

Private Education for the Poor: More, Different and Better

The private sector is an increasingly important player in providing education services and making high quality education accessible for communities and marginalised groups in developing countries.



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According to UNESCO statistics, between 1991 and 2003 private school enrolment has grown far quicker than public school enrolment throughout the world. Interestingly, it has grown most in Africa – by 113 per cent as opposed to 52 for public education.

What is so significant about this growth in the developing world is that much of it has been in private education for the poor (PEP). This article will examine the phenomenon in developing countries and South Africa through research findings, the experience of independent school associations, and some examples of private schools for the poor in South Africa.

It will also look at public-private partnerships, which have been used in many countries to extend quality education to a range of communities, including the very poorest, the potential for public-private partnerships in South African education, and the implications for the future.

Private Education for the Poor

Worldwide interest in private education for the poor has been sparked by the research of Prof James Tooley who has found that in countries, such as Kenya, India, Ghana, Nigeria and China, there are increasing numbers of low-cost private schools that, in comparison with public schools, on average have smaller class sizes, higher test scores, more motivated teachers – all at lower costs.

A common assumption about the private sector in education is that it caters only to the élite, and that its promotion only serves to exacerbate inequality. On the contrary, recent

research points in the opposite direction. If we want to help some of the most disadvantaged groups in society, encouraging deeper private sector involvement is likely to be the best way forward.¹

His research, for example in the Ga district of Ghana (the low-income suburban and rural area surrounding the capital city of Accra), showed that out of 779 schools, only 25 per cent were government schools and that 64 per cent of schoolchildren attended private schools. In ‘poor’ areas in Lagos State, Nigeria, an estimated 75 per cent of schoolchildren were enrolled in private schools, most of which were unregistered ones.

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Research examining the quality of the schools found considerably higher achievements in mathematics and English in the private compared to the government schools. In all cases, this achievement advantage was obtained at between half and a quarter of the teacher salary costs.²

Tooley’s research also indicates that most parents would prefer to send their children to private schools if they could afford them. Private schools, parents said, were successful because they were more accountable: “the teachers are accountable to the manager (who can fire them), and, through him or her, to the parents (who can withdraw their children)”.

South African Independent School Sector

The South African Schools Act (1996) recognises two categories of schools: public and independent (private). Public schools are state controlled and independent schools are privately governed.

Changes in the sector

With the opening up of the political space in South Africa and the demise of apartheid in the 1990’s, dramatic changes have occurred in the independent school sector. The size, diversity and socio-economic spread of the independent schooling sector have changed significantly.

Rapid growth has occurred since 1990 in the number of independent schools, and especially in their learner enrolment.

As researchers of private education have found in other emerging economies, official databases of registered independent schools are not comprehensive or up-to-date in South Africa.³ The number of unregistered, ‘fly-by-night’ schools that are below the official radar screen can only be guessed.

Fortunately, independent research has thrown light on the scope of the sector and its growth. Research by the Human Sciences Research Council (HSRC) and the International Finance Corporation (IFC) has shown that there are many more registered schools than official data-bases contain and that the growth has been significant.⁴ This is also the preliminary finding of 2009 research by the Centre for Development and Enterprise (CDE) into the quality and extent of low-fee independent schools, both registered and unregistered, in six selected areas with a high concentration of poor people. This research has also discovered numerous unregistered schools.

Although they do not capture the full extent of the growth, even 2008 government statistics show an increase of 4.2 per cent in independent school enrolment, compared to a 1.9 per cent increase in public school enrolment from 2000 — 2008. Based on their increase in membership, independent school associations estimate that currently there are likely to be some 2 500 registered independent schools (counting primary and secondary schools separately) with some 500 000 learners, constituting over 4 per cent of the total learner enrolment in South Africa.

The dominant public perception of independent schools is “white, affluent and exclusive”. In 1990, this perception was largely true: most of the learners were white and found in traditional, high-fee, religious schools. There was, however, a significant enrolment of black learners in traditionally white independent schools, which had opened up to them in defiance of apartheid laws, as well as a number of mid-to low-fee black independent schools.

Nearly two decades later this public perception persists, but it is far from the current reality. The

majority of learners at independent schools are now black, while the majority of schools are young (established since 1990), and charge low to mid-level fees.⁵

While many of the new black elite are sending their children to high-fee independent schools, the majority of learners are drawn from black middle- and working-class and families in the informal-sector.

Why the changes?

Why has such rapid growth occurred, mainly among black learners in low-fee schools? Internationally, two main demand factors have been identified as responsible for the growth of private education: excess (unmet) demand for education above what the state can provide and differentiated demand for alternative types and quality of education to that provided by the state.⁶

In South Africa both types of demand exist: parents want more, different and better education for their children.

More education

Most unmet demand comes from black communities: this occurs in informal settlements where there are no public schools, in rural areas where there are too few public schools or none at the appropriate phase of education, and in inner city schools for over-age repeaters, who are not allowed to re-enter public schools if they have failed more than once. Immigrant children are also catered for in inner city schools.⁷

In rapidly expanding suburban areas where government provision lags behind population growth, such as Midrand or the new dormitory suburbs on the west coast above Cape Town, unmet demand comes from all population groups.

Different education

Not only has the independent school sector grown, but it has become far more diverse, catering for different races, cultures, religions, languages, philosophies and educational approaches.

The surveys undertaken by du Toit (2004) and Musker and du Toit (2009) show that the largest categories are community schools and then, religious schools, but the sector also includes expatriate, alternative, and virtual schools. The vast majority of schools are not-for-profit (less than 5 per cent are for-profit). The fact that only non-profit schools can qualify for a state subsidy is the main cause.

Parents thus have very wide choice of independent schools available to them. Apartheid education took away the freedom of parents to choose the education of their children, but that essential democratic right has been restored and parents of all race groups are exercising that right.

Better education

The desire for quality schooling that has fanned most of the growth of the sector in South Africa has come from communities and parents who are dissatisfied with government schooling and want a better quality education for their children as the critical determinant of their life chances.

The 2001/02 HSRC research found that quality of independent schools in general

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was better than public schools in key subjects. The average participation rate for mathematics and science in independent schools (62.7 and 44.2 per cent respectively) was higher than public schools (58.4 and 34.7 per cent), as were the pass rates. In 2001 the average pass rate was more than 7 per cent higher in independent schools than in public ones, and more than double the percentage of learners in independent schools achieved university entrance passes.

When the findings of the CDE research are published, they will throw new light on the comparative quality of public and independent schools, albeit only in the six sampled areas. The researchers interviewed the principals of 136 public and 57 independent schools and administered mathematics tests to their grade 6 learners. In line with Tooley's research model, CDE's survey also investigated other factors that have a bearing on quality and cost: teacher salaries, class size, facilities and resources, medium of instruction and absenteeism of teachers.

It is argued that the demand for quality education in South Africa has increased as the overall quality of public education has dropped. Indeed, the IFC researchers predict that the sector will continue to grow as the public schooling system continues to face quality challenges, especially in townships and rural areas. The fact that most of the best former Model-C schools are full and their fees are very high (next year the highest will reach R20 000) will provide an extra impetus.

Thus the primary driver of growth is differentiated demand in black communities for better and different schooling rather than unmet demand.⁸

PEP schools in South Africa

The Independent Schools Association of Southern Africa (ISASA), the largest and most inclusive association in the region, has nearly 700 member schools with more than 145 000 learners. In line with the changes in the sector, ISASA's membership has shifted significantly in the last decade: approximately a third of its schools are now subsidised low-and mid-fee schools, and many of its new members are schools that charge fees below R5 500 a year.

Those familiar with the traditional models of independent schools would be surprised to see schools in informal settlements, such as Masibambane in Orange Farm, or in office blocks, like Sekolo sa Borokgo, a bridging high school in Randburg, and in abandoned factories as in the case of the Get Ahead schools in Queenstown.

Sekolo sa Borokgo (SSB) began life as a low-fee bridging school for grade 7 to help black children overcome their educational deficits so that they could access Model-C schools or independent schools on bursaries. Initially, the school was housed in the administration wing of the then Technisa and after moving twice, was eventually able to raise donor funds to buy a house in Randburg from a Quaker group leaving South Africa.

In response to the growing demand from older pupils for good teaching and learning so that they could successfully complete grade 12, SSB started a Matric Centre in the two top floors of an office block in Randburg near the taxi rank. The rent was R39 000 per month. Finally, with donor funding and a loan, they managed to buy another office building nearby, but this necessitated a significant fee increase. Fees now range from R9 000 to R13 000 per annum, but 30 per cent of pupils

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are funded through donor bursaries. The school has changed its focus to grades 7-9, with 130 pupils, and the Matric Centre has 140 pupils from grades 10-12. A new venture is a very successful pre-university college with black and white students from South Africa, Africa and Europe completing their A levels and achieving outstanding results.

A good reputation for quality increases the demand for school places and so they also add more classes to each grade. Thus they grow 'taller' and 'fatter' and pupil enrolment in independent schools grows faster than the number of new schools.

Pupils come from all over the greater metropolitan area to SSB, some travelling for two hours from townships like Tembisa because the school does not have boarding facilities. Many pupils arrive at school hungry, so school feeding is important at SSB. The parents of the children are domestic workers, teachers, nurses, government officials or owners of small businesses. The school has a committed core of excellent teachers, many who have retired from high-fee independent schools, but as they cannot afford to match state salaries, they also lose teachers every year. The matric results are very good with an average pass rate of 90 per cent and a university endorsement rate of 71 per cent.

In deepest rural KwaZulu-Natal, is Lobethal, situated in Tugela Ferry, an area which has had a turbulent history and much political upheaval. The school began in 1993 and today, most parents are subsistence farmers, often illiterate, strongly Christian and fully involved in the life of the school. The school goes from Grades 000-12 and the fees range from R2 670 in the lowest grades to R4 700 in grade 12. Despite limited finance and inadequate resources, the Grade 12s have had a 100 per cent pass rate in grade 12 since the first cohort wrote in 2001.

There are recurring themes in the stories of low-fee independent schools. Many begin as pre-primary schools where parents want their children to learn English as soon as possible. Under parental pressure, the schools extend grade by grade into primary phase, and ultimately into the secondary phase. A good reputation for quality increases the demand for school places and so they also add more classes to each grade. Thus they grow 'taller' and 'fatter' and pupil enrolment in independent schools grows faster than the number of new schools.

As their numbers increase, high and rising rent forces the schools to move often to find cheaper accommodation and also makes them desperate to buy their own buildings or land. However, without any capital, very limited prospects for fundraising from parents or the community, great difficulty in obtaining donor assistance and no security for a bank loan, this is often only a dream.

The lower their fees, the greater the schools' dependence on a state subsidy. If that is delayed, reduced or not paid, many of the lowest fee schools cannot pay their teachers and face closing down – with all the disastrous consequences for pupils' life chances and teachers' livelihoods. As the schools cannot match state teachers' salaries, South African teachers frequently leave, so teachers from Zimbabwe and India are common.

The heads and owners are typically committed Christians with a passion to serve the community. As a result, many low-fee schools run development programmes for disadvantaged public school pupils, teachers and principals and the wider community. Because the financial resources of their parents are so limited, low-fee schools struggle to keep their fees as low as possible with very small annual increases. However, if they manage to buy a property with a bank loan or offer

better salaries to retain their teachers, many have been forced to raise their fees. This is particularly true in urban areas, as in the case of SSB, where fees have had to double in the last five years.

While the reach of independent schools has now extended into poor communities, they can only cater for those families, or extended families, with enough income to afford even their low fees. Thus they cannot serve the poorest of the poor children except where the school itself provides bursaries, or where donors grant them. Even when an independent school's fees are half or less than what the province spends on a child in a public school, it can only ever obtain a 60 per cent subsidy. To keep their fees low, schools like Prestige College in Hammanskraal have used their ingenuity to start an income-earning adventure centre, bush experience on its grounds which many high-fee schools use. This income cross-subsidises their fees by R2 000 a year. They are indeed 'edupreneurs'!

Public-Private Partnerships

It is now common cause that the Millennium Development Goals of universal primary education by 2015 will not be achieved. Thus a key question that is posed by researchers of private education is what role might the sector play in helping governments achieve their national education goals?

Public-private partnerships are a means of harnessing the contribution of private sector. "The concept of a public-private partnership (PPP) recognises the existence of alternative options for providing education services besides public finance and public delivery".⁹

In their study above for the World Bank, Patrinos, Barrera-Osorio and Guaqueta examine the role and impact of public-private partnerships (PPPs) in which government guides policy and provides financing while the private sector delivers education services to learners. Private providers are contracted by government to supply a specific service of a defined quantity and quality at an agreed price for a specific period of time. A wide range of services can be provided for in a contract: the development or maintenance of facilities and infrastructure, management, professional support, operational and education services.

Most developed and developing countries are, in

fact, hybrids of mixed public and private funding and management of provision of education. For instance, as in South Africa, there can be private institutions that receive subsidies and public ones that charge fees, receive donations and offer additional services. World Bank has classified countries' involvement in PPPs on a continuum, which ranges from no private sector involvement at all to the integral stage of full partnership. On this continuum, South Africa has an 'emerging' PPP environment.

Examples of PPPs

There are many examples of successful PPPs that are relevant to South Africa. In Pakistan and the Philippines, PPPs have been developed to provide access to quality education to under-served rural children and relieve the over-crowding and declining quality of public schools.

In Pakistan, the Punjab Education Foundation, an independent institution fully funded by the government, manages a partnership to improve access by the poor to low-fee private schools in Punjab province. Vouchers are used to increase access and accountability mechanisms ensure quality improvement. Performance-based incentives operate at the school and teacher level.

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An independent evaluation funded by the World Bank¹⁰ found that the Punjab province has made significant gains in education through this partnership. Tests of the pupils in private and public primary schools showed that the quality of education was higher in the private schools, at half the cost. More efficient delivery in a stand-alone private school compared to a huge and highly centralised bureaucracy has been identified as the critical factor.

In the Philippines PPPs have been used to incentivise private schools to enrol students in areas where there is insufficient public schooling. This approach has reduced congestion in public schools,

addressed the problem of the low quality in public schools, saved costs and improved the viability of 2 000 private schools.

Relevance for South Africa

Experience has shown that for PPPs to thrive, it is essential for them to exist within an enabling framework.

In Africa, the African Private Schools Investment (APSI) Index shows that there is much progress to be made in improving the regulatory frameworks for private education. The Index assesses the attractiveness for private investment in education in 36 African nations, across six categories spanning 39 economic and social indicators, and reveals that in 2007 none of them was particularly attractive for private investment: first was Mauritius with only 67.8 out of 100, South Africa was ranked third with a score of 64.9, and last was Chad with only 29.4.

Other education analysts¹¹ concur that the environment is less than enabling: "Policy on independent schooling in South Africa is more regulative than facilitative, in that the policy incentives are nominal".¹²

We can all agree about the severity of the education crisis in South Africa and that the greatest challenges are to improve quality and inequality. President Zuma's administration has made schooling a top national priority and signalled a strong desire for public-private partnerships to address these challenges.

By drawing on both national and international policy options and innovations in PPPs, South African policy and decision-makers should explore how partnering with the private education sector could accelerate the achievement of our education goals.

Despite its rapid growth, the independent school sector is still small but it has significant strengths in terms of access, quality and choice, which could be harnessed to the public good. Independent schools in ISASA and other associations are keen to do this.

Necessary conditions for effective PPPs in South Africa are an enabling environment and sufficient state funding for very poor children to attend independent schools, on a sustainable basis. However, more than this is required for partnerships to work: "Trust, dialogue, accountability and commitment are crucial to successful public-private partnerships".¹³

NOTES

- ¹ Tooley, 2000
- ² Tooley and Dixon, 2005
- ³ Motala and Dieltiens, 2008
- ⁴ du Toit, 2003; Musker and du Toit, 2009
- ⁵ Hofmeyr and Lee, 2004; Motala and Dieltiens, 2008; Musker and du Toit, 2009
- ⁶ James, 1991
- ⁷ Motala and Dieltiens, 2008
- ⁸ Hofmeyr and Lee, 2004; Motala and Dieltiens, 2008
- ⁹ Patrinos, et al, 2009
- ¹⁰ Patrinos et al, 2009
- ¹¹ Hofmeyr and Lee, 2003; Motala and Dieltiens, 2008; Lewin and Sayed, 2005
- ¹² Lewin and Sayed, 2005:136
- ¹³ Bistany, 2009

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