

‘*De facto*’ privatisation of education and the poor: implications of a study from sub-Saharan Africa and India

James Tooley^{*} and Pauline Dixon
University of Newcastle Upon Tyne, UK

Three types of privatisation are identified—involving demand-side financing, reforms to the educational supply-side and *de facto* privatisation, where responsibilities are transferred to the private sector, through the rapid growth of private schools, rather than through reform or legislation. Although *de facto* privatisation may arise because of parental dissatisfaction with state education, it is perceived as undesirable in the literature. Findings from a recent study on private schools in Ghana, Nigeria and India are outlined to explore this issue. The results show a majority of enrolment is in private schools in poor urban and peri-urban areas, and a significant minority in rural areas. Regarding teacher activity, private schools appear superior to government schools, while private school children outperform government children on maths and English, even though expenditure on teacher salaries is much lower in private than government schools. In the context of this evidence, three major objections to the place of *de facto* privatisation in meeting the educational needs of the poor are explored and challenged.

Keywords: *Education for all; Millennium development goal; Private schools*

Introduction: ‘*de facto*’ privatisation

Privatisation of education is sometimes described as a form of decentralisation (e.g. Cummings & Riddell, 1994; Patrinos & Ariasingam, 1997; Bray & Mukundan, 2003), given that it may involve ‘the transfer of decision making authority, responsibility and tasks from higher to lower organizational levels or between organizations’, which is Hanson’s (1998, p. 112) general definition of decentralisation. Privatisation is often categorised into two ideal types (Patrinos & Ariasingam, 1997): first, involving demand-side financing; second, involving reforms to the educational supply-side.

Demand-side financing reforms include the introduction of *targeted vouchers*—that is, targeted at particular disadvantaged groups, including girls, to permit them to attend private schools (e.g. in Colombia, King *et al.*, 1997; Angrist *et al.*, 2001; in Bangladesh, King & Bellew, 1993; in the USA, Witte, 1996); *universal vouchers*, to

*Corresponding author. School of Education, Communication and Language Sciences, University of Newcastle Upon Tyne, NE1 7RU, UK. Email: james.tooley@ncl.ac.uk

enable all who desire to access private schools (e.g. in Chile, Castañeda, 1992; in Sweden, Sandström & Bergström, 2002); and tax credits, to allow those using private schools to claim some or all of their fee payment against taxation (e.g. in USA, Hoxby, 1998). Reforms to the supply-side of schools include public-funding of new or existing private schools (e.g. in North America, Bosetti, 2000; O'Reilly & Bosetti, 2000; in Europe, Frasse *et al.*, 1987; Dronkers, 1995; Ritzen *et al.*, 1997; Karsten, 1999). It is noted that, although privatisation may involve some transfer of 'authority, responsibility and tasks' to private providers, this may simultaneously involve increasing central authority over regulation (e.g. by providing a robust regulatory environment in which the private sector is allowed to operate) or finance (e.g. providing demand-side financing to parents or *per capita* funding to different types of private schools).

However, a third type of privatisation has been noted either explicitly or implicitly in the literature—where responsibilities for education have been transferred *de facto* to the private sector, through the rapid growth of private schools, rather than *de jure*, through reform or legislation. The situation in Haiti is described explicitly in these terms, where privatisation is reported to have occurred 'by default, one could almost say by despair, rather than by deliberate intention of the State' (Salmi, 2000, p. 165, see also Florestal & Cooper, 1997; Bray & Mukundan, 2003). Almost identical wording is used to describe the situation in Uganda, Tanzania and Malawi: 'In many cases the expanded role of the non-state sector has in many cases been by default (or despair) rather than by design' (Rose, 2002, p. 15).

Importantly, it is widely agreed that this *de facto* privatisation extends to provision for the poor. For instance, it is noted that '... the notion that private schools are servicing the needs of a small minority of wealthy parents is misplaced ... a lower cost private sector has emerged to meet the demands of poor households' (Watkins, 2000, pp. 229–230). Reporting on evidence from Haryana, Uttar Pradesh and Rajasthan, India, De *et al.* (2002) note 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 (p. 148). For the poor in Calcutta (Kolkata), India, there has been a 'mushrooming of privately managed unregulated... primary schools' (Nambissan, 2003, p. 52). Research in Haryana, India found that unrecognised private schools 'are operating practically in every locality of the urban centres as well as in rural areas' often located adjacent to a government school (Aggarwal, 2000, p. 20). In Lahore, Pakistan, research suggests that 51% of children from families earning less than \$1 a day attend private schools, even when there are government alternatives (Alderman *et al.*, 2003). From sub-Saharan Africa, in Uganda and Malawi private schools have 'mushroomed due to the poor quality government primary schools' (Rose, 2002, p. 6, 2003, p. 80). In Nigeria, 'unapproved [private] schools are providing schooling opportunities to a significant number of children, particularly in urban and peri-urban areas' (Adelabu & Rose, 2004, p. 64).

Significantly, the low quality of government schools for the poor is often reported as a major reason for the 'mushrooming' of private schools: Venkatanarayana (2004) notes that the 'failure of public school in terms of meeting parents' expectations/

aspirations' has led to a 'growing demand' for private schools in rural Andhra Pradesh, India (p. 40). The *Human Development Report 2003* notes that in India and Pakistan 'poor households cited teacher absenteeism in public schools as their main reason for choosing private ones.' (UNDP, 2003, p. 112). The Probe Team (1999) reports that 'even among poor families and disadvantaged communities, 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' (p. 103). In Kenya 'the deteriorating quality of public education... created demand for private alternatives' (Baurer *et al.*, 2002).

Not only is the *quality* of government education perceived to be low, there is also the problem of insufficient *quantity* of government provision—another factor possibly leading to *de facto* privatisation. The *Human Development Report 2003* (UNDP, 2003) reports that 115 million (that is 17% of the 680 million children of primary school age in developing countries) do not attend school. Three fifths of these are girls. In India, 40 million children are not in primary school. But attending school is not the end of the matter. Just one in three children in Sub-Saharan Africa finish the 'full course', in developing countries generally, one in two. The *World Development Report 2004* notes that 'many governments are falling short on their obligations, especially to poor people', in not providing sufficient school places (World Bank, 2003, p. 3).

Conversely, one of the major reasons why private schools might be seen as advantageous to poor parents also seems to be widely accepted: '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' (The Probe Team, 1999, p. 64, emphasis added). Similarly, accountability is also a factor highlighted by Drèze and Sen (2002): Low teaching standards in government schools 'reflect an endemic lack of accountability in the schooling system' (p. 173). Watkins sums up evidence from a range of countries: 'That many education systems in developing countries fail to meet even the most basic requirements for accountability is not in dispute. Too often these systems are unresponsive to local community needs and unaccountable to parents, especially when the communities and parents in question are poor...' (Watkins, 2004, p. 10).

Notwithstanding the assumption that *de facto* privatisation may have arisen because of the failures of government provision, and that private provision may be more accountable to poor parents, in the literature this third kind of privatisation appears generally as undesirable, or, at best, 'not necessarily ideal' (Bray & Mukundan, 2003, p. 13). Salmi (2000) notes that even though poor parents are willing to pay for education for their children this does not necessarily mean 'that they should be encouraged or permitted to do so' (Salmi, 2000, p. 177, quoting Bray, 1996).

There appear to be three major reasons why private schools for the poor are not considered part of the solution to satisfying the Millennium Development Goals

(MDGs) in education. First, private schools are inequitable, because (a) they charge fees, thus making them out of reach of the poorest of the poor, and (b) they exacerbate gender inequity, as parents prefer to send their boys to them (e.g. The Probe Team, 1999, p. 105; Watkins, 2000, p. 207; UNDP, 2003, p. 115). Second, private schools serving the poor are of low quality, implying that extending access to such schools would not be desirable: The *Oxfam Education Report*, for instance, notes that private schools for the poor are of ‘inferior quality’, offering ‘a low-quality service’ that will ‘restrict children’s future opportunities.’ (Watkins, 2000, p. 230). Nambissan (2003) notes that in Calcutta, ‘the mushrooming of privately managed unregulated pre-primary and primary schools... can have only deleterious consequences for the spread of education in general and among the poor in particular’ (p. 52), for the quality of the private schools is ‘often suspect’ (p. 15, footnote 25). From Nigeria, private unapproved schools are reported to offer a ‘low quality of education’ (Adelabu & Rose, 2004, p. 48), ‘below a desirable level’ (p. 64); they are ‘a low cost, low quality substitute’ for public education (p. 74).

The *third* major objection concerns the impact of private provision on state education. If poor parents support private education, this ‘carries a real danger of undermining the government schooling system’ (Probe Team, 1999, pp. 105–106). Parents should not ‘withdraw their children from the public education system and put them in private schools’, for this ‘reduces parental pressure to improve government schools’ (Watkins, 2004, p. 11).

In this paper, we explore these three objections and the undesirability or otherwise of *de facto* privatisation by examining the findings of a recent research project exploring private schools for the poor in Ghana, Nigeria and India. The next section of this paper briefly outlines the method, the middle sections outline the study’s findings, while Section 5 explores the implications of these results for the role of *de facto* privatisation in meeting the MDG goals in education.

Method

The current study, funded by the John Templeton Foundation, carried out between April 2003 and December 2005, explored the nature and extent of private education for the poor in a range of developing countries, and effected comparisons between public and private provision. This paper reports on findings from Ghana (Ga District), Nigeria (Lagos State) and India (Hyderabad and Mahbubnagar), to illustrate general themes arising from the work. (Other areas researched were Kenya (Nairobi), India (Delhi) and China (Gansu Province). This paper provides an *overview only* of the method and some findings. For further details see Tooley *et al.*, forthcoming, a, b, c, Tooley & Dixon, 2005a).

In all studies, following standard usage, *government* schools were defined as those funded and owned by some level of government, state or local government body. (In Ghana and Nigeria, these include some church schools, nationalised in the 1970s/80s, which operate as government schools, with vestiges of private management under state regulations). In India, there are private aided (PA) and private unaided

(PUA) schools. PA schools are privately managed, but usually have 100% teacher salaries, plus other expenses, funded by government. PUA schools are entirely privately managed and privately funded, and are of two types, recognised and unrecognised. The former have purportedly met the regulatory requirements of the state, while unrecognised schools have either not applied for, or have not succeeded in gaining, recognition. In Nigeria and Ghana, private schools are privately managed and privately funded. Again, two sub-types of private schools are distinguished: Registered schools are those that have, purportedly, met state regulations and been inspected, while unregistered either have not applied to be registered, or are not deemed to have met these regulations.

We focused on designated 'poor' areas only: In the District of Hyderabad, Andhra Pradesh (AP), we selected three (out of 35) of the poorest zones, Bandlaguda, Bhadurpura and Charminar, with a population of about 800,000 and an area of about 19 square miles (Government of Andhra Pradesh, 1997). Within these three zones, we focused only on schools in the 'notified slums', according to the latest census and municipal documents, defined as areas with lack of amenities such as proper sanitation and roads, water and electricity supply (Government of Andhra Pradesh, 1997, pp. 40–73). In the rural district of Mahbubnagar, AP, one of the two worst performing of the 23 districts in AP on a range of educational indicators, including literacy rates, proportion of children in school, and retention of students, we selected five sub-districts, three of which were wholly rural, and two of which had some urban population, in small towns.

In Ghana, we focused on Ga District, surrounding the capital, Accra, classified as a low-income, peri-urban area. About 30% of the population of 500,000 lives below the poverty line, while 40% live on the poverty line. Ga includes poor fishing villages along the coast, subsistence farms inland, as well as large dormitory towns for workers serving the industries and businesses of Accra; most of the district lacks basic social amenities such as potable water, sewage systems, electricity and paved roads (Ga District Assembly, 2002, 2004). In *Nigeria*, we focused on Lagos State, where over 50% of the population are reportedly living in poverty, and severe infrastructural decay, emergence of slums, high unemployment rates and severe housing overcrowding are noted (Laseeds, 2004, p. 7). Three local government areas were randomly selected, one from each of the three senatorial districts in Lagos State: Surulere, Kosofe and Badagry. Surulere and Kosofe are urban, Badagry is a rural area close to the metropolitan area, hence classified as 'peri-urban'. Using official data, areas were classified as 'poor' or 'non-poor,' with the former featuring overcrowded housing with poor drainage, poor sanitation and lack of potable water, and prone to occasional flooding. We focused only on the 'poor' areas.

The first major component of the research consisted of a systematic census and survey of all primary and secondary schools (up to class X (aged 15) in India and junior secondary schools only in Nigeria and Ghana), government and private, using teams from the Universities of Ibadan (Nigeria) and Cape Coast (Ghana) and the Educare Trust (AP, India), who were trained and instructed to search every street and alleyway in the urban areas, and visit every settlement in the rural areas. We

focused on schools, that is formal institutions operating according to a formal timetable, following a standard syllabus, for children who attend during school hours. (Nursery-only schools were excluded from the study, as was non-formal education provision, such as learning centres and after- or out-of-school clubs). Once located, the researchers called unannounced on the school and briefly interviewed the school manager or headteacher, to elicit the data reported in the fourth section of this paper (apart from data on free and concessionary places, which came from the stratified random sample below). School recognition documents, pupil registers and fee registers (in private schools) were visually checked, to find enrolment figures, fee levels, etc.

Researchers then asked to make a school visit, where they checked the facilities available in the school against a short check-list of facilities, and visited one level—Grade 4 or 5 depending on country (chosen as a primary class for which standardised tests were available, see below, and where children were perceived old enough to answer sensibly questionnaires)—to observe the activity of the teacher and make a check on further facilities. This visit was made when a normal lesson was timetabled—the researchers were instructed to wait until such a lesson was scheduled if there were other activities (assembly, break, sports, etc.) taking place. Data on teaching activity is reported in section 5. (Data on a further range of school inputs is reported in Tooley *et al.*, forthcoming, a, b, c; Tooley & Dixon, 2005a. Analysis of the quality of the learning experience is also underway, using the method in Smith *et al.*, 2005.)

Finally, (except in Mahbubnagar), a stratified random sample of around 150 schools was selected from those found in the census (stratified by school size and management type—excluding the small number of private aided schools in Hyderabad), and between 3000 to 4000 students randomly selected from within these at primary Grade 4 or 5, depending on country. Data on background variables that earlier research on school effectiveness had suggested might be significant for achievement—household income and wealth indicators, years of parental education, caste or tribe, religion and parental motivation—were elicited through questionnaires. IQ (innate ability) was tested for both pupils and teachers using Raven's Standard Progressive Matrices, the results of which were normed using local published norms (Deshpande & Ojha, 2002). Questionnaires were prepared for students, families of the students, as well as teachers and school managers/headteachers.

Mathematics and English were tested in all countries (a third subject, different in each country, was also tested, which gave parallel results). In India, tests were adapted from standardised tests constructed by NIIT Ltd, Delhi with advice from the State Council for Educational Research and Teaching, (SCERT) in Hyderabad. In Africa, we used tests developed for USAID by the Educational Assessment and Research Centre (EARC), Accra, Ghana. The data were analyzed using education production function techniques (see e.g. Jimenez *et al.*, 1991; Kingdon, 1996) to ensure that all relevant background variables are controlled for, using the Heckman two-stage procedure, to control for the fact that children were not randomly assigned to schools (Heckman, 1979, 1989; Green, 2000).

Census

Proportion of schools by management type

In the urban slums of Hyderabad, India, the urban and peri-urban poor areas of Lagos State, Nigeria and the peri-urban areas of Ga, Ghana, a parallel situation was reported by the researchers: the large majority of primary and (junior) secondary schools is private (see Table 1). The researchers found large numbers of schools (ranging from 918 in Hyderabad to 540 in Lagos State). The proportion of private unaided schools varied from around three-fifths (Hyderabad) to three-quarters (Ga), with Lagos State having two-thirds. In these cases, government and (in India) private aided schools, were a small minority of provision. In Ga, only a quarter was government, while in Lagos only a third. In Hyderabad, government and private aided schools together made around two-fifths of provision. Importantly, of the private schools, in all cases apart from Ga, there were *more unrecognised or unregistered private* than there were government schools—in Ga, the numbers were about equal.

In rural and small-town Mahbubnagar, India, around three-fifths of schools were government, only a tiny number private aided, and well over a third private unaided. Breaking down these figures into small towns and rural areas, we find small town Andhra Pradesh is similar to Hyderabad: the vast majority of schools—nearly two-thirds—were private unaided, (private aided schools made up around 5%, with the remaining 30% government schools). In the rural areas proper, however, government schools were in a majority—around fourth-fifths, with private unaided schools making up the remaining fifth. (There were no private aided schools in the rural areas).

Proportion of enrolment by management type

In each of the urban and peri-urban areas, private schools catered for the large majority of schoolchildren (see Table 1). In Hyderabad, India and Ga, Ghana, enrolment in private schools was around two-thirds of total enrolment. In Lagos State, Nigeria, we estimated private school enrolment at three-quarters of total enrolment. In these cases, government school enrolment was a small minority, ranging from a quarter in Lagos and Hyderabad (where the remaining 10% were in private aided schools), to about a third in Ga. Enrolment in unregistered or unrecognised private schools exceeded that in government schools in Lagos, and was roughly equal to government in Hyderabad.

In Mahbubnagar, there were slightly *more* children enrolled in private unaided than government schools, although enrolment was about 50% in each. Disaggregating into rural and small town areas, nearly three-quarters of schoolchildren were in government schools in the rural areas, and the remaining quarter in private unaided schools. In the 'small town' urban areas, these figures were reversed—with only a quarter of schoolchildren in government schools, and fully two-thirds in private unaided schools (the remainder were in private aided schools).

Three caveats must be made here. First, there is the reported propensity of government and private aided schools to exaggerate enrolment—in India, with likely parallels in the African countries concerning government schools—as there are clear

Table 1. Number and proportion of schools, by school type and pupil enrolment

	Hyderabad, India			Ga, Ghana			Lagos State, Nigeria			Mahbubnagar, India		
	No. schools	% schools	% pupils	No. schools	% schools	% pupils	No. schools	% schools	% pupils	No. schools	% schools	% pupils
<i>Government</i>	320	34.9	24.0	197	25.3	35.6	185	34.3	26.0	384	62.4	47.8
<i>Private aided</i>	49	5.3	11.4	0	0	0	0	0	0	13	2.1	4.3
<i>Private (unaided) unrecognised/ unregistered</i>	335	36.5	23.1	177	22.7	15.3	233	43.1	33.0	77	12.5	6.6
<i>Private (unaided) recognised/ registered</i>	214	23.3	41.5	405	52.0	49.1	122	22.6	42.0	141	22.9	41.2
<i>Total</i>	918	100	100	779	100	100	540	100	100	615	100	100

Source: Census of Schools data

financial and job security incentives to claim larger enrolment than is actually the case (Kingdon, 1996; Kingdon & Dreze, 1998). This could also apply to private schools, as part of their 'sales pitch' to prospective parents—although as fee registers were checked in the private schools, the figure is more likely to be accurate than in the government schools, given that it would be more cumbersome to create a register of fictitious students paying fees. Second, it was reported anecdotally that there may be some double-enrolment of children in both government and private schools, for this enabled a child to attend private school during the morning and then go to government school for the free-lunch provided. Third, we have no way of checking that all unrecognised or unregistered private schools were located, as there were no official lists with which to compare our findings (whereas government lists were used to check that we had found all other school types). For each of these reasons, it is suggested that the data here may only be an approximate estimate of the true proportion of enrolment in private schools—the first and second caveats having an undetermined impact on enrolment, while the third potentially underestimates enrolment in private schools (as there may be more unrecognised or unregistered schools not found by the researchers). To resolve these uncertainties, it would have been useful to have physically counted the number of children present in the school at the time of the visit. However, whilst initially we attempted to do this, our researchers met with opposition, mainly from government and private aided headteachers, so this aspect of the study was dropped early on.

Gender

In both Ga, Ghana and Lagos State, Nigeria, schools reported almost exactly 50% of girls and boys in each management type. Private schools, both registered and unregistered, were no different from government schools in gender enrolment. In Hyderabad, there were again roughly equal numbers of boys and girls in both recognised and unrecognised private schools (51.8% girls in unrecognised and 49.5% girls in recognised). However, there were reported to be more girls than boys in government schools (57.2% girls)—and hence more girls than boys in school overall (52.7% compared with 47.3%). That is, in Hyderabad, boys, if they are in school, are more likely to go to private unaided school. In Mahbubnagar, however, we found more boys than girls in school overall (51.7% compared to 48.3%), with government schools having roughly equal proportions of boys and girls (50.4% girls), and private unaided schools having more boys than girls (43.5% girls in unrecognised and 44.3% girls in recognised PUA schools).

Fees and affordability in private (unaided) schools

In India, private unaided schools usually charge monthly fees. In Hyderabad, the average fees for Grade 4 primary students were reported to be Rupees 78.17 (£1.00) and Rupees 102.55 (£1.31) in unrecognised and recognised PUA schools respectively. In Mahbubnagar, the corresponding fees were Rupees 68.50 (£0.88)

and Rupees 93.51 (£1.20). In Ghana and Nigeria, private schools usually charge termly fees. Translating these into monthly equivalents, the average Grade 4 primary fees were, in Ghana, Cedis 33,066 (£2.07) in unregistered and Cedis 55,225 (£3.45) in registered private schools. In Nigeria they were Naira 748.25 (£2.99) in unregistered and Naira 1090.50 (£4.26) in registered private schools. Fees were consistently lower in unrecognised (unregistered) than recognised (registered) schools, and also increased slightly the higher the child progressed up the school.

How affordable are these fees to the poor parents using them? Consider the fees in Hyderabad and Mahbubnagar. Minimum wages for Andhra Pradesh are set in the range from Rs. 45.00 to Rs. 96.23 per day (2002 figures, Government of India, 2005), with workers in Hyderabad (who will be non-agricultural) typically at the higher end. A wage at the top of the range translates to about Rs. 2310/- (£29.62) per month (assuming 24 working days per month). That is, the mean fees for unrecognised schools for 4th grade might be 3.4% of the monthly wage for a breadwinner on this minimum wage, while recognised school fees might be about 4.4%. Taking the lowest minimum wage of Rs. 45/- per day for Mahbubnagar would give a monthly wage of Rs. 1200/-, (assuming 24 working days). The fees given above would then range from 5.7% and 7.8% of these wages for unrecognised and recognised schools respectively.

In Africa, rates were slightly higher, ranging from around 12% to 20% of minimum wages. (These may be higher because we were using minimum wages set for Ghana and Nigeria as a whole, whereas wages are likely to be higher in the urban and peri-urban areas of the metropolitan cities) (see Table 2).

Free and concessionary places

However, not all students pay fees. In each setting researched, although the majority of schools were reported to be dependent on fee income to survive, they also offer free or reduced rate places to children. (This data came from the stratified random sample of primary schools, see below, where we were able to check the availability and range of free and concessionary places with parents). In Hyderabad around three-quarters of private schools offered free or concessionary places, which amounted to *nearly one fifth* of all places in the private schools (that is, in *all* private schools, including those that didn't offer any free or concessionary places). (The exact figure was 18%, with 7% provided free and 11% concessionary). In both Ga and Lagos State, around 5% of all private school places were offered at free or concessionary rates. (Further details on motives of school managers and children served can be found in Tooley & Dixon, 2005b.)

Teaching activity, pupil achievement, class size and teacher salaries

Teaching commitment and absenteeism

The survey of inputs, conducted during the same unannounced visit as the census, allowed for comparisons of teaching activity at primary school level in the different

Table 2. Fees at private (unaided) schools, primary grade 4, and percentage of minimum wages

	School type (Currency)	Mean monthly fees (primary 4th grade)	Minimum wage per month (assuming 24 working days)	Fees as a % of minimum wage
Hyderabad, India	Unrecognised (Rupees)	78.17	2310	3.4%
	Recognised (Rupees)	102.55		4.4%
Mahbubnagar, India	Unrecognised (Rupees)	68.50	1200	5.7%
	Recognised (Rupees)	93.51		7.8%
Ga, Ghana	Unregistered (Cedis)	33066	268800	12.3%
	Registered (Cedis)	55225		20.5%
Lagos State, Nigeria	Unregistered (Naira)	748.25	5500	13.6%
	Registered (Naira)	1090.50		19.8%

Sources: census data and minimum wage data available from: <http://www.ilo.org/travaildatabase/servlet/minimumwages>

school management types. In each country study we found that, in the private primary schools, teachers were more often teaching than their government counterparts and teacher absenteeism was also lower in both types of private than government schools (see Table 3: all differences described are statistically significant). In Hyderabad, the vast majority of teachers in private schools—98%

Table 3. Teacher activity in primary schools

	Activity of the teacher	Hyderabad, India ^a	Ga, Ghana ^b	Lagos, Nigeria ^c	Mahbubnagar, India ^d
Private recognised/ recognised	Teaching	97.5	75.0	87.9	82.7
	Non-teaching	2.0	19.8	11.1	12.7
	Absent	0.5	5.2	1.0	4.5
Private unrecognised/ unregistered	Teaching	90.5	66.4	87.0	80.0
	Non-teaching	5.5	24.4	12.0	13.3
	Absent	4.0	9.2	1.1	6.7
Government	Teaching	74.6	56.7	67.3	63.6
	Non-teaching	19.7	28.3	24.5	28.9
	Absent	5.7	15.0	8.2	7.5

Source: survey of inputs

^a $\chi^2=64.823$, $df=4$, Significant, $p<0.001$

^b $\chi^2=15.026$, $df=4$, Significant, $p<0.01$

^c $\chi^2=25.692$, $df=4$, Significant, $p<0.001$

^d $\chi^2=20.005$, $df=4$, Significant, $p<0.001$

in recognised and 91% in unrecognised—were teaching, compared to 75% in the government schools. In Mahbubnagar, in government classes, 64% of teachers were teaching, compared to 80% in unrecognised and 83% recognised private unaided schools. Similar figures were found in Lagos, where 88% and 87% of the registered and unregistered private teachers were teaching, compared to only 67% in the government schools. In Ga, Ghana, only 57% of teachers in government schools were teaching at the time when researchers arrived unannounced, compared to 75% and 66% of teachers in registered and unregistered private schools.

Pupil achievement

In each of the studies, the same pattern was found for the ‘raw’ mean scores of *primary* level children, with private recognised (registered) schools achieving highest, followed by private unrecognised (unregistered) and government schools achieving the lowest scores (see Table 4). In Hyderabad, mean scores in mathematics were about 22 percentage points and 23 percentage points higher in private unrecognised and recognised schools respectively than in government schools. The advantage was even more pronounced for English—but this might be expected, given that the private schools were, purportedly at least, English-medium, while government schools were Urdu- or Telugu-medium. Hence for Hyderabad, the mathematics score may be the most important to take into account (for further discussion of language issues, see Tooley *et al.*, forthcoming, c). In Ghana and Nigeria, all school types were reportedly English-medium, so this consideration does not arise. In Ga, the advantage for both types of private schools was smaller, with average math scores being about five and 12 percentage points higher in private unregistered and registered schools respectively than in government schools. In English the advantage was about eight and 14 percentage points. In Lagos State, the mean math score advantage over government schools was about 14 and 19 percentage points respectively in private registered and unregistered schools, while in English it was 22 and 29 percentage points.

Controlling for the range of background variables, including peer-group effects and the school choice process, these differences were reduced but still large in favour of both types of private school in each study. For instance, in Lagos State, Nigeria, the predicted score in mathematics is 45.1% for an average sample child in government school, 53.5% for the same average child in an unregistered and 57.6% in a registered private school. For English the predicted score for an average sample child in government school is also 45.1%, while there is no significant difference between attainment in both types of private school—predicted score for the same child is 64.4% (for full details see Tooley *et al.*, forthcoming, a).

Teacher salaries and unit costs

Do the private schools achieve better results because they are better resourced? It was not possible to obtain detailed information on actual income and expenditure

Table 4. Raw mean scores, maths and English, Hyderabad, Ga and Lagos, in selected primary school class

Subject	School type	Hyderabad India			Ga, Ghana			Lagos, Nigeria		
		Mean % score	SD*	Cases	Mean % score	SD*	Cases	Mean % score	SD*	Cases
Maths	Government	39.19	25.95	991	56.21	20.09	1105	41.27	19.37	735
	Private unrecognised/unregistered	60.82	20.64	1108	61.66	18.88	570	55.48	19.72	783
	Private recognised/registered	62.38	21.21	1161	68.26	16.63	1303	60.24	19.44	692
	Total	54.80	24.83	3260	62.53	19.19	2978	52.24	21.08	2210
English	Government	22.38	20.57	991	58.19	17.11	1103	42.68	20.03	734
	Private unrecognised/unregistered	53.90	19.79	1108	66.41	17.42	571	64.70	21.38	779
	Private recognised/registered	58.69	21.30	1161	71.97	14.76	1301	71.83	20.48	688
	Total	46.02	25.91	3260	65.79	17.32	2975	59.59	24.04	2201

Source: survey of achievement data *SD=standard deviation

within any type of school. However, it was possible to elicit data from the primary class teachers in the stratified random sample on what is in any case the most significant element of school resourcing—teacher salaries—estimated in developing countries to make up 80% to 96% of all recurrent expenditure in government primary schools, (Zymelman & Destefano, 1989; Mingat & Winter, 2002). The example of Lagos State is typical: the average monthly salary of a full-time teacher at grade 4 in a government school was reported to be 20,781 Naira, compared to 5598 Naira in unregistered and 6415 Naira in registered private schools. It might be argued that, since salaries at the unregistered schools are only slightly above the national minimum wage (and as noted earlier, actual wages in metropolitan urban and peri-urban areas are likely to be higher than these national wages, so they may be very low in relative terms to other employees) this means that school proprietors are exploiting their staff. The counter-argument here would point to the fact that such schools might instead be providing a useful public service by employing thousands of graduates and school leavers in countries where graduate and school-leaver unemployment is a huge problem (see e.g. Dabalén & Oni, 2000).

The average salaries in government schools are more than three and a half times higher than in the unregistered, and more than three times those in the registered private schools. However, class sizes were found to be smallest (in all studies, obtained from the stratified random sample through counting children) in unregistered (unrecognised) private and largest in government schools, so computing the unit cost per pupil gives a more valid comparison (see Table 5). We find that teacher salary per pupil is roughly equivalent in unregistered and registered private schools. In the government schools, however, the per pupil teacher cost is nearly two and a half times higher.

Interestingly, we can note that one reform in many countries is the employment of what are called ‘para-teachers’, in areas where there is an inadequate supply of government teachers. Such para-teachers are not officially trained as teachers, but receive some short training that varies from country to country. The provision of these para-teachers increases the supply of educators at a fraction of the cost of trained government teachers. (Seetharamu, 2002; Govinda & Josephine, 2004; UNESCO, 2004). It could be argued that these lower wages reflect the market rate for teachers in certain areas, reflected in the salaries for teachers in the private sector.

Table 5. Teacher salaries per pupil for class 4, Lagos State, Nigeria

Management type	Number of teachers giving information	Mean monthly salary of full-time teacher at Grade 4 (Naira)	mean class size	Salary per pupil	Ratio of unit costs (private unregistered base)
Government	30	20781 (£83.12)	27.13	765.98 (£3.06)	2.44
Private unregistered	58	5598 (£22.39)	17.82	314.14 (£1.26)	1.00
Private registered	41	6415 (£25.66)	19.30	332.38 (£1.33)	1.06

Source: data from stratified random sample.

Discussion

We return to the issues raised at the conclusion of the introductory section. Could *de facto* privatisation of education for the poor in developing countries have any role in helping to meet universal primary education and enhance gender equity, or should its existence be seen as a cause for regret? This paper has raised the following points which may be useful to inform any judgement here:

First, from the literature reviewed in the introduction, there appears widespread acceptance of the availability of private schools for the poor in a range of developing countries, and apparent agreement that parents may choose them because of the inadequacies of state education, and because private schools are more accountable to them.

Second, turning to the findings of the current study (sections 2 to 4), we found that in the urban and peri-urban areas surveyed, private schools form the majority of provision and are serving the majority of schoolchildren. In the rural study, a significant minority of school children are in private education. In the African studies, there appears to be equity in gender enrolment, although in the Indian studies, boys are more likely to go to private than government school. Comparing fees at primary school level with official minimum wages, private schools appear affordable to many, especially in India, while the schools themselves offer free and concessionary places to the poorest of the poor. Regarding teacher activity and absenteeism, private primary schools, including those unregistered/unrecognised, appear superior to government schools. Moreover, private primary school children, including those in unregistered/unrecognised schools, outperform government children on maths and English, differences that persist even when the school choice process and background variables are controlled. Finally, private primary schools do not obtain this superior performance through higher expenditure, at least on teacher salaries, which is likely to make up the majority of expenditure in schools.

Each of these findings, if they could be extrapolated to, and corroborated in, other situations, would appear to support the notion that *de facto* privatisation is already playing an important role in meeting the educational needs of the poor, and that, if judicious support was available, to effect school improvements and to further extend access to it (see below), then it could potentially be a valuable partner in meeting the MDG targets. However, we noted in the introductory section that this is not the conclusion reached by other commentators. In particular there were three major objections to such a conclusion. However, the suggestion here is that if this third type of privatisation—*de facto* privatisation—is linked in with the first two types of privatisation—reforms to demand-side financing and the supply-side of education—then these objections may be less significant.

Concerning the first objection, that private schools are inequitable, we note that *per se*, this need not be an insurmountable obstacle to private schools being vehicles to assist in meeting universal primary education. We noted that the private schools themselves engage in offering informal scholarships (free or concessionary places) for some of the poorest children. One approach would be to extend this principle to incorporate the first type of privatisation (demand-side financing) within the third

type, *de facto* privatisation. State and/or donor agency funded *targeted* vouchers could be created for the poorest (including children currently out of school), and/or for girls (especially in India and similar situations where this problem is pronounced), to use within the private schools, which could potentially overcome this first objection, especially if coupled with measures to improve quality in all school types (see below). Moreover, it appears from the discussion above that providing such vouchers might even be a cost-effective way of increasing enrolment of the poorest, given the lower costs associated with the private sector.

However, it might be argued that this position would be tenable only for urban and peri-urban situations, where there were already large numbers of private schools: for in the study in rural Mahbubnagar (excluding the small towns) we observed that there was only a minority of current enrolment in private schools, which may be true of other rural areas too. However, it is plausible that one of the reasons for lower private sector enrolment in rural than urban/peri-urban areas is because fewer parents are able to afford fees. If so, then targeted vouchers may also lead to an increase in the supply-side of private schools in rural areas, just as their numbers are higher in urban or small town areas where fee-paying capacity is higher. Further research is required to explore how the education market would respond to these incentives, but it does not seem sensible to rule out this possible expansion of the supply-side *a priori*.

The second objection concerned the purported low quality of private education for the poor, implying that extending access to such schools would not be desirable. The empirical research reported here suggests that such concerns may be misdirected. Considering the indicators given above, which may serve as proxies for measures of quality (concerning teacher activity, class size and achievement levels) we find that private schools in general, and unrecognised/unregistered schools in particular, appear superior to government schools. (The extended research project explored other indicators of quality, arriving at the same conclusion, see Tooley & Dixon, forthcoming). The development literature cited in the introductory accepts that government schools are of low quality, but agrees that quality improvements can be effected. Parallel logic might suggest that private schools, including those unrecognised/unregistered, could also be improved to enhance their role in development, rather than, as appears to be the case in the literature, dismissed from having any role because they do not meet quality norms. In effect, this could involve introducing the second type of privatisation—reforms to the educational supply-side—to help improve the existing private schools for the poor, by bringing them under some kind of donor or state subsidy or grants. Possible vehicles for such improvement might include grants and/or loans to help managers invest in infrastructure, teacher training and other provision, and the establishment of improved regulatory environments (Nsiah-Peprah, 2004; Tooley & Dixon, 2005c). Given that the private schools are, the current study suggests, starting from a higher base than government schools, it is difficult to see why such innovations could be objected to as a way of helping private schools to meet the MDG education targets.

The *third* objection concerned the impact of private provision on state education—that allowing parents to opt into the *de facto* privatised sector might undermine the possibility of reform of the state sector. However, it is not obvious why this should be a viable objection to an increased role for the private sector. If private schools can be made available to all, including the poorest and most excluded, and to girls, through targeted vouchers (first objection) and if their quality, already higher than the government alternative, can be improved through judicious support (second objection), then, from the poor's perspective, it would seem irrelevant whether this would undermine the state system, providing that education for all was achieved. On the contrary, the discussion here suggests that the existence of private schools for the poor signals the need for an urgent reconceptualisation by the international development community of the role of the private sector in helping meet the MDG targets.

References

- Adelabu, M. & Rose, P. (2004) Non-state provision of basic education in Nigeria, in: G. Larbi, M. Adelabu, P. Rose, D. Jawara, O. Nwaorgu & S. Vyas (Eds) *Nigeria: study of non-state providers of basic services, non-state providers of basic services* (Birmingham, DfID).
- Aggarwal, Y. (2000) *Public and private partnership in primary education in India: a study of unrecognised schools in Haryana, New Delhi* (New Delhi, National Institute of Educational Planning and Administration).
- Alderman, H., Kim, J. & Orazem, P. F. (2003) Design, evaluation, and sustainability of private schools for the poor: the Pakistan urban and rural fellowship school experiments, *Economics of Education Review*, 22, 265–274.
- Angrist, J. D., Bettinger, E., Bloom, E., King, E. & Kremer, M. (2001) *Vouchers for private schooling in Colombia: evidence from a randomised natural experiment*. NBER Working Paper Series, no. 8343 (Cambridge, MA, The National Bureau of Economic Research).
- Baurer, A., Brust, F. & Hybbert, J. (2002) Entrepreneurship: a case study in African enterprise growth, expanding private education in Kenya: Mary Okelo and Makini schools, *Chazen Web Journal of International Business*, Fall.
- Bosetti, L. (2000) Alberta charter schools: paradox and promises, *Alberta Journal of Educational Research*, XLVI(2), 179–190.
- Bray, M. (1996) *Counting the full cost: parental and community financing of education in East Asia* (Washington DC, The World Bank).
- Bray, M. & Mukundan, M. V. (2003) Management and governance for EFA: is decentralisation really the answer? Global Monitoring Report Background Paper, UNESCO. Available online at: http://portal.unesco.org/education/en/ev.php-URL_ID=25755&URL_DO=DO_TOPIC&URL_SECTION=201.html (accessed June 2006).
- Castañeda, T. (1992) *Combating poverty: innovative social reforms in Chile during the 1980s* (San Francisco, CA, International Center for Economic Growth).
- Cummings, W. K. & Riddell, A. (1994) Alternative policies for the finance, control and delivery of basic education, *International Journal of Educational Research*, 21(8), 751–776.
- Dabalén, A. & Oni, B. (2000) *Labor market prospects of university graduates in Nigeria, background study, Nigerian University System Innovation Project* (Washington DC, World Bank).
- De, A., Majumdar, M., Samson, M. & Noronha, C. (2002) Private schools and universal elementary education, in: R. Govinda (Ed.) *India education report: a profile of basic education* (Oxford, Oxford University Press), 131–150.
- Deshpande, C. G. & Ojha, J. M. (2002) *Indian norms for Raven's standard progressive matrices: a normative study in Delhi and Maharashtra* (Delhi, Manasaya).

- Drèze, J. & Sen, A. (2002) *India: development and participation* (2nd edn) (Oxford, Oxford University Press).
- Dronkers, J. (1995) The existence of parental choice in the Netherlands, *Educational Policy*, 9(3), 227–243.
- Florestal, K. & Cooper, R. (1997) *Decentralisation of education: legal issues* (Washington DC, The World Bank).
- Frasse, J. H., Bakker, B., Dronkers, J. & Schijf, H. (1987) The impact of educational reform: empirical evidence from two Dutch generations, *Comparative Education*, 23(3), 261–277.
- Ga District Assembly (2002) *Ghana poverty reduction strategy—three-year medium term development plan 2002–2004*. District Planning Co-ordinating Unit (Amasaman, Ga District Assembly).
- Ga District Assembly (2004) *Poverty profile, maps and pro-poor programmes* (Amasaman, Ga West District Assembly).
- Government of Andhra Pradesh (1997) *Census of India 1991, Series 2, Andhra Pradesh: district census handbook Hyderabad* (Hyderabad, Government of Andhra Pradesh).
- Government of India (2005) Labour bureau, statistics, minimum wages. Available online at: <http://labourbureau.nic.in/wagetab.htm> (accessed 27 June 2006).
- Govinda, R. & Josephine, Y. (2004) *Para teachers in India: a review* (Paris, UNESCO).
- Green, W. H. (2000) *Econometric analysis* (4th edn) (London, Prentice Hall).
- Hanson, E. (1998) Strategies of educational decentralization: key questions and core issues, *Journal of Educational Administration*, 36(2), 111–128.
- Heckman, J. J. (1979) Sample selection bias as a specification error, *Econometrica*, 47, 153–161.
- Heckman, J. J. (1989) Choosing among alternative non-experimental methods for estimating the impact of social programs: the case of manpower training, National Bureau of Economic Research Working Paper, No. 2861.
- Hoxby, C. M. (1998) Analysing school choice reforms that use America's traditional forms of parental choice, in: P. E. Peterson & B. C. Hassle (Eds) *Learning from school choice* (Washington DC, Brookings Press).
- Jimenez, E., Lockheed, M. E. & Paqueo, V. (1991) The relative efficiency of private and public schools in developing countries, *The World Bank Research Observer*, 6(2), 205–218.
- Karsten, S. (1999) Neoliberal education reform in the Netherlands, *Comparative Education*, 35(3), 303–317.
- King, E., Rawlings, L., Gutierrez, M., Pardo, C. & Torres, C. (1997) Columbia's targeted education voucher program: features, coverage, and participation, *Development Economics Research Group*, The World Bank, Working Paper Series on Impact Evaluation of Education Reforms, Paper no. 3.
- King, E. M. & Bellew, R. (1993) Educating women: lessons from experience, in: E. M. King & M. A. Hill (Eds) *Women's education in developing countries: barriers, benefits and policy* (Baltimore, MD, Johns Hopkins University Press).
- Kingdon, G. (1996) The quality and efficiency of private and public education: a case study in urban India, *Oxford Bulletin of Economics and Statistics*, 58(1), 57–81.
- Kingdon, G. & Drèze, J. (1998, March 6) Biases in educational statistics, *The Hindu*, p. 21.
- Lagos State Economic and Empowerment Development Strategy (LASEEDS) (2004) Available online at: <http://www.lagosstate.gov.ng/LASEEDS/LASEEDS%20DOCUMENT.pdf> (accessed 1 March 2006).
- Mingat, A. & Winter, C. (2002) Education for All by 2015, *Finance and Development*, 39(1), 1–6.
- Nambissan, G. B. (2003) *Educational deprivation and primary school provision: a study of providers in the city of Calcutta*. IDS Working Paper 187 (Brighton, Institute of Development Studies).
- Nsiah-Peprah, Y. (2004) Assessment of the role of private schools in the development of education in Ghana: a study of the Kumasi Metropolis, *Journal of Science and Technology*, 24(2), 54–75.
- O'Reilly, R. & Bosetti, L. (2000) Charter schools: the search for community, *Peabody Journal of Education*, 75(4), 19–36.

- Patrinos, H. A. & Ariasingam, D. L. (1997) *Decentralisation of education: demand-side financing* (Washington DC, The World Bank).
- Probe Team (1999) *Public report on basic education in India* (Oxford, Oxford University Press).
- Ritzen, J. M. M., Van Dommelen, J. & De Vujlder, F. J. (1997) School finance and school choice in the Netherlands, *Economics of Education Review*, 16(3), 329–335.
- Rose, P. (2002) Is the non-state education sector serving the needs of the poor? Evidence from east and Southern Africa, Paper prepared for DfID Seminar in preparation for 2004 World Development Report.
- Rose, P. (2003) From the Washington to the Post-Washington consensus: the influence of international agendas on education policy and practice in Malawi, *Globalisation, Societies and Education*, 1(1), 67–86.
- Salmi, J. (2000) Equity and quality in private education: the Haitian paradox, *Compare*, 30(2), 163–178.
- Sandström, F. M. & Bergström, F. (2002) *School vouchers in practice*. Working Paper No. 578 (Stockholm, Research Institute of Industrial Economics).
- Seetharamu, A. S. (2002) Status of elementary teachers in India, in: R. Govinda (Ed.) *India education report: a profile of basic education* (New Delhi, Oxford University Press).
- Smith, F., Hardman, F. & Tooley, J. (2005) Classroom interaction and discourse in private schools serving low income families in Hyderabad, India, *International Education Journal*, 6(5), 607–618.
- Tooley, J. & Dixon, P. (2005a) *Private education is good for the poor—a study of private schools serving the poor in low-income countries* (Washington DC, CATO Institute).
- Tooley, J. & Dixon, P. (2005b) Is there a conflict between commercial gain and concern for the poor? Evidence from private schools for the poor in India and Nigeria, *Economic Affairs*, 25(2), 20–27.
- Tooley, J. & Dixon, P. (2005c) An inspector calls: the regulation of 'budget' private schools in Hyderabad, Andhra Pradesh, India, *International Journal of Educational Development*, 25, 269–285.
- Tooley, J. & Dixon, P. (forthcoming) Private education for low income families: results from a global research project, in: G. Walford & P. Srivastava (Eds) *Private schooling in developing countries* (Didcot, Symposium Books).
- Tooley, J., Dixon, P. & Olaniyan, O. (forthcoming, a) Private and public schooling in low-income areas of Lagos State, Nigeria: a census and comparative survey, *International Journal of Educational Research*.
- Tooley, J., Dixon, P. & Amuah, I. (forthcoming, b) Private and public schooling in Ga, Ghana: a census and comparative survey, *International Review of Education*.
- Tooley, J., Dixon, P. & Gomathi, S. V. (forthcoming, c) Private schools and the millennium development goal of universal primary education: a census and comparative survey in Hyderabad, India, *Oxford Review of Education*.
- UNDP (2003) *Human development report 2003* (New York, United Nations Development Programme).
- UNESCO (2004) *Education for all: the quality imperative*. EFA Global Monitoring Report 2005 (Paris, UNESCO).
- Venkatanarayana, M. (2004) *Educational deprivation of children in Andhra Pradesh: levels and trends, disparities and associate factors*. Working Paper 362. Available online at: www.cds.edu (accessed August 2005).
- Watkins, K. (2000) *The Oxfam education report* (Oxford, Oxfam in Great Britain).
- Watkins, K. (2004) Private education and "education for all"—or how not to construct an evidence-based argument, *Economic Affairs*, 24(4), 8–11.
- Witte, J. F. (1996) Who benefits from the Milwaukee choice program? in: B. Fuller & R. Elmore with G. Orfield (Eds) *Who chooses? Who loses? Culture, institutions and the unequal effects of school choice* (New York, Teachers' College Press).

World Bank (2003) *Making services work for poor people: world development report 2004* (Washington DC/Oxford, World Bank/Oxford University Press).

Zymelman, M. & Destefano, J. (1989) *Primary school teachers salaries in Sub-Saharan Africa*. World Bank Division Paper No. 45 (Washington DC, World Bank).