

## Political Economic Digest Series 12

Dear Political Economic Digest Series participant,

Welcome to the twelfth series of the Political Economic Digest. In the last series we discussed about globalization and poverty. We discussed whether increasing globalization is hurting or helping the poor. We also learnt about the two concepts of measuring poverty- absolute poverty and relative poverty. In this series we are going to discuss about yet another very important topic: Education. Education is one of the most pertinent issues in the public policy discourses around the world. The general trend is that state is assigned with the responsibility of providing education to its citizens. Most of the countries around the world have taken up this responsibility by establishing public schools, designing curriculums and operating the schools by some government agencies. Nepal is one of them. The result: hardly satisfactory. Compared to the private education service providers, public education despite equal or even higher costs has failed to live up to the quality education demanded in the market. Consider the example of SLC results; more than 80 percent students from private schools pass the exams whereas the pass rate from public schools comes to less than 30 percent.

So, what could be done to improve the state of education in our country? Since quality education is the basic premise for growth of citizens and a country, we cannot afford to have differences in access to quality education among citizens. Is nationalizing every educational institution as being proposed by some political parties the solution or would it be the end of any quality education remaining in the country? Common sense dictates that the latter part would come true as the rapid politicization, lack of effective monitoring and evaluation mechanism and lack of incentives on parts of teachers and government officials would completely ruin the education system.

In this series, we have a couple of readings that talk about alternative approaches to this issue. First reading is an article entitled “Improving Nepalese Education through choice”, in which the author talks about the education voucher system and its implementation in Nepal. Education Voucher System developed by Nobel Laureate economist Milton Friedman intends to bring more quality and responsibility in public education system by bringing the virtuous qualities of markets i.e. competition and incentives to the public education without harming the access of the poor to education.

Second reading in the series is an article entitled “The Failures of State Schooling in Developing Countries and the People’s Response” by James Tooley and Pauline Dixon. Mr Tooley is a prominent figure in the study of educational systems and educational policies around the world. In this article, the authors have discussed about the various alternatives poor have adopted in response of failure of the State to provide quality education.

Happy reading!

**Please scroll down to find the readings and the questions to think about.**

## Improving Nepalese Education through Choice

### Introduction:

*"[I]n this century, the wealth and success of nations will depend like never before on the ability to produce and use knowledge."* -Lawrence Summers, president of Harvard University

With the recent conflict of the private educational institutions and the government, the age-old battle between the two has begun once again. The newly declared "Education Tax" that was levied at 5% on private schools lit the spark of controversy this time. Though the ensuing conflict has been resolved for now, both the parties have been left alienated and rumors of nationalization of the private education institutions are rife, which is likely to cause further conflict in future as well and further deteriorate the already pathetic education level.

Despite of private educational institutions often being accused of profit-centred, culprits for commercializing education, they have been far superior in the quality of education as compared to the government run schools. As per the School Leaving Certificate exam results, more than 80% of the private schools pass their exams whereas, less than 40% of the students from public schools pass the exams. Had not the private institutions been in the picture the pass percentage would drop down to less than 20%. Due to the low level of performance of state-run schools, it wouldn't be unwise to say "Our government provides schools but not education."

Right to education has been considered as a fundamental right in our constitutions. Our government has been spending huge amounts of funds and has tried various ways to ensure that every citizen receive the right education. But still, our educational system is bogged down by the traditional and unscientific approach. The poor performing public schools haven't helped to alleviate this scenario. So what exactly is wrong with our public schools?

To understand this, we need to look at the two different ways these two systems are operating. The government run schools get their funds from the government and are accountable to the government itself. They are in no ways accountable to the students, who are directly affected by the service provided and there isn't any incentive system designed to make these schools responsible and accountable towards the students.

The performance of such schools isn't linked with the funding and accountability linked to its primary stakeholders, that's why irregularity of teachers, lack of proper use of resources, lack of performance appraisal system, lack of responsibility, lack of competitiveness, lack of innovation are the major problems ailing these schools and the concern of parents or students over the poor performance is of no avail.

On the other hand, private schools generate their funds from students and are accountable to the students and their parents. The performance of a school is a strong determinant of the amount of profit or revenue it makes. If a school doesn't perform well or lives up to the expectations of the parents, the

parents can choose to move elsewhere. This freedom of choice on the part of parents makes private schools perform better than public schools. Their funding is directly linked with their performance. No matter, how badly people may criticize private schools for being expensive and profit oriented, no person has ever moved their children to the state-run schools despite of having the choice to do so.

Therefore, if we analyze it clearly, state's policy of funding the schools not the students which has limited choice among students is the primary culprit of poor performance of state-run schools. Nationalization of schools would not only further degrade the quality of education but destroy the whole educational system infiltrating it with politics and vested interests of the decision makers.

### **Education Voucher: A way out**

An education voucher also known as school voucher is a certificate issued by the government which the parents can use to pay for the education of their children at the school of their choice. The voucher may cover the full or partial cost of the education. The voucher is usually non-transferable and hence cannot be used by another person or for any other purpose other than education.

Under the system, the government issues education vouchers to the students which they submit to the school they want to study. The schools then deposit them in their bank accounts and the banks then credit the school accounts by equivalent money while debiting the account of the government. No money actually changes hands, only the voucher moves from the student to the school, and back to the government.

Nobel Prize winning economist Milton Friedman argued for the modern concept of vouchers in the 1950s, stating that competition would improve schools and cost efficiency. The view further gained popularity with the 1980 TV broadcast of Friedman's series "Free to Choose" for which volume 6 was devoted entirely to promoting "educational freedom" through programs like school vouchers. Vouchers have since been introduced in countries all over the world but are controversial as they reflect political and ideological splits as well as limiting the role of unions in education.

School vouchers provide the students with the ability to choose among schools. They can choose the schools. If a school fails to meet the expectations of the students or the parents, they can move to a better school with their voucher. The voucher system would transform the apathetic schools to competitors vying for competition, eager to please their consumers with quality service. The institutions are forced to operate at higher efficiencies when they are allowed to compete and any loss of supply and demand for public institutions would be offset and equalized by the increased demand for private institutions. The voucher system not only increases choice for students, it also promotes equality of opportunity to all students regardless of their age, caste or creed, which would help in creating the inclusive New Nepal we are talking about.

Implementation of the voucher system would not only promote quality education but also improve the public opinion of public schools with their increased efficiency. Besides, these voucher system also provides incentives for the schools to increase the student enrollment and improve quality to retain the number of students since the funding of the schools directly depends on the number of students they serve. Competition between schools, will lead to increased school accountability. And, increased school

accountability, in turn, will encourage individual schools to experiment with different educational approaches in order to find those that work best for the students they serve.

Voucher system brings win-win outcomes as government school students who get a voucher are able to change schools and do better for them. Evidence suggests that even those students who stay in government schools also perform better. First, the student-teacher ratio improves and second, schools become more attentive to stop student numbers from going down further. All students achieve better learning outcomes.

### **Education Voucher and the enrollment campaign**

Low school enrollment is another major problem our country is facing. Some eight percent children belonging to school-going age are currently staying away from schools in Nepal, according to DoE. Of the total children enrolled in schools, some 12 percent children drop out their studies.

The government has been organizing campaigns to increase the enrollment rate for more than five years in order to meet one of the Millennium Development Goals. i.e. Education for All. The campaigns have been moderately successful but haven't been able to achieve satisfactory results.

Implementation of the voucher system would help in achieving this goal since voucher system provides incentives for the schools to organize similar campaigns themselves. The schools would spontaneously work towards increasing enrollment rate.

Evidences have shown that voucher system increases school enrollment rate significantly. Chile saw an increase of 30% in school enrollment rate with the introduction of the system. Similarly countries like Colombia, Czech Republic, and Italy also saw increase in enrollment rates.

Voucher system would surely help in increasing enrollment rates and reducing the drop-out rates in our country.

### **Education Voucher and Social Inclusion**

Education is one of the most pre-requisite for fulfilling the Utopian dream of New Nepal and the education system should be able to cater to the needs of all the citizens of the country regardless of their caste, origins, and regions. Government's recent decision to impose tax on private schools had been on the pretext of providing free education to children from backward regions, Dalits and Madhesi community.

Implementation of voucher system would help the government in this cause without alienating the private schools. As it's clear that even if the government raises the so called education service tax all it can provide the target children with schools but not with the education. Voucher system would help to break the barriers that prevent the children from above mentioned communities from going to school.

Evidences have even suggested that students from marginalized communities benefit more from the voucher system by empowering them and making them feel confident and competent to their advantaged classmates.

### Controversy

Like every sound idea, voucher system isn't free from criticisms and most of the criticisms of the voucher system are ideological rather than practical considerations. Voucher system having its origins to free market capitalism is very prone to hostility from political leaders opposed to free markets and liberalism. Policy makers and state officials who have their interest safe guarded in the status qua would be very reluctant to listen to the arguments of voucher system let alone the implementation of such policy. Parties inclined to socialism would find the idea of promoting competition to improve education might find the idea against their ideologies.

Moreover, such a system would meet very hostile opposition from the parties benefiting from the present educational system. Education officials, government school teachers, labor unions of educational institutions are found to be vehemently opposing the education voucher system which seems natural as they are the only people who are being benefited from the current educational system and are likely to have adverse effects on their interest with the proposed new educational system.

### Conclusion

Implementing the voucher system is the best possible way of improving the Nepalese education system. Education vouchers are the answer for the current ineffective and inefficient Nepalese education system especially the public education system which seeks to improve these institutions through the discipline of market. Education vouchers will remove the burden of providing education from the government, increase efficiency and accountability of the educational institutions, promote innovation through competition, bring down the cost of education children with more efficient use of resources, increase school enrollment rates to achieve one of the millennium development goals by creating incentives for schools to enroll more children, create a more inclusive Nepalese society by removing barriers for children of certain communities to go to school, promote freedom of choice among students and moreover empower the low-income students to receive education and thereby building an effective educational system for the free and prosperous New Nepal.

In a country like Nepal, where majority of population lives under the poverty line, education vouchers would come as a boon for the population under the poverty line as poor people are the only people who are trapped in the schools that don't work for them and can't afford to move to the schools that meet their expectations.

A strong political will, genuine concern for future of Nepal and a positive attitude towards free markets and freedom of choice are the necessary pre-requisites for implementing the education voucher system and thereby creating an educated and prosperous Nepal.

## The Failures of State Schooling in Developing Countries and the People's Response

### James Tooley and Pauline Dixon

Drive across the low highway viaduct toward Victoria Island in the bustling city of Lagos, Nigeria, and you see the shantytown of Makoko, home to an estimated 50,000 people, sprawling out into the black waters below. Wooden huts on stilts stretch out into the lagoon; young men punt and women paddle dug-out canoes down into narrow canals weaving between the raised homes; teenage boys stand on rocks in the water and cast their fishing nets; large wooden boats, some with noisy outboard motors, carry fishermen out to below the highway and into the ocean beyond. Across the top of the shantytown, there is a veneer of drifting smog created by the open fires used for cooking.

It is possibly the last place where you would expect to witness an educational revolution taking place, but that is precisely what is happening. In Makoko—as in other poor communities around the developing world—parents are abandoning public education en masse, disturbed by its low quality, and educational entrepreneurs are setting up private schools to cater to this demand.

These private schools, it turns out, whatever their appearances might suggest, are of higher quality than the public alternative, achieving higher standards at a fraction of the cost of public education. Their existence provides a neat grassroots solution to the problem that so perplexes development experts: how to achieve universal basic education—the United Nations Millennium Summit development goal of “education for all”—by 2015.

Instead of celebrating this good news story, however, development experts are nonplussed. Whatever the experience so far, they see public education as the only way forward, and private schools for the poor imperil that. But we believe that the people of Makoko are on to something important. It is time the international development experts caught up with them.

### Educating Makoko

To get to Makoko by road, you turn off Third Mainland Bridge, into the congested Murtal Muhammed Way, and sharply into Makoko Street, easing past the women crowding the streets as they sell tomatoes, peppers, yams, chillies, and crayfish. At the end of this road is the entrance to two parallel and imposing four-storey concrete buildings.

These buildings contain three public primary schools, originally church schools nationalized by the state in the 1980s, all on the same site and designed by state officials to serve the whole population of Makoko. Visiting these three public schools is a dispiriting experience. Because our visit was a scheduled one, the schools had had time to prepare. Even so, in most of the classrooms, the children seemed to be doing very little. In one, the young male teacher was fast asleep at his desk, not aroused even when the children rose to chant noisy greetings to their visitors. In others, the teacher was sitting reading a newspaper or chatting with others outside the door, having written a few simple things on the board, which the class had finished copying.

In one of the three schools, Grade 1 had 95 children present, with three classes combined because of long-term teacher absenteeism. The children were doing nothing. Some were also sleeping. One girl was cleaning the windows. The one teacher was hanging around outside the class door.

No one, certainly not the headmistress, seemed remotely embarrassed by any of this. We asked the children what lesson they were doing. When no one responded, the head teacher bellowed at the pupils to get an answer. "It is a mathematics lesson," she reported pleasantly, without any sense of incongruity, for no child had a single book open.

This one of the three schools alone could accommodate 1, 500 children. The headmistress told us that parents left the school enmasse a few years earlier because of teachers' strikes. Things have improved now, and children have returned, she said, with 500 now enrolled. On the top floor of the stark building, however, there were six empty classrooms, all complete with desks and chairs, waiting for children to return.

"Why don't parents send their children here?" we asked the headmistress. Her explanation was simple: "Parents in the slums don't value education. They're illiterate and ignorant. Some don't even know that education is free here. But most can't be bothered to send their children to school."

When we innocently remarked that we had heard that, perhaps, parents were sending their children to private schools instead, we were greeted with laughter: "They are very poor families living in the slum.... They can't afford private education!"

She is, however, entirely wrong about this. Continue past the three public schools, past where the tarred road ends at a raised speed bump, and enter "Apollo Street," too muddy for a vehicle. Here you need to pick your way carefully, squelching your way from one side of the street to the other, avoiding the worst excesses of the slime and mud and the excrement and piled rubbish. Walk alongside the huts visible from the highway—homes made of flat timbers, supported by narrow slivers of planks sunk into the black waters below—and you come to a pink plastered concrete building with colorful pictures of children's toys and animals and "Ken Ade Private School" emblazoned across the top of the wall.

Ken Ade Private School—not on any official list of schools and so unknown to government—is owned by Mr. Bawo Sabo Elieu Ayeseminikan, known to everyone as "B.S.E." B.S.E. has three sites for his school: The youngest children are housed in a church hall along Apollo Street, learning on wooden benches in front of blackboards; the middlegrade children are in the rented pink building by the water's edge; and the eldest pupils are on B.S.E.'s own land nearby, in a building made of planks nailed to posts that support a tin roof. B.S.E.'s ambition is to accommodate all of his children on that one site and also to open a junior secondary school. B.S.E. had set up the school on April 16, 1990, starting with only five children in the church hall, with parents paying fees on a daily basis when they could afford to do so.

Now he has about 200 children, from Nursery to Primary 6. The fees are about Naira (N) 2,200 (\$17) per term, or about \$4 per month, but there are 25 children who come for free. "If a child is orphaned, what can I do? I can't send her away," he says.

His motives for setting up the school are a mixture of philanthropy and commerce. Yes, he needed work and saw that there was a demand for school places from parents disillusioned with the state schools, but his heart also went out to the children in his community and from his church. How could he help them better themselves? True, there were the three public schools at the end of the road, but although they were only about a kilometre from where he set up his school, the distance was a barrier for many parents who did not want their girls walking down the crowded streets where abductors might lurk.

Mainly, however, it was the educational standards in the public school that made parents want an alternative. When they encouraged B.S.E. to set up the school 15 years earlier, parents knew that the teachers were frequently on strike—in fairness to the teachers, protesting about non-payment of their salaries.

We arrange to meet some parents, visiting in their homes on stilts. The parents from the community are all poor, the men usually fishermen and the women trading in fish or selling other goods along Apollo Street. Their maximum earnings might amount to about \$50 per month, but many are on lower incomes than that. The parents tell us without hesitation that there is no question of where they send their children if they can afford to do so: to private school. Some have one or two of their children in the private school and one or two others in the public school, and they know well, they tell us, how differently children are treated in each.

One woman said: “We see how children’s books never get touched in the public school.” Another man ventured: “We pass the public school many days and see the children outside all of the time, doing nothing. But in the private schools, we see them everyday working hard. In the public school, children are abandoned.” One handsome young father, who was reading Shakespeare when we approached him outside his home on stilts, said that in the private school, “the teachers are dependable.”

Even more remarkably, Ken Ade Private School is not alone in Makoko. In fact, it is one of 30 private primary schools in the shantytown. We know because we sent in a research team made up of graduate students from Nigeria’s premier university, the University of Ibadan, to find as many of the schools as we could. In the 30 private schools found, enrollment was reported to be 3,611, all from the slum itself, while the enrollment in the three public schools was reported to be 1,709, some of them from outside Makoko. Overall, the great majority—at least 68 percent—of all school children in Makoko attend private school. B.S.E. knows most of the schools and their proprietors, for 26 of them are registered with the Association of Formidable Educational Development (AFED), a federation with which he is actively involved as Makoko chapter coordinator. The federation is only for low-fee private schools, like the ones in Makoko, and others that exist all over Lagos State, including the rural areas.

Why was the AFED formed? In 2000, B.S.E. reports, there was a two-pronged attack to close down private schools like his. On one front, this came from the “posh” private school association, the Association of

Proprietors of Private Schools (APPS), that represents schools charging anything from 10 to 100 times what his school charges. APPS complained to the government about the low quality in schools like his, which prompted the government to move to close down the low-fee private schools. “We are still



fighting that battle now,” B.S.E. says. “We are trying to give the people who are not so rich the privilege of having some decent education.”

Working with the AFED, the schools’ proprietors fought the closure, and with a change of heart in government, they were neglected for a bit. Then, a few months before our first visit, the government of Lagos again issued an edict saying that they must be closed down. They are fighting this and have been given a stay of execution for six months.

Meanwhile, the association has written to all the kings in Lagos State telling them what the government is threatening, saying that 600,000 children will be pushed out of school and thousands of staff made redundant if what is threatened comes to pass. “When you have a headache,” says B.S.E., “the solution is not to cut off the head! If the government has a problem with us, then we can work together to help us improve, not cut us off completely!”

We spent a lot of time observing the classes in B.S.E.’s school and in every other private school we visited, usually unannounced. With only an occasional exception, the teachers were teaching when visited; in the rare cases when a teacher was off sick, the head teacher had set out work for the children and was keeping an eye on progress.

A typical teacher is Edamisan. He is 23, has just completed his high school diploma (“A-levels”), and wants to go to university to read economics. He can’t afford to do so, so he carries on living where he was brought up in Makoko, teaching and saving his small salary to fund his future career. He says he feels privileged to be a teacher: “When I am teaching, I am also learning. When I’m teaching children that the square on the hypotenuse is equal to the squares on the other two sides, I have to think deeply: Why is that the case?

And I find I learn all sorts of new things for myself.” Edamisan is clearly enthusiastic about teaching and engages all the children with him. His commitment and passion make him exactly the sort of teacher you would want to have for yourself or your own children. Another private school in Makoko is a French medium school, whose proprietor is from the neighboring country of Benin, serving migrant children from the surrounding Francophone countries. This is the largest school in Makoko, with 400 children; it is a two-storey (or “storey,” as these buildings are called in Nigeria) wooden building, built on stilts.

The oldest school, Legacy, founded in 1985, is also now housed in a “storey” building, with a plank floor upstairs that creaked and groaned as we walked along and through which we could see the classes below. When we visited at 5:00 pm, a teacher was still teaching upstairs, voluntarily helping the senior children with preparation for their examinations. The proprietor here had started the school by going from door to door, encouraging parents to send their children to school—there being no accessible public school then, and he wanted his community to be literate. Then he started charging 10 kobo (10 hundredths of a Naira, the Nigerian currency, worth less than one U.S. cent) per day. Later, he worked on making parents pay weekly fees. As his numbers grew, he moved to monthly and then termly fees. He, like everyone else, found it a really difficult job to get the fees from parents; and he, like everyone else, offered free places to many of his most deprived children.

Why do the private school owners act philanthropically in this way? All of the school owners interviewed came out with the same strong message: They all live in the shantytown itself, and they all proclaim the desire to assist children of their community. The school owner at Zico United School started his school in 1998 to “build the leaders of tomorrow.”

Asked why he gives free places, he said, “Sometimes we have to carry the children along so that they are not a burden on society.

Some of the children are very brilliant, and therefore that has to be considered.”

A similar story was told by the school owner at St. Mary’s Nursery and Primary school. He had started with evening classes in 1996, when students had said, “Uncle, help me with my work.” He did not at first charge regular fees, instead asking parents to give whatever they could afford, and conducted his classes in “an outside space.” Then, “Two years ago, the parents asked me to start a private school. I live in the community, and I want to help them as well as the less privileged ones.... I give concessionary fees and scholarships for families that have more children.”

At the Ministry of Education, senior officials are unsympathetic about these schools. One prominent woman, who drives a brand-new Mercedes, said—with no sense of irony—that poor parents send their children to the private schools as a “fake status symbol.” They are “ignoramuses,” she said, wanting the symbol of private education but hoodwinked by unscrupulous businessmen. The schools were a threat to educational standards and should all be closed down. It is true that the school buildings—which give outsiders first impressions of the school itself—are of poor quality, but they are no worse than the buildings where people lived. It is true that they did not normally have toilets, but neither do the people’s homes—and we also saw that children in the public school urinated in a corner of the schoolyard.

Moreover, in the private schools, unlike in the imposing public schools, the children felt at home. This was especially the case because the teachers were drawn from the community itself and knew all its problems as well as its vibrancy. In the public schools, the teachers often travelled for an hour or more to the school, and most said that they had never actually been inside Makoko itself to see where their charges lived. The more we visited these schools, the more we realized how organic they were: part of the community they served, quite unlike the public schools outside.

### **From Makoko to the Developing World**

Makoko is one shantytown, one poor community in a developing country, but the same story is repeated elsewhere. Across the developing world, you find people like B.S.E. who have set up schools to serve the poor, charging low fees, affordable to the communities.

And you find people like him who offer free places to the poorest of the poor, even though they are running the schools as businesses. For the past two years or so, we have been conducting research in poor communities like Makoko, elsewhere in Nigeria, and in Ghana, Kenya, and India.<sup>1</sup> In India, Ghana, and Nigeria, we found the majority of schoolchildren in the poor areas examined attending private schools.

In the “notified slums” of three zones of Hyderabad’s Old City, capital of the state of Andhra Pradesh, India, we found 918 schools, of which only 35 percent were government schools—fewer than the 37 percent of unrecognized private schools. In total, 65 percent of schoolchildren in these low-income areas attended private unaided school.

In the Ga District of Ghana, the low-income suburban and rural area surrounding the capital city of Accra, we found 779 schools in total, of which only 25 percent were government schools; 64 percent of schoolchildren attended private school.

Just as in Makoko, in the “poor” areas of three other local government districts (one rural, two urban) of Lagos State, Nigeria, we found 540 schools, of which 34 percent were government and the largest proportion (43 percent) were private unregistered. We estimated that 75 percent of all schoolchildren were enrolled in private schools, with more children in unregistered schools than in government ones. In Kenya, we looked at the urban slum of Kibera, reportedly the largest in sub-Saharan Africa, and found 76 private schools serving around 12,000 students. Usefully, our research occurred 10 months or so after the introduction of free primary education in January 2003. Although this was widely credited with massively increasing primary school enrollment—so much so that former U.S. President Bill Clinton told a prime-time ABC television audience that the person he most wanted to meet was President Mwai Kibaki of Kenya, “Because he has abolished school fees,” which “would affect more lives than any president had done or would ever do by the end of this year”<sup>2</sup>—our research suggested that the reality was different.

This assessment did not take into account the impact on the private schools serving the slum populations, for the private schools had suffered a huge fall in enrollment since free primary education was introduced, and at least 25 private schools in Kibera had closed altogether. In fact, the number of children lost from private education appeared to be far greater than the additional enrollment in the state schools bordering Kibera. At best, allowing for some exaggeration by the school owners of the numbers of children who had left, we could infer that the additional enrollment was a result of children transferring from private to public schools, not an overall increase in enrollment at all. Children transferring from the “mushrooming” private to government schools may not seem such a bad thing to some in the development community, given the widespread assumption—shared by the senior official in the Lagos State Ministry of Education reported above—that such private schools are of low quality. But our research explored the relative attainment of students in private and public schools serving poor communities and found that private schools in general had a large achievement advantage.

For instance, in Lagos State, the mean math score advantage over government schools was about 15 and 19 percentage points, respectively, more in private registered and unregistered schools, while in English it was 23 and 30 percentage points more. In Hyderabad, similarly, mean scores in mathematics were about 22 and 25 percentage points higher in private unrecognized and recognized schools, respectively, than in government schools. The advantage was even more pronounced for English. When we controlled for all relevant background variables, including family income and education, and for pupil IQ, the achievement advantage remained. The private schools, including the unregistered ones, we found to be substantially outperforming government schools. Importantly, they spend far less on

teachers—a cost which is likely to make up most of school’s recurrent expenditure—than do government schools. In general, the average monthly teacher salary in a government school ranges between three to four times higher than in an unrecognized private school.

All of this suggests that a great success story is taking place. In particular, because so many children are in unrecognized private schools that do not appear in government statistics, achieving universal basic education—the United Nations Millennium Summit development goal of “education for all” by 2015—may be much easier than is currently believed.

For instance, a recent report from the Lagos State Economic Empowerment and Development Strategy (LASEEDS) estimates that 50 percent of “school aged” children in Lagos State are out of school.<sup>3</sup> Assuming that this figure applies to those in primary schools, we can use the official state figures on enrollment to get the second column of Table 1 .

**Table 1**  
**Lagos State: Official and Estimated Out-of-Primary-School Children**

	Official Figures	Authors' Estimates
Government	451,798	451,798
Private registered	737,599	737,599
Private unregistered	0	577,024
<b>Total</b>	<b>1,189,397</b>	<b>1,766,421</b>
Estimated out of school		
	1,189,397	612,373
	(50%)	(26%)
Total school-age children	2,378,794	2,378,794

However, if we add in our own estimates of the number of children in private unregistered schools—schools like B.S.E.’s—the total of out-of-school children is sharply reduced to 26 percent of the total school-age children.

Bringing 26 percent of children into school may be much easier than bringing 50 percent into school. Nigeria’s task of achieving “education for all” may be considerably easier than is currently anticipated. These findings—and parallel ones from each of the countries surveyed— are surely good news for the international development community.

**Two Propositions in Search of a Conclusion**

Curiously, however, that is not how the international development community sees the “mushrooming” private

schools. This is the case even though there is an acute awareness of the failures of public education. The foregoing descriptions of the Makoko public schools fit squarely within how state education is seen by the development experts; indeed, it is a rather more sanguine view than those reported from many other sources. The failures of public education for the poor are in fact well documented. For instance, the Oxfam Education Report, handbook of the international aid agency Oxfam International, notes that “there is no doubting the appalling standard of provision in public education across much of the developing world.”<sup>4</sup> In parts of sub-Saharan Africa, it is reported that “education scores based on multiple-choice tests are so low that they are almost random, indicating that there is little or no value in attending school. Under these circumstances, it is not difficult to see why many poor households regard spending on [public] education as a bad use of scarce resources.”<sup>5</sup>

Nobel Laureate Amartya Sen is equally as up-front about the gross failings of state education for the poor in India in particular. The main factor in making parents not send their children to government

schools is reported to be “the discouragement effect” brought on in part by the “abysmal quality of Indian [state] schools.”

One major problem is teacher absenteeism. A major survey of educational provision in four northern Indian states, the Public Report on Basic Education (“Probe Report”), produced startling findings on the quality of state schools. When researchers called unannounced on a large random sample of government schools, in only half was there any “teaching activity” going on at all! In fully one-third, the head teacher was absent. The team reported “several cases of irresponsible teachers keeping a school closed or non-functional for several months at a time; a school where the teacher was drunk...a headteacher who asks the children to do domestic chores, including looking after the baby; several cases of teachers sleeping at school...; a headteacher who came to school once a week...and so on down the line.”

Indeed, 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.” Importantly, “this pattern is not confined to a minority of irresponsible teachers—it has become a way of life in the profession.” Moreover, it is not just in India that teacher absenteeism is a problem. The UNESCO EFA Global Monitoring Report 2005, for instance, reports: “random surveys in many countries confirm that teacher absenteeism remains a persistent problem. The need to hold second jobs, lax professional standards and lack of support by education authorities are common causes.”

Add to teacher absenteeism the problem of corruption and bribes within the state systems, the lack of teacher commitment and preparation even when present in the schools and the misdirection of resources, and it is easy to see why development experts appear to be unanimous about the problems of state education for the poor. In its World Development Report 2004, the World Bank calls it “government failure,” with “services so defective that their opportunity costs outweigh their benefits for most poor people.”<sup>14</sup> ActionAid does not mince its words either: Government basic education “in many of the world’s poorest countries” is “a moral outrage, and a gross violation of human rights.” The same development experts, however, argue that the only way forward is more state education, assisted by billions more in international aid. The World Development Report 2004 concludes that, just because “public provision has often failed to create universally available and effective schooling does not imply that the solution is a radically different approach.”<sup>16</sup> Certainly, says the World Bank, making public education work for the poor is a “formidable” challenge that will require changing both the ways in which “foreign aid is transferred” and the ways in which governments operate: “there is no silver bullet.... Even if we know what is to be done, it may be difficult to get it done. Despite the urgent needs of the world’s poor people, and the many ways services have failed them, quick results will be hard to come by. Many of the changes involve fundamental shifts in power—something that cannot happen overnight. Making services work for poor people requires patience.”

The experiences of Makoko and all the rest of the places we have researched, however, suggest that the poor are not showing the required patience. The poor are not acquiescing in state failure. They may themselves have found the “silver bullet” that is off the radar as far as the international agencies are concerned. For they are responding to the inadequacies of state education by creating for themselves

private schools to serve their needs. Importantly, it is not the case that this possible way forward is ignored because the international development community is unaware of the existence of the private schools. Quite the contrary. Again, the Oxfam Education Report is typical: It states that “the notion that private schools are servicing the needs of a small minority of wealthy parents is misplaced” and that “a lower cost private sector has emerged to meet the demands of poor households.” Indeed, there is “a growing market for private education among poor households” and “private education is a far more pervasive fact of life than is often recognised.”

Research in the Indian state of Haryana found that private unrecognized schools “are operating practically in every locality of the urban centers as well as in rural areas” and are often located adjacent to a government school.<sup>19</sup> Reporting on evidence from the Indian states of Haryana, Uttar Pradesh, and Rajasthan, researchers noted that “private schools have been expanding rapidly in recent years” and that these “now include a large number of primary schools which charge low fees,” in urban as well as rural areas.<sup>20</sup> Serving the poor of Calcutta, there has been a “mushrooming of privately managed unregulated pre-primary and primary schools.”

The same phenomenon exists in sub-Saharan Africa. In Uganda and Malawi, for example, private schools have “mushroomed due to the poor quality government primary schools”; and in Kenya, “the deteriorating quality of public education...created demand for private alternatives.” In sub-Saharan Africa and Asia generally, “the poor and declining quality of public education has led to growing numbers of parents sending their children to non-state schools”; and in southern Asia, “this amounts to a mass exodus.

### **Why Are Private Schools Not Part of the Solution?**

If there is this mushrooming of private schools, known to the development experts, why are these schools not celebrated as part of the way forward in achieving “education for all”? There seem to be three practical reasons why not.

First, private schools charge fees, thus making them out of reach of the poorest. But why, if these private schools are superior to government schools, as our research seems to suggest, is this seen as an insurmountable obstacle to extending access to them? For example, creating targeted vouchers for the poorest to use at private schools, following the private schools’ own lead at offering scholarships, potentially overcomes this objection.

Interestingly, the United Nations Development Programme (UNDP) notes this as a possibility: “To ensure that children from poor families unable to pay school fees are able to attend private schools, governments could finance their education through vouchers.”

The Oxfam Education Report also notes the success of two targeted voucher programs in Colombia and Pakistan, the latter targeted at girls. Neither agency, however, then makes what seems to us the obvious connection in seeing these private schools as a valuable way forward.

The second objection questions whether high-quality provision could exist in private schools serving the poor because levels of resourcing are low. The Oxfam Education Report notes that, although “there is no

doubting the appalling standard of provision in public education systems,” there is “little hard evidence to substantiate the view that private schools systematically outperform public schools with comparable levels of resourcing.” The UNDP makes precisely the same claim. In reality, the suggestion that poor parents, whose resources are scarce, are frittering away funds on private schools that are worse than the Free State alternative is highly implausible. Our research suggests that this objection is simply not valid and that poor parents are not being systematically hoodwinked as the development experts appear to believe.

The third objection is oddest of all. It concerns the impact of private provision on state education: If poor parents support private education, this allegedly “carries a real danger of undermining the government schooling system.” However, it is not obvious in practical terms why this is a viable objection to an increased role for the private sector. If private schools can be made available to all, including to the poorest and most excluded, through targeted vouchers (first set of objections), and if it can be shown that their quality is higher than the government alternative without pushing up costs (second set of objections), then, from the perspective of the poor, it would seem irrelevant whether this would undermine the state system, providing that education for all was achieved. None of this discussion, of course, means that nothing could be improved in the private sector’s efforts to serve the poor. As noted already, access to private education could be extended even further by building on the initiatives—already undertaken by the private schools themselves—that offer free and reduced-fee seats to the poorest children. Such informal schemes could be extended and replicated by philanthropists and/or the state so that “pupil passports” or vouchers could be targeted at the poorest children (although there may be the danger of additional regulations that could stifle the growth of private schools if they were administered by the state). With these passports or vouchers, many more of the poor could be empowered to attend private unaided schools.

Private school managers themselves also realize that their school infrastructure and facilities can be improved, and many are active in creating private school federations, like the Association of Formidable Educational Development in Makoko, that link school managers in self-help organizations.

Such associations in many countries are actively pursuing management, teacher training, and curriculum development and challenging the regulatory regimes imposed by government. They could be supported in their endeavors, perhaps through the creation of a global network of private schools and their associations that would conduct further research and disseminate information about the role of private schools for the poor to opinion leaders and policymakers. Such networks could reward innovation and excellence in the schools and mobilize additional resources to help with improvements.

As an activity parallel to our research in Nigeria and Hyderabad, we have been mobilizing resources for the creation of two revolving loan funds to help private schools improve their facilities. Schools are borrowing up to \$1,000 to build new classrooms, equip libraries and laboratories, and improve teacher training. Such loan funds could be extended and replicated to enable more children to access education in an even better, safer, and educationally more conducive environment. Other educational services could also be offered to help the private unaided schools improve and better serve their communities.

In Makoko, as in other poor communities in developing countries, parents do not accept the supposed need for patience until governments and the international development agencies get public education working. They need solutions urgently for their children, and they cannot wait. The mushrooming private schools are part of their solution, not a problem to be dealt with. And that is surely what they are: a dynamic demonstration of how the entrepreneurial talents of people in Africa and Asia can contribute powerfully to the improvement of education, even for the poor. Private schools for the poor signal the urgent need for a rethink by the international development community.

### **Questions to think about**

What do you think about the education voucher system? Is it applicable in the context of Nepal? What challenges could the implementation of voucher system face in Nepal?

What do you think should be done to improve our public education system?

Maoists have stopped the registration of new private schools claiming that private schools are commercializing education and harming the country? Do you agree this viewpoint? Will stopping new registrations help or harm the education scenario of the country?

What could be done to provide education to the poorest segment of the population?