Chapter 10

SUMMARY OF FINDINGS
AND CONCLUDING COMMENTS

This chapter presents the summary findings and concluding comments. It also addresses policy implications and suggests areas for further research.

This thesis has examined the distribution of resources among public schools in Gauteng, South Africa, in 1999 and 2002. The aim was to illuminate the shifting patterns of inequality in schools by examining the effects of state funding and staffing policies, and especially the public-private financing model in public schooling.

A key equity indicator – per capita expenditure – was used to determine the implications of South Africa’s resource-allocation-driven model of equity in schools. A set of variables and correlates was used, including former education department (as a proxy for race), poverty quintile (as a proxy for socio-economic status), educator qualification and experience, school size and school type.

The methodological approach was quantitative in nature. The ingredient method was used to recreate actual expenditure, both state and private, at the school level, using the categories of personnel expenditure, non-personnel expenditure and private contributions. Several large databases were merged and cleaned to create the data set. This was a long process, and measures were taken to ensure statistical validity and reliability.
Three key hypotheses were tested in this research:

- Policies for funding equity using compensatory mechanisms would equalise access to resources among schools and would provide redress for socio-economically disadvantaged learners.
- Private funding through school-generated income would release greater resources for redistribution and equity.
- State funding shifts would lead to a progressive redistribution of non-personnel expenditure.

The key findings were significant and unexpected. The methodological approach allowed a presentation of the contours and nuances of change in post-apartheid South Africa which are often lost in the broad sweep of aggregate figures produced by the Department of Education. The disaggregation of data made it possible to see in detail the nature, extent and location of inequalities in post-apartheid South Africa. Most work in this field is limited by its methodology. In the early 1990s much of this was qualitative and based on policy review. Later research on expenditure patterns, marked by technical soundness, has had a significant focus on aggregate trends. What has been missing is a comprehensive picture of how complex compensatory funding mechanisms have translated into actual intra-provincial resource inputs into schools. This study fills that gap in the case of one province. Its specific contribution is that it uses empirical evidence and a data-driven approach to add new knowledge to the debate on equity. It informs the reader about the distribution of equity inputs and concludes that the nature of resource distribution does matter in the current conjuncture in South Africa.

The terms equity and inequality are frequently misunderstood or conflated. This thesis takes equality as having to do with sameness or, in public policy, non-discrimination (Secada, 1989). Equity refers to what is socially just and attempts to address unequal outcomes (Rawls, 1972; Walzer, 1989; and Sayed, 2001a,b). Equity can define the specificity of inequality (Weber, 2002), and advocates of equity may propose a process of differential distribution to achieve the goal. This
research found, resonating with the work of Fraser (1997) and Gerwitz (1998), that much of the application of equity has followed a narrow conception of justice. The results of this research lead one to argue for a notion of equity in South African policy which includes equal opportunity for social and economic advancement. This articulates Rawls' (2001) second principle of justice. The redistributive justice that the post-apartheid government has aimed at (and to an extent achieved) has not attained social justice in a way that supports Rawls’ position. The expectation is not that everyone has to be equal, but rather that social goods have to be distributed in a way that ensures this kind of overall justice.

Three measures of equity – expenditure per learner, learner:educator ratios and average educator qualification – were examined. These are all supply-side measures. The real issue they address is that public spending per learner is equalising, particularly in primary schools of various social-economic levels and race composition, but that private spending is offsetting this equalisation, particularly at the secondary school level. Confident judgments can be made on the basis of the evidence from schools, but since this work has not examined output measures, whether in schools or in the society at large, any conclusions that go beyond the data must be conjectural.

Affirmative action or positive discrimination is a constitutional duty laid upon the state in order to overcome the historic pattern of racial inequality. Thus, providing resources to those who are most disadvantaged is a programmatic response to the need for equity and redress. In practice, what has taken place in Gauteng schools? Remarkably, what has happened is not differential distribution of resources but rather equalisation and standardisation of provision despite highly unequal school and social circumstances. While the government’s "equitable shares" provincial grant system embodies the principle of redress, within provinces per capita expenditure on education has equalised or, in the language of the White Paper (DoE, 1995b), “uniform norms and standards” have been applied. The limited success of the government’s key equity drivers, in particular learner:educator ratios and the post provisioning model analysed in this thesis, suggests that deep historic inequalities in education provision by race have not
been overcome.

The government has achieved some redistribution of resources by using socio-economic criteria other than race. In its application of education policy, the Department of Education has attempted to achieve both equity and equality. It has applied uniform learner:educator ratios within provinces (equality), but in terms of the school funding norms it has made a differential distribution of non-salary funds to schools (equity). My findings show that equalisation mechanisms have had much greater impact than differential distribution.

Samoff (1997) argues that equity may be a strategy to achieve equality, although equity and equality are underpinned by different notions of justice in education. In South Africa the National Treasury’s inter-provincial equitable shares formula manages the size of the envelope within which provincial governments allocate funds to education, but intra-provincial redistribution takes place largely through the school funding norms and the post provisioning model. The school funding norms are symbolically important but apply to (at best) 13% of state school expenditure in Gauteng.

The research confirms that there have been important shifts towards equality in the distribution of education resources in post-apartheid South Africa. Given the rigid racial hierarchy and gross inequality of expenditure patterns before 1994, this is a significant achievement. These shifts are illustrated by a convergence of per capita expenditure across schools, even when disaggregated by race and socio-economic quintile. However, while racial discrimination in financial resource allocation has been removed, inequalities and inequities have not. Fiske and Ladd (2004) argue that racial equity has been achieved, but my research strongly qualifies such a conclusion. This research has found that while there is a reduction of race-based differentials these continue to remain based on historical backlogs, policy slippage and the actual level of resources available in schools. The disaggregated analyses undertaken in this thesis map a new typology which presents a more nuanced and realistic picture.

The evidence shows that formerly white schools and schools in the higher socio-
economic quintiles are significantly better-resourced. Moreover, the data do not support the view that poor learners are better off across the board in post-apartheid South Africa. While important gains have been made for poor learners, the socio-economic indicators show that access to better school resources is still unequal despite a growing deracialised middle class of learners. Following on the work of Daniel, Habib and Southall (2003) and of Seekings (2003), this study finds that the system has continued to provide greater resources to the middle class and to the deracialising of the middle class despite policy intention, which was redress for the poor. An area of further research is to investigate the relationship between class income and schooling, building on existing research (Seekings, 2003; Van der Berg & Burger, 2003).

The above also illustrates the level of impact of complex finance equity mechanisms on redress and schooling. What this tells us about the “pro-poor” aspect of policy making is that some aspects of policy – for example, the distribution of non-personnel expenditure – has been pro-poor but that the bulk of expenditure – which is personnel expenditure – has made a “timid” start to allocating educators with a pro-poor bias, with the most expensive educators continuing to be in schools in which better-off learners are present. This research concurs with other recent findings that, because of the balance between pro-poor and pro-rich elements, public expenditure is not pro-poor but neutral; moreover, public spending continues to marginally favour the rich (Patel & Crouch, 2006).

The pattern of inequality in post-apartheid South African schools is more subtle than the previous crude racial hierarchy. The evidence shows that many learners are either vastly better off or vastly worse off, which indicates greater internal differentiation among the poor, both within and across departments. There is not a reduction in inequality so much as a shifting pattern within the same inequality levels – a sort of equilibrium of inequality. The new school typology reflects surprising “winners” and “losers”. Some African learners in former DET and farm schools receive much greater state per capita expenditure than before. Such schools appear to be outliers that slipped through the policy net or that continue to be funded at a higher level than others on account of their small size. Former white schools, particularly Afrikaans-medium schools, are least affected by
changes in state per capita expenditure, and their advantage is accentuated by the magnitude of their fee income. This suggests that, while old racial patterns have shifted, unequal education still exists but for a different set of reasons. Limited research has been done on internal inequality within departments, and whether this has moved towards greater equality is an aspect that requires further research (Crouch, 2005).

The differential effects of the main drivers of state per capita expenditure were also significant. In former white schools the levels of state per capita funding were driven by educator qualifications, and in poorer and black schools by learner:educator ratios. Former Indian and coloured schools and schools in the middle quintiles benefited least from policy shifts and changes.

The research considered the effects of the three key equity drivers: the post provisioning model, learner:educator ratios and the school funding norms.

It is clear that the post provisioning model in the period under review assumed that uniformity rather than adequacy would deliver equity. In addition, budgetary imperatives ruled rather than redress. The effect of the redress component of the post provisioning model had a smaller impact than anticipated on the overall personnel distribution of schools. While the model aims to redistribute posts rather than qualifications, there is better distribution to and greater numbers of qualified educators in former DET schools and schools in quintile 1.75. However, this research found that post redistribution has made a greater impact on the improvement of educator salaries than on the distribution of educator qualifications. Despite the move to reduce salary scales and delink them from qualifications, historically derived patterns of qualification distribution were entrenched into personnel expenditure patterns, and more highly qualified educators continue to work in schools associated with the least-poor socioeconomic quintiles and former HOA schools. However, within this aggregate picture there is significant variation, particularly in relation to small schools, farm schools and schools built after 1999.

A second key equity indicator has been learner:educator ratios. There has been
significant convergence towards the equalisation of learner:educator ratios across public schools, particularly visible in former HOA schools. However, groups of poor learners have not benefited from such equalisation and continue to attend schools with learner:educator ratios of 50:1 and above. High learner:educator ratios coupled with socio-economic disadvantage are likely to erode other equity gains (Case & Deaton, 1999). Despite Gauteng's superior provincial GDP, learner:educator ratios continue to be high in this province, probably because school building and staffing has not kept pace with the flow of migrant families and thus new learners into the province (Pretoria News, 29 May 2006). A related issue is that the learner:classroom ratio continues to be considerably higher than the learner:educator ratio. Despite international evidence (Hanuschek, 1997), this research argues that class size and learner:educator ratio must have an effect on the conditions of learning attainment and pedagogy. The implementation of the learner:educator ratios also illustrates the gap between national policy mandates and the limits of provincial budgets, and the hard choices that have to be made in relation to provincial fiscal priorities. As is discussed further below, the reduction of learner:educator ratios has been significantly affected by the presence of private resources in public schooling.

The third equity driver has been the school funding norms. The norms are important because they are the main redress mechanism for poverty targeting; in addition, the model is equity-driven rather than an equalising mechanism. Since the norms work according to a formula based on SES data they have managed to accurately identify poor schools in Gauteng. However, the norms apply only to non-personnel costs, and the proportion of non-personnel costs to total school expenditure is too low to enable the norms to make a significant difference to school resourcing. Moreover, schools in quintiles just above the most poor have not benefited substantially from the poverty ranking exercise. The Department of Education has revised its policy on resource targeting, and the new national (as distinct from provincial) resource targeting list may improve the distribution of non-personnel expenditure in the province. During the period of this research the criteria that were used to distribute non-personnel expenditure were poverty of the school and poverty of the community. This did not take into account demographic shifts which have led to the increasing presence of poor learners in
non-poor communities. These schools, then – for example, former HOD schools – do not enjoy the benefit of increased non-personnel expenditure.

But has the general pattern of unequal education disappeared? Is inequality just a function of policy and management anomalies? The examination of the impact of private contributions into public schooling shows that learners in historically privileged schools continue to have much more money spent on them than children in historically disadvantaged schools. However, it is not simply a case of old patterns continuing in new forms. New patterns are discernable. First, a small number of black learners are gaining access to schools with high spending. Whereas in the past there was little difference among former white schools in terms of spending, now the difference between them has grown dramatically. A small group of very high spending schools has emerged. This suggests that new group alignments have taken place which address the wider issue of equity and the new patterns of inequality. The combination of public and private funds shows a new pattern in public schools of a new very-poor group (those in informal settlements and new schools), a new working-class group and a lower-middle-class group in a small number of former DET, former HOR, former HOD and some former HOA schools, and a small elite group of former HOA schools. The presence of private funding in public schools has had a “sorting effect” on public schools and has led to a quasi market in public schools, with parents exercising school choice depending on their access to private resources.

The analysis of private inputs into school funding is one of the most important contributions of this study, adding to current debates on social capital issues (Carnoy, 1995, Ball, 2003, Carnoy, Gove & Marshall, 2003). The research reveals very graphically that parental contributions continue to be the main determinant of differentiation within the public schooling sector. These private contributions are used for quality-related inputs such as reducing learner:educator ratios and employing additional educators. The greatest proportionate increases in private expenditure have taken place in the poorest schools (although from a low base), which perhaps illustrates that parents connect private contributions with quality schooling. The data and analysis on private inputs into public schooling will enrich the debates on decentralisation and
self-managing schools, and in particular reinforce scepticism that decentralised school funding leads to equity, efficiency and redress.

The thesis disaggregates the patterns of private contributions to schools and examines the manner in which such contributions might contribute to education inequity in public schooling. However, private contributions are part of the much bigger school funding picture, and I concur with Fleisch and Woolman’s (2004) conclusion that the significant challenges in school financing and equity in South Africa relate less to school fees and more to the ability of the government to deal with issues of adequacy.

In line with Ball’s (2003) view of interlocking inequalities, this thesis graphically illustrates that South African education policy makers need to understand better that the mobilisation of social resources is critical to the reproduction of advantage and disadvantage. Recent research illustrates that school inputs are more evenly distributed than societal income (Gustafsson & Patel, 2006). Future research on equity and inequality in South Africa should address the concept of collective social capital as described by community effects (Carnoy & Marshall, 2004).

Equity, which refers to what is socially just, has yet to be achieved. The explanations for the limited success of equity initiatives relate to the presence of huge historical backlogs and the inability of current policy to deal with them, a constrained fiscus, and the fact that the key drivers of per capita expenditure continue to be personnel costs, including educator qualifications. Where dedicated redress mechanisms have been put in place, the extent of such redress is limited in terms of actual impact on the ground – for example, in the post provisioning model and the school funding norms. However, as policy equity mechanisms, they are important. Because the school funding model deals with an aggregate picture, surprising benefits have occurred for particular groups – for example, small schools, some categories of farm schools and Afrikaans-medium schools.

The demographic shifts in schools were not systematically analysed during this
research, but significant observations have been made. The data show that there have been small but significant departures from the public school system (no doubt due to emigration or movement towards independent schools), and an increase in learners of all races in former HOA, HOD and HOR schools. This can be attributed to the exercise of choice by parents in their quest for a better-quality education for their children. While the deracialisation of schools and the migration of learners occupies much attention, learner enrolments in former DET schools have not decreased. This is due to an increasing population in Gauteng and the limited number of learners who have access to deracialised schools. The research also points to the unintended consequences of policy, such as the privileging of the deracialised middle class and the internal differentiation that has taken place within the poor.

What has the study contributed to the advancement of knowledge? At an empirical level the study shows that if equal education is defined as equalising state spending then the South African case shows some success. If on the other hand it is defined more broadly, as equal spending both from the state and private contributions, then the gulf remains huge. The other main empirical finding is that while there has been significant progress towards equalising spending on average, specific types of schools are winners and losers, and that there are both policy and management explanations for this. At a conceptual level the study has shown the need to go beyond existing categories when exploring equal education and to look at the newly privileged and newly disadvantaged. These groups emerge for a number of reasons discussed in the thesis.

This thesis also makes a contribution to the international literature on school financing, building on the tradition of work done by Lankford, Loeb and Wycoff (2002) and Schwartz and Stiefel (2004). There has been much criticism of studies on school-level spending because they are thought to be mainly descriptive, with little research on the causal models of school expenditure. This work goes beyond the descriptive to probe the factors associated with school-level expenditure. The analysis is further deepened by the use of regression analysis which helps us to better understand the significance of the factors determining school-level spending and to quantify the impact. The work done on
private contributions to public schooling is new, and contributes both to the national and the international literature.

In terms of policy implications and recommendations, this thesis argues that disaggregated analysis is a significant methodology if one seeks to understand the impact of policy on practice and implementation. Aggregate pictures of school and social change say little about the actual impact of equity and redress measures on the ground – that is, at the school level. Disaggregated analysis alerts us to the importance of reviewing the policy mechanisms that are meant to effect equity and redress, such as the equity drivers considered in this thesis. At a methodological level, the study has shown both the feasibility and the utility of using bottom-up approaches to research on education financing.

In terms of further policy implications, comment will be made briefly on the overall level of resourcing, the specific equity levers in education financing as mechanisms for redress, and the role of the state in providing an enabling environment for the achievement of equity goals.

Research has shown that the level of budgetary expenditure on education has remained relatively unchanged since 1999 if one takes inflation into account. If substance and content have to be given to the constitutional provision that everyone has a right to a basic quality education, then government has to take “reasonable measures to safeguard this right” (RSA, 1996a: Section 29) – both by establishing the basic and going beyond the basic. This brings into sharp focus budgetary expenditure in education and the levers within education financing which promote equity. A review of the Equitable Shares Formula, Conditional Grants and the Financial and Fiscal Commission which propose the provision of further social sector grants that use poverty as a criterion have to be supported. The attractiveness of this position is that it directly relates socio-economic differentials to equity in education and to education attainment. This would further strengthen the pro-poor aspect of government policy.

It is useful to reflect briefly on the context within which education finance reforms have taken place. The first post-apartheid government inherited a major budget
deficit (8% in 1994) which resulted in a prudent macro-economic stance. The nature of the unfolding systemic changes and governance, particularly in relation to finance, is relevant. The Equitable Shares Formula is a “top-down” formula which prescribes provincial-level budget allocations in a relatively neutral, decentralised manner. The national level decides on fiscal policy, and provinces implement and make discriminatory decisions within their budget availability. Decentralised budgeting has not always enjoyed strong central support. However, it is clear that intra-provincial equity is seen largely as the responsibility of the province. What is being argued is that effective decentralisation requires much stronger support from the central state.

A second vehicle for change would be to address the specific levers of school finance equity. The 2004 National Treasury report notes that the monetary value of school allocations, which provide for important quality-related inputs such as learning support materials, is still too low (DoE, 2004). Learner:educator ratios, while an important equity lever, have not taken account of provincial budgets and province-specific contexts, and therefore in the application have been less successful than expected. The post provisioning model as an equity driver has been distributive rather than redistributive because existing inequalities have not been factored in.

From a policy perspective, I argue that overall allocation of education expenditure requires review in order to address both socio-economic differentials and historical backlogs. The distribution of better-qualified educators, the current patterns, and how this affects equity in the learning environment require more vigorous policy attention. The continuing differentiation within the public schooling system because of the presence of school fees is another area that requires review. Various proposals have been made about allocating public funds to facilitate exemptions for learners and for needs-based scholarships for poor children (Fiske & Ladd, 2003; Lemon, 2004; Reshovsky, 2005). The contribution of school fees to continued education inequity, the exercise of choice by all parents to what they perceive to be a better-quality education in former HOA schools, and the increasing burden of school fees for poorer parents are areas that require further policy attention.
While the aim of this research was not to examine the role of the state, it did start with the assumption that the state is meant to safeguard the achievement of equity through its development and implementation of policy. Faced with global shifts and local needs, the reconfigured post-apartheid state continues to embody complementary and competing demands in terms of resource allocation. On the one hand the state is expected to be modernising and to deliver mass progress. On the other it is faced with a developing country context which is characterised by growing income inequality and structural unemployment. In relation to school education financing, the state has sought to address redress for the majority of disadvantaged learners through a variety of mechanisms, but at the same time to create an environment which allows for the collection of private resources and the establishment of quasi markets through enabling policy and legislation. What the effects of this will be on equity in the public schooling system must continue to be the subject of policy debate and research.

The methodological contribution of this research allows the story of the unexpected and unintended consequences of policy implementation to be told. However, it differs from Bond (2000) who suggests that there has been “non change” in education, and from E. Motala and Pampallis (2001) who describe what has taken place as “failed implementation”, and from Jansen’s (2001) pessimism about the nature of education transformation and the unchanging nature of schools. Rather this thesis notes the complexity of moving from ideal-type frameworks to policy implementation and from policy conception to reality. It has addressed how the equalisation process has played itself out at school level and the material effects on schools, educators and parents. In doing this, it contributes to extending the view on the practice of equity in public schooling. It suggests greater optimism – that the state and the bureaucracy, working together with civil society through an iterative process, have to be viewed as active agents of social change.

The research has contributed new and important information and analysis on school funding and equity. It has opened the way to the heart of the debate on equity, and showed that while important strides have been made there is a
complex and little-understood new pattern of inequality in post-apartheid South African schools. Other researchers, building on this work, may now extend the analysis, to enrich an understanding of the relationship between equity and adequacy, and the role of social capital in mitigating inequality.