

Increased funding of education will improve the quality of education - theory or praxis?

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Quality education

From a sociological perspective education is the actions society undertake to prepare their children for their social responsibilities when they become adult members of society. The social structures created for this purpose are manifested in a public education system and in public schools. The quality of education from this perspective will depend on the degree to which the education system succeeds in preparing children for their social responsibilities as adults. If society at large and parents in particular perceive the quality of education to be of an acceptable standard, they will have no qualms to contribute to the funding of education.

From a political perspective education systems are used to communicate the political agenda of the ruling party. Quality education from this perspective varies with the broad agenda of the government of the day also taking into account the sociological perspectives in as much as it poses a political threat/advantage to the government. Funding education is an obligation all modern states have to budget for. It therefore stands to reason that the government of the day will at least fund education to the extent that it serves their political objectives. That is over and above any sociological and economical considerations.

From an economical perspective, there are two angles to be considered. In the first instance education is of extreme importance in that it provides qualified manpower to the labour market and industry. The contribution that can be made to the economy in this regard is directly proportional to the quality of the education provided. A second consideration is from a cost perspective. Economists are very keen to know what is the return on the investment made in education. Both groups will logically have a real interest in the link between the funding levels of education and the quality of education. There is no single or simple explanation of what quality education is. It means different things to different people.

The viewpoint of the NATIONAL CENTER FOR PUBLIC POLICY AND HIGHER EDUCATION on the quality of education in New Jersey, summarises the challenge to all countries of the world when they phrase it this way: 'To sustain our quality of life, it is imperative that our children are taught to understand the basic systems that support us: the economy, the environment, government, and society. We currently have no way to measure how well our children are taught what they need to know to manage these systems'.

Adams (1993: 12/13) identifies multiple definitions of quality as a concept in use and concludes as follows:

- *Quality has multiple meanings*
- *Quality may reflect individual values and interpretations*
- *Quality often is multidimensional; it may subsume equity and efficiency concerns*
- *Quality is dynamic; it changes over time and context*
- *Quality may be assessed by either quantitative or qualitative measures*
- *Goals of quality may conflict with efficiency, equity, or other goals*
- *Quality is grounded in values, cultures and traditions: it may be specific to a given nation, province, community, school, parent or individual student*
- *Different stakeholder groups often have different definitions of quality; thus 'winners' and 'losers' may be associated with any particular definition*

He also presents a list of characteristics of education quality without giving a specific definition (Adams, 1993:13):

- *Quality is definable in context*
- *Under some assumptions quality can be measured 'objectively'*
- *Quality often supplements, complements, or is integrated into interpretations of efficiency and equity*
- *Quality is not necessarily associated with high costs*
- *Given similar missions, goals and comparable contexts, educational quality can be elevated across educational settings*
- *Even if there is lack of agreement on what quality is, there often is agreement that it is a goal.*

De Groof & Lauwers (2005: 37/38) refer to the UN's document General Comments No13 (08/12/99) when they say that education in all its forms and at all levels shall exhibit the following interrelated and essential features:

- Availability
- Accessibility (non-discrimination; physical and economic)
- Acceptability
- Adaptability

The quest for the improvement of education quality has been recognised as the most critical challenge facing most developed and developing nations. This was reaffirmed at the 2000 World Conference on Education for All in Dakar, which concluded that good quality education is essential for supporting economic development and addressing poverty, equipping learners with requisite skills and knowledge, supporting people to transform their lives and the society in which they live, and to achieve the Millennium Development Goals.

Another important view on the quality of education at school level is that of the European Commission, summarized in Table 1 below:

Attainment	Success & Transition	Monitoring Education	Resources & Structures
1. Mathematics 2. Reading 3. Science 4. ICT 5. Foreign Language 6. Learning to learn 7. Civics	8. Drop-out rates 9. Completing upper Secondary Education 10. Participation in Tertiary Education	11. Evaluating & Steering School Education 12. Parent participation	13. Education & Training of Teachers 14. Participation in Primary E 15. Number of student per computer 16. Education expenditure per student

Table 1: Sixteen indicators of the Quality of School Education. (European Commission 2000:6)

In South Africa the following documents are of importance regarding efforts to raise the quality of education; the TIRISANO document, the 3 Mar 2003 Review to the Minister on *Financing, Resourcing & Costs of Public Education in Public Schools* and the 14 Jun 2003 Plan of Action: ***Improving access to free & quality basic education for all.***

The TIRISANO document, announced in 1999 by the then Minister of Education, Prof Asmal, represents a five-year plan to improve the quality of education in South Africa. The implementation plan for TIRISANO provided for the running of five programmes from 2000 to 2004. These programmes focused on:

- ❑ Programme 1: HIV/AIDS
- ❑ Programme 2: School effectiveness and Educator Professionalism
- ❑ Programme 3: Literacy
- ❑ Programme 4: Further and Higher Education
- ❑ Programme 5: Organisational Effectiveness of the National and Provincial Departments

The 3 Mar 2003 Review to the Minister on *Financing, Resourcing & Costs of Public Education in Public Schools* states that there is considerable evidence indicating that quality of education in South African schools is worryingly low relative to what South

Africa spends on schooling (p101). This document explains the potential impact of a series of recommendations in terms of four critical areas namely (pp 105 – 111):

- ❑ Adequacy of state allocations to schools
- ❑ Translation of monetary inputs into school resources
- ❑ Translation of school resources into learner performance
- ❑ School fees and other private inputs demanded by schools

With regards to the reasoning of this paper, the 14 Jun 2003 Plan of Action: ***Improving access to free & quality basic education for all***, addressed the following important aspects *school infrastructure and the questions of access to schools; improved functionality within DoE relating to all inputs; school fees and other private inputs; and performance of the schooling system*. This document resulted in the following planned changes in the education system:

<i>Year</i>	<i>System changes</i>
2003	<ul style="list-style-type: none"> • Finalisation of DoE 's monitoring and evaluation framework insofar as it relates to schools • Setting up of Education Complaints Office (ECO)
2004	<ul style="list-style-type: none"> • Finalisation of measures that will bring about easier access by non-section 21 schools to their school allocations • Improved capital investment plans • A fully operational Budget Monitoring and Support Office in DoE providing support to the provincial education budgeting process • Formulation of a long-term plan by Government and the textbook industry on the supply of affordable textbooks to the education system • Release of the first major sector review focusing on schools
2005	<ul style="list-style-type: none"> • Release of first district-level learner performance reports to the public

Table 2: Excerpts from the table on key activities that the Department will embark on.

(DoE 2003: 30)

Ms Pandor, Minister of Education in South Africa in her budget speech in parliament (2005: 3) is of the opinion that *'Improving the quality of education in South Africa is a national priority that requires involvement and engagement throughout all levels of our society' and that 'teachers are at the heart of quality education'*.

She identified six core issues that in her opinion, will enhance the quality of education in South Africa; they are:

- *Reaching untapped potential*
- *School fees and no fee-schools*
- *School governing bodies and language policy in schools*
- *Higher education enrolment planning*
- *Further education and skills for a modern economy*
- *Access to adult education for adult learners*

Using the above as a frame of reference the following are non-negotiables for providing quality education:

- Motivated, well qualified teachers facilitating teaching and learning in a constructive manner
- Schools that provide the minimum infrastructure required for an environment conducive to effective teaching and learning
- Functional teaching and learning support material
- Sufficient funding to finance the above
- High standards of management and governance at micro, meso and macro levels in the education system ensuring the efficient and effective realisation of educational objectives at the respective levels in the organisation
- Sound articulation between the education system on the one hand and the economy on the other hand (economy is used here in its broadest context to include all sectors of the economy of any country).

On their website United Nations Decade of Education for Sustainable development, UNESCO says that *'Providing any education, regardless of quality, is not the goal. A myth exists that access must come before quality. Both can occur simultaneously. A large debate continues about what a quality education is. At this point in time, quality education has essential characteristics that can be implemented in many culturally appropriate forms'*.

According to them Quality education:

- supports a rights-based approach to all educational endeavours. Education is a human right, and therefore quality education supports all of the human rights;
- is based on the four pillars of Education for All – learning to know, learning to do, learning to live together and with others, and learning to be (Delors, et al., 1996);
- views the learner as an individual, a family member, community member, and a global citizen and educates to create individual competency in all four roles;
- upholds and conveys the ideals of a sustainable world – a world that is just, equitable, and peaceable, in which individuals care for the environment to contribute to intergenerational equity;
- takes into consideration the social, economic, and environmental contexts of a particular place and shapes the curriculum or programme to reflect these unique conditions. Quality education is locally relevant and culturally appropriate;
- is informed by the past (e.g. indigenous and traditional knowledge), is relevant to the present, and prepares individuals for the future;
- builds knowledge, life skills, perspectives, attitudes and values;
- provides the tools to transform current societies to more sustainable societies;
- is measurable.

The UNESCO Bangkok's education and human rights website posits yet another position on what quality education entails. According to them governments and all other EFA partners must work together to ensure basic education of quality for all, regardless of gender, wealth, location, language or ethnic origin. Successful education programmes require: (1) healthy, well-nourished and motivated students; (2) well-trained teachers and active learning techniques; (3) adequate facilities and learning materials; (4) a relevant curriculum that can be taught and learned in a local language and builds upon the knowledge and experience of the teachers and learners; (5) an environment that not only encourages learning but is welcoming, gender-sensitive, healthy and safe; (6) a clear definition and accurate assessment of learning outcomes, including knowledge, skills,

attitudes and values; (9) participatory governance and management; and (10) respect for and engagement with local communities and cultures.

Having done a recent review of available literature on quality education, Leu (2005:1) identifies three trends; (i) there is a persistent tug for the attention off policy makers between quality and quantity; (ii) decentralising authority and responsibility to the schools and community levels; and (iii) recognition of the key role of teachers in promoting the quality of student learning. The link between quality education and the professional ability of teachers is endorsed by a number of sources. The Commonwealth's website puts it this way 'The continuing professional development (CPD) of teachers has been identified as a key element in ensuring quality in education systems. It is important for teachers to recognise that CPD is a pre-requisite for their professional careers and as part of the battle against ignorance. Ministers have agreed on the importance of improving teacher quality, and identified the issues of teacher selection, training, retention and ongoing professional development as vital. Further professional development for head teachers and senior education officials, along with ensuring the availability of quality resources is also needed.' The Center for American Progress proposes 'a federal education agenda that builds the capacity of public schools to provide a high-quality education for all students by greatly strengthening America's teaching workforce. Recent research provides convincing evidence that teacher quality plays a critical role in whether and how much students learn from year to year. Unfortunately, teachers are too seldom treated as an important resource in America's schools, let alone our most precious one'.

Herman, (2004: 130) refers to a number of authors by saying that '*restructuring of educational institutions based on market principles has since the 1980s increasingly become a common practice in many country's including South Africa*. This phenomenon has become known as '*new managerialism*' and rests on two distinct claims about educational change, namely that *efficient management can solve almost any problem*; and that *practices that are appropriate for the conduct of private enterprises can also be applied to the public sector* (Rees & Rodley, 1995: 15). Apple, (s.a.: 11) refers to the fact

that the odd combination of marketisation on the one hand and centralisation of control on the other is not only occurring in education; nor is it only going on in the United States. This is a worldwide phenomenon. And while there are very real, and often successful, efforts to counter that, this has not meant that the basic assumptions that lie behind the neo-liberal, neo-conservative, and new managerial forms have not had a major impact on our institutions throughout society and even on our commonsense. Apple also refers to the work of Leys ('Market-Driven Politics': 73), and quotes him as saying 'Making the state more business friendly and importing business models directly into the corner functions of the states such as hospitals and education - in combination with a rigorous and unforgiving ideology of individual accountability - of these are the hallmarks of life today'.

The frenetic development in the electronic communication media and the Internet has changed the world into a global village. There are a number of views of and attitudes towards globalisation. Everything, including relations between family and friends, are more and more being organised around a much more compressed view of space and time. Not everybody thinks that it is a good thing, but there is no way that it can be ignored. Globalisation leads to increased international competition between companies. By and large however, education appears to be largely unaffected by globalisation. Even one of the most important educational reforms associated with globalisation, decentralisation of educational administration and finances seems to have had little or no effect on delivery of education in the classroom. In order to determine the true impact of and relationship between educational change and globalisation, one needs to know how globalisation affects the overall delivery of schooling. According to Carnoy (1999: 15 –17) there are five ways that globalisation impacts on education, namely: (i) worldwide globalisation has a real impact on the world of work and the work people do in terms of high level of skills required; (ii) developing countries are experiencing more and more pressure to increase spending on education to improve produce a more educated labour force; (iii) there is a growing international tendency to compare the quality of education systems, especially in terms of the performance in maths, science and communication skills; (iv) the gradual introduction of information technology into schools leads to and increased

emphasis on both the quantity (by expanding the delivery of lower cost education through distance education) and the quality of education provided (via computer assisted training and the use of the Internet); (v) globalised information networks lead to transformation of the world culture (many groups feel marginalised in the process; this constitutes to a new kind of struggle over the meaning and value of knowledge; it also has implications for the organisation of the education system). Carnoy (1999: 82) posits that *“nation-states are becoming limited as direct economic actors and, as a result, are losing political legitimacy. But at the same time, nation-states, and regional and local governments, will depend increasingly for their legitimacy on their ability to create the conditions for economic and social development. In the new global economy, these conditions will depend increasingly on the way the state organises the education system . Because knowledge is the most highly valued commodity in the global economy, nations have little choice but to increase their investment in education. Indeed, it is likely that in the next generation, knowledge formation will become the new locus of community formation , and schools will become the new community centres.*

Funding of Public Education

Worldwide, it is generally accepted that the funding of public education is the responsibility of the government of the day. A perception does exist in the minds of many people that basic education in the new democratic South Africa, would be free. This can partly be attributed to the expectations created by the Freedom Charter (1955: 4) that reads *‘Education shall be free, compulsory, universal and equal for all children;’* ... Another contributing factor was speculation in the media during the run-up to the 1994 elections. There is however, no factual basis to these expectations when one reads Section 29 (1) of the South African Constitution. The ideal of free education proved to be impossible with the limited resources available to the government.

There are three key role players in the provisioning of education in South Africa, namely the state, the parents and the school. Section 15 of SASA determines that *every public*

school is a juristic person, with legal capacity to perform its functions in terms of this Act. This means that the school has the legal capacity to take the necessary actions to enable it to provide education to the learners enrolled at that school. The parents of a public school are represented by the school governing body (SGB) in this matter. School governing bodies are duly elected representatives of the parent community of a public school. Section 16 of SASA states that

- (1) Subject to this Act, the governance of every public school is vested in its governing body.*
- (2) A governing body stands in a position of trust towards the school.*

Section 34 of the South African Schools Act (SASA) spells out the state's responsibility regarding the funding of education in public schools in South Africa:

34. *(1) The state must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the rights of learners to education and the redress of past inequalities in education provision.*
- (2) The state must, on an annual basis, provide sufficient information to public schools regarding the funding referred to in subsection (1) to enable public schools to prepare their budgets for the next financial year.*

It is evident from the above that the state has a clear constitutional and legal responsibility to pay for basic education in public schools in South Africa from public funds obtained through taxation. Section 35 of SASA provides further information on what is meant in section 34 (2) when it spells out the basis for the national norms and standards for the funding of public schools, which serve as the basis for the equitable funding of public schools throughout South Africa.

Parents' responsibility regarding the funding of education are regulated by section 36 of SASA; it reads:

36 A governing body of a public school must take all reasonable measures within its means to supplement the resources supplied by the state in order to improve the quality of education provided by the school and all learners at the school.

The detailed responsibilities SGBs regarding the financial management of a public school are spelt out in sections 37 to 44 of SASA. This includes the fact that SGBs may charge school fees and that parents are liable to pay such school fees subject to the provisions of the Act. From the above it is clear that parents of a given school community have the responsibility to pay school fees to supplement the funding of a public school. Section 40 of SASA spells out this obligation in detail and also provides for possible exemption:

- 40 (1) A parent is liable to pay school fees determined in terms of section 39 unless or to the extent that he or she has been exempted from payment in terms of this Act.*
- (2) A parent may appeal to the Head of Department against a decision of a governing body regarding the exemption of such parent from payment of school fees.*
- (3) In deciding on appeal referred to in subsection (2), the Head of Department must follow due process, which safeguards the interests of the parent and the governing body.*

It is thus evident that the funding of public schools in South Africa is the joint responsibility of the state (from public funds) on the one hand and the parent community (through the school governing body) of a public school (from private funds) and other stakeholders on the other hand. This is in line with the ideal of democratising education set out in the constitution as well as the original relationship between the parent (community) and the state on the other hand in the provisioning of education to children. It is however, not in line with the ideals of the freedom charter and the Dakar agreement to provide free education at least at Primary school level.

It is important to keep in mind that when either public or private funds are paid into a public school's bank account, it becomes part of the school fund of the school as juristic person and that the SGB has discretionary powers over the spending of the school fund subject to the provisions of sections 37 to 44 of SASA.

Since 1995 education has received 21.4% of the annual national budget allocation. This represents almost 5.6% of GDP (gross domestic product) and the average allocation per learner for the period 1995 to 2004 amounts to R3,832.62. The 2004 allocation per learner amounts to plus minus R5,721.38. All these figures are in line with major first world countries like the USA where they are currently spending 967.74 USD (R6 309) per learner in USA. This represents $\pm 6\%$ GDP in the USA. It is however, disconcerting that South Africa features nowhere in terms of the TIMMS ratings as reflected in Table 3. Countries are listed in descending order of their performance/position pertaining to maths and science education.

TABLE 1: A summative analysis of the TIMSS Reports as indicators of the quality of education in countries

(Information obtained from the official TIMSS website)

	1995		1999		2003	
	Maths	Science	Maths	Science	Maths	Science
Primary	Singapore Korea Japan Hong Kong Netherlands Czech Republic Austria	Korea Japan USA Australia Austria	Singapore Korea Chinese Taipei Hong Kong (SAR) Japan (Increased performance: Latvia, Canada & Cyprus) (Decrease in Czech Republic)	Increased performance: Latvia, Lithuania, Canada & Hungary (Decrease in Bulgaria)	Singapore Chinese Taipei Hong Kong (SAR) Korea (Significant improvement: Korea, Hong Kong, Latvia, USA & Lithuania)	Singapore Chinese Taipei Hong Kong (SAR) Korea
Middle	Singapore Korea Japan Hong Kong Netherlands Czech Republic Austria Slovenia Hungary	Korea Japan Austria Australia Czech Republic England Singapore Slovenia				
Secondary	Netherlands Sweden <i>Advanced Maths</i> France Russian Federation Switzerland Denmark Cyprus Lithuania	Sweden Netherlands Iceland Norway <i>Advanced Physics</i> Norway Sweden Russian Federation Denmark				

An analysis of the budgets of 32 schools in rural South Africa reveals the following information regarding the spending of funds at schools level:

The information is based on a quantitative research project conducted in forty-four schools in the North-West, Limpopo and Mpumalanga provinces selected using purposive sampling. The data were collected by means of structured questionnaires. The collected data were refined, analysed and the following tables reflect data relevant to the current discussion on funding ratios in thirty two South African schools from the rural parts of the North-West, Limpopo and Mpumalanga provinces.

Table 4: General information

<i>Number of learners</i>	<i>Total for 32 schools</i>	<i>Average for 32 schools</i>	<i>Highest for 32 schools(7.1)</i>	<i>Lowest for 32 schools(4.2)</i>
Boys	10,343	323	596	75
Girls	10,562	330	558	46
Total	20,905	653	1,154	121
Number not paying school fees	1,273 (21 schools)	61	-	70
% not paying school fees	11.57%	9.34%	-	57.85%
NNSSF quintile	-	2	4	1
School fees	6,202	194	2,600	34

The information in Table 4 indicate that the average size of the thirty two schools represent a fair sized school. It is notable that in eleven schools there is a 100% payment of school fees. It is very informative that the bulk of the schools only have a 9.34% non-payment of school fees. The average school fee is not exorbitant and may be the reason for the high levels of payment.

Table 5: Staffing structure

	<i>Total for 32 schools</i>	<i>Average for 32 schools</i>	<i>Highest for 32 schools(11.2)</i>	<i>Lowest for 32 schools(4.2)</i>
Educators	552	17	32	3
HODs	77	3	4	-
Deputy Principals	28	1	2	-
Principals	32	1	1	1
Total	689	22	39	4

The information in the shaded area of Table 5 is self-explanatory and indicates a well-balanced staffing structure for the thirty two schools

Table 6: Staffing cost to the state and Public : Private fund ratio

	<i>Total for 32 schools</i>	<i>Average for 32 schools</i>	<i>Highest for 32 schools(4.4)</i>	<i>Lowest for 32 schools(4.2)</i>
Educators	58,566,096	1,830,191	1,167,078	3318,294
HODs	10,786,430	371,946	420,252	-
Deputy Principals	4,806,816	228,896	171,672	-
Principals	6,807,072	212,721	212,721	212,721
Total salary cost to PDE	80,966,414	2,643,753	1,971,723	531,015
Total running cost	86,787,636	2,712,114	3,863,723	556,015
Total income from private funds	5,044,271	157,633	1,682,000	4,400
Public funds as a % of running cost	94.2%	94.2%	66.5%	99.2%
Private funds as a % of running cost	5.8%	5.8%	43.5%	0.8%

The information in Table 6 reflects the average cost attributable to the state for the operational cost of the schools in the sample. It also shows that there is a fair spread in the sample concerning the ratio between public and private funding .

Table 7: Expected Income

	<i>Total for 32 schools</i>	<i>Average for 32 schools</i>	<i>Highest for 32 schools(4.4)</i>	<i>Lowest for 32 schools(4.2)</i>
From PDE	2,184,703	75,335	119,500	21,000
School fees	4,184,079	130,752	1,587,000	4,400
Fundraising events	485,151	119,401	20,000	-
Donations	210,942	11,719	3,000	-
Sponsorships	54,270	18,090		-
Other (<i>Interest; Rent; etc.</i>)	473,064	14,783	72,000	-
TOTAL INCOME	7,228,974	225,905	1.801,600	25,400

Table 8: Analysis of sources of income in 32 SA rural schools

	<i>Average for 32 schools</i>	<i>Highest for 32 schools</i>	<i>Lowest for 32 schools</i>	<i>No income for this category</i>
Income from PDE as % of total income	30.2	82.7 (4.2)	6.0 (3.1)	3
School fees as % of total income	52.9	92.5 (7.4)	11.7 (4.1)	0
Fundraising as % of total income	6.7	54.5 (9.2)	0.1 (7.4)	6
Donations as % of total income	2.9	18.0 (11.2)	0.2 (6.2/4.4)	14
Sponsorships as % of total income	0.8	9.4 (4.1)	1.2 (2.2)	29
Other(<i>Interest; etc.</i>) as % of total income	6.5	90.9 (9.2)	0.9 (6.2)	12
Private funds as % of total income	69.8	94.0(3.1)	17.3 (4.2)	3

It is clear from Tables 7 and 8 that the bulk of the income for the average school is derived from school fees and fundraising events. However, these figures do not take the salary component, paid by the state, into account. The information in Table 9 is self-explanatory, but needs to be read with the analysis thereof contained in Table 10.

Table 9: Expected Expenditure

	<i>Total for 32 schools</i>	<i>Average for 32 schools</i>	<i>Highest for 32 schools (4.4)</i>	<i>Lowest for 32 schools(6.4)</i>
Academic matters	866,214	34,649		4,225
Sport	559,160	18,037	240,000	2,500
Cultural	183,620	7,345	-	500
Extra-curricular	195,000	7,800	-	880
Salaries	1,458,070	60,753	1,206,000	1,100
Transport	260,257	8,675	7,000	2,500
Capital cost projects	1,195,819	51,992	439,000	2,000
Services	605,492	20,183	-	300
Other (Audit fees; Bank charges; Affiliations;	497,591	15,550	-	-

Rental; Maintenance etc.)				
TOTAL EXPENDITURE	7,228,974	225,905	1,882,00	14,005

Table 10: Analysis of expenditure items in 32 SA rural schools

	<i>Average for 32 schools</i>	<i>Highest for 32 schools</i>	<i>Lowest for 32 schools</i>	<i>No expenditure for this category*</i>
Academic matters as % of total exp.	14.9	46.8(4.1)	4.0 (3.2)	7
Sport as % of total exp.	9.6	17.9(6.4)	2.6 (6.3)	1
Cultural as % of total exp.	3.2	12.6(2.1)	0.5 (6.3)	7
Extra-curricular as % of total exp.	3.3	20.8(10.1)	1.2 (9.2)	7
Salaries as % of total exp.	25.0	63.7(4.4)	0.9 (10.2)	8
Transport as % of total exp.	4.5	27.2(10.2)	0.4 (4.4)	2
Capital cost projects as % of total exp.	20.5	44.1(9.2)	2.6 (7.4)	8
Services as % of total exp.	10.4	60.0(4.2)	0.9 (7.2)	2
Other (Audit fees; Bank charges; Affiliations; Rental; Maintenance etc.) as % of total exp.	8.5	52.9(3.3)	0.7 (3.1)	12

** The numbers in this column refer to a number assigned to a school to maintain confidentiality.*

It is evident from these figures that academic matters, salaries and capital cost projects are the main expenditure items in the average school's budget. However it is disconcerting to note that on average only 14.9% of the budget is specifically dedicated for the support of the academic programmes. It is informative to take note of the ratio between the amounts spent on academic matters, sport and cultural activities. It would therefore appear that the schools in the sample spend 27.7% of their budgeted income on programmes that can be directly linked to the educational programme. If one adds the amounts spent on salaries (normally for additional teachers in an effort to reduce class size, it would appear that the average school is spending 52.7% of the budget on the support of the educational programmes offered. It is further significant to note what percentages of the budget are spent on capital cost projects and services.

Decentralisation of decision making / democratisation of discretionary powers regarding financial management.

With the establishment of the new democracy in South Africa, the government embarked on the road to democratise education in South Africa. Nieuwenhuis & Mokoena (2005: 127) put it this way *‘democratisation as set out in the constitution of South Africa is based on the ideal of developing power and authority at community level. Running parallel with the ideal of democratisation and devolution of powers are the imperatives of redress, educational transformation and restructuring, to be managed by central government and provincial authorities.’* The premise of democratising education and giving parents and governors decision making powers regarding the financial management of schools has been referred to as the self-management of schools. The idea being that it is a means to create a system of public schools that will provide high quality education to all students and will be professionally rewarding to teachers and other professionals. Caldwell and Spinks (1988: 5) define a self-managing school as: *‘one for which there has been significant and consistent decentralisation to the school level of authority to make decisions related to the allocation of resources. This decentralisation is administrative rather than political, with decisions at school level being made within a framework of local, state or national policies and guidelines. The school remains accountable to a central authority for the manner in which resources are allocated.’*

Looking at the preceding paragraphs it becomes evident that public schools in the South African context can also be described as self-managing schools. In South Africa and across the world we find schools at various stages of self-management. Figure 1 depicts a continuum of the progression of a school on the road to becoming a self-managing school. Discretionary powers, for the purposes of this study, refer to the authority to decide on policy, curriculum, human as well as physical resources and financial matters regarding the provisioning of quality education by all the stakeholders (parents, staff and learners in secondary schools) in a specific school community.

The National Norms and Standards for School Funding (NNSF for short, emanating from Section 35 of the SASA) provides that public schools in South Africa are put into one of five quintiles as a basis for funding from public funds by the state. These categories are determined by applying a complex set of criteria; inter alia taking into account the quality of the physical facilities and the poverty level of the

community around the school. Based on the NNSSF and a school's number of learners an annual subsidy is then paid to public schools. SASA determines that the finances of all public schools are managed by the SGB of the school. The annual subsidy to Section 20 schools are not paid into the school's bank account but is administered by the provincial department of education. The annual subsidy of schools that have applied for and have been awarded Section 21 status however, is paid into the school's bank account and is managed by the SGB.

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

TABLE 11: Resource targeting table based on condition of schools and poverty of communities (NNSSF, 1998: 2B-46)

In addition to all their other responsibilities, the SGBs of all public schools have the responsibility to manage the school fees paid by the parents (private funds). Legislation signed on 26 January 2006, provides that schools in quintile 1 (the poorest 20%) are forthwith so-called *no fee schools*; that will in future receive a 100% subsidy from the state. These schools will thus be charging no schools fees in future.

The efforts in South African to democratise education, based on the ideal of developing power and authority at community level, manifested in the establishment of SGBs with different levels of

discretionary powers regarding the management of funds at school level. This creates a variety of possible levels of self-management in South African public schools:

Category 1 (C1): Section 20 schools not charging school fees receiving a full subsidy from the state.

Category 2 (C2): Section 20 schools charging school fees receiving a proportional subsidy from the state.

Category 3 (C3): Section 21 schools charging school fees receiving a proportional subsidy from the state.

Category 4 (C4): Section 21 schools charging school fees receiving a negligible subsidy from the state.

Even category one schools have discretionary powers regarding financial decision-making and this ability increases as you move towards category four schools.

C1	C2	C3	C4
<i>No discretionary powers</i>		<i>Full discretionary powers</i>	

Figure 1: Continuum of categories of self-managing public schools in South Africa

The Economics of Education – linking funding and quality education

The Hanushek (1996: 43) says that the effectiveness of school spending has been hotly debated for at least the past quarter century. Beginning with the *Coleman report* (1966), evidence has accumulated that suggest that simple views of what determines student achievement are wrong. Student achievement seems unrelated to standard measures of the resources going into schools. He continues with the policy question, ‘*What is the best way to improve schools?*’ Few people, who have thought about school policies, would recommend just dumping extra resources into existing schools. The USA has been doing this for a number of years without any significant improvement in student performance. Central

in all policy discussions is usually not whether to spend more or less on schools resources, but how to get the most out of marginal expenditures. The issue is to get productive uses/usage/value from current and added spending. Existing evidence simply shows that the typical school system today does not use resources well. It is tautological to claim that we will get good performance if we spend the money wisely. The current knowledge base does not ensure that any added funds will, on average, be spent wisely. The reason for the persistence of this situation seems to lie in the lack of incentives to improve student performance. School personnel (the whole spectrum) have little at stake in student outcomes. Whether students perform particularly well or particularly poorly, the career progression and rewards of virtually all school personnel remains unaffected. In essence US schools are unlikely to improve in either student outcomes or costs unless much stronger incentives for improved student performance are instituted. The policy focus is fraught with uncertainties, because little is known about how best to structure the various incentives. Improved performance incentives are central to school reform designed to improve student outcomes (ibed. p. 69).

The Larry Hedges, Laine & Greenwald school of thought - formal statistical procedures (meta-analysis) does show a positive link. They argue instead for using formal statistical procedures (meta-analysis) to combine the results of the studies included in Hanushek's survey. They then conclude that the data show *systematic positive relations between resource inputs and school outcomes*. Moreover, the median relation (regression coefficient) is large enough to be of practical importance. They suggest that a 500 USD (plus minus 10%) increase in the average spending per pupil would increase student performance by 0.7 standard deviations; a meaningful amount (Burtless 1996: 9).

Ronal Fergusson, has used unusually rich information about the instructional qualifications of Texas teachers to argue that higher literacy skills among instructors, reductions in class size, and more experienced teaching staff all lead to improvements in average student scores on standardised tests. Ferguson's findings are in agreement with Hanushek's in one respect; they both agree that individual teachers make a difference. *'Teachers and schools differ dramatically in their effectiveness'* (Hanushek). He also agrees with Hedges and Ferguson that additional resources can make a difference to student achievement; however, he interprets the statistical evidence to show that, on average, additional resources are not effectively used by most schools to produce improved student outcomes (Burtless 1996: 9,10).

The case of fifteen schools in Austin, Texas 1989 to 1993 (Murmane & Levy, 1996: ??) where each school was given an additional allowance for five years in an effort to improve the quality of education resulted in thirteen of them showing no significant improvement. The thirteen schools falling into this category simply used the money to acquire the services of additional staff thus lowering the teacher : learner ratio. The two schools that did show a significant improvement used some of the money to employ a limited number of additional staff. The bulk of the money was however spent on staff development for existing staff. It is important to note that the one principal also made a point of getting the parents involved in the process.

Labour market effects of school quality (Card & Krueger, 1996: ??) did extensive research to prove a positive relationship between additional funding for education at school level and the career performance of individuals from these schools subsequent to them joining the labour market. Thus indicating a delayed effect of increased funding of education of public schools.

Betts, Heckmann, Layne-Farrar & Todd, (1996: ?) were all able to show a positive link between funding at school level and subsequent earnings in the labour market.

Carnoy (1999: 82 – 84) postulates that countries face different sets of economical and political conditions. Each situation demands its own particular strategy for educational expansion and improvement. The experience of the 80's and 90's provides four major guidelines for educational strategies:

- (i) The state, whether it be national, regional or local will continue to be responsible for educational expansion and improvement; i.e. it means that education will continue to be largely financed publicly and that the public sector will continue to regulate education, set standards, decide how to allocate resources among levels of education, and initiate and guide educational improvement programmes. The degree to which it does so successfully, will enhance the legitimacy of the state (central / regional / local), the degree to which it fails to deliver high quality education in an equitable fashion, the state will lose even more power.

- (ii) There exists much more political and even financial space for governments to condition the way globalisation is brought into education than is usually the admitted. Testing and standards are good examples of this space, decentralisation and school autonomy are others.

- (iii) A well-organised public administration is key to education improvement in the globalised economy. Economic growth and effective education in the global environment require physical capital investment, innovativeness and technical capacity, but also ultimately depend on efficient, honest government.

- (iv) Teachers will continue to be fundamental to educational delivery, and the quality of education will depend largely on the quality of teaching and teacher effort. Just as in the rest of the global economy, where knowledgeable workers are increasingly the key to the production of value, the knowledge industry (education) logically will also depend increasingly on the quality of its human capital (teachers). Obviously parents are also important in any education strategy, but most parents expect teachers teach their children. If teachers are crucial, education policy makers will need to get a much clearer picture of who their teachers are, how they view their role in the system, and the type of incentives, regulations and training that will increase their effort and improve their capacity to transmit knowledge to students.

An increase in the funding of education will improve the quality of education - is this theory or praxis? - Conclusion

Through the ages knowledge has been a very important basis of power. In today's information age it is even more true. It therefore comes as no surprise that there is a growing emphasis on the quality of education. From the above it is clear that although quality education means different things to different people and that there are different angles of approach to this phenomenon, there is increasing pressure to compare standards in quality of education on a worldwide basis.

It is also evident that the debate on whether increased funding actually leads to a proportional increase in the quality of education also does not have simple answers to the question. How the money is spent seems to be more important than what the money is spent on. One thing that all schools of thought do agree on however is, that the teacher is one factor in the equation that definitely makes a difference in the quest for quality education. It would therefore appear as though spending money on the teaching skills and the motivation levels of teachers will lead to a positive improvement in the quality of education.

It would further appear that although it is the ideal that increased funding of education should improve the quality of education, it does not necessarily have the desired effect - this is therefore more theory than praxis. It does not however imply that we must give up hope or that all the efforts are in vain.

Every time we try, we improve the quality of education.

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