



For an Equitable Sharing  
*of National Revenue*

# POLICY BRIEF 6

**MANAGING THE FISCAL IMPLICATIONS OF  
LEARNER MOBILITY THROUGH BETTER  
PLANNING AND BUDGETING**



## EXECUTIVE SUMMARY

**T**he urban development pattern in South Africa is changing from one characterised by the movement of only job-seeking adults to urban centres to one which involves the movement of school-going children across local boundaries to schools in different urban settings. Open school choice policies enable parents and learners to vote with their feet in search of better education. These movements affect the overall functioning of the schooling system from the perspective of planning and funding, for both the sending and receiving areas.

Accordingly, this research evaluates the extent to which education fiscal transfers are affected by, or responsive to, the urban transformation process, and the efficacy of provincial planning processes in addressing education delivery challenges introduced by urbanisation. The findings suggest that in managing learner mobility provinces need not only focus on the budgetary implications, but also invest in long-term planning tools that account for spatial demographic shifts and development plans. In particular, the study recommends a need for education infrastructure transfers, and their investment within provincial boundaries, to be sensitive to learner mobility patterns in terms of location and age structure.

## BACKGROUND

The South African education system is evolving from a polarised epoch in which learner mobility across schools was prohibited by law, admission policies and administrative school catchment zones. With the advent of democracy in 1994, and the subsequent reforms which sought to democratise the education system, parents have been granted greater choice over which schools their children can attend. The result of these open school choice policies has been that learners, across the breadth and length of the country, are able to switch schools within and across municipal and provincial boundaries. Learners, and to a limited extent school infrastructure, are becoming increasingly concentrated in key urban centres. This concentration is largely attributable to parent/labour migration, perceptions of higher quality education in urban areas and the problem of limited good schools attracting demand from a large number of people. Poor quality rural education and the closure of schools in rural areas has also been found to drive mobile learners toward urban schools.

A rapidly urbanising learner population, particularly in the context of inter-regional mobility, has enormous implications for the education system.

It may result in over or under utilisation of education resources, as well as over or underfunding of the receiving and sending areas. Receiving areas may experience overcrowded classrooms and skewed distribution of learners, while sending areas encounter shortage of teachers, leading to sub-optimal education outcomes.

Existing education fiscal transfers are allocated on the basis of learner enrolments. Similarly, the utilisation of education infrastructure fiscal transfers is informed by the distribution of learners at a given point in time. Thus, the movement of learners across boundaries inadvertently affects funds available for education within provinces and may render certain schools dysfunctional.

Against this background, the study evaluates the extent to which education fiscal transfers are affected by, or are responsive to, the urban transformation process and the efficacy of provincial planning processes for addressing education delivery challenges induced by urbanisation. The approach adopted for this evaluation is a quantitative analysis of the Education Management Information System (EMIS) data, covering over 12 000 schools, budget data and case studies within the three provinces (Gauteng, Eastern Cape and Limpopo) that are most affected by learner mobility.

## RESEARCH FINDINGS

### Inter-provincial learner mobility

An assessment of learner mobility patterns across the nine provinces of South Africa, using a comparison of Grade 1 pupil distribution and density over time, indicates that three provinces have experienced a significant change in the total share of Grade 1 pupil enrolment and density levels. Eastern Cape and Limpopo experienced a net decline of 8%, while Gauteng gained over 6% in Grade 1 enrolment between 2005 and 2015. Changes in learner population density, as well as total average learner growth rate per annum, reveal similar trends. The study further finds that inter-provincial mobility differs according to age structure with the receiving provinces experiencing large mobility when learners reach higher grades, while sending provinces show less mobility with grade progression. Table 1 shows net migration by age structure across the nine provinces. These shifts have implications for the overall funding of provinces because allocations are made on the basis of pupil composition.

Table 1. Net pupil migration by age structure, 2011–2015

Province	5 – 9 years	10 – 14 years	15 – 19 years
Eastern Cape	-7 385	-22 837	-65 097
Free State	-3 666	-5 426	-4 128
Gauteng	37 325	52 765	105 495
KwaZulu-Natal	-6 385	-5 944	-17 009
Limpopo	-18 222	-23 528	-33 514
Mpumalanga	7 400	4 264	4 069
North West	16 800	12 693	12 198
Northern Cape	1 276	1 897	758
Western Cape	11 337	26 015	56 694

Source: Stats SA, 2016.

### Intra-provincial mobility

Intra-provincial learner mobility patterns show high levels of variability across provinces, reflecting their unique spatial conditions and education dynamics. These movements only affect the balance in the distribution of schools, learners and other education inputs within a province. The study found that Gauteng school districts experience an overall above average annual growth of 33% per annum in Grade 1 enrolment. In comparison, Grade 1 enrolment growth within school districts in the two sending provinces is mainly confined to the urban cities or secondary cities. The findings further suggest a close relationship between learner mobility and education results as rural districts where Grade 1 enrolment is stable or growing have better matriculation results. The Eastern Cape and Limpopo education departments attribute this phenomenon to better district and school level management.

### Fiscal effects and the responsiveness of transfers to learner mobility

The fiscal implications of learner movements manifest at three levels: national, provincial and school. Nationally, the fiscal effects manifest through the adjustment made to the provincial equitable share (PES). This uses the proportion of provincial learner enrolment, among other things, as the basis for allocation of the Education Infrastructure Grant, allocated to provinces in accordance with approved infrastructure delivery plans.

On the whole the study found that the annual baseline and inflationary adjustments made to the PES cushions the sending provinces against the decline in learner enrolment. The framework for infrastructure allocations also demonstrates a shift away from prioritising the eradication of infrastructure backlogs within the sending provinces towards funding the receiving provinces. However, the sending provinces are yet to match their investment plans

with spatial demographic patterns as they continue to build new or replace old schools in areas with declining learner enrolments. The provincial budgetary effects of learner mobility are also not adverse. Education budget estimates indicate that provinces can afford the per learner target allocation if they set aside at least 10% of the education budget, irrespective of changes in learner enrolment in any given year. Concerns about the adverse budgetary effects of learner mobility reflect fiscal management weaknesses, rather than the irresponsiveness of the fiscal transfers.

The budgetary effects of learner mobility are highly pronounced at the school level, as opposed to the district and provincial level. Changing learner distribution patterns result in schools becoming financially, operationally and academically unviable because of low enrolments. Invariably small schools receive small budget allocations that are sometimes insufficient to cover the full cost of delivering the academic programme. These schools have to be either closed or rationalised.

### Managing learner mobility through planning and budgeting

The process of managing learner mobility varies from one province to another given the varying provincial dynamics. Gauteng emphasises the early registration of learners so that placement and planning for the allocation of school resources is completed prior to the start of the school year. To manage learner mobility, Eastern Cape and Limpopo rely on multiple strategies, including closing schools, consolidating small schools, building hostel schools and offering multi-grade teaching. Trade-offs are made between conflicting options which may include closing an existing unviable school, replacing its dilapidated infrastructure and providing prefabricated classrooms, or providing expensive learner transport to another school.



## CONCLUSION

Learner mobility is an inevitable part of urbanisation. The evident pattern of learner mobility appears in the context of inter-regional movements where learners migrate from traditionally rural provinces, such as Limpopo and the Eastern Cape, to Gauteng. Intra-regional learner mobility is less prevalent, but clearly shows a rural-urban migration pattern to secondary cities. Available fiscal transfers are generally sensitive to inter-provincial learner mobility, through the principle of 'funds follow the learners' applied in the allocation formulae. Increased mobility generally affects rural sending schools adversely by reducing their available budget to levels below the minimum required to deliver the curriculum. School-level effects require provinces to closely monitor shifts in spatial demographic patterns and learner distribution by districts to rearrange the distribution of their education resources.

To address the implications of urbanisation-induced learner mobility on education planning and funding the Commission recommends that the following steps be implemented:

- The National Treasury should incorporate weighted learner socio-economic profiles into the education component of the provincial equitable share (PES formula as an additional indicator of education needs.
- Both the National Treasury and the Department of Basic Education must ensure that the framework for the Education Infrastructure Grant incorporates the need for provincial infrastructure plans to take into account spatial demographic patterns and forecast when decisions to build, expand or maintain schools should be made.
- The Department of Basic Education must allocate unique identification numbers to learners when they first enter the school system to (1) ensure that learners are allocated the requisite funding that is consistent with their socio-economic profile when they move between schools, and (2) enable seamless tracking and measurement of movements across provinces and within districts.



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