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Study Introduction

Purpose

The objective of this book is to investigate the impact of low-cost private sector education on achieving universal primary education in three Commonwealth countries: India, Nigeria and Uganda. The three countries have been chosen because they are reported to have seen high growth of low-cost private education in recent years, running in parallel with publicly-funded efforts to achieve universal primary education.

The book is intended to consider the impact of these private schools on access to education for the poor, the status of national enrolment rates, the quality of education, transition to secondary school and other relevant issues.

The growth of low-cost private schools in slums and villages in some of the world's poorest countries and the willingness of even some of the poorest parents to invest in these services rather than those provided by the government, suggests that the entrepreneurs running these schools have identified significant 'gaps' in the market. This begs the question as to whether this represents a failure on the part of the government to deliver basic services or skilful tailoring of the service by entrepreneurs to meet previously unmet needs.

Defining the low-cost private sector

The terms of reference proposed by the Commonwealth Secretariat suggested the following definition of the study subject:

- 'All fee-paying schools/educational establishments offering basic/primary education independent of the government educational system.'

The terms of reference also suggested that the study might consider private-public partnerships if they were significant. In each of the country studies, the general nature of non-government basic education is analysed in order to understand better the entire phenomenon. It was decided to focus specific case study work on schools that fell into the following definition:

- 'Low-cost private schools owned by an individual(s) or other form of commercial enterprise.'¹

The reason for this focus is that there are many other types of non-government school. Most of them are not directly offering the poor an alternative service for profit. Their motivation and market niche is different.

Some of the major categories of non-government education provision that the authors consider to be marginal to the study are:

- High-fee private schools serving the affluent (*not for the poor*)
- Schools founded by communities hoping for future government grant aiding (*objective is absorption, not profit*)
- Schools run by religious groups and charitable bodies (*not for profit*)
- Schools run by organisations contracted to deliver services on behalf of government (*indirect*)

High-fee elite private schools are a familiar phenomenon in which the customers are rich and middle-class parents, and the school's superior quality is easily explained by its additional resources and selective intake (both unconscious through the fee barrier and conscious through competitive selection in many such schools).

Communities are often forced to start their own schools because the nearest government school is too far for their children to reach safely. Another motivation can be a desire to have one's own school, one distinct in character from the main government school, which is seen as catering for a particular group (ethnic, religious or caste). However, in each of these cases the strategy is to start a school that can be developed to the point where government will take over. The motivation is not to compete with the government system, but to be absorbed within that system. In fact, it is often explicit government policy that a community should demonstrate its interest and commitment to education by starting up its own school, which the government would then take over once certain criteria have been met.² In the post-independence period for many developing countries, when thousands of villages were without schools, this was probably a sensible and politically astute way of rationing limited available government resources.

A Ugandan Community School

High above the rift valley in the foothills of the Ruwenzori Mountains, lies the village of Nyakabingo. On the top of the hill stands a Catholic church and a small private school called Nyakabingo Infant Modern School. It occupies a half-built set of dusty rooms without floors and looks down on a large, well-built, fully-staffed government primary school no more than 400 metres away. The private school was started as a nursery school by the church community. The teachers are all untrained unemployed youth from the village. Gradually the school added the first and then the second year of primary school. As of 2007, it offered grade 4 and plans to offer the full cycle. Parents pay a fee for their child to attend. The teachers use English in class, even though their command of the language is weak. The pupils can manage a few words of this foreign tongue, but a whole sentence is beyond them. Nonetheless, it is enough to persuade some parents that they are getting a better education than down the road at the government school. The head teacher, a man in his twenties, has a dream that the school will one day be taken on by the government and that he might be taken for training. He could then swap his current meagre and unpredictable income for a civil servant's salary.

Religious communities and charitable societies start schools because they wish to nurture their faith, practice their vision of a better pedagogy or meet a perceived gap in government provision. In the latter case, they may be behaving in a manner similar to an entrepreneur. However, there are important distinctions to make. In most cases they are able to draw on resources (including volunteers) above and beyond those generated from pupil fees.³ This makes it relatively easy to provide a superior service to government. Often such groups gradually exhaust their resources, their energy or their vision and ask government to take on the running of the school or provide some partial support. Such educational provision was the basis for the government-aided sector in many Organisation for Economic Co-operation and Development (OECD) countries. In Holland today most schools remain privately owned, but their funding is overwhelmingly public. In Bangladesh, the Bangladesh Rural Advancement Committee (BRAC) has run a massive not-for-profit system for several decades, depending largely on government partnership and the international development community for financial support. According to the 2006 annual report, there were 1.52 million children enrolled in 52,168 BRAC schools in 2005. Students do not have to pay to attend these schools.

Government contracting-out of basic education service delivery is a small but growing phenomenon, with countries such as Chile and the Czech Republic among the pioneers. Of the three study countries, only India has started this practice. In some countries, the system is driven by vouchers that families use to pay for their children's education and which they can top-up from their own funds. In such countries, there may be some overlap with fee-paying, for-profit schools. In India and elsewhere, however, the more common model is that government contracts with the schools' owners (profit or not-for-profit) directly, pays the full costs of provision and children are educated free. No fees are required from the parent. The rationale driving government sub-contracting is usually better management or more skills in responding to the needs of particular social groups.

Low-cost, for-profit education (the phenomenon of this book) is the spontaneous choice of the poor to ignore government-offered services and instead pay fees (low in relative terms, but often high in respect of family income) to a private, unsubsidised entrepreneur who they believe can offer better or more cost-effective outcomes for their children.⁴ None of the other four types of institution described above reflects this specific scenario, though sometimes the religious and charitable school may result in a similar dynamic.

Before leaving the issue of definition, one cannot avoid some discussion of the term 'low cost'. This is a relative term, which brings imprecision into the definition. Each country study explains what this means in the specific national context. In general terms, the definition is more straightforward than it may appear at first. In the rural context, 'low cost' indicates that most of the enrolment is from a typical village and its satellites. A high-cost school in a rural setting, by contrast, would normally have a very wide catchment (tens or hundreds of kilometres), where children are brought

from a great distance by their guardians or the school, using motorised means. They would be kept in a boarding environment, and only a handful of children at most from the neighbouring villages would be enrolled as fee-paying students.

Defining ‘low cost’ in an urban setting is less clear-cut, but can be related to some of the same factors. The location of the low-cost school would be in a poor ward or slum. Enrolment would be from the local community. Children would all be day students, mostly travelling from home to school by foot. Most parents would be renting their homes and would travel to work by foot or public transport.

Each of the country studies has tried to examine the applicability of the definition in its own context, and to understand the role of non-profit or high-cost non-government providers, but the case studies and the bulk of the analytical effort have been devoted to the low-cost commercial sector. It is hoped that by so doing, the book will be more focused and more useful in raising pertinent policy issues.

Study methodology

Quantifying the phenomenon

The first challenge of any study into private schooling in developing countries is the lack of data. Many or even the majority of low-cost private schools may not be registered. The incentives for registration may be few and the costs of the registration process, both formal and informal, may be very high. Even if government is aware of the schools and is able to deliver the census form to them, there may be suspicion and reluctance on the part of the owners about supplying information.⁵

The obvious problem is that the information obtained from routine sources may be very partial and underestimate the extent of the phenomenon. The study attempted to overcome this problem by triangulating information from several sources. EMIS data was examined and EMIS staff were asked about private school response rates and estimations of under-counting. Also, where available, the country consultants reviewed special studies undertaken on private schools for comparison with EMIS data nationally or on a sub-national sample basis.

A second problem with measurement arises from identifying subcategories of non-government schools. The EMIS systems for the three countries do not use the same sub-definition of non-government schools:

- India: the District Information System for Education (DISE) is the national EMIS. It includes many private, unaided schools and other categories such as open schools and other kinds of informal provision.
- Nigeria: only two categories are recognised by the Nigeria EMIS (government and private). A large number of schools are ignored if government deems them to fail minimum standards.

- Uganda: there are three categories of education institution based on ownership (government, community and private). The national EMIS does not distinguish between types of private schools. District registers are very partial, but they do sometimes record additional information regarding private schools. This may include the school's religious foundation, whether it is a commercial enterprise, if the registration fee is paid up-to-date, whether the school has submitted an EMIS return and details of any inspections.

The problem is exacerbated by the following difficulties:

- Is each subcategory equally under-reported? Generally, the low-cost subcategories are unreported because the incentive is to avoid officialdom (bribes, fines and labour laws).
- The patterns are not generally consistent across each country because different histories have given rise to different developments on the ground. For example, Tanzania's Kilimanjaro region has the largest number of secondary schools in the country: 57 governmental and 74 non-governmental. This is because Christian missionaries established the first formal schools in this region and the tradition of non-government education still persists.⁶ In Nigeria, the distribution of Qur'anic schools varies from state to state based on religion and history.

Perhaps the only reliable way of obtaining data on this phenomenon would be through a national household survey, such as the Demographic and Health Survey (DHS). A DHS for education data has been completed for both Uganda and Nigeria.⁷ These surveys detail the distribution of pupils across government, private religious and private non-religious schools, as well as statistics on proximity to school. In addition to this, the DHS often includes questions about household members' schooling, such as current enrolment, distance to school, reasons for not attending school and highest educational attainment of each household member. This could be supplemented by asking about the ownership and management of schools where children are currently enrolled.

Conducting a nationally-valid survey such as the DHS is very expensive and was beyond the resources of this research, but one of the research conclusions is that national authorities need to add such questions/analysis in future to existing national surveys in order to better quantify and track this phenomenon. For example, in Nigeria the reasons given for school choice are not disaggregated by school type, nor are the reasons for dropping out, attendance etc. In these examples the data is available, but the analysis is absent. In India, it is common for a child to register in both the government school and the private school. Registration in a government school entitles the pupil to a midday meal, amongst other things, but the pupil actually attends class at the private school. Also, the distinction of whether a school is registered or unregistered is absent in the national statistics in the three country studies. This information is very important. The phenomenon of unregistered schools is impossible to measure if surveys fail to distinguish between the two types.

Taking into account the various problems discussed above, the aim of the study methodology was to construct an accurate picture of the under-reporting of low-cost private schools in the case study locations through three independent methods. First, the country consultants were to gain access to EMIS data and interrogate it to assess what details were available on low-cost private schools. Secondly, they would compare this data with information gathered from local officials, representatives of teachers unions and school proprietors in the area. Thirdly, the country consultants were to undertake a rapid tour of the area to verify for themselves the number of low-cost private schools to be found there. The Nigerian study came closest to achieving this aim. The numbers in India turned out to be too vast for the consultant to be able to conduct a complete quantified survey, while the Uganda sample was not representative of the southern districts where the majority of private low-cost schools occur.

The context: historically, politically and socially

The development of a country's education system is inevitably an emotive and highly political process. Local societal and historical factors must be taken into account when implementing policy to ensure that reforms do not have unintended consequences. In Uganda, education was divided on racial lines before the country gained its independence, a system that fomented and institutionalised differences and inequality in the population. In Nigeria, partnerships between the colonial education system and missionary societies were perceived to have an agenda to change the religious balance within society. Today, the introduction of universal free primary education across the developing world may well give rise to a mushrooming of private schools if governments allow per-pupil spending to collapse. If private extra tuition has become the norm in government schools, then there may be little or no actual saving in sending children to a supposedly free government school as opposed to a low-cost private school.

In order to explore the historical, political, social, regulatory and legal frameworks, the country teams undertook a series of interviews with key informants at the national level and focus groups at the local level. The interviewees were selected from policy-makers, front line education administrators, school inspectors, private school owners and teachers' unions.

The institutional and family dynamics: case study purpose

The researchers tried to obtain the views and beliefs regarding the dynamics of decision-making by private school entrepreneurs, their parent customers and local government schools. Thus the country case studies looked at communities where there was a clear choice between one or more government schools and a low-cost private school. The key informants in each community were taken from both a government and a private school.

The focus group discussions explored a range of issues and were deliberately open in format to allow all types of issues to be raised. Key issues which featured consistently included:

- Factors of parental choice between school type;
- Relative perceptions of quality (strengths and weaknesses);
- Relative perceptions of safety for pupils;
- Curriculum variations between schools;
- Differential delivery strategies (school day, flexible terms, subject coverage, time on task etc.);
- Governance issues, including participation of parents in school decision-making, and transparency issues, such as the access to information and independent checking systems;
- Actual costs and total household costs per student;
- Monitoring, quality control and performance improvement strategies; and
- Differential decision-making by gender of child.

Notes

1. The situation in India is that the majority of private schools are de facto commercial enterprises, but taxation law forces most owners to create a foundation. A small number of pupils usually benefit from the owners' largesse. See Tooley, J. [2005a].
2. Tanzania in the immediate post-independence period required communities to construct school buildings before government could take on the running of a school (Chediell, Sekwao & Kirumba [2000]); the Kenyan *harambee* system launched by Kenyatta used similar principles, as did Numeri's '*El Auwn el Zati*' in Sudan. Currently in Zambia, the community schools initiative, which enjoys wide donor support, is meant to be a part of the government-supported (part-funded) system (De Stefano, J. [2006]).
3. 'Religious organisations have access to resources that can serve to subsidize the expenses of schooling' Belfield, C. & Levin, H.M. (2002).
4. Tooley (2005a) found that the majority of unaided private school in Hyderabad and Lagos were of the type that this study is looking at, i.e. low-cost, for-profit schools.
5. In most low-income countries, each school is sent a form in advance of the annual school census period, which is then filled and returned to the authorities. This is the system upon which most education management information systems are based before schools can be enrolled into fully-integrated IT-based management information systems, like those in OECD countries which cost over \$2,000 per school per annum (UK commercial price quote).
6. Chediell, Sekao and Kirumba (2000).
7. The next DHS Education Data survey is due in 2009. Donors (the World Bank and the UK Department for International Development, DFID) are committed to help states to 'understand and regulate the private sector and develop Public Private Partnerships'.

