



STEPHEN SLIVINSKI:
 “I think the era of big government is over. The era of even bigger government has begun.”
Page 14



JIM COOPER:
 “Both parties have fallen down on their responsibility to reduce our federal budget deficits.” **Page 12**



HEALTHY COMPETITION:
 “The health care problem in the United States is not as dire as some observers would have us believe.”
Page 3



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Private Schools in the Poorest Countries

BY JAMES TOOLEY

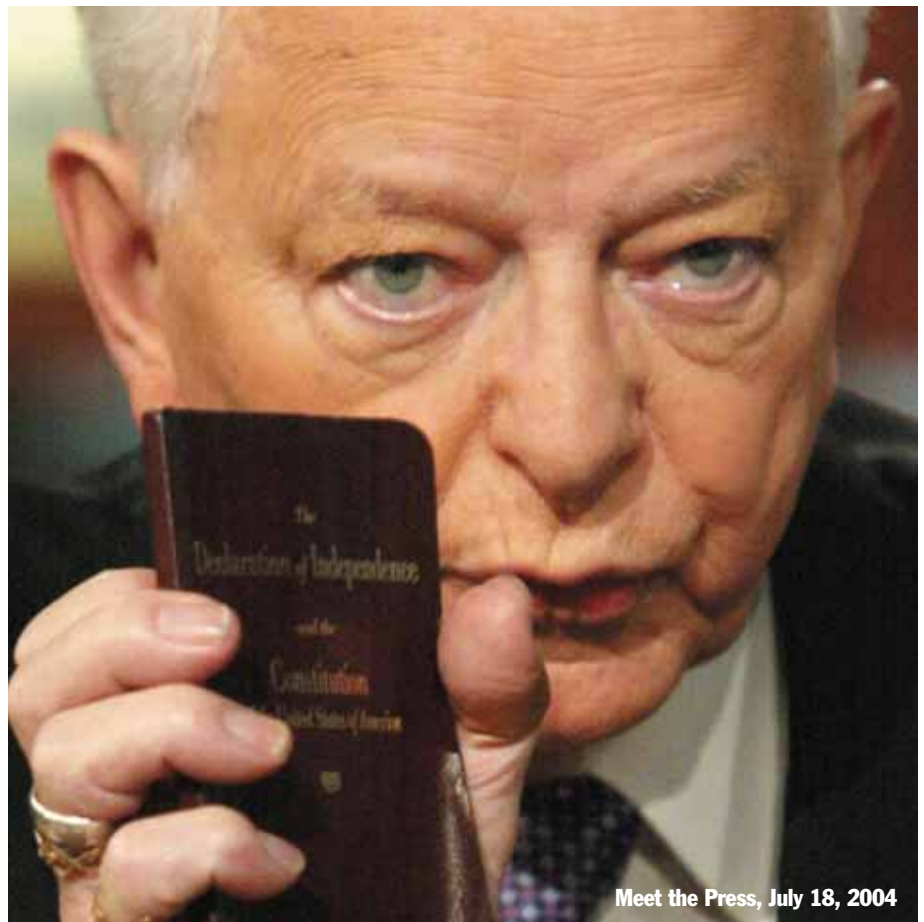
In April 2004, the Global Campaign for Education launched its self-styled “World’s Biggest Ever Lobby,” where “politicians and leaders in 105 countries came face to face with children.” Nearly one million people joined in “to speak out for the right to education.” Nelson Mandela added his voice to the “millions of parents, teachers and children around the world” “calling on their governments to provide free, good quality, basic education for all the world’s children.”

However well-intentioned, the Global Campaign for Education is overlooking something rather important that is happening in developing countries today: the phenomenal growth of private schools for the poor.

I first discovered for myself the phenomenon of private schools for the poor while consulting for the International Finance Corporation, the private finance arm of the World Bank, in Hyderabad, India, in 2000.

Continued on page 9

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Meet the Press, July 18, 2004

The Cato Institute’s pocket Constitution has been showing up in more and more places. It’s been seen in ABC News’s tribute to Peter Jennings, in Sen. Trent Lott’s hand on *Face the Nation*, and brandished by Sen. Robert Byrd on the Senate floor and on *Meet the Press* (above). Cato has distributed more than three million copies, and it’s now also available in Spanish and Arabic versions. **MORE ON PAGE 4**

“Public funding can be part of the problem, not part of the solution.”

PRIVATE SCHOOLS *Continued from page 1*

I'd just published an argument for privatization of education, *Reclaiming Education*, and was wrestling with the criticism from even sympathetic readers that what I'd argued might be good for the middle classes, or richer countries, but what about the poor, especially in poor countries? That criticism bothered me. I knew from my reading of E. G. West's book *Education and the State* that the poor in Victorian England were largely provided for by private education, before the state got involved. Why wouldn't the same be true of the poor today? Out of curiosity, I left my work—looking at private schools for the elite and middle classes—and took an autorickshaw into the slum areas behind the imposing 16th-century Charminar in the center of the Old City. And to my surprise, I found private schools on almost every street corner. Inspired by that, I grew to know many of the school owners, teachers, parents, and children; I learned of their motivations and difficulties and their successes and requirements.

Since then I have found private schools in battle-scarred buildings in Somaliland and Sierra Leone; in the shanty town of Makoko built on stilts above the Lagos lagoons in Nigeria; scattered among the tin and cardboard huts of Africa's largest slum, Kibera, Kenya; in the teeming townships perched on the shoreline of Accra, Ghana; in slums and villages across India; among the “floating population” in Beijing; and in remote Himalayan villages in China. Indeed, I have yet to find a developing country environment where private schools for the poor don't exist. My teams have combed poor areas—slums or shanty towns in and around the major cities and villages inhabited by peasant farmers and fishermen—going down every lane and alleyway, asking people in marketplaces and on the streets where the poor are sending their children to school. And while we've been conducting the censuses, we've been finding out as much as possible about the schools, what their facilities are like, whether teachers are teaching, building up a comprehensive picture of the private schools and comparing them with

the government alternative. Then, most important of all, we've been comparing the achievement of students in the private and public schools serving the poor areas; testing a stratified random sample of 4,000 children in each country, chosen equally from registered private, unregistered private, and government schools; and using advanced statistical techniques to control for as many background variables as we can, to find out whether the poor are better served by public or private education. Although the study is ongoing and additional findings are anticipated, there are seven themes that have emerged from the data that I can report on in general terms.

Seven Features of Private Education for the Poor

First, there are startling facts about the private-sector provision of schools for the poor. In each of the poor areas studied in detail, we've found that a large majority of the schools serving the poor are private, with either a large majority or a substantial minority of poor parents taking the private option.

Second, contrary to expectations, we find that the majority of private schools are run not as philanthropic endeavors but as businesses. Those private schools are created largely by local entrepreneurs responding to the needs in their communities. In general, after studying the reported income and expenditure of the private schools, we can see that they are profitable institutions—which of course helps explain why there are so many of them—with the vast majority of income coming from school fees rather than, as some might expect, philanthropic donations.

Third, there are large differences between the pay and commitment of the teachers in public and private schools serving the poor. Private school teachers are recruited locally from the communities served, unlike public school teachers who are bused in from outside. Teachers in private schools are paid considerably less than are teachers in the government schools. Yet the private schools do not in general suffer from teacher shortages, suggesting that the market rate for teachers is considerably lower than that set by teachers' unions in the

public schools. When our researchers have called unannounced in the classroom, in every case they have found significantly more absenteeism among the public school teachers than among those in the private schools. And when teachers are present, the researchers found much higher levels of teaching activity in the private than in the public schools.

Fourth, we have found considerable statistically significant differences in inputs between the public and private schools. The pupil/teacher ratio is lower in the private than in the public schools—with the unregistered private schools usually having the lowest of all—and school facilities such as libraries, toilets, and drinking water are usually better provided in the private than in the public schools.

Fifth, there are differences between countries in the relative costs of public and private schooling. In countries where public schooling is entirely free at the point of delivery—India for instance—clearly, the private schools cost more for parents. But in other countries—China and Ghana, for instance—where public schools charge low fees or “levies,” we find that sometimes the private schools are undercutting public schools, because the really poor can't afford the public option. What makes the private schools financially attractive is that they allow the parents to pay on a daily basis—perhaps 10 cents a day—rather than to pay for the full term up-front as they must for the public schools, even though this might work out more cheaply if they could afford to pay it. In Kenya, the government has recently introduced “free primary education,” but our interviews with parents point to many “hidden costs” of public schools, such as the requirement for full uniforms, which mean that, in practice, private slum schools often turn out to be less expensive.

Sixth, private school owners themselves are very much aware of the plight of the poorest of the poor: for those parents who are too poor to send their children to private school, or as an aid to those children who have been orphaned or who are from large families, the school entrepreneurs themselves—in nearly 20 percent of

Continued on page 15

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PRIVATE SCHOOLS *Continued from page 9*

all places in one Indian sample and nearly 10 percent in the Nigerian sample—offer free or subsidized scholarships.

Finally, our first results on the achievement of pupils show that the private schools substantially outperform the public schools in mathematics and English, after controlling for the school choice process and for a range of background factors. All this is for considerably lower per pupil costs. If our results withstand scrutiny, then it would seem that the poor are making sensible choices by sending their children to private, rather than public, schools.

Three Surprising Areas of Agreement with Development Experts

The odd thing is, it turned out that my “discovery” was not a discovery at all but a phenomenon that was actually quite widely known, at least by some key figures in development circles. But no one seemed to be drawing the obvious conclusion. Instead, those influential in development circles seemed to be engaged, if not in a conspiracy of silence, then at least in a refusal to explore the implications of where the evidence seemed to lead. In development circles, all were repeating the same refrain that “education for all” required government intervention, assisted by international agencies; the presence of private schools for the poor was irrelevant.

Many development experts seem to have no problem accepting three propositions that seem to me to lead in an altogether different direction from the one in which the experts see them heading:

First, it seems to be widely accepted that private schools for the poor are burgeoning. The *Oxfam Education Report*, for instance, the Bible of many development education experts, looking at evidence from a range of developing countries, challenges the “misplaced” notion that private schools service the needs of only “a small minority of wealthy parents” and points to the “lower cost private sector” that has emerged to “meet the demands of poor households.” One of its sources of evidence is the *Probe Report* on education in villages in five northern Indian states. That report says that “even among poor families and disadvantaged communi-

ties, one finds parents who make great sacrifices to send some or all of their children to private schools, so disillusioned are they with government schools.

Second, among the same experts, it seems to be common currency that the reason why poor parents are sending their children to private schools is, at least in part, the gross inadequacies of state education, especially teacher absenteeism. The *Oxfam Education Report* states clearly that it is the “inadequacies of public education systems” that have “driven many poor households into private systems.” Those inadequacies include “inadequate public investment,” causing staff and pupil demoralization and the provision of poor facilities. Most important, however, says the report, is the problem of teacher absenteeism and commitment. The Probe team reported that when their researchers called unannounced on their large random sample of government schools, in only 53 percent was there any “teaching activity” going on at all! In fully 33 percent the head teacher was absent. The report gives some touching examples of parents who are struggling against the odds to keep children in school but whose children are clearly learning next to nothing. The Probe team observed that in the government schools, “generally, teaching activity has been reduced to a minimum, in terms of both time and effort.” Significantly, “this pattern is not confined to a minority of irresponsible teachers—it has become a way of life in the profession.”

Those problems were not found in private schools serving the poor. When the Probe researchers called unannounced on their random sample of private unaided schools in the villages, “feverish classroom activity” was taking place. Indeed, private schools for the poor, the Oxfam report says, sometimes “offer cheaper and better-quality alternatives to State provision.”

So what is the secret of success in the private schools? A third proposition seems to gain widespread agreement among the development experts. The *Probe Report* put it succinctly:

In a private school, the teachers are accountable to the manager (who can fire them), and, through him or her, to the parents (who can withdraw their children). In a government school, the

chain of accountability is much weaker, as teachers have a permanent job with salaries and promotions unrelated to performance. This contrast is perceived with crystal clarity by the vast majority of parents.

Indeed, such was the view of the relative merits of public and private schools that “most parents stated that, if the costs of sending a child to a government and private school were the same, they would rather send their children to a private school.”

That poor parents in some of the poorest countries on this planet are flocking to private schools because state schools are inadequate and unaccountable seems to be hugely significant territory for these development experts to concede. The more I read of this evidence, the more it seems that these development experts are missing the obvious conclusion to be drawn from it. If we are concerned with reaching the “education for all” target of all children in quality primary education by 2015, surely we should be looking to the private sector to play a significant role here. Surely we should be trumpeting its successes and seeking ways of helping its improvement as a major response to the needs of education for all—that is, to go with the grain of current parental choice and think about the potential of private education to meet the educational needs of all.

Four Areas of Substantial Disagreement

Curiously to me, however, that is not a possibility currently being explored by development experts: Oxfam’s report is typical. Although, as noted, it is quite explicit that private schools for the poor are emerging and that those schools are superior to government schools for the poor, its fallback position is that “there is no alternative” but blanket public provision to reach education for all. The only message from the development experts appears to be that parents are misguided in making choices in favor of the private sector and that their progeny should be dragged back into government schools. Why is that the case?

The *Probe Report* gives four reasons, which seem to be shared by the mainstream development view. It concedes that, although it has painted a “relatively rosy” picture of

Continued on page 16

“A large majority of the schools serving the poor are private, run not as philanthropic endeavors but as businesses.”

PRIVATE SCHOOLS *Continued from page 15*

the private sector, where there is a “high level of classroom activity, . . . better utilization of facilities, greater attention to young children, responsiveness of teachers to parental complaints,” this does not mean that private education is an answer to the problem of providing education for all, because

- private schools are out of reach of the vast majority of poor parents;
- private schools “often take advantage of the vulnerability of parents,” which they do by maintaining “appearances without imparting much education to the children”;
- private teachers’ “overwhelming objective is to cram the heads of the pupils, so that they may pass the relevant tests and examinations,” rather than engage in wider educational activities; and
- if poor parents support private education, this “carries a real danger of undermining the government schooling system.”

The first objection is about fees. Certainly the schools we’ve examined, while charging low fees, are out of the reach of some of the poorest parents. But why is that seen as an objection to a greater role for private education? Clearly, there is the possibility of creating targeted vouchers or scholarships for the poorest, which would overcome the objection. Indeed, as noted above, the private schools themselves are aware of the needs of the poorest and provide scholarships for them. So surely a way around the first objection is to follow the lead of the private schools by providing public or private targeted vouchers, or both, for the poorest.

The second and third criticisms are of the quality of private education. But on closer reading, they did not themselves seem to be based on the evidence in the *Probe Report* but at best were subjective judgments about the schools. Our research is suggesting that these are not valid criticisms. In our detailed study of private schools in Hyderabad, for instance, the schools were clearly not simply “teaching to the test” but were engaged in teaching the whole curriculum and a multiplicity of extracurricular activities. Parents reported to us

that they were active choosers, keen to move their children if the quality of the school was not what they wanted. The majority surveyed several schools before they chose the one to which to send their child.

In any case, even if the quality was poorer than considered desirable, that wouldn’t necessarily lead to a wholesale dismissal of the private schools—for there is, as noted, widespread acknowledgment that the government schools have poor-quality provision, and the development experts are looking to improve them. So even if the Probe team were right, that would at most imply looking at ways of improving the private schools, not of abandoning them as an option for education for all.

But the fourth point seems the oddest to make. What it seems to be saying is that poor parents will just have to wait until “things get better.” By removing your children from the totally inadequate state school, imply development experts, you are jeopardizing the state system. It doesn’t matter that you are poor yourself and that your children’s education may be the only viable vehicle out of poverty; you’d better stay in the state sector and hope that something happens to make things better. Meanwhile, your children can irrevocably suffer from teachers who don’t turn up, or who don’t teach if they do turn up, until governments learn the lessons from experiments elsewhere. But don’t, whatever you do, send your children to private school!

It seems to me that parents in the slums and villages may be less sanguine and more impatient. Parents may not feel they have any impact on distant or corrupt political processes. They may not believe in any case that politicians can or will effect solutions to their problems. Their only realistic alternative might be to exit the state system. Increasingly, it seems to me that progress toward accountable education might not necessarily involve complex political processes and the realignment of power relationships. Instead, the lessons coming loudly and clearly from parents using the private system might be that accountable education involves a very simple and easy transfer of power from the politician to the parent, and that can be done now.

Clearly, the evidence and discussion presented here have implications for U.S. development policy. But do they have any implications for the school choice debate for Americans themselves? I believe they do, that the growing body of evidence of school choice among some of the world’s poorest people could bring new inspiration and vitality to the school choice movement in the United States.

Two Lessons for School Choice in America

Certainly, the research evidence from developing countries can put the American experience into a wider context, further undermining the claims of those who seek to portray the school choice movement as the bastion of only the privileged. Innovative models from around the world of the way private education enhances choice and improves opportunities for the most disadvantaged, evidence concerning the effectiveness of those models in raising standards, and stories highlighting the creativity and entrepreneurship of concerned educationists can all play an important role in helping buttress calls for school choice in America.

However, perhaps the new evidence from developing countries can go even further than that. Many participants in the school choice debate in the United States currently seem to limit their ambitions to the possibility of vouchers in education—that is, where government taxes you, then allows some part of your own money to be transferred to a school of your choice within strict constraints set by government. Here it seems to be assumed that public funding of education at least is a nonnegotiable requirement.

But two far more radical lessons are suggested by the evidence emerging from developing countries, which might imply that such voices in the American school choice debate are not being bold enough.

The first radical lesson concerns the spirit of self-help. Here, if a public school is failing in the ghettos of New York or Los Angeles, we assume that the only way in which the disadvantaged can be helped is through some kind of public intervention—through vouchers, or charter schools, or some other “school choice” proposal. But the poor in Asia and Africa don’t sit idly

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by, dispossessed and disenfranchised—adjectives used by the liberal elite to describe the disadvantaged in America—acquiescent in their government’s failure until outsiders propose some such reform. Instead, some of the most disadvantaged people on this planet engage in self-help, vote with their feet, exit the public schools, and move their children to private schools set up by educational entrepreneurs from their own communities to cater to their needs, without any outside help. Could the experiences of parents and educational entrepreneurs from those poor countries inspire a similar response among disadvantaged communities in America too, and among those who seek to help them?

Second, and perhaps most important, a lesson we can learn from the poor in Asia

and Africa is that not only can a majority of the poor that we’ve researched afford private education themselves, without state intervention, but it is precisely their payment of fees that appears to keep the schools accountable to them. And the schools’ accountability to parents through fees is the key difference, noted even by the critics of private education, that keeps standards higher than in the public alternative. If the private schools were to be brought into a universal voucher system, as might be the ambition of many American proponents of school choice, with state funds provided for them on a per capita basis, then this may drastically undermine or remove altogether the ability of parents to ensure essential accountability.

The most important lesson from what

is happening in developing countries today may be that public funding can be part of the problem, not part of the solution. One parent in our Kenya study put it succinctly. He had taken advantage of free public education when it was introduced, taking his child from a private school in the slums to a public school on the outskirts of town. However, quickly disillusioned by what was offered, he transferred her back to the private school. He told us: “If you go to a market and are offered free fruit and vegetables, they will be rotten. If you want fresh fruit and vegetables, you have to pay for them.” That parent knew that the school’s accountability to him depended on his paying fees. Perhaps that is a lesson for those who want to improve education for the poor in America. ■