



25 February 2021

**Equal Education budget reaction statement: The 2021 budget provides a small amount of relief for education, but overall the cuts are going to hurt schools**

Yesterday, when Finance Minister Tito Mboweni tabled the 2021 budget, there was slightly better news for education than in last year's Medium Term Budget Policy Statement (MTBPS), but the overall story is still that government is refusing to invest enough into quality teaching and learning for all.

With last year's Supplementary Budget and MTBPS, Mboweni chopped away at basic education funding and infrastructure grants. Since October, Equal Education's (EE) learner, post-school youth and parent members have protested - yesterday again taking to the streets outside Parliament - to demand that government prioritise education, that the budget cuts be reversed and that education be declared a frontline department in the fight against COVID-19. The little bit of relief announced in yesterday's budget speech is thanks to the determined advocacy of school communities! But the victory is bittersweet because the relief is small in comparison to the cuts introduced last year.

**Key takeaways**

- **Total education funding:** As predicted in the MTBPS, total education funding will **decrease every year for the next three years** (when inflation is taken into account). This will seriously hurt the progress that has been made in education. In October Minister Mboweni said that this year's budget would be R14 billion less than what we expected before COVID-19 hit, but this cut has been reduced to R9 billion - still a big decrease!
- **Teacher salaries:** There will be **less money to pay teachers** and other education staff over the next three years. Treasury's own documents say this will lead to bigger class sizes, especially in no-fee schools, which will likely negatively affect learning outcomes.
- **Department of Basic Education (DBE):** The DBE's budget is **increasing by almost R4 billion** from last year, reversing the cuts that were made in response to COVID-19. But, the budget decreases again in the following two years.<sup>1</sup> The DBE is also seeing cuts to its salary budget while funding for consultants is one of the biggest increases in its budget. This means less money for internal capacity in government, while more money flows to private parties.
- **Infrastructure:** While the R2.1 billion cut from last year was not reversed, we are encouraged that **no more money was taken from the provincial Education Infrastructure Grant (EIG)**. In fact, allocations have returned to pre-COVID levels. About R11 billion has been allocated to the EIG, while the School Infrastructure Backlog Grant (SIBG) - which funds the Accelerated Schools Infrastructure Delivery Initiative (ASIDI) - receives R2 billion in 2021/22. However, it is disheartening that over R400 million will be taken from the SIBG over three years.
- **School nutrition:** About R8 billion has been allocated to the National School Nutrition Programme (NSNP) for 2021/22. This is the same amount that government originally said it would spend on the NSNP when it published the previous budget in February 2020. This means that **government did not add any new money** to ensure that COVID-19 does not rob children of

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<sup>1</sup> When inflation is taken into account.

their school meals. The DBE has said that providing food for learners to take home can be more expensive than providing meals at school.

- **Provincial budgets:** Total money allocated to provinces is **decreasing every year for the next three years** (when inflation is taken into account). Key services provided by provinces, such as education and health, will be affected.

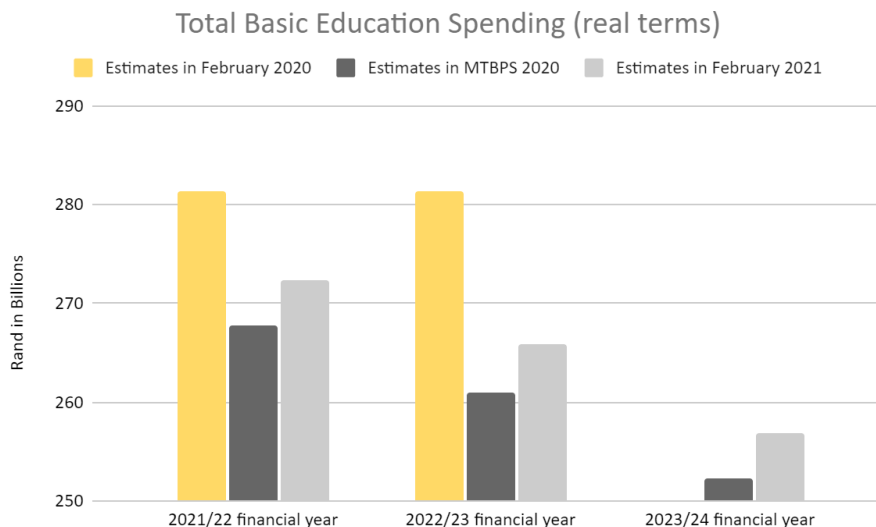
### Difficult time ahead for learners and schools

It is learners, teachers and parents/guardians who will feel the consequences of these decisions in schools, when already stretched classrooms fill up, there are too few teachers, and learners go without meals because of underfunding.

*"It is hard to learn at schools due to the budget cuts. There is no money to pay teachers so now they take teachers who can't teach that subject."* - **Monalisa, Western Cape Equaliser (EE learner member)**

*"Budget cuts affect our schools negatively, because the Department of Basic Education can't fix our toilets, they can't give children meals at home or textbooks that we need to learn with."* - **Aphola, Gauteng Equaliser**

Yesterday's budget represents a continuation of concerning trends of underspending on basic education. Recently published research<sup>2</sup> shows that government spending per learner on basic education decreased by an average of 2.3% between 2009 and 2018.<sup>3</sup> The February 2020 budget deepened this trend by cutting the total basic education budget in real terms<sup>4</sup> - possibly the first time this has happened in the democratic era - a trend that is now continuing in the current budget. Since 2016/17, funding for education as a percentage of the total budget<sup>5</sup> has decreased from almost 19% to around 15%.



<sup>2</sup> Spaul, N., Lilienstein, A. & Carel, D., 2020. 'The Race between Teacher Wages and the Budget The case of South Africa 2008-2018', Available at: <https://nicspaul.files.wordpress.com/2020/06/spaul-lilienstein-carel-2020-the-race-between-teacher-wages-and-inflation-19jun20-1.pdf>

<sup>3</sup> This calculation takes into account that inflation in education tends to be higher than CPI inflation, because major cost drivers such as salaries, may increase faster than inflation.

<sup>4</sup> When we take inflation into account.

<sup>5</sup> Non-interest expenditure, or government expenditure excluding debt-servicing costs.

The current pressures on education funding affect almost every critical part of basic education. In the Eastern Cape, funding cuts have already resulted in the provincial infrastructure programme stopping almost entirely.<sup>6</sup> In KwaZulu-Natal, the majority of learners who qualify for scholar transport will have to walk to school this year due to a R634m budget shortfall.<sup>7</sup>

Even before cuts were announced in the 2021 budget, provinces had responded to shrinking education funds by freezing teacher, administrative and school management posts. The number of principals, deputy principals and heads of departments has decreased - in some provinces by as much as 23%.<sup>8</sup> Further cuts to funding for teacher salaries will make this worse. It will likely mean that there will be fewer teachers in the system or that teacher salaries will not increase. This contributes to less support for learners in schools and more pressure on teachers who stay in the public school system.

National Treasury has also failed to put other safety nets in place for learners, that can help support their learning. The Child Support Grant, which reaches 13 million children<sup>9</sup> in South Africa, was increased by R10, or 2% - not even keeping up with inflation. This will contribute to increases in hunger, poverty and inequality, which has knock-on effects on schooling. Over the years, research has shown that there is a strong relationship between the academic achievement of learners and their socio-economic status.<sup>10</sup>

### **Spending wisely and responsibly**

It is important that education departments are held accountable for how the money that does get given to education is spent. Last year, the DBE spent R818 million 'irregularly' or in a potentially fraudulent manner, which is up from R210 million in the previous year.<sup>11</sup> The department also had R83.9 million of fruitless and wasteful expenditure! The outbreak of the COVID-19 pandemic contributed to further wasteful spending in education, with, for example, the Gauteng Department of Education being accused of [wasting R431 million](#) on unnecessary deep cleaning of schools.

The [Draft Public Procurement Bill](#) is an opportunity to fix some of these problems - it must make information about projects publicly available so that it is easier for the public to monitor spending and create accessible processes for school communities to report contractors who waste money at their school.

### **Conclusion**

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<sup>6</sup> Phandle, G., 2021. EC's school building project falters thanks to lack of funds. *Daily Dispatch*. 30 January 2021.

Available at:

<https://www.dispatchlive.co.za/news/2021-01-30-ecs-school-building-project-falters-thanks-to-lack-of-funds/>

<sup>7</sup> Singh, K., 2021. Over 100 000 KZN pupils will not receive transport due to R634m budget shortfall. *News 24*. 9 February 2021. Available at:

<https://www.news24.com/news24/southafrica/news/over-100-000-kzn-pupils-will-not-receive-transport-due-to-r634m-budget-shortfall-20210209>

<sup>8</sup> Spaul, N., et al., 2020. *The Race between Teacher Wages and the Budget The case of South Africa 2008-2018*, Available at:

<https://nicspaul.files.wordpress.com/2020/06/spaul-lilenstein-carel-2020-the-race-between-teacher-wages-and-inflation-19jun20-1.pdf>

<sup>9</sup> National Treasury, 2021. *Estimates of National Expenditure*. Available at:

<http://www.treasury.gov.za/documents/national%20budget/2021/ene/FullENE.pdf>

<sup>10</sup> University of Pretoria, 2017. *Progress in International Reading Literacy Study. South African Children's Reading Literacy Achievement*. Available here:

[https://www.up.ac.za/media/shared/164/ZP\\_Files/grade\\_5\\_pirls\\_2016\\_final\\_country\\_report.zp147996.pdf](https://www.up.ac.za/media/shared/164/ZP_Files/grade_5_pirls_2016_final_country_report.zp147996.pdf)

<sup>11</sup> Auditor General of South Africa, 2020. *Budget Review and Recommendations Report (BRR)*. Briefing to the Portfolio Committee on Basic Education. Available here: <https://static.pmg.org.za/201103AGSA.pdf>.

South Africa has a proud history of education advocacy by young people, which has given education a central place in the country's national priorities, both during the struggle for democracy and thereafter. It is a truly sad day to witness a budget that betrays that progress, one that gives tax breaks to the wealthy, while the basic rights of poor and working class learners are being compromised. Yesterday, Equalisers, EE parent members and other activists were turned away from Parliament by police when they tried to highlight this injustice by exercising their right to protest.

In many public schools with overcrowded classrooms and unsafe toilets, and where taps run dry, learners and teachers fight against the odds to achieve excellence. This is an unfair burden to carry. Government must fix and fund our education system!

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