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Preface

This budget brief is one of five that explores the extent to which the national budget and social services sector budgets addresses the needs of children under 18 in South Africa. For the 2021 Budget Brief series, three budget briefs are devoted to an analysis of progress in equity over the last decade (national, basic education, and social development), while two briefs are thematic contributions in the areas of prevention and early intervention in social development and child nutrition, as a cross-cutting issue for children.

Key messages and recommendations

The basic education sector experienced an impressive decade between 2010 and 2019; both in terms of budgetary gains and in sustaining the high rates of participation in public and independent ordinary schooling. Over the last decade, the level of basic education spending improved by 17% in real terms, which implied an annualised positive growth rate of 2%. Growth in the basic education budget was driven by increases in public servants’ pay and spending on goods and services (inclusive of school-level funding). The level of spending on these two items grew by 16% and 30%, respectively over the last decade.

In addition to the strong gains in compensation of employees and goods and services over the last decade, Early Childhood Development (ECD) programmes and spending on school infrastructure also benefited from additional investments. The level of spending on ECD programmes grew by 43% in real terms over this period, while spending on school infrastructure received an 8.2% hike. ECD budgets grew at an annualised growth rate of more than 4% over this ten-year period, while allocations to school infrastructure were more variable and grew at less than 1% annually.

The rate of participation, which measures utilisation rates for an eligible school population (defined as 7-17-year-olds in this brief), was consistently high over the last decade. In 2010, 91% of 7-17-year-olds accessed public and independent ordinary schools, while almost 97% participated in schooling in 2019. Utilisation of public ordinary schools by the relevant school population grew from 86.0% in 2010 to 91.0% in 2019. The richest income group appears to make less use of public schools. By 2019, only 82% of eligible learners in quintile 5 schools participated in public schooling, while less than two-
thirds of eligible white learners remained in the public schooling system in 2019. This suggests that the dwindling numbers of richer and white learners in public schools appears to be integrated into the country’s independent ordinary schooling sector.

**Benefit incidence analyses were done which showed that the net impact of the school funding policies after 1994 led to a situation of funding equity, instead of the stronger “redress” demanded by core education policies and legislation.** By 2015 and confirmed by data for 2019, no sharp deviations in per pupil expenditures could be detected across income groups, population groups, and provincial education departments. Judging by the size of the task that awaited policymakers, such an achievement should not be scoffed at and should be placed in its proper context. However, to preserve an overall situation of funding equity requires a continued commitment to support the sector and any deviations from the path taken in the last decade may negatively impact poorer schooling communities.

While funding equity in per pupil expenditure appears to be the norm, it is interesting that while KwaZulu-Natal commands 23% of all public ordinary school resources, its inflation-adjusted per learner level is consistently lower than the national average, across the three years of data. The other rural provinces, namely the Eastern Cape and Limpopo, are also achieving sub-national per learner spending for two of the three years. The Northern Cape and Gauteng appear to be driving the national per learner average, although the deviations from that national average are not enough to overturn the conclusion that a broad situation of minimum equity has been achieved.

Across the three data points represented in this study (2010, 2015 and 2019), the combination of historical spending data and survey utilisation rates suggests that 7 to 17-year-olds “recovered” roughly between 83.0 and 86.0% of all public ordinary spending. This is in line with our expectations because the benefit incidence calculations do not consider learners who are younger than 7 or older than 17, who participated in the public and independent ordinary schooling sectors.

**The strong gains of the last decade are under threat.** Over the latest Medium-Term Expenditure Framework (2021 MTEF), the basic education budget is projected to decline by 3.9% on average for the next three years. Incidentally, the same spending categories that were drivers of growth during the last decade, are now targeted for substantial reductions. Compensation of employees and goods and services suffer large real reductions over the new MTEF. However, spending on ECD has been sustained (3.1% positive annual growth over the MTEF), while spending on school infrastructure has received a shot in the arm (17% annually for the next three years).

**In view of the sharp and consistent decline in allocations to basic education budgets over the medium-term; if sustained, the equity gains of the last decade are likely to be reversed.** This is because most poor schools are unable to supplement their income and the net impact is likely to be a deepening of educational inequalities, both in terms of inputs and the much-vaunted “quality of schooling” agenda.

**Recognising these challenges and appreciating the continued support for ECD and school infrastructure, the government is encouraged to:**

I. **Progressively work into its funding ECD policies; a deliberate attempt at improving the quality of Grade R programmes, and gradually extending the same intervention to earlier phases of the ECD life cycle.**

II. **Ensure that gains in school infrastructure target areas of severe deprivation in rural schools and provinces with large backlogs.**

III. **Incentivise provinces to continue to set aside funding for infrastructure programmes from their own coffers to avoid complete reliance on national grant funding for infrastructure.**

IV. **Prioritise the gradual and practical implementation of the Department of Basic Education’s own research into reading interventions, given the paucity of funding for basic education over the new MTEF.**

V. **Reconsider its overall stance to funding basic education at a time when youth unemployment is abnormally high and therefore, skills creation for young people should top the policy agenda.**
Section 1: Introduction

GOVERNANCE AND EQUITY IN NATIONAL POLICY

The responsibility for providing and delivering education services is shared among the National and Provincial Government. The schooling system (public and private) caters for children between the ages of 5 and 17 years, which includes a reception year (prior to Grade 1) and a final formal schooling year (Grade 12). The Department of Basic Education (DBE) is the national department responsible for policymaking as well as co-ordination for the schooling sector, while nine provincial education departments finance and implement national policy for this sector. The Department of Higher Education and Training (DHET) provides post-schooling opportunities at the tertiary level (universities), adult education programmes, and technical and vocational qualifications that straddle the schooling and post-schooling levels.

The preamble to the South African Schools Act (No.84 of 1996) states; “WHEREAS this country requires a new national system for schools which will redress past injustices in educational provision, provide an education of progressively high quality for all learners and in so doing, lay a strong foundation for the development of all our people’s talents and capabilities.”

Chapter 4 of the same Schools Act outlines the funding provisions for public schools, based on a system of financial redress for the poorest schools. This funding system has generated a large body of research, which suggests that while the intention of the policy is noble, in its implementation, it has not yet made the kind of progress that was expected.

The National Education Policy Act (No. 27 of 1996) is explicit in its affirmation of the equity goals of the education system. In Section 4(c) it states that education policy should be directed to “achieving equitable education opportunities and the redress of past inequality in education provision; including the promotion of gender equality and the advancement of the status of women.”

In pursuing the equity objectives of the post-apartheid schooling system, no area of the national and provincial budget was left untouched, even though there are still mixed reviews about the relative success of the system in achieving meaningful equity. Gustafsson (2016) notes that understaffing at primary schools appears to have a larger effect on pupil performance, compared to similar situations at secondary schooling. Furthermore, teacher movement is biased in favour of better-performing schools, thus complicating the issue of equitable access to quality teaching. The ability of schools to employ privately paid teachers considerably worsens the overall equity situation in schools.

The Education White Paper 5 on Early Childhood Education (2001) was frank in its assessment of the neglect of young children in official government policy. It states: “It is the time when responsible governments must make decisions about policies, laws, programmes and the provision of money. Yet, in our country, as in the rest of the world, for children and nations, these are the years that receive the least.” It then formulates the rationale for the provision of ECD, which is intended to impact on the equity and quality goals of the entire education system. Since the release of the White Paper in 2001, substantial progress was made to better fund and support ECD across government. As with other areas of the education system, the evidence is mixed about the impact of ECD on quality outcomes in schooling.

Overall, the National Development Plan 2030 (NDP) sets quantitative targets for the schooling sector and these are incorporated in the basic education sector’s Action Plan to 2019: Towards the Realisation of Schooling 2030. The Action Plan sets targets and indicators for equitable access to teachers (avoiding large classrooms), textbooks and other learning materials for children, a determination and attempts at achieving equity in learning outcomes.

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i. The reality is that although the school-age population is defined as including 5-17-year-olds, the system mainly caters for and includes those who are 18 years and above.
iv. Van der Berg et al. (2013) examined a restricted sub-set of ECD programming, namely the Reception Year (Grade R) and found access to Grade R to have had no noticeable learning impact on the poorest three quintiles, while a positive learning impact was registered for children in the upper quintiles. The introduction of Grade R appears to have deepened inequalities instead of reversing the disadvantage, especially for poorer young children. See Van der Berg, S., Girdwood, E., Shepherd, D., van Wyk, C., Kruger, J., Viljoen, J., Ezeobi, O. and Ntaka, P. (2013). The impact of the introduction of Grade R on learning outcomes. Research on Socio-Economic Policy, at University of Stellenbosch for the Department of Basic Education and the Department of Performance Monitoring and Evaluation in the Presidency.
EQUITY INDICATORS FOR THE BASIC EDUCATION SYSTEM: 2010, 2015, AND 2019

Delays in achieving age-grade appropriate enrolment are complex but can be used as a rough indicator of the extent to which the system “succeeds” in facilitating the movement of learners into higher schooling grades. Between 2010 and 2015, the schooling system lowered the total per cent of “delayed” learners from 26% in 2010 to 22% in 2015. Furthermore, in 2019, that number was lowered even further to 18%. Whereas Free State, Gauteng, Northern Cape and Western Cape percentage of delayed learners was stable over the three time-points above, the Eastern Cape, KwaZulu-Natal, and Limpopo made significant gains in reducing the total per cent of learners who were not in a grade appropriate for their respective ages. Black African learners also achieved substantial gains over the same period moving from one-third of learners being delayed in 2010 to 19% in 2019.

The rate of participation of 5 and 6-year-olds in some form of pre-schooling dropped from 33% in 2010 to 18.4% in 2019. It is highly probable that both the public and independent schooling sectors have enrolled a larger percentage of 5 and 6-year-olds into Grades R and 1 at the ordinary schooling sector level. This would coincide with the public drive to attach Grade R classes at public ordinary schools. With the exception of Indian young children, all other groups saw a substantial decline in participation in pre-schooling for the reasons mentioned above.


vii. In benefit incidence analyses, “rate of participation” refers to weighted actual use/access to a service for a group (income, population, province etc.) over the weighted total eligible number of potential users of that service. “Shares of services” refers to weighted actual use/access to a service for a group (income, population, province etc.) over the weighted total pool of actual use/access to a service. The benefit incidence analyses were performed with the Distributive Analysis Stata Package (or DASP, version 2.3, 2013: A Araar and JY Duclos). For the initial analyses that focused on rates of participation and shares per group, the Distributive Analysis Stata Package (DASP) was used, while manual computations were done in Stata 13, to derive the monetary benefits and their spread across income and population groups and provinces.
Takeaways

Equity in funding has driven post-apartheid basic education policies affecting all aspects of provincial education budgets. While aggregate results are positive (better funding for previously disadvantaged schools, substantial investment in school infrastructure in formerly disadvantaged schools), poorer schools have higher learner educator ratios and poor primary schools are especially vulnerable. Questions have also been raised about the effectiveness of Grade Reception in addressing quality deficits in South Africa’s poorer schooling communities.

The schooling system appears to have become more efficient in enabling the movement of learners across grades, reducing the overall percentage of delayed learners from 26% in 2010 to 18% in 2019.

Public and independent schools have admitted a larger percentage of 5 and 6-year-old into the ordinary schooling system (Grades R and Grade 1) as indicated by the declining numbers of young children who participate in some form of pre-schooling.
Over the period 2010-2019, the inflation-adjusted level of spending on consolidated basic education grew by 17.4% at an (idealised) annualised growth rate of 1.8%. The positive additions to the basic education budget were driven by spending on provincial education departments, which grew from a real level of R138 billion (FY2010 prices) to R161 billion in 2019. The level of provincial spending was hiked by 16.6% over this decade at an annualised growth rate of 1.7%.

The growth in provincial education spending between FY2010 and FY2019 was driven by the compensation of employees (16% higher inflation-adjusted level in 2019 against 2010), goods and services (30% higher level in 2019), and capital expenditures (8% higher level in 2019). While spending on capital shows an overall growth rate over the last decade, between FY2015 and FY2019, the level of spending on capital declined by more than 28% at an annual average decline of 8.2%. This must be placed in the context of growth on compensation and goods and services over the corresponding period, which grew at annualised rates of 2.2 and 2.9% respectively. Spending on transfers to Non-Profit Institutions (which include school-level budgets), shows a 9% higher level in FY2019 compared to FY2010, and grew at a real average annual rate of just under 1%.

Spending on ECD programmes in provincial education increased from an inflation-adjusted level of R2.1 billion in FY2010 to R3.0 billion in FY2019. Over this decade, the level of ECD spending was hiked by 43.2% for ten years. The ECD programme budget grew at an annualised rate of 4.1%. These are impressive numbers by any standards, even though the growth is happening off a low absolute level of spending. The Gauteng province engineered the largest level increases between FY2010 and FY2019 (238%) and grew at a real average annual rate of 15%. This enabled Gauteng to increase the level for the budget from a measly R165 million in FY2010 to more than half a billion Rands in FY2019. KwaZulu-Natal had the largest ECD programme in FY2019 (R820 million) and raised its spending level by 138% between FY2010 and FY2019 at an average annual rate of 10%. The Eastern Cape and Limpopo provinces lost substantial real values in their ECD programming over the last decade with Limpopo presenting a 67% lower spending level in FY2019 compared to FY2010.
The largely positive growth of the basic education budget over the last decade has been replaced by a budget framework that shrinks the overall contributions to this vital sector. On average, the consolidated basic education budget is projected to decline at a real average annual rate of 3.9% for the next three years. With the exception of positive spending on the Gauteng provincial education budget in FY2023, all remaining provinces have their budgets slashed every year over the FY2021 MTEF (Figure 5).

In terms of further analyses done (not shown in the text), reductions in the consolidated education budget are driven by a 4.2% annual reduction in the public ordinary school budget, although the ECD programme was spared the severity of cuts and is projected to grow by 3.1% in real terms on average over the FY2021 MTEF.

Compensation for public teachers will be targeted (a planned 4% reduction was incorporated into the provincial budgets) as well as spending on goods and services, which will be reduced by more than 5% annually over the next three years. Spending on school infrastructure is projected to grow by 17.1% in real terms on average over the next three years.

During the last decade (2010-2019), the level of spending on consolidated basic education was raised to a real level of 17%, which represented close to 2% real growth for each of the ten years.

The growth was driven by above-average increases for the salaries of public servants (mostly teachers) and for spending on goods and services in provincial education departments. The level of compensation spending was hiked by 16% during the last decade, while the comparable percentages for goods and services and spending on capital were 30% and 8%, respectively.

The latest spending data for the basic education sector shows the opposite; large and consistent cuts for the entire sector and a consolidated budget that sheds value at a real average rate of close to 4.0% over the FY2021 MTEF.

Compensation of employees and goods and services, which were the main beneficiaries during the previous decade of spending, are now targeted for large reductions over the new MTEF.

Positive highlights from the 2021 budget framework are the real growth in ECD programmes (3.1% on average over the MTEF) and even more impressive is the projected spending on capital (17.0% growth annually for the next three years).
Section 3: Progress in Input Equity in Basic Education, 2010, 2015, and 2019

Access to public and private ordinary schools has been high and sustained between 2010 and 2019. Using the restricted school cohort of 7-17-year-olds, the national participation for all ordinary schools increased from 91% in 2010 to 96.4% in 2019. Zoning in on the public schooling participation rate, it is noteworthy that participation rates in the richest quintile range from 78.1% in 2015 to 82.2% in 2019. In contrast, the corresponding participation rate for all schools (inclusive of the private schooling sector) for the richest quintile stood at 94.6% in 2015 and 96.2% in 2019.

This suggests that the dwindling numbers of richer learners in public schools appear to be integrated into the country’s independent ordinary schooling sector. What Figure 7a shows is that the number of White and Indian learners has decreased between 2010 and 2019 and given that the largest percentage of these learners attend affluent schools, it explains, to a large extent the lower access and participation rates in the richest quintile in public schools.

The combined historical spending data for public ordinary schools and survey utilisation rates suggests that the public funding goals of achieving equity in the post-apartheid period have largely been achieved. In 2010, for example, with the exception of Indian learners, there does not appear to be a significant departure from the national per learner number. This convergence is clearer in the 2015 and 2019 data. Instead of a full-scale reversal of funding trends in the post-apartheid period, the overall pattern suggests “equity”, at least in the official amount of immediate government funding available to schools. This analysis does not consider the role of private contributions to schooling and it would be logical to assume that the addition of such resources would dim the overall equity prospects of the public schooling system.
The provincial-level data reveals very interesting patterns: while KwaZulu-Natal commands 23% of all public ordinary school resources, its inflation-adjusted per learner level is consistently lower than the national average, across the three years of data. The other rural provinces, namely Eastern Cape and Limpopo, also achieved sub-national per learner spending for two of the three years. The Northern Cape and Gauteng appear to drive the national per learner average, although the deviations from that national average are not enough to overturn the conclusion that a broad situation of minimum equity has been achieved.

Only three provinces, namely Free State, Limpopo, and the North West experienced a decline in utilisation rates for public schools between 2010 and 2015, while the Eastern Cape experienced a decline of 5.0% in utilisation levels between 2015 and 2019. Given the “destination” status of Gauteng and the Western Cape, it is noteworthy that Gauteng experienced an average 18% increase in utilisation rates between 2010 and 2019. The Western Cape achieved a comparable rate of 7.0% over the same period.

FIGURE 8A: Real average monetary benefit* from public ordinary schooling at the level of the user, for children aged 7 to 17 by population group in 2010, 2015, and 2019 (In constant FY2010 Rands)*


FIGURE 8B: Real average monetary benefit from public ordinary schooling at the level of the user, for children aged 7 to 17 by province in 2010, 2015, and 2019 (In constant FY2010 Rands)

Source: Income and Expenditure Survey 2010; Living Conditions Survey 2015; General Household Survey 2019 (own calculations)

FIGURE 9: Growth/decline in learner utilisation rates in public schools in 2010, 2015, and 2019 (%)

Source: Income and Expenditure Survey 2010; Living Conditions Survey 2015; General Household Survey 2019 (own calculations)

Note: The survey utilisation rates for 7-17-year-olds are 9.7 million (2010), 10.2 million (2015) and 10.7 million (2019)

ix. The decision to use the restricted school cohort (7-17) made the use of administrative school attendance data to derive unit costs per provinces more compelling. If the full school cohort was used (5-17 or 5-18), then it would have been more appropriate to use school attendance as per the survey data.

x. The Income and Expenditure Survey 2010 and the Living Conditions Survey 2015 ran over two calendar years, thus leading to the decision to use a fiscal-year deflator rather than a calendar-year deflator. Although the General Household Survey is usually conducted in one year, the brief continued to use fiscal year inflation data to ensure consistency of treatment of inflation in the analyses. The Budget Brief was completed before the rebasing exercise of Statistics South Africa.
Across the three data points represented above, the combination of historical spending data and survey utilisation rates suggests that 7 to 17-year-olds “recovered” roughly between 83.0 and 86.0% of all public ordinary spending (Table 1). This is in line with our expectations because the benefit incidence calculations do not consider learners who are younger than 7 and older than 17, who participated in the public and independent ordinary schooling sectors.

Keeping in mind our reservations about the extent of redress in the public-school system, Figure 10a quantifies the distribution of monetary benefits that resulted from public spending on schools. In FY2010, the three bottom income quintiles captured R71 billion (or 74%) of available spending, while in FY2015, the corresponding numbers were R95.3 billion (or 74% of the total provincial education budget). The same trend is repeated in FY2019xi with the three bottom quintiles capturing 72% of public spending on basic education in provinces. The richest quintile appears to have captured 11% of official funding across the three years represented below.

Figure 10b, disaggregates the same information by population groups and indicates that Black

TABLE 1: Comparing audited spending data on public ordinary schools with administrative and survey-based estimations in FY2010, FY2015, and FY2019 (R billion): learners aged 7-17

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<tr>
<td>Eastern Cape</td>
<td>19.1</td>
<td>13.8</td>
<td>23.1</td>
<td>18.7</td>
<td>30.7</td>
<td>25.4</td>
</tr>
<tr>
<td>Free State</td>
<td>6.7</td>
<td>5.7</td>
<td>8.8</td>
<td>6.3</td>
<td>11.4</td>
<td>9.2</td>
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<tr>
<td>Gauteng</td>
<td>17.3</td>
<td>14.6</td>
<td>26.4</td>
<td>24.6</td>
<td>36.8</td>
<td>35.5</td>
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<td>KwaZulu-Natal</td>
<td>24.9</td>
<td>21.6</td>
<td>35.6</td>
<td>30.0</td>
<td>45.4</td>
<td>38.8</td>
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<td>Limpopo</td>
<td>17.4</td>
<td>14.7</td>
<td>21.5</td>
<td>15.3</td>
<td>27.8</td>
<td>21.5</td>
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<td>Mpumalanga</td>
<td>9.8</td>
<td>6.9</td>
<td>13.8</td>
<td>11.2</td>
<td>18.1</td>
<td>15.6</td>
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<td>Northern Cape</td>
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<td>1.8</td>
<td>3.8</td>
<td>2.7</td>
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<td>95.5</td>
<td>155.5</td>
<td>129.4</td>
<td>206.0</td>
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FIGURE 10A: Incidence of spending on public ordinary schools for children aged 7 to 17 and % of benefits captured by income groups in 2010, 2015, and 2019

FIGURE 10B: Incidence of spending on public ordinary schools for children aged 7 to 17 and % of benefits captured by population groups in 2010, 2015, and 2019

xi. Using the General Household Survey household income variable to compute income quintiles, it was noted that learners in quintile 1 supposedly received a lower quantum of the total resources than learners in quintiles 2 and 3. While this is not impossible, it is highly unlikely, and may reflect on the peculiarities of the 2019 household data. Furthermore, the budget brief uses the unadjusted household income variable, and given the large number of zeros in that variable, future analyses must use imputation-based techniques to establish whether results are robust to adjustments.
Africans, because of their numerical superiority, capture the largest share of public spending in FY2010-FY2019. In FY2019, Black African children received R156 billion of the available R177 billion (or 88% of the available school funding). Coloured children captured R13.4 billion of public spending in 2019 (roughly 8%), while White children received R6.1 billion in FY2019 (or 3.5% of all funding). Compared to the distribution in the population, lower shares for White and Indian children relate to their migration to the independent schooling sector.

COMPARING THE DISTRIBUTION OF HOUSEHOLD INCOME WITH THE INCIDENCE OF SPENDING IN PUBLIC ORDINARY SCHOOLS, 2010, 2015, AND 2019

The distribution of public resources in basic education is much more progressive than the distribution of household income in 2010, 2015, and 2019. Both the graphic representation using the Lorenz curve, and the concentration curves and numerical estimates via the concentration indices, confirm that the poor have a much larger share of the resources in basic education. However, this must be tempered with our data results on per pupil expenditure, which suggests that funding in public schools confirms to an equity, instead of a redress pattern.

While the survey data for 2010 and 2015 paints a consistent picture of resources advantages for the poorest learners, the data in 2019 are more complicated to interpret. It is not clear whether this represents particularities in the GHS 2019 data, because it is unlikely that the poorest 20% of learners will suddenly be at a disadvantage vis-à-vis the second and third poorest quintiles. Further investigations are needed to better understand the peculiar nature of the 2019 data, which indicates a lower level of progressivity for school funding.

**FIGURE 11A-C** Comparing the incidence of spending in public ordinary schools for 7-17 year olds with the distribution of household income in 2010, 2015 and 2019


<table>
<thead>
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<th>Variable</th>
<th>Est</th>
<th>Std Err</th>
<th>LB</th>
<th>UB</th>
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<td>Public schools’ concentration index</td>
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<td>-0.20</td>
<td>-0.17</td>
<td>Public schools’ concentration index</td>
<td>-0.21</td>
<td>0.01</td>
<td>-0.22</td>
<td>-0.19</td>
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<td>Per capita income Gini</td>
<td>0.68</td>
<td>0.01</td>
<td>0.67</td>
<td>0.69</td>
<td>Per capita income Gini</td>
<td>0.66</td>
<td>0.01</td>
<td>0.65</td>
<td>0.67</td>
<td>Per capita income Gini</td>
<td>0.63</td>
<td>0.00</td>
<td>0.63</td>
<td>0.64</td>
</tr>
</tbody>
</table>
Takeaways

The combined public and independent ordinary schooling sector had a national participation rate of close to 97% in 2019, reflecting the widely accepted view that schooling operates at scale in South Africa.

The combination of historical spending and survey data suggests that 7-17-year-olds captured between 83% and 86% of the total resources that were available for public ordinary schools in 2010, 2011, and 2015.

This is in line with our expectations, given the exclusion of learners younger than 7 and older than 17 from our benefit incidence calculations.

Per pupil expenditures appeared to have been equalised across income groups, provinces, and population groups and there was very little deviation from the national per pupil spending rates in 2010, 2015, and 2019.

However, KwaZulu-Natal still spent below the national per learner average for the three years in the study, while Gauteng saw the largest increase in utilisation of public schooling due to the likely impact of in-migration to that province.

Overall, instead of the much-vaunted redress in school funding, the last decade has achieved a minimal form of funding equity and more needs to be done to improve the funding for the poorest of the poor schools and learners.

Section 4: Equity for Children in the Last Decade: How Far Are We?

THE STRONG DIVIDENDS OF THE LAST DECADE (2010-2019) FOR BASIC EDUCATION AND ITS KEY CONSTITUENTS, CHILDREN

The numbers generated in this budget briefly paint an impressive overall picture. In public and independent ordinary schools operating at scale or close to scale; the level of basic education spending improved by 17% in real terms over the decade; growing at an annualised rate of close to 2%. ECD spending, while growing off a low base, raised its spending level by 43% in real terms, growing by more than 4% over the entire decade; and, per pupil spending levels in the schooling sector have been equalised to a large extent.

The overall expectation that input support in the public ordinary schooling sector would completely reverse apartheid funding patterns proved to be unrealistic. Twenty-seven years after the end of apartheid, the South African public schooling system has achieved a minimal form of input “equity” as far as official public allocations are concerned. Judged by the size of the task that awaited policymakers, such an achievement should not be scoffed at and should be placed in its proper context of addressing both input and output inequalities. However, to preserve an overall situation of funding equity requires a continued commitment to support the sector and any deviations from the path taken in the last decade may negatively impact poorer schooling communities.

Two important highlights from the expenditure framework of the last decade have been the consistent investment in ECD (albeit off a low base) and the net aggregate growth in investing in capital expenditure for disadvantaged schools. While investment in school infrastructure was not consistent over the entire decade, “realised” school infrastructure adds value beyond the immediate spending, and generates benefits long after the buildings and structures were erected. The rapid expansion of ECD programmes (primarily Grade R) was commendable, but survey research suggested that not enough has gone into the quality dimensions of such programmes. In the context of dwindling resources, it is urgent that such issues are addressed, especially if the growth spurt in ECD funding is maintained.
THE IMPLICATIONS OF FUNDING CUTS FOR THE BASIC EDUCATION SECTOR

The severity of the budget cuts in basic education is worrying. Should the planned reductions in basic education continue, then even the modest equity gains of the last decade would be under threat. This is because quintile 5 schools have always supplemented government resources, and thus created a resource advantage for its pupils. In the context of reduced official budgets and the putative inability of the poorest schools to compensate for such real losses, the net gains of the last twenty-seven years are under serious threat.

Two trends that are similar to the last decade are the continued investment in ECD and school infrastructure, even during the most recent spending cuts. Both these functions are projected to grow by 3% in real terms in an overall budget context that is set to decline by almost 4% in real terms. This is encouraging, given the “foundational” nature of both types of spending. However, a decreasing share of spending for public ordinary schools could reduce the overall effectiveness of further investments in ECD.

While the reductions in the largest provincial education programme are aimed at the teacher salary component in public schools, an overall austerity climate might inspire further cuts. Whereas compensation of employees and investment in goods and services drove the growth in spending in the last decade, the same categories of funding are used to slow and reduce the funding to the basic education sector, in the latest education budget framework. Both these items, namely an investment in quality and content teachers and an investment in quality learner and teacher support materials (via goods and services) affect both the input and output (or quality) agenda of public schools. Careful consideration of the chosen spending strategy and its long-term impact on schooling is required, especially for the poorest of the poor.

Takeaways

It is encouraging to note that ECD and investment in school infrastructure received support during the last decade (2010-2019) and over the present MTEF.

The overall reductions in planned basic education spending over the FY2021 MTEF suggest that such increases are not part of an overall framework of improved support for the basic education sector and may diminish the overall value of additions in other parts of the basic education budget.

The equity gains of the last twenty-seven years are impressive but due to the reduced ability of poorer schools to supplement official government funding, such gains for the poorer schools are in danger of being reversed, due to the stronger private resources base of well-endowed public and independent schools.

Overall, budget cuts do not only threaten input equity, but they also stall further investment in the development of a consistent and sustainable quality agenda for public schools in South Africa.