

# The Principals' Obligation to Advance Equity in No-fee Public Schools: Implications for School Effectiveness

Raj Mestry

ORCID iD: <https://orcid.org/0000-0002-1976-4866>

## Abstract

Since 1994 government's efforts to redress historical imbalances and achieve equity are fundamental policy mechanisms to restructure South African education. Equity reforms in post-apartheid South Africa are intended to equalise funding among schools, and socio-economic groups. The government's educational reforms focus on equity and redress. This aspiration is demonstrated in many education policies including the National Norms and Standards for School Funding (NSSF) policy. While inequalities in resource allocation from the state have been removed, inequalities persist due to the inability of the state to provide free education to all, unfavourable learner-teacher ratios (overcrowded classes), and principals' incapacity to supplement state funding. Generic qualitative research within an interpretivist paradigm was conducted to investigate the role of principals in advancing equity in public schools. The perceptions and experiences of six no-fee school principals in the Gauteng province of how they are advanced equity in their schools were determined. Three themes emanated from the analysis of data collected: Limited resource funding provided by the state; Challenges experienced in the management of additional financial functions; and Incapacity of schools to prioritise major fundraising projects. It was found that despite substantial government interventions in the education system, no-fee school principals play low-key roles in advancing equity.

**Keywords:** equity, fundraising, resource allocation, financial management, entrepreneurship

## **Introduction and Background to the Problem**

South Africa today is one of the most unequal countries in the world where the richest 10% lay claim to 65% of national income and 90% of national wealth; the largest 90 – 10 percent gap in the world (Spaull 2019). These inequities between rich and poor are mirrored in the education system where 20 percent of schools are broadly functional, and 80% are mostly dysfunctional. The Covid-19 pandemic unambiguously exposed the plight of poor learners. Due to poverty, lack of access to resources, limited access to internet and suitable devices, and high cost of data, learners either perform poorly or drop out of school (Duby 2022). Unequal performance outcomes continue to be the main differentiator between rich and poor schools. It should be acknowledged that minimum levels of resourcing in disadvantaged schools is insufficient to level the playing fields between advantaged and disadvantaged parts of the public schooling system (Sayed & Motala 2012).

According to the Organisation for Economic Cooperation and Development (OECD 2008), equity in education should ensure fairness so that personal and social circumstances are not obstacles to achieving educational potential. It prohibits discrimination based on gender, ethnic origin, or socioeconomic status. Inclusion ensures a basic minimum standard of education for all. For example, everyone should be able to read, write, and do simple arithmetic. If some learners need more to get there, they should receive it. The education system should create opportunities for underprivileged and underserved learners, so they are able to overcome disadvantages and find success.

Broadly defined, equity in education refers to personal or social circumstances such as gender, ethnic origin, and socio-economic status which are not necessarily impediments to achieving educational potential. Equity in education is when every learner receives the resources needed to acquire the basic work skills of literacy and numeracy. According to Amadeo (2021), equity measures educational success in society by its outcome, not the resources poured into it. The Covid -19 pandemic have made achieving educational equity more challenging. In many areas of South Africa, schools were temporarily shut down, and where limited or no teaching took place. In most affluent schools online teaching continued. This worsened racial disparities, as many low-income families do not have WiFi connections, or data or computer equipment needed for remote learning.

Although the South African government initiated far-reaching legislation to address financial equity in public school education, the implementation progresses at snail pace. Motala and Carel (2019: 70) assert that inequality and inequity persist, due to state's inadequate funding for non-personnel expenditure, and differences between school governing bodies (SGBs) in terms of their capacity to manage schools' finances effectively and efficiently. It is ironic to observe that government's equity agenda narrows the achievement gap between affluent and poor schools (Spaull & Kotze 2015). In a more recent study by Zondo, Zewotir and North (2020), the National Senior Certificate (NSC) examination results showed that there is a significant effect on learner performance in mathematics examinations

Although poor schools in South Africa receive significant funding from the state, the academic performance of learners are generally low. These schools fail to function at optimum academic levels. State funding provided to these poor schools are insufficient to redress past injustices created by the apartheid government. Thus, providing quality education with minimum funding for no-fee schools is an elusive dream. According to Motala and Carel (2019), changes in funding may not necessarily be sufficient to equalise education outcomes, but perhaps, more pro-poor funding is necessary to turn around the vast, failing and largely poverty-stricken schooling system.

A new dimension is introduced to this discourse. The researcher maintains that advancing equity in public schooling should not be the sole domain of government, instead, close collaboration between government and heads of educational institutions should prevail. No-fee school principals also has a role to play in addressing equity. While funding may be an important determinant in achieving equity, access to schools and high learner achievement are also fundamental components in pursuit of equity. Closing the achievement gap between poor and affluent schools should be the primary responsibility of principals and teachers. In the South African context, the equity programme should place at the forefront the goal of achieving equal outcomes among all learners, irrespective of race, culture, gender, socio-economic status, or religious orientation. An equity agenda acknowledges that learners enter the education system with differing needs and the way resources are distributed can impact on performance outcomes (Barbara & Krovetz 2005).

According to Barbara and Krovetz (2005: 11), the distribution of

resources (for example, money, quality of facilities, quality of teaching) is seen as a variable within the organization's control, which can help reduce this gap. In post-apartheid South Africa, how can poor schools with limited resources be measured against affluent schools that have state-of-the-art resources? Fundamentally, equity in school funding is an important consideration in school effectiveness. In many public schools with the highest-needs, learners receive fewer resources than those attending affluent schools. This translates to poorer schools appointing less experienced teachers, having larger classes, and, ultimately, attaining lower graduation rates and lower achievement levels (Darling-Hammond cited in NEA News 2018). Baker (2017: 23), a professor of education at Rutgers University in New Jersey, avers that while money alone is not the answer to all educational ills, 'more equitable and adequate allocation of financial inputs to schooling provides a necessary underlying condition for improving equity and adequacy of outcomes'. In this regard, it can be maintained that a principal (including other SGB member) plays a vital role in supplementing state funds.

The research problem is stated as: *How can principals of no-fee schools address equity?*

## **Aim and Objectives of the Study**

The general aim of the study was to determine how principals of no-fee schools can address equity.

The following objectives have been formulated:

- To explore the relationship between resources and school effectiveness.
- To determine the perceptions of no-fee school principals of their roles to advance equity.
- To strengthen principals' leadership role in addressing equity in no-schools

In the next section a theoretical framework to underpin this study is discussed.

## **Theoretical Framework**

The equity theory has been ideally selected to frame this research study. Equity is the quality of being fair and reasonable in a way that gives equal treatment to everyone. Levin (2003) cited in Chanee (2020: 3) defines equity in education as ‘a human right imperative for all people to have reasonable opportunities to develop their capacities and to participate fully in society’; and if opportunities are ‘not distributed fairly, there will be an underutilisation of talent’. By this measure, some schools have greater funding equity than others, and most affluent schools have significantly higher per-learner expenditures than poorer schools. In a South African context, equity is related to social justice, or stated more precisely, proportional fairness (Sayed & Motala 2012). Equality refers to the equal treatment of people, while equity recognizes the unique circumstances of each person (or racial classification) and treats them according to their needs (The George Washington University 2020).

Equity recognises that different learners need different resources to achieve the same goals as their peers. In a South African context, unequal funding of public schools during the apartheid regime resulted in historically disadvantaged learners receiving poor quality education. In 1994, state education expenditure per capita was R5 403.00 for white children, R4 687.00 for Indian children, R3 691.00 for coloured children, and an average of R1 715.00 for African children (Pampallis 2017). The post-apartheid state inherited an education system as fractured, unequal, and poverty-stricken as the society it served (Wilson 2004). According to Hindle (2007), it was widely recognised that there was a serious quality problem in most schools serving African learners, and this was attributed to years of under-investment in these schools. Classes were large, teacher training was poor, and learning support materials were inadequate, both in terms of quantity and quality. At the same time, spending on schools that served white learners was very high, with public funds going mostly to white schools.

In other words, the goals and expectations are the same for all learners, but the supports needed to achieve those goals depends on the learners’ needs (Cramer *et al.* 2018)

## **Financial Equity: A South African Context**

Globally, many governments are wrestling to effectively finance school edu-

cation resulting in serious consequences for the provision of quality education. The South African economy is an impediment for government to increase its funding to poorer schools. The country is plagued by high interest rates, increased inflation and high unemployment which places the government in a precarious position to increase the poorer schools' coffers. The Organisation for Economic Co-operation and Development (OECD 2017) affirms that countries seeking to enhance the performance of all learners should provide more equitable learning opportunities for different groups. There should be greater focus on ensuring that resources are directed to areas where improvements in teaching and learning outcomes can best be achieved. It is equally important to acknowledge that achieving efficiency and equity in public-school education is dependent on the non-discriminatory allocation of resources. To improve standards of education, pragmatic governments are compelled to introduce educational funding models and policies that are closely align to learner performance (Motala & Carel 2019). It is thus imperative for countries to achieve their education policy imperatives through efficient and equitable use of financial resources (Motala 2006). More importantly, governments need to explore sensible strategies to allocate funding to public schools. In education, equity is measured in terms of variation in per-learner revenues among public schools. According to the South African Schools Act (Republic of South Africa [RSA] 1996: section 34), the state must fund education from public revenue on an equitable basis, to ensure access of learners to education, and to redress past inequalities in education provision. The policy that drives funding equity in public school education is the National Norms and Standards for School Funding (NNSSF RSA 1998) and the Amended National Norms and Standards for School Funding (ANNSSF RSA 2006). These regulations give government a means of achieving redress and equity in funding and gradually improving the quality of education. This pro-poor policy advocates that 60 percent of the funds for recurrent, non-personnel expenditure should be distributed to 40 percent of the poorest schools. The ANNSSF policy provides government a statutory basis for funding by ranking schools into wealth quintiles. This means that schools serving poor communities located within rural and townships receive much more funding than schools located in affluent suburbs. Poorer schools, classified quintiles 1, 2 and 3 are referred to as no-fee schools while affluent schools are ranked quintiles 4 and 5. Since 2008, schools are ranked according to an income dependency ratio

(unemployment rate) and level of education (literacy rate) of the school's surrounding community (RSA 2006). Essentially, this means that quintiles 1, 2 and 3 schools receive non-personnel (resource) allocation budgets which is about seven times more than affluent schools.

Although government has made great strides in addressing equity through this funding model, the ANNSF policy (RSA 2006) only subsidises non-personnel expenditure. Personnel expenditure is incurred by PEDs through National Treasury budgets. The number of teachers employed at public schools is based on post-provisioning norms stipulated in the Personnel Administrative Measures (PAM) policy. Furthermore, PEDs prescribe how schools should spend state funds allocated for resources. For example, 50 percent must be spent on learning and teaching support materials (LTSM); 30 percent on services rendered to schools (e.g., rates and taxes); and 20 percent on repairs and maintenance. For the past 24 years, SGBs are only allowed to expend state subsidies on the three categories listed above. The quintile funding model thus places stringent restrictions on no-fee schools to procure other educational resources to improve learner performance and raise educational standards.

## **School Funding and School Effectiveness**

The effective management of school funding is central to equity and school effectiveness. There is a link between managing school finances and school effectiveness. Proponents of school effectiveness claim that financial resources have a direct relationship with effective schools (Coleman 1966; Neymotin 2010), however, there are those who argue against this notion (Hanushek 1989,2002). Educational resources such as smaller class sizes and high salaries for expert teachers cost money, and thus has an influence on learner (student) performance. Financial resources can be positively linked to learner outcomes. In this regard, the Learning Policy Institute (2018) avers:

*It seems surprising that doubt has persisted. In many cases, direct assertions are made that schools can do more with less money; that money is not a necessary underlying condition for school improvement; and, in most cases that cuts to funding might stimulate improvement that past funding increases have failed to accomplish.*

*There is no evidence for these claims. On the contrary there is evidence that money does matter. Schools and districts with more money clearly have a greater ability to provide higher quality, broader and deeper educational opportunities that they serve.*

Financial resources are a source of learner learning experience and supports the process of interaction between learners and teachers during the teaching/learning process. At the same time, resources help students to learn and increase their experience, and meet different learning needs. Resources help teachers to teach effectively. Expenditure on educational resources (human, physical or financial) indirectly increase learners' achievement by giving them access to qualified teachers who use effective pedagogies in classrooms. In addition to resources being sources of knowledge for teachers, learning resources can be used by teachers to co-construct knowledge as part of their continuing professional development. Baker (2017) resolves that on average, aggregate measures of per-learner spending are positively associated with improved or higher learner outcomes. Based on high-quality evidence he asserts that sustained improvements to the level and distribution of funding across local public-school districts can lead to improvements in the level and distribution of learner outcomes (Baker 2017).

The goal of any effective school is to focus on effective teaching and learning which embraces the teaching of basic skills and appropriate behaviours of all learners Baker & Welner 2020). It is imperative that a school management team (SMT) which includes the principal, deputy principals and heads of departments create an optimum learning environment which is created by reinforcing the cognitive, affective, psychomotor, social, and aesthetic development of learners. It is evident that areas that have come under the spotlight are school improvement and school effectiveness, which emanates from research that support positive links between effective leadership and successful schools (Louis, Leithwood, Wahlstrom & Anderson 2010). One of the aspects of school effectiveness is instructional leadership.

We argue that principals, as instructional leaders, can significantly contribute to equity in schools. A study of school leadership establishes that principals influence student learning by fostering teacher motivation and supportive teaching conditions (Louis *et al.* 2010). Sparks (2002) claims that principals as instructional leaders keep schools focused on the core learning

processes to produce high levels of learning and performance for all learners and staff members. Instructional leadership should promote effective teaching and learning by underscoring the instructional leadership role of principals which include mentoring teachers and SMTs, promoting professional learning communities (PLCs), visiting classrooms, keeping abreast with latest developments of teaching and new trends in pedagogy, facilitating continued professional development of teachers and SMTs. Essentially, the principal can influence student learning through distributive leadership that involves delegating instructional matters to SMTs (deputy principals and heads of departments). SMTs should ensure that teachers have the supports they need to be successful in the classroom by allocating budgets and resources and by fostering a positive work and learning environment.

As instructional leaders, it thus become incumbent upon principals to play a crucial role in influencing and improving the academic achievement of learners (Glanz 2006). To achieve this goal, namely, to create effective learning sites and strive for high academic achievement of learners is the procurement of state-of-the-art educational resources. This undoubtedly implies that schools will need substantial funding. However, as explained previously, the state does not have the capacity to fully fund public education, and thus principals are obliged to make meaningful inputs to address equity in schools.

## **Research Methodology and Design**

Generic qualitative research within an interpretivist paradigm was used to determine principals' understanding of equity and the perceptions of their roles to address equity in no-fee public schools. Patton (2014) explains that a generic qualitative investigation assists by answering questions without explicitly structuring the inquiry inside a specific theoretical or philosophical viewpoint. The appropriate paradigm for this study was the interpretivist paradigm.

Guba and Lincoln (1989) assert that an interpretivist paradigm helps the researcher gain a deep appreciation of the individualised world of human events. It is through this specific approach that he will understand principals' experience first-hand, as expressed by participants in the study. Using purposive sampling, eight no-fee primary and secondary school principals in several Gauteng Education districts completed open-ended questionnaires,

and this was followed by semi-structured interviews with three participants to clarify and probe indistinct responses reflected in their questionnaires. According to Evans and Mathur (2012), completing open-ended questionnaires include talking to people in person, conducting interview, and sending out surveys by mail. In this study, online questionnaires were sent out to the participants, and this was followed by conducting interviews with a selected group where the researcher required clarity on some of their responses that may have been vague or where answers were brief and shallow.

Reassurance was given to the participants that the aim of the research was not to judge or evaluate their leadership skills but to determine their understanding of equity and the role they could play in addressing equity. Raw data compiled by researchers do not comprise any actual findings of the research. The 'true test of a competent qualitative researcher comes in the analysis of the data' (Henning, Van Rensburg & Smit 2004:101). Data is thus needed to be analysed to derive meaning. Tesch's (1990) method of data analysis (cited in Creswell 2009) was used to code the data and identify various recurring themes in the data.

To ensure trustworthiness of the study, a pilot study was undertaken with two principals who were not part of this study. This process helped refine and strengthen questions that were included in the questionnaire. We also used Lincoln and Guba's norms of trustworthiness, namely, credibility, transferability, dependability, and confirmability (Shenton 2004). Triangulation, member checks and peer debriefing were used to promote confidence that the researcher had accurately recorded the phenomena under investigation (credibility). Regular checks were done with the participants to ensure accuracy of data collection (member checks), that is, transcription of interviews and analysis of questionnaires were given to each participant to verify (McMillan & Schumacher 2006; Shenton 2004).

Consent was obtained from the Gauteng Department of Education, and participants. To obtain the principals' consent and voluntary participation, the purpose of the research was explained to them. They were made aware that they may withdraw from the research at any time, and that confidentiality and anonymity would be observed during and after the research.

We now turn our attention to the financial management of schools and address how the government addresses financial equity in their pursuit

to providing quality education to all, more especially to historically disadvantaged students.

### **Analysis of Data**

As mentioned previously, six principals completed open- questionnaires and this was followed by online interviews conducted with some of the participants on Teams. Data was analysed using Tesch's method of coding. The following themes emerged.

#### ***Limited Resource Funding Provided by the State***

Many schools lack the necessary physical resources and basic infrastructure for sanitation, (Peters & Le Cornu 2005), water, roads, and other transport, electricity, and information and communication technology. The deprived socio-economic status of parents, places learners at a disadvantage. Due to financial constraints, provincial governments are unable to provide schools the necessary financial support that will largely contribute to learners being provided quality education. Moreover, educational authorities cannot provide schools with physical and human resources that are much needed by teachers and learners, and this places severe burden on parents. Principal of School 3 avers:

*I think the government has not yet successfully achieved equity. I am saying this because several schools, especially in the townships, rural as well farm schools are still lacking proper infrastructure. These include amongst others, classrooms, specialized rooms such as laboratories and furniture. In addition, there is also shortage of human resource.*

Although substantial funding is provided to no-fee schools by PEDs, most of the sampled principals maintain that funding is insufficient for them to provide quality education. Funds should be made available for infrastructure where there is a lack of basic resources such as libraries, computer centres, sports fields, and for the refurbishment of dilapidated classrooms. *Although the resource allocation provides for school maintenance and repairs, the amount allocated is minimal* (Principal 6). A school that requires major

renovations (e.g., additional buildings, roofing of classrooms, etc.) must make a formal application to PEDs who are responsible for managing funds for capital expenditure. A thorough inspection is undertaken on site to confirm the reasons for these major renovations. This major project is usually undertaken between 12 – 18 months depending on the urgency of the problems. Principal 5 indicated that:

*The SGB wanted two more additional classrooms because the enrolment increased. Department officials did an inspection and approved the application for two additional classrooms. They indicated that the school would receive two mobile classrooms. It is over a year, and we have still not received delivery of these mobile classrooms.*

Principal 6 asserts that:

*The school was built in 1991, and poor infrastructure is the main identified problem. Vandalism and theft are compounding factors to add to the poor infrastructure. In many instances, we have vagrants who enter the premises after school hours and break windowpanes and doors to steal teachers' and learners' belongings so that they can sell it. The per capita we receive is miniscule and we cannot meet all targets budgeted for. The maintenance budget is so little nothing much can be done.*

Three principals experienced problems of wanting to employ additional teachers because of high teacher-learner ratio and overcrowded classes. The Department did not accede to their requests and referred them to the post provisioning norms of their schools. There were other similar situations where principals indicated they found 'difficulty in procuring educational resources that fell outside the scope of the cost centres' (Principal School 2) prescribed by PEDs.

*The subsidy is insufficient to procure learning and teaching support materials, for repairs and maintenance. With the influx of learners in our school we are on yearly basis increasing the numbers. The district or head office officials will phone the school requesting not*

*actually requesting but instructing you to admit a certain number of learners. They will either promise to send mobile classes which will never be delivered. The allocation for services does not even match what the municipality is charging on monthly basis. We then surrendered the function.*

Principal of School 5 averred:

*For LTSM the subsidy is sufficient, but the problem is that learners do not take care of the textbooks, and some do not return textbooks to the school hence we cannot have universal coverage. For repairs and maintenance, the subsidy is not sufficient because some repairs need a lot of money. Vandalism of school property i.e., chairs, tables, toilets etc. is very high in our schools. For services like water and electricity we have handed them over to the Head Office because they are expensive.*

According to Mestry and Ndhlovu (2014), in many no-fee schools, where school management teams and teachers carry a heavy workload, they are unable to employ more teachers than those provided for in the post provisioning norm set by the Department or to procure resources which are unauthorized by the Department.

When participants were asked how they would spend the schools' resource allocations if there was no prescription to state funding, principal of School 3 answered as follows:

*If the PED did not prescribe, I was going to use the funds to construct more classrooms, enough furniture for learners and educators, a school hall, laboratories, employ more educators on SGB Post, electrified wall around the school, alarm system and cameras.*

### ***Challenges Experienced in the Management of Additional Financial Functions***

When schools are granted section 21 functions by the Head of Education, they have the power to be semi-autonomous. The Department deposits the

full resource allocation into the school's banking account and gives SGBs the power to select their own suppliers, negotiate discounts, and receive delivery of resources speedily (Mestry & Bisschoff 2009). A progressive SGB will seize the opportunity to manage section 21 functions because substantial funding can be saved.

Schools that do not apply for additional functions (section 21) receive a paper budget from the Department. The paper budget implies that the Department does not deposit the funds allocated for resources into the school's banking account because SGBs hand over their financial functions to education districts who take responsibility of managing these additional functions on their behalf. These schools are placed at a disadvantage because they are unable to negotiate better prices for the procurement of resource and select own suppliers

Two of the six principals could not furnish good reasons why their SGBs are reluctant to apply for section 21 functions as stipulated in the Schools Act (RSA 1996). It could probably be that these SGBs are not familiar with section 21 functions, or they don't see any advantage of taking on these functions. SGBs may not have the *'financial capacity to manage school funding because members' lack the necessary financial knowledge and skills. The SGB is dysfunctional'* (Principal School 4), or the school has not *'appointed capable finance officer to assist the SGB with various financial functions'* (Principal School 1).

However, the other four principals feel that have section 21 functions concurred that *'more additional administrative clerks should be employed to take on various financial responsibilities to effectively manage the procurement of resources for their schools'* (Principal School 3). This has serious financial implications for no-fee schools. In most of the no-fee schools sampled, this function is usually handled by SMTs or teachers. However, because of their heavy teaching loads, they find difficulty in managing these financial functions efficiently.

### ***Incapacity of Schools to Prioritise Major Fundraising Projects***

Many schools use fundraising activities to raise money from external sources to fund and support co-curricular and extra-curricular activities and to procure additional resources. In the South African context, due to shrinking government budgets, schools will embark on fundraising, perhaps due to the

desire to supplement costly co-curricular activities which will contribute to the school achieving its mission, needs, or goals (Tan 2017).

Besides raising funds for the school, it also provides an opportunity to draw in the wider school community and build relationships with all stakeholders. A successful school will develop a Fundraising Policy which is intended to provide relevant role players with a framework and parameters for raising funds to support school activities. For example, learners can assist to raise funds to help a common goal, and if done, with careful planning, they can learn fundamental life skills such as teamwork, creativity, customer service and goal setting.

It was apparent when participants were asked about fundraising events, principals were ambivalent to indicate the different fundraising initiatives and the approximate amount of funds generated from these fundraising drives. Most participants listed '*Civvies*' (learners pay a fee to come casually dressed to school) as a common and regular fundraising initiative. From the figures disclosed, funds generated from fundraising was negligible. Principal of School 2 mentioned that they '*received rental for the hire of the school hall and informal vendors but these were not regular*'. The SGB of the same school was not interested in fundraising events. One principal (School 4) indicated that R200 000 was received as donations but refused to divulge more details of the donors or the purpose for such substantial donation. Most principals made excuses that their schools are located within poor communities and therefore, fundraising initiatives will not be successful. Many parents are unemployed or child-headed families was widespread in surrounding areas.

What is evident is that most no-fee schools do not prioritise fundraising as a means of supplementing the funds provided by the state. They are contented with the status quo and see no purpose to increase the schools' funds.

## **Discussion of Findings and Recommendations**

This study raises three pertinent issues: Firstly, schools are restricted from employing additional teachers other than that prescribed by provincial education departments (PEDs). In rural and township schools, a high learner-teacher ratio is prevalent where classrooms are overcrowded. The remuneration for the employment of additional teachers may only come from funds generated by SGBs. Compounded to this challenge is the prescription

of PEDs on the disbursement of state's resource allocation (e.g., LTSM, repairs and maintenance and services). many no-fee schools are invariably overstocked with LTSMs, and this could be considered as fruitless or wastage expenditure. Government is thus unable to fully achieve equity by placing stringent restrictions on how state subsidies should be spent. The researcher argues that SGBs should be empowered to spend state subsidies based on the needs of schools. Although PEDs permit virement as a means of transferring funds from one cost centre (underspending observed) to another cost centre where there is a dire need to procure resources, many SGBs are unfamiliar with virement or the bureaucracy to approve the request is time consuming and cumbersome.

There is thus a dire need for the South African government to reconceptualise the ANSSSF policy so that the needs or conditions of the most under-resourced schools and the most marginalized learners in the system are prioritized. In this regard, we argue that the PEDs' should not prescribe how the subsidies should be spent. Principals and SGBs should be empowered to utilise the funds based on the needs of the schools. Most no-fee schools lack adequate and well-maintained educational resources that impede the provision of quality education which caters for the whole child—the social, emotional, mental, physical, and cognitive development regardless of gender, race, ethnicity, socioeconomic status, or geographic location (Colby, Witt & Associates 2000). For example, funds could be utilised to employ more teachers to alleviate the high teacher-learner ratio and problems of overcrowded classrooms.

Another important deliberation is the application of section 21 of the South African Schools Act (RSA 1996) which states that SGBs that have financial expertise and governance capacity may apply to the Heads of Education of PEDs for additional functions such as maintaining and improving school property; purchasing textbooks and educational materials; and paying for repairs and maintenance of school buildings. Many no-fee schools prefer not to have direct control over the schools' finances and thus abstain from applying for these additional functions. Instead, these schools authorise education districts to manage their resource allocations. We argue that the section 21 should be made mandatory for all public schools. This action will empower principals and SGBs, especially of no-fee schools, to manage their own schools' finances rather than transferring their powers to education districts. The section 21 functions give SGBs control over the

procurement of resources when PEDs deposit the funds into the schools' banking accounts (Mestry & Bisschoff 2009). These schools are authorised to select their own suppliers, negotiate better prices and discounts, and determine the delivery dates for essential goods and services. Thus, principals as accounting officers are empowered to manage the schools' finances in the best interest of the learners.

The third factor revolves around the role of principals in supplementing funds provided by the state. In this regard, we argue that principals should take on entrepreneurial stance to seek opportunities of substantially increasing the schools' coffers. Principals should find innovative and creative ways of fundraising. Through collaboration with SGBs and other relevant stakeholders, the principal should develop strategic plans to supplement schools' funds.

According to Blake and Mestry (2014), school principals embracing the entrepreneurial spirit, with respect to the financial management of their schools, can make a massive contribution to the overall economic well-being, development, and growth of their respective schools, and in so doing realise educational transformation. For principals to be successful entrepreneurs, seven entrepreneurial success factors, namely, creativity and innovation, risk orientation, leadership, human relations, attitude, perseverance, and commitment has been identified (Nieman *et al.* 2004).

It is evident that government's funding is, however, not always sufficient, and so schools need to determine ways of supplementing these funds. By adopting skills and practices of entrepreneurship, principals, SMTs and SGBs may have a better chance of accessing additional resources to allow learners to fully participate in their education and in this way build self-esteem and improve their chances of a more successful future.

## **Conclusion**

The South African government does not have the capacity to fund public schools because of economic instability. Economic instability is characterised by high inflation, resulting in higher prices, higher unemployment rates, and anguish among corporates who are trying to survive financially. Schools are obligated to provide quality education, and this is possible if adequate funding is provided. The government's equity agenda fund no-fee schools substantially for non-personnel. However, this is

inadequate. This paper argues for a collaborative partnership between government and heads of financial institutions. Research shows that principals and SGBs should embark on intensive fundraising projects by embracing entrepreneurial leadership to supplement state funding. They should be empowered to make important financial decisions in expending resource allocations provided by PEDs. This means that PEDs should no longer prescribe how state funds should be spent. Thus, schools should be assigned section 21 functions of the Schools Act without having to apply for these functions.

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*Raj Mestry*

Emeritus Professor Raj Mestry  
Department of Education Leadership and Management  
Faculty of Education  
University of Johannesburg  
[rajm@uj.ac.za](mailto:rajm@uj.ac.za)