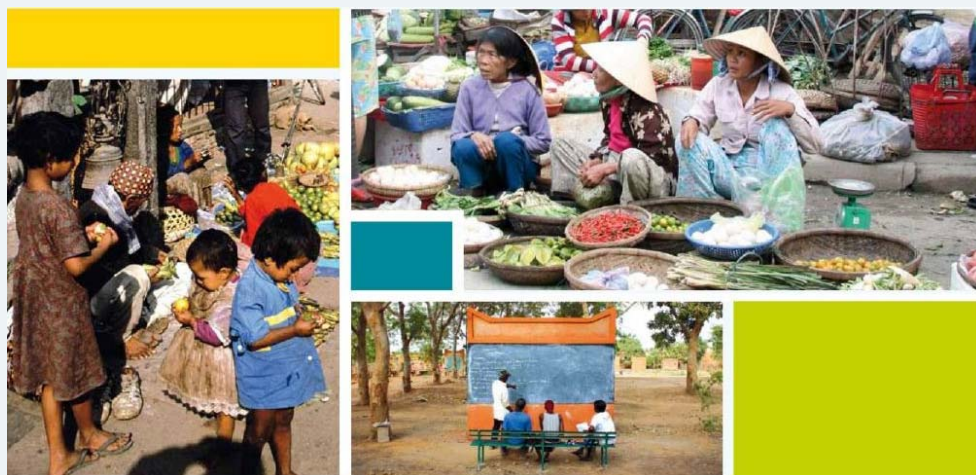


# nopoor final conference

6-7 June 2017, Brussels

## EDUCATION FINANCING AND SCHOOL OUTCOMES IN SOUTH AFRICA



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**nopoor**  
Enhancing Knowledge for  
Renewed Policies against Poverty



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# Motivation

- Student learning is the outcome of a variety of factors/inputs.
  - “Educational production function”
- Little credible evidence exists on the effect of non-personnel school expenditures on outcomes in developing countries.
- Important to evaluate the impact of spending by examining actual policy for allocating resources.

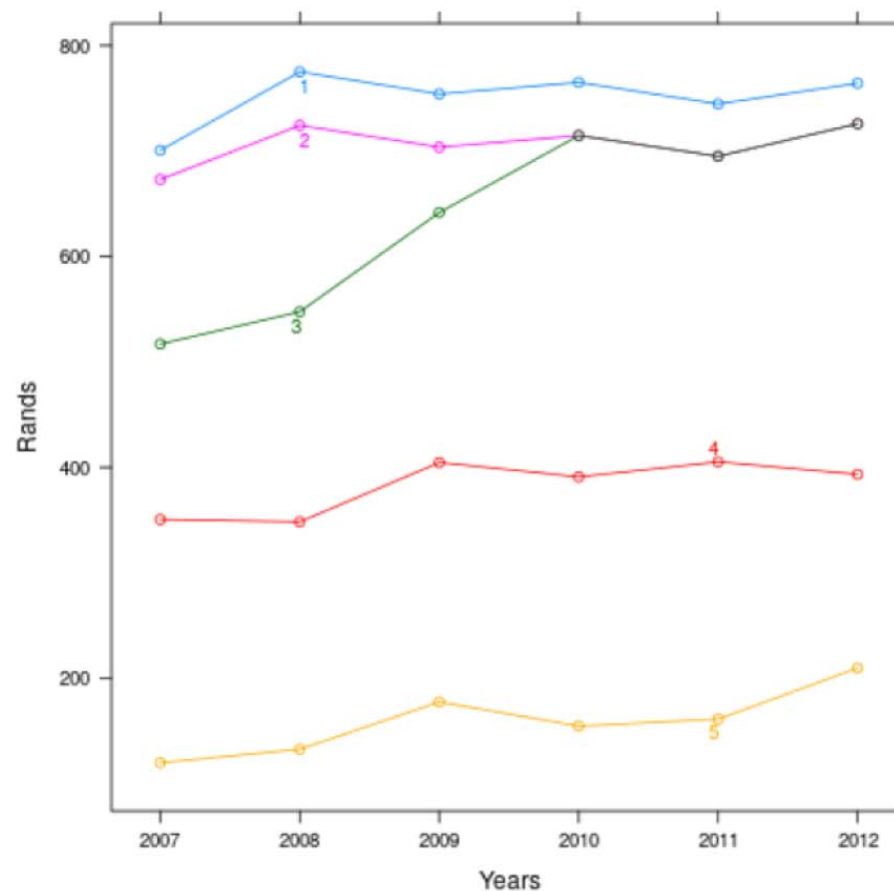


# Context

- South Africa: important case study. Inequalities in school resources and performance are high
- Historical legacy of apartheid
- We exploit the peculiar way in which resources are allocated
- Government funding follows quintiles constructed on the basis of school poverty scores.



**Figure 1. Per pupil funding by quintile from 2007-2012**



# Results

- Additional non-personnel funding increases student throughput from grade 10 to 12.
- No increase in final-year exam pass rates. If anything, the effects on pass rates are somewhat negative.
- Overall, the increase of about 200 Rands in funding (~ 20 USD) has a relatively small impact on student outcomes.



# Policy implications

- Important to evaluate the impact of progressive funding allocations on existing educational performance gaps.
- The analysis suggests that the results are NOT due to:
  - misuse of funds
  - 'migration' of students across schools
  - alteration of hiring incentives
- It is possible that the results are due to the per-pupil nature of funding
  - incentive to keep student enrollment high



# Policy implications

- Results could be different for bottom quintile schools or primary schools
- Larger increases in resources may have a proportionally higher impact than smaller increases
- Results provide cautionary evidence regarding the potential for this type of funding to close educational attainment gaps.

