
CORPORATE SOCIAL INVESTMENT IN SCHOOLING IN SOUTH AFRICA

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1. EXECUTIVE SUMMARY

Late in 2010 the National Business Initiative (NBI) commissioned Trialogue to conduct research to determine the size and scope of corporate social investment (CSI) in schooling in South Africa. The research consisted of analysis of the primary research done for the 2010 13th edition of the CSI Handbook (100 companies). This follows similar research done by Trialogue for the NBI in 2010 using the research done for the 12th edition of the handbook.

The findings of the research were as follows:

- Total CSI expenditure in South Africa in 2010 was an estimated R5.4 billion
- Of this, CSI expenditure on all levels of education was around R1.75 billion
- CSI funding going towards schooling (GET plus FET) was R997 million. The remainder was allocated to early childhood education (ECD), tertiary education and adult basic education and training (ABET).
- Over half of the schooling spend was directed to national projects (R345 million) and projects in Gauteng (R233 million)
- Almost a quarter of total education expenditure went to bursaries, scholarships and university chairs. School governance and functionality received the smallest portion of education expenditure (3%)
- In terms of spend on subjects, maths and science was the biggest single spend category

2. INTRODUCTION

2.1 Background

The National Business Initiative (NBI) has, since its inception, worked with its member companies to ensure an optimal contribution to school development and improvement in South Africa.

The purpose of this research was to build on the baseline research done last year and to determine whether CSI expenditure on schooling has changed significantly in the last year. Ultimately, the NBI through its learning partnership would like to determine if, and how, business can enhance its contribution to schooling going forwards.

2.2 Definitions and scope

Within the context of this study, expenditure in schooling was defined as any programmatic or project-based investment in public or private schools that aims to directly improve the educational outcomes of learners in Grades R to 12 in South Africa. Early childhood development (ECD) and Adult Basic Education and Training (ABET) programmes were excluded from the definition of schooling used in the study.

2.3 Methodology

The research consisted of an analysis of the expenditure numbers from the survey done for the CSI Handbook 13th Edition 2010.

Each year Triologue interviews representatives from the top 100 corporates (in terms of CSI expenditure). The findings from the interviews are used to calculate the total CSI expenditure in South Africa each year, as well as to gain an understanding of the trends in CSI. The high level findings are published in the annual CSI Handbook.

The 2010 primary research was conducted from March to May 2010 with a sample of 100 companies. Analysis of the expenditure data from these surveys was done for the purposes of this research.

3. CSI EXPENDITURE ON EDUCATION

3.1 Education as a proportion of total CSI expenditure

Triologue estimates total expenditure on CSI amounted to R5.4 billion in 2010.¹ 91 companies in our research sample showed an *average expenditure in education of 32.4%*. This is a decline from the 2009 education allocation of 38.1%, although education has fluctuated between 30% and 40% in the last ten years. These fluctuations are most probably due to differences in respondents and research accuracy rather than to significant reasons for changing the allocation of expenditure to education.

Although it is not wholly accurate to apply this percentage based on a sample of 91 companies (representing less than a third of total CSI expenditure) to the total CSI spend, if one does, the rough estimate for ***CSI expenditure on education is around R1.75 billion per annum***. This includes expenditure on all types and levels of education, including ECD, schooling and post-school education.

3.2 CSI expenditure on education by level of education

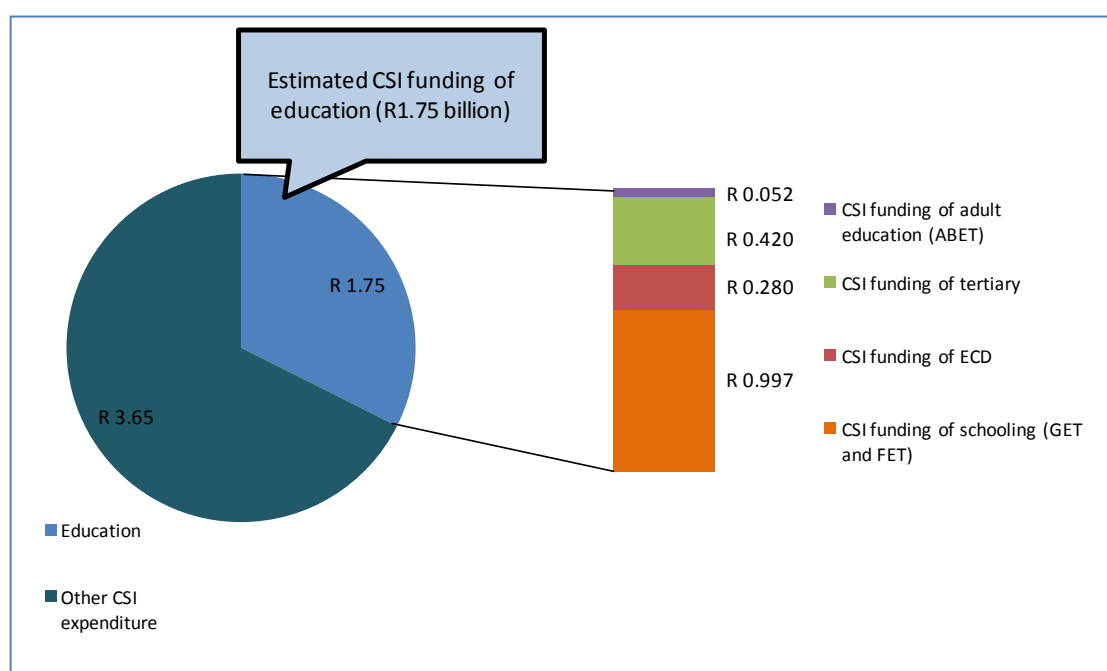
Of the CSI Handbook research sample, 89 companies were able to provide breakdowns of their expenditure in education by level of education. The CSI expenditure of these 89 companies amounted to about R1.49 billion (28% of total estimated CSI expenditure). The average breakdown in expenditure by level of education, as provided by these 89 companies, is shown in Table 1. Again, although not accurate to apply these to the total extrapolated education expenditure, the amount of ***CSI funding going towards schooling (GET plus FET) is R997 million (R490 million plus R507 million)***.

Table 1: Extrapolated estimates of breakdown of CSI expenditure on education by education level (n=89 for % CSI education spend by level)

Education level	% education spend	CSI education (Rm)
Further Education and Training (FET) (Grade 10 -12)	29	507
GET (Grades 1 – 9)	28	490
Tertiary education (universities, technikons)	24	420
Early Childhood Development (ECD)	16	280
Adult education (including ABET)	3	52
Total	100	1 749

¹ CSI is broadly defined to include all social expenditure by private companies and state-owned enterprises on community activities which are not directly undertaken for commercial purposes.

Figure 1: Breakdown of CSI – Total versus expenditure on education (R billion)



3.3 CSI expenditure by province

Of the 100 companies surveyed, 93 provided a breakdown of their expenditure by province (see Table 2 below). These breakdowns show that the distribution of CSI funding is very uneven, with many of the poorest provinces receiving little CSI funding. This can largely be explained by the fact that most companies seek to fund projects in their areas of operation, and Gauteng is where the majority of business in South Africa is located.

Extrapolations from provincial CSI expenditure breakdown to provincial expenditure on education and schooling do not necessarily apply. However, if one seeks a very rough estimate as to how these breakdowns translate into CSI expenditure on education and schooling per province, the percentage splits can be applied to the total numbers to derive the following expenditure numbers.

Table 2: Extrapolated estimates of provincial breakdown of CSI expenditure on education and schooling (n=93 for % CSI expenditure by province)

	% CSI expenditure	CSI education (Rm)	CSI schooling (Rm)
National	34.55	604	345
Gauteng	23.33	408	233
Western Cape	11.36	199	113
Eastern Cape	7.61	133	76
KwaZulu-Natal	6.35	111	63
Mpumalanga	4.23	74	42
North West	4.15	73	41
Limpopo	4.14	72	41
Free State	2.25	39	22
Northern Cape	2.02	35	20
Total	100	1 749	997

3.4 CSI expenditure on education by type of intervention

Of the CSI Handbook research sample, 86 companies were able to provide breakdowns of their expenditure in education by type of intervention. The average breakdown in expenditure by type of intervention in education, as provided by these 86 companies is shown in Table 3. Almost a quarter of education expenditure goes to bursaries, scholarships and university chairs. School governance and functionality received the smallest portion of education expenditure (3%).

Table 3: Extrapolated estimates of breakdown of CSI expenditure on education by type of intervention (n=86 for % education expenditure by type of intervention)

	% education spend	CSI education (Rm)
Bursaries, scholarships, university chairs	25	437
Curriculum development / course materials	20	350
Infrastructure, facilities and equipment	16	280
Teacher development	15	262
Additional learner programmes e.g. bridging programmes	14	245
Special needs interventions	7	122
School governance and functionality	3	52
TOTAL	100%	R 1 749

Spend on different subjects by 86 companies in the CSI Handbook research sample is provided below:

Table 4: Extrapolated estimates of breakdown of CSI expenditure on education by subject (n=86 for % education expenditure by subject)

	% education spend	CSI education (Rm)
Maths and science	30%	525
General educational subjects	15%	262
Life skills (Aids awareness, career education)	14%	245
Information technology / computers	13%	227
Language and literacy	12%	210
Vocational and technical education	9%	157
Finance and economics	4%	70
Environmental studies	2%	35
TOTAL	100%	1 749

4. APPENDIX: LIST OF THE TOP EDUCATION SPENDERS IN 2010

According to research conducted for Trialogue's 2010 and 2009 CSI Handbooks (13th and 12th editions respectively), the following companies were the major spenders in education (in alphabetical order):

2010	2009
ABSA	ABSA
African Rainbow Minerals	Anglo American
Afrisam	Arcelor Mittal
Anglo Gold Ashanti	BAT
BHP Billiton	BHP Billiton
Discovery	Dell
First Rand Foundation	First National Bank
Foschini	Transnet
Investec	IDC
Massmart	Implats
Mercedes Benz South Africa	Investec
Microsoft SA	Mercedes Benz South Africa
Mr Price Group	MTN
Murray & Roberts	Murray & Roberts
Palabora Foundation	Nedbank
Petro SA	Palabora Foundation
Rand Merchant Bank	Rand Merchant Bank
SABC	South African Breweries
Sasol Ltd	Vodacom
Shanduka Foundation	Woolworths
Sun International	Sanlam
Tshikululu Social Investments	Sasol
Vodacom	Standard Bank
Xstrata Coal SA	Xstrata

Changes in this list from year to year are largely due to differing respondents in the different years, rather than dramatic shifts in education expenditure. For example, Woolworths and Standard Bank provided a breakdown of expenditure by development sector in 2009 but did not provide the breakdown in 2010. Nedbank participated in the survey in 2009 but did not participate in 2010. Likewise some of the companies on the list in 2010 did not participate in the survey in 2009.

The two lists should therefore be looked at collectively as all of the companies in both of the lists spend significant amounts on education.