. This was developed in Chapter 3.

Table 16. Revised set of recommendations to promote a pro-poor education policy (from Chapter 3).

1. public subsidies should be focused on pre-schooling or basic education services;
2. quality and access to education needs to be improved;
3. scholarships for basic education should be made available to the poor;
4. the bulk of education decision-making needs to be decentralised to the local level;
5. investments undertaken early on in the lifecycle that are related to education, for example, nutrition should be promoted;
6. investments that promote the health of school going aged children should be promoted;
7. a level playing field should be created for the different providers – public and private - of education;
8. suppliers of education should make known the value added by their services;
9. greater investment in improved forms of analyses and information on which to base education policy decisions;

<u>Inclusions:</u>

10. *dedicated funding should be set aside to promote the access of girl children in particular to education;*
11. *ethnicity and culture are factors that can hinder access to education and should thus be considered when attempting to attempting to give financial support to poor and provide education to them;*
12. *sanitation is a factor that impacts heavily on girl learners and can both prevent them from accessing education and from succeeding at school;*
13. *location and safety is another aspect that can hamper access and success at school*
14. *costs of education, both direct and indirect, need to be considered if education is to be successfully extended to lower income groups;*
15. *if education is to be pro-poor, the language of instruction needs to be tailored to the targeted group*

In order to ensure that education funding policies are pro-poor, certain principles need to be present. The principles listed in Table 16 above allow us to determine, firstly, the broad policy thrusts of a pro-poor education policy and secondly, the items that are actually necessary and need to be funded to ensure access and the reasonable potential for success of poor and marginalised learners. With respect to the first, the broad pro-poor policy considerations, the list of pro-poor education policy principles requires an emphasis on the following:

i. Focusing on the early stages of education provision (primary education)
ii. Directing scholarships/funding allocations primarily to the poor
iii. Devolving decision-making to the local level
iv. Improving forms of analysis to inform and support policy decisions

With respect to the second, the necessary items, these would include:

i. Funding to ensure nutrition/health of learners
ii. Funding to further promote gender equality
iii. Funding to ensure adequate sanitation
iv. Funding to ensure easy access to school – that is, ensuring that the location is accessible, which raises considerations of learner transport
v. Funding to ensure the safety of learners
vi. Funding to ensure that learners are taught, where reasonable, in their mother tongue/home language

These are considerations to be included in the minimum, basic set of educational services provided to learners. Furthermore, attention to the basic principles of the pro-poor education policy will ensure that the necessary services are in fact directed at the poorest of the poor.

<u>5.3.1. Five key misalignments between the 2006 Amended NNSSF and the revised set of pro-poor education policy principles</u>

A key recommendation outlined in the DOE's report titled, *Review of Financing, Resourcing and Costs of Education in Public Schools*, is the need to "*complete the determination of a costed minimum package of non-personnel inputs required for poor schools to perform well*" (DOE, 2003:76). This suggests that the Department has realised that the initial 1998 NNSSF may not have encompassed all the elements necessary to ensure quality, basic education and that the policy did not effectively provide for poor learners to overcome certain other obstacles to accessing education. To a certain extent, these shortcomings are catered for in the more recent, 2006 Amended NNSSF. Certain important omissions nonetheless continue to hamper the extent to which the Amended NNSSF can be said to be holistic. Five key omissions will be highlighted here before taking a more detailed look at how the Amended NNSSF measure up to the list of principles needed to ensure a pro-poor education policy.

i. **Minimum package of non-personnel inputs:** As mentioned above, the development of a set of basic education inputs is critical in measuring the adequacy of the school allocation governed by the NNSSF. In the DOE's report that assesses the resourcing and costs of public education, a recommendation was made that such a minimum set of basic education inputs should be specified by the end of 2003. At the time of writing, that is, 2007, this exercise has yet to be completed. The completion of this task should be a key consideration for the DOE, as it will serve to form the basis for making more effective and efficient budgetary and allocative decisions. Without such research being conducted and being used to guide funding for needy learners, it seems that current funding is occurring in a fragmented and ad hoc manner. This is a concern that extends to the per learner amounts specified in the National Targeting Table [see Table 14] where, as was mentioned earlier, it is not clear what methodology the DOE used to derive the amounts.

ii. **Funding to ensure the health/nutrition of needy learners:** As pointed out in Section 3.2.2.6, the ill health of learners "... *affects attendance, retention, cognitive development and academic performance.*" Furthermore, "... *there is strong evidence that poor nutrition and health in early childhood severely affect cognitive development in later years*" (UNESCO, 2005:144). There is thus a strong motivation for the education sector to create school feeding programmes to ensure that poor learners receive a meal at school. Until 2004, responsibility for the Primary School Nutrition Programme (PSNP) rested with the nine provincial health departments. Thereafter the responsibility was transferred to the nine provincial education departments. Funding for this component is not included in the school allocation guided by the Amended NNSSF. As such it is virtually crowded out by expenditure on other items, namely personnel costs and those costs associated with the school allocation. As a result, the PSNP is funded via a conditional grant from the national sphere of government. A conditional grant is defined as an "... *Allocation of money from one sphere of government to another, conditional on certain services being delivered or on compliance with specified requirements*" (National Treasury, 2007a:152). According to recent budget documentation, it appears that, whilst the number of learners targeted by the PSNP is set to increase from 4.9 million to 5.9 million, the budget allocated over the same period is projected to decline from R1.11

million to R1.09 million (National Treasury, 2006:26). This calls into question whether provincial education departments will have sufficient funding to feed all learners or whether the quality of the food provided will be compromised.

iii. **Funding to promote gender equality:** UNICEF has proposed a three-pronged approach to assist in overcoming obstacles related to gender discrimination. It encompasses gender awareness training, community participation and, an aspect that is important in a number of countries, the endorsement of girls' education by religious leaders (UNICEF, 2005). According to South Africa's Deputy Minister of Education, whilst certain provinces or districts may experience lower levels of gender equality, South Africa has, on average, achieved gender parity with respect to its school enrolment figures. With respect to South Africa's primary measure of educational achievement or outcome – the Matriculation pass rate – trends indicate that, overall, a greater percentage of boys are passing Matric. An assessment of the highest performing level, that is, candidates who achieve distinctions (i.e. obtaining an A symbol), however, reveals that girls do better than boys overall (Surty, 2007). The school allocation guided by the Amended NNSSF makes no reference to gender disparities. Given the various challenges that girl learner face in accessing education and then succeeding at it, the basic educational inputs should cater for gender awareness training so as to ensure that, in gaining access to education, all learners should be taught about the disadvantages and limitations of discriminating against someone on the basis of gender (or any other characteristic).

iv. **Enforcing the NNSSF:** Sections 33 and 34 of the Amended NNSSF explain the rationale behind the non-prescriptive nature of its guidelines. As noted in Section 33, the intergovernmental fiscal framework, i.e. more specifically, government budgeting procedures, in South Africa does not allow the national sphere (the drafter of policies such as the NNSSF) to determine how provincial governments (the sphere responsible for service delivery) spend their revenue (DOE, 1998). According to Wildeman (2003:3), it is for this reason that the NNSSF are based on the principle of socio-economic or poverty targeting, which can lead "… *to the establishment of a minimum input norm or standard below which funding should not drop…*". Unless prescriptive measures are taken to ensure that each learner receives an adequate amount of funding, real variances will remain between the funding allocated to learners in better resourced as opposed to learners in poor provinces. Poor learners would be better served if there was a legally enforceable minimum funding level to ensure that each learner, irrespective of race, gender or income et cetera, receives a minimum package of basic education inputs. This would necessitate that the step described in (i) above be completed first.

v. **Funding to ensure that learners get taught, where reasonable, in their mother tongue:** According to Section 29(2) of the Constitution, everyone has the right to receive education in their own official language, where reasonable. As noted in Chapter 3, Section 3.3.1.6, a recent EFA global monitoring report, found that, "... *In a growing number of countries, after four or five years ... there is a transition to learning and using the second or foreign language as the medium of instruction. In this way initial literacy is acquired more easily, facilitating the acquisition of the language that will become the medium of instruction for the rest of the school years*" (UNESCO, 2005:156). Essentially what this means is that during the foundation years, the mother tongue is used. After a couple of years the language of instruction is then changed to the 'foreign' language. If it is not possible to introduce this reform in the South African scenario, the basic educational inputs (that is the school allocation governed by the Amended NNSSF) should include an allocation to ensure that learners whose first language is not English (or whose first language is not the language of instruction) receive compulsory tutoring in English (or the language of instruction if it differs to the home language). This would help them to grasp the concepts being taught to them in the language of instruction. This is an important consideration if the aim is to improve the potential for success of learners.

<u>5.3.2. A Detailed Comparison of Amended NNSSF Against the Identified Set of Pro-Poor Education Policy Principles</u>

REQUIREMENT: Public subsidies should be focussed on pre-schooling or basic education services

In general the norms and standards are intended to apply to primary and secondary education – thus by implication it is focussed on basic education services. Furthermore, in Section 82(a), where the Amended NNSSF makes reference to the availability and/or the construction of facilities; the policy specifically calls for preference to be given to the compulsory education grades, that is, grades one to nine (DOE, 2006a:22).

REQUIREMENT: Quality and access to education needs to be improved

Section 89 clarifies how the pro-poor distributional approach inherent in the Amended NNSSF concretizes South Africa's aim to overcome past inequalities and poverty through the provision of quality education (DOE, 2006a:25).

REQIREMENT: Scholarships for basic education should be made available to the poor

Section 40 describes the Amended NNSSF as a, "... *progressive state funding policy for ordinary public schools, which favours poor communities*" (DOE, 2006a:11). This section emphasises the disproportionate favour given to the poor. Such a statement is essentially pro-poor in nature.

Section 43 of the Amended NNSSF makes provision for no-fee schools. Essentially this provision relates to schools within quintiles one and two, whose learner/parent body can be described as poor, and which have, as a result, been exempted from paying school fees by the Minister of Education. Section 43 states that in "... *no-fee schools, parents may not set compulsory school fees, and the school may not levy such fees. This is to protect households in the socio-economically least advantaged sections of society*" (DOE, 2006a: 11-12).

REQUIREMENT: The bulk of decision-making needs to be decentralised to the local level

Section 33 notes that, as per the South African Constitution and the current intergovernmental fiscal structure, provincial governments determine the funding that is allocated to the various provincial departments, including the DOE (DOE, 2006a:9). The South African National Treasury provides the nine provinces with an unconditional discretionary grant, known as the equitable share. Provinces then use their discretion to divide this revenue between their various provincial departments. Whilst this may be the case, it must be kept in mind that provincial authorities need to allocate funding in such a way that provincial departments are able to implement nationally determined policies and priorities. This is the case with the Amended NNSSF. Whereas the national sphere cannot prescribe the amount that provincial education departments can spend per learner (see Section 34), provinces are nonetheless required to operate within nationally determined parameters (DOE, 2006a:10). It is only when it comes to conditional or non-discretionary grants that the national sphere has a say in determining how funds are spent. Given this, it remains questionable to what extent the Amended NNSSF can be said to be truly redistributive. It appears, in Section 36, that the Amended NNSSF is cognisant of the tension between the respective roles and powers of national versus provincial level governments and that the national government thus resorts to depending on the 'honour' of provinces to assist in fulfilling constitutional obligations (DOE, 2006a:10). Given this state of affairs, it should be questioned to what extent the provinces can be said to be fully independent and to what extent the Amended NNSSF can have a substantial impact, given that provinces cannot be forced to implement them.

The initial (1998) set of the NNSSF, in giving effect to the recommendations made in the SASA, imposed considerable responsibility on school governing bodies and parents in determining fees to supplement the income of schools. Parents played an important role in determining fees, the setting of exemption thresholds and the like. In this sense, the NNSSF decentralised responsibility to the lowest level – the level of the parent. This seems to be a progressive and empowering step and one which makes full use of public participation and opinion in determining rules. It should, however, be noted that fees are determined on the basis of a majority voting process by parents at a school meeting. The times at which these meetings occur may, moreover, disadvantage low income parents who may not have access to transport to attend the meeting or who may not be able to get off work to attend. The Amended NNSSF of 2006 have thus reduced these responsibilities of school governing bodies and parents by stating in Section 43 that parents may not set fees in schools that the National Minister of Education has categorised as no-fee schools (DOE, 2006a:11-12). Whilst the spirit of this section is to lessen the financial burden on lower income parents, it has effectively removed certain decision-making powers from those at the lowest level. The school does, however, still have the discretion to determine how the school allocation governed by the NNSSF is allocated and spent (Section 90 of the Amended NNSSF).

REQUIREMENT: Greater investment in improved forms of analyses and information on which to base education policy decisions

Section 58 of the Amended NNSSF emphasises the use of relevant and reliable data to inform decision-making and to track whether equity targets are being reached. The seriousness with which this aspect is viewed is evident, considering that an entire section is dedicated to the use of data and the skills necessary to ensure the smooth implementation of the Amended NNSSF (DOE, 2006a: 15).

REQUIREMENT: Sanitation is a factor that impacts heavily on girl learners and can both prevent them from accessing and succeeding at school

Sections 72 and 96(vi) specify that the allocations governed by the Amended NNSSF are to be used for utilities, such as water and electricity at schools. This ensures that learners have access to the basics, such as drinking water, the use of toilets and lights (DOE, 2006a:21, 27).

REQUIREMENT: Location and safety is an aspect that can hamper access and success at school

Sections 83 and 84 of the Amended NNSSF speak to the provision of hostel facilities for those learners who meet set criteria. In rural provinces in South Africa where social and economic infrastructures are situated far from where people live, it is crucial to provide hostels. Section 96(vi) also specifies learner transport as an item to be covered by the school allocation. It is, however, not clear what proportion of funding may be used for this purpose (DOE, 2006a:23, 27).

REQUIREMENT: Costs of education, both direct and indirect need to be considered if education is to be successfully extended to lower income groups

By considering direct costs such as school fees, textbooks and stationary as well as indirect costs such as scholar transports and the provision of hostel facilities, the Amended NNSSF of 2006 tend to be more pro-poor than not.

The above analysis has thus shown that the Amended NNSSF, when measured against the fifteen principles deemed necessary for ensuring pro-poor education policy, were aligned with eight of the principles. Whilst the Amended NNSSF reflected the majority of the criteria, improvements are nonetheless necessary to ensure full compliance, thereby ensuring that they become even more pro-poor.

5.4. Conclusion

Whilst this dissertation recognises that no single policy can encompass everything, the minimum requirement or expectation is that policies address the issues most pertinent to their particular sector. For example, whilst it may be expected that these policies are silent on some specifics, one would expect that framework-setting, central policies such as the SASA and the Amended NNSSF would at least allude to cross-sectoral issues that need to be addressed or plans to initiate interdepartmental collaborations. These policies do not do this.

Furthermore, they lack a critical element of 'holisticness' that is essential to good policy-making. The crux of the problem seems to lie in the fact that no study has been conducted to determine exactly what the set of minimum educational inputs should be. Although the NNSSF stipulate minimum per learner allocations, it is not clear how these amount were arrived at and whether they are in fact sufficient to cater for the needs of South Africa learners. Furthermore, as a result of the current intergovernmental fiscal relations framework, which allows provinces discretion in allocating provincial revenue, the nationally-determined Amended NNSSF cannot be legally enforced. Similarly, there is also no penalty for non-compliance. The best one can do is to hope that provinces honour the objective of providing free, quality education to all, particularly the poorest of the poor.

In addition, certain critical inputs are not funded under the school allocation governed by the Amended NNSSF – these include aspects related to nutrition, the promotion of gender equity and language of instruction. These are elements that are integral to the ensuring that learners are successful or at least have a chance at achieving a minimum level of success in their school careers, particularly among those who come from poor and marginalised sections of society.

CHAPTER 6
CONCLUDING REMARKS

> "*Equalizing financial resources is a noteworthy goal, but overcoming the legacy of apartheid also requires reforming the system of public education so that receiving a high-quality education is independent of one's race, income or place of residence*" (Reschovsky, 2007:8).

Access to education is an important aspect of South Africa's strategy to reduce inequalities and redress past injustices. Equally important, however, is ensuring that challenges to improving the chances of success of learners are also addressed. There can be no greater waste than having empty schools as a result of a lack of transport for learners to get to school or a lack of female students as a result of inadequate sanitation facilities. A pro-poor education policy must be holistic in the sense that it considers factors that impinge on the ability of learners to access educational services and aspects that affect the success of learners. Throughout this process, a central theme must be the reduction of inequality and thus targeting the poorest of the poor.

In order to achieve this, a set of principles necessary to ensure pro-poor education policy has been developed. Taken together, what these principles represent is a list of requirements that should, firstly, underpin and secondly, constitute a set of basic educational inputs to create quality education that does not discriminate against any learner on the basis of gender, race or income. The overarching aim of the pro-poor approach is to reduce inequality. When applying this approach to the education sector and its policies, the result is a narrowing of the gap between those who are able to access quality education and human capital and those who are not.

When assessing a key education funding policy, the 2006 Amended NNSSF, against these principles it is found that, although the policy is in accordance with the stated principles in most instances, certain important omissions do exist. These are with respect to the inclusion of (i) funding for the nutrition of learners, (ii) funding to promote gender equality training and (iii) funding to ensure that where the language of instruction is not a learner's first language, compulsory tutoring is provided.

Two further weaknesses are noted with respect to the Amended NNSSF policy. This relates, firstly, to the fact that these norms and standards are not compulsory. As such, they do not ensure that each leaner will in fact receive an allocation to cover the minimum costs of the educational inputs necessary to ensure access to quality education. This is due to the nature of the South African intergovernmental fiscal relations framework, which prohibits the national sphere of government from determining how provinces allocate and spend their money. Given the extent of inequality created in South Africa as a result of Apartheid, there is reason enough to challenge the autonomy of provincial governments with respect to the funding of basic educational inputs. Secondly, the South African education sector has never conducted any research to determine what the basic education inputs in South African public schools should be and how much these will cost. Until such time that research looks specifically at the challenges facing the sector, service delivery will fail to achieve intended outcomes. Ensuring that education funding policies are pro-poor, however, will assist education departments in directing financial resources and hence improving service delivery to the poorest of the poor.

South African policy development should be holistic in the sense that it needs to consider the history of the people that the piece of legislation seeks to govern. Practical implementation is a critical consideration. Even if this entails a longer process it will ensure a well thought out policy that may not need continuous amendments as problems are uncovered. The Amended NNSSF is an example of a good pro-poor policy. This is clear if one accepts that the overall aim of the policy is to direct disproportionate funding to the poorest quintiles of learners. It is further noted that this policy does reflect, both in spirit and in writing, the basics of a pro-poor education policy. If the omissions noted above were to be addressed, the potential for learners to succeed and move on to the attainment of secondary and tertiary education will be strengthened.

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