

# Low-Fee Private Schools and the right to education



## GCE Briefing Paper

### What are low-fee private schools?

Over the last few years, there has been a rapid expansion of what are generally termed ‘low-fee private schools’ (LFPS) – also referred to as ‘low-cost’, or ‘affordable’ – in low- and middle- income countries.

The key features of these schools are that they are fee-paying, secular schools targeting the (comparatively) poor, rather than the wealthy elites who often pay for very expensive private schooling. Such schools are far from new but the available evidence suggests a significant recent growth. The details of structure, ownership and operation, however, can vary.

- **Status:** Sometimes these are formally registered and recognised by the State, others operate unofficially and without any regulatory oversight.
- **Ownership:** Many are small schools owned by a private individual, but there is also a growing phenomenon of chains of low-fee private schools owned by bigger companies. All LFPS charge fees, but some are not profit-making, while many others are run as a business to make money.
- **Teaching and learning:** LFPS typically employ unqualified teachers, on far lower salaries and with less job security than in public schools. Many explicitly approach teaching as a low-skill, low-wage job, rather than a skilled profession. In many of the chain schools, teachers are given a ‘script’ (on a tablet, for example) to deliver to children. Many LFPS have a focus on passing official tests, as test scores are an important marketing tool to attract more ‘customers’.

### What are the trends in terms of LFPS?

Figures show a large expansion of LFPS in several low- and middle-income countries still struggling to achieve the right to education for all. There is a rapid and notable increase in particular countries, such as India, Pakistan, Peru, Nigeria, Kenya, and Ghana.

- **The expansion of for-profit chains.** A potential reason for this upward trend is the expansion of chains of for-profit, low-fee private schools. This includes Bridge International Academies (Kenya, Nigeria, India, Uganda, and – controversially – Liberia (see Chapter 2, Case Study 2A in the Public Good Over Private Profit toolkit for more information), Omega (Ghana) and APEC secondary schools in the Philippines.
- **Supporters of for-profit chains.** Supporters include Pearson, the world’s largest education company, which has been increasingly investing in Africa and Asia, at pre-primary, primary and secondary levels. Support has also come from philanthropic billionaires, such as Bill Gates and Mark Zuckerberg. There is also donor support – including from bilateral organisations like the UK’s Department for International Development (DfID); regional banks, such as the Asia Development Bank; and the World Bank (including the International Development Association). For instance, the World Bank, through its International Finance Corporation has invested US\$10 million to expand Bridge International Academies in Kenya and beyond, and to attract other companies.
- **Profit margins.** For-profit schools include one-off schools run by individual ‘edupreneurs’, and chains of schools backed by large-scale investors seeking substantial profit. There is considerable money to be made from even relatively low fees. Outside of profit margins from fee collection by LFPS, bigger edubusinesses make profits from textbook development and sales, curriculum development, and ICT infrastructure.

Introducing, and increasing, private sector involvement – particularly for-profit involvement – in education inevitably has an impact on the right to education, whereby the State is the main duty bearer. By enabling the increase of private providers, or inviting such edubusinesses to become providers, the role of the State shifts from one of primary provision to one of oversight. This leads to an erosion of public education systems, and an over-reliance on private infrastructure, making the long-term provision of education less sustainable.

### What are the concerns about low-fee private schools?

GCE is not opposed to private education in and of itself. Rather, it has serious concerns regarding the functioning of many LFPS, their widespread and rapid growth (particularly large chains of for-profit schools backed by powerful external actors), and proposals to embrace them as part of the realisation of education for all. This may undermine access, equity and inclusion, quality, and education as a public good. This threatens, rather than advances, achievement of the right to education.

- **Failures of accessibility:** Repeated studies have shown that ‘low-fee’ schools are not affordable for the poorest. Fees charged are not low in comparison to minimum wage levels or average earnings in most low- and middle- income countries, especially for families with more than one child. Moreover, tuition fees only constitute one part of the total out-of-pocket costs, which also include books, uniforms, transportation, testing fees, and so on.
- **Failures of equity:** These costs are a barrier not just to the poorest children. When families need to find significant resources to send their children to school, girls, younger children and those with disabilities often lose out. The concentration of LFPS in informal urban settlement means they are not a viable solution for children in rural areas – some research suggests such schools are only feasible because they rely on urban infrastructure. Moreover, discrimination also happens through implicit or explicit selection of students. Many rely on test scores to attract ‘customers’, and research has revealed discrimination against children whose circumstances may impact on their performance in tests.

- **Systemic inequality and segregation:** The expansion of LFPS may contribute to further stratification of education systems, in which schools of different quality – at different price points – cater to different socio-economic groups. This leaves a neglected public system, in which families with comparatively greater economic and political influence have no interest and which increasingly caters only to marginalised children. This contributes to inequality, social segregation and greater social stratification, and undermines the role education plays as a public good.
- **Failures of quality:** While it is true that many public schools are underperforming, LFPS overall do not provide better quality. Rigorous reviews of available evidence from multiple countries have found no clear private sector school quality advantage – much less for LFPS – once social advantages (family income, literate parents, better nutrition, etc.), are considered. LFPS keep costs ‘low’ in large part by hiring unqualified, short-term contract teachers and paying them poverty wages, sometimes below the minimum wage, and by limited investment in infrastructure and materials. Keeping fees ‘low’, often while aiming to make a profit, does not produce quality education.
- **Failures of sustainability:** Low-fee schools are subject to frequent closures, because of lack of sustainability, or – often – because they are not properly registered or meeting required government standards. Moreover, the poorer families to whom these schools are marketed often cannot sustain fees at lean times, leading to breaks in children’s education, particularly for those in the ‘pay as you go’ schools such as those operated by Omega in Ghana. This seriously harms children’s education.

This brief is based on the Global Campaign for Education’s report, *Private Profit, Public Loss: why the push for low-fee private schools is throwing quality education off-track* (2016).

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