



# Non-Government Secondary Schooling in Sub-Saharan Africa. Exploring the Evidence in South Africa and Malawi

by Keith M. Lewin and Yusuf Sayed

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*Keith M. Lewin and Yusuf Sayed  
Centre for International Education, University of Sussex*

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*South Africa  
Veerle Dieltiens, Shireen Motala, John Pampallis  
Education Policy Unit, University of the Witwatersrand, and Centre for  
Educational Policy Development*

*Malawi  
Joseph Chimombo, Chris Dzimidzi, Demis Kunje  
Centre for Educational Research and Training  
University of Malawi*

*Literature Review  
Pauline Rose  
Centre for International Education, University of Sussex.*

*Institute of Development Studies  
University of Sussex  
Brighton  
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## **Address for Correspondence**

---

Keith M. Lewin  
Yusuf Sayed  
Centre for International Education  
University of Sussex  
Brighton  
BN1 9RE  
UK

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In both countries separate full Country Reports were produced along with other sub-studies. These are available from the respective institutions. This book synthesises all the research output in one volume.

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## Contents

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|  |           |
|--|-----------|
| <b>Acknowledgements</b>  | i         |
| <b>Acronyms</b>  | v         |
| <b>Currency</b>  | v         |
| <b>Executive summary</b>   | vi        |
| Research Objectives and Questions  | vi        |
| Context  | vii       |
| Ways Forward   | x         |
| Policy into Practice   | xiv       |
| Concluding Remarks   | xviii     |
| <br>   |           |
| <b><i>Chapter 1: Introducing the Research</i></b>  | <b>1</b>  |
| Introduction   | 1         |
| Research Objectives and Methods  | 2         |
| <br>   |           |
| <b><i>Chapter 2: Identifying the Issues</i></b>  | <b>5</b>  |
| The International Debate   | 5         |
| Why Secondary Schooling?   | 7         |
| Factors Shaping the Growth of Non-Government Provision                                     | 9         |
| Defining Non-Government Providers  | 11        |
| The Choice of Countries  | 12        |
| <br>   |           |
| <b><i>Chapter 3: Non-Government Secondary Schooling in Eastern and Southern Africa</i></b> | <b>17</b> |
| Introduction   | 17        |
| Government and Non-Government Providers  | 18        |
| International Perspectives on Non-Government Involvement in Education                      | 20        |
| Evidence on the Size and Importance of Non-Government Secondary Schooling                  | 22        |
| Explanations for Recent Expansion of the Non-Government Education Sector                   | 26        |
| Cost-effectiveness, Quality and Equity   | 30        |
| National Policy Towards Private Sector Involvement in Education                            | 33        |
| Regulation and Licensing   | 34        |
| Overview   | 37        |
| Conclusion   | 38        |
| <br>   |           |
| <b><i>Chapter 4: Non-Government Secondary Schooling in South Africa</i></b>                | <b>41</b> |
| Introduction   | 41        |
| Independent Schools in South Africa  | 41        |
| Structural Map of Independent Schools  | 50        |
| Independent Schools in Practice: Findings from the School Case Studies                     | 53        |
| Reflections on the Independent School Sector   | 63        |

|  |            |
|--|------------|
| <b>Chapter 5: Non-Government Secondary Education in Malawi</b>                           | <b>71</b>  |
| Introduction   | 71         |
| Non-Government Providers in Malawi   | 71         |
| Mapping Non-Government Secondary Schooling in Malawi                                     | 78         |
| A Synthesis of Case Studies of Non-Government Schools in Malawi                          | 92         |
| Reflections on the Malawi Case Study   | 107        |
| <br>   |            |
| <b>Chapter 6: A Cross Case Analysis: Comparisons Between South Africa<br/>and Malawi</b> | <b>111</b> |
| Overview   | 111        |
| Some Comparisons   | 112        |
| Some Policy Challenges   | 122        |
| <br>   |            |
| <b>Chapter 7: Concluding Remarks</b>   | <b>129</b> |
| Patterns of Growth and the Nature of Supply and Demand                                   | 129        |
| Access and Equity  | 132        |
| Efficiency   | 133        |
| Effectiveness  | 133        |
| Teachers   | 134        |
| Governance   | 135        |
| Facilitation and Regulation  | 136        |
| Data Needs   | 136        |
| Reflections on Development Partnerships  | 137        |
| Ways Forward   | 139        |
| Policy into Practice   | 143        |
| Concluding Remarks   | 148        |
| <br>   |            |
| <b>References</b>  | <b>151</b> |
| <br>   |            |
| <b>List of Tables</b>  |            |
| Table 1 Gross Enrolment Rates (%) at Secondary in Sub Saharan Africa 1990-2000           | 23         |
| Table 2 Gross Enrolment Rate at Secondary (GER2) and Percentage of Private School        | 25         |
| Table 3 Secondary Education: Functions and Responsibilities                              | 37         |
| Table 4 Allocation table for Independent School Subsidies                                | 47         |
| Table 5 School Survey Sample   | 50         |
| Table 6 Percentage of Independent Schools as Percentage of Schools by Province (2001)    | 51         |
| Table 7 Number of Learners in Public and Independent Schools by Grade in 2001            | 51         |
| Table 8 Fees in South African Independent Schools, Excluding Boarding Fees               | 52         |
| Table 9 Fees by Ownership  | 53         |
| Table 10 The Number of Learners Enrolled in Gauteng Independent Schools, 2002            | 54         |

|  |     |
|--|-----|
| Table 11 Profile of Independent Schooling in Gauteng 2001/02                         | 55  |
| Table 12 Characteristics of Case Study Schools                                       | 57  |
| Table 13 Performance of Case Study Schools and Comparable Public Schools             | 59  |
| Table 14 Gross Enrolment Ratio by Province, South Africa 1997 and 2000               | 65  |
| Table 15 GDE Grade 12 Matriculation Pass Rate Subsidy Penalties, 2002                | 67  |
| Table 16 A Classification of Secondary Schools                                       | 72  |
| Table 17 Numbers of Secondary Schools and Enrolments by School Type (2000)           | 79  |
| Table 18 Non-Government Secondary Schools in Malawi as at January 2003               | 83  |
| Table 19 Patterns of Performance on MSCE by School Type 2000                         | 86  |
| Table 20 Boarding and Tuition Fees in Selected Non-Government Schools, Malawi (2002) | 88  |
| Table 21 Non-Government School Fee Bands   | 89  |
| Table 22 Case Study Schools  | 92  |
| Table 23 Characteristics of Case Study Schools                                       | 94  |
| Table 24 Summary Comparisons between South Africa and Malawi                         | 112 |

## List of Figures

|   |    |
|---|----|
| Figure 1 Transition Rates from Primary to Secondary in Sub-Saharan Africa | 23 |
| Figure 2 Enrolment by School Type   | 79 |
| Figure 3 JCE Entrants Malawi 1996-9                                       | 80 |
| Figure 4 MSCE Entrants by School Type                                     | 81 |
| Figure 5 Malawi School Enrolments by Sex                                  | 82 |
| Figure 6 MSCE Entrants by Sex and School Type                             | 82 |
| Figure 7 Non-Government School Registrations, Malawi                      | 84 |
| Figure 8 Subject Entry Patterns by School Type (% of Entry)               | 85 |
| Figure 9 MSCE Results by School Type and Sex 2000                         | 86 |
| Figure 10 Participation by Wealth and Gender                              | 87 |

## Acronyms

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|        |   |
|--------|---|
| ACE    | <i>Accelerated Christian Education</i>                                    |
| Adved  | <i>Advtech Education Holdings</i>   |
| CDSS   | <i>Community Day Schools</i>  |
| CEPD   | <i>Centre for Education Policy Development, Evaluation and Management</i> |
| CIE    | <i>Catholic Institute of Education</i>                                    |
| Cosas  | <i>Congress of South African Students</i>                                 |
| DoE    | <i>Department of Education</i>  |
| DP     | <i>Democratic Party</i>   |
| Educor | <i>Education Investment Corporation Limited</i>                           |
| EFA    | <i>Education for All</i>  |
| EMIS   | <i>Education Management Information Systems</i>                           |
| EPU    | <i>Education Policy Unit</i>  |
| FET    | <i>Further Education and Training</i>                                     |
| FPE    | <i>Free Primary Education</i>   |
| GATS   | <i>General Agreement on Trade in Services</i>                             |
| GEAR   | <i>Growth, Employment and Redistribution Strategy</i>                     |
| GER    | <i>Gross Enrolment Rate</i>   |
| GDE    | <i>Gauteng Department of Education</i>                                    |
| HSRC   | <i>Human Sciences Research Council</i>                                    |
| IEB    | <i>Independent Examinations Board</i>                                     |
| IIEP   | <i>International Institute for Education Planning</i>                     |
| ISASA  | <i>Independent Schools Association of South Africa</i>                    |
| MANEB  | <i>Malawi National Examinations Board</i>                                 |
| MCDE   | <i>Malawi College of Distance Education</i>                               |
| MDG    | <i>Millennium Development Goals</i>                                       |
| MoEST  | <i>Ministry of Education, Science and Technology, Malawi</i>              |
| MTEF   | <i>Medium Term Expenditure Framework</i>                                  |
| NGO    | <i>Non –Government Organisation</i>                                       |
| Norms  | <i>National Norms and Standards of School Funding</i>                     |
| NPO    | <i>Non-Profit Organisation</i>  |
| OECD   | <i>Organisation for Economic Cooperation and Development</i>              |
| PACPL  | <i>Provincial Average Cost per Learner</i>                                |
| PBO    | <i>Public Benefit Organisation</i>  |
| PDE    | <i>Provincial Department of Education</i>                                 |
| PRISAM | <i>Public Schools Association of Malawi</i>                               |
| RDP    | <i>Reconstruction and Development Programme</i>                           |
| SADTU  | <i>South African Democratic Teachers' Union</i>                           |
| SASA   | <i>South African Schools Act of 1996</i>                                  |
| SSA    | <i>Sub-Saharan Africa</i>   |

## Currency

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Mid 2004:

1 Rand = 0.084 GBP

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## Executive Summary

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This research explores the development of non-government provision of secondary education in South Africa and Malawi, reviews experience in other Sub-Saharan African countries, and identifies lessons that can be learned of relevance to policy and practice. It is based on a collaborative project between the Centre for International Education, University of Sussex, the Education Policy Unit at the University of the Witwatersrand and the Centre for Educational Policy Development, South Africa, and the Centre for Educational Research and Training of the University of Malawi. The research was sponsored by the UK Department for International Development.

Demand for secondary schooling has been growing rapidly in much of Sub-Saharan Africa (SSA), often as a result of unsatisfied demand for places as primary schooling is universalised. There is growing dissatisfaction with the quality of public secondary education systems, many of which have been neglected since the 1980s. The priority attached to Education for All and the Millennium Development Goals (MDGs) that relate most closely to education has resulted in much public investment and external support being directed towards universalising primary schooling. As a result budgetary provision for secondary education has stagnated or even declined. The policy debate on the development of secondary schooling has been muted, if not silent. It has been widely assumed that growth in secondary enrolments can be accommodated at least in part through increased enrolment in non-government institutions, and through various kinds of partnership between the State and non-government agencies. The extent to which this is likely to be true, and the consequences of depending on such a strategy, are poorly understood. This research seeks to explore the realities, identify the opportunities and risks, and reach policy-relevant conclusions.

### Research Objectives and Questions

This research is based on empirical work in South Africa and Malawi which included both system-level analysis and school case studies, and reviews of research from other parts of Sub-Saharan Africa. South Africa was included because secondary enrolment rates are high for SSA, its new post-apartheid constitution specifically permits non-government schools to operate, it has regulatory frameworks and subsidy systems that are highly developed, and it has levels of wealth sufficient to support a substantial amount of non-government schooling. In contrast Malawi has had small enrolments at secondary level. Since 1994 the number of private schools has mushroomed without much effective regulation and many new private schools compete with poor quality public schools. Malawi is too poor to afford public mass secondary education at current costs, raising the question of whether or not non-government providers are likely to grow in ways which could increase access to secondary schooling.

#### The guiding research questions are:

- What range of non-government provision exists at secondary level? How is it configured in terms of key dimensions, e.g. participation, staffing, curriculum, management and costs? How has it been changing?
- What is the policy framework within which non-government and quasi-private secondary schooling operates? How does policy address issues of governance, regulation and quality assurance? Do such frameworks encourage public/private partnership and if so, what are the dimensions of this?

- What is the likelihood of further growth in non-government provision? What appear to be the implications for equity, access, and the development of skills and competencies? Does non-government and quasi-private provision provide learning experiences that are likely to be different to those in government schools? How should policy steer development?

The research was developed by country research teams within a collaboratively designed framework. The activities included:

- a literature review of experience in East and Southern Africa;
- country enquiry into the policy context within which non-government provision is developing in South Africa and Malawi, including analysis of regulatory frameworks and facilitating mechanisms;
- the development of structural maps and analytic commentary on patterns of non-government provision;
- case studies of groups of providers and school-based investigation of different non-government institutions through interview, observation and analysis of documents;
- a cross-case analysis of findings.

Each country case was written up into a full country report to be published in-country. The final stage was to integrate all the elements of the research into a policy-related discussion designed to identify ways forward. A summary of key features of non-government schooling in South Africa and Malawi is provided in tabular form at the end of this executive summary.

## Context

The conditions that surround educational service delivery and its development vary enormously between South Africa and Malawi, and more generally across other countries in SSA. They are also very different to those in OECD countries which have significant non-government providers of educational services at school level.

The research draws attention to some of the differences, relevant to policy which exist in South Africa and Malawi and can be found in other SSA countries. These include:

- **Radically different starting conditions.** Many poorer developing countries have yet to universalise access to primary schooling, levels of achievement vary over very wide ranges, and indicators of equity and efficiency suggest dramatic inequalities exist and may be widening.
- **The level of development of markets in services.** Effective competition assumes free flows of information and widely dispersed abilities to understand and act on that information. Often both rural and urban parents have little ability to exercise choice in schooling because of supply side constraints in delivery and inability to finance fee-paying options.
- **Lack of capacity to monitor and regulate providers.** Without this, information is scarce and unreliable, transparency is low, and local power structures may obscure objective realities of costs, performance and beneficiaries.
- **Absence of conditions of good government.** Without democratic institutional frameworks, and effective legal, administrative and financial systems that encourage confidence, predictability and accountability in service provision, there are risks of rent seeking and monopolistic profit maximising.

Non-government secondary schooling is growing across the countries of SSA. There are at least four different aspects to the growth in demand. First, in low enrolment countries the main energiser of this growth is excess demand for school places. In Malawi and elsewhere (e.g. Tanzania, Uganda, Zambia) the supply of government secondary schooling has been restricted in the past. Numbers completing primary schooling are increasing rapidly at rates far in excess of growth in new secondary school places. Transition rates into secondary appear to be falling. Non-government providers have grown in response to demand from amongst those with sufficient income to support the costs of participation. Most new providers in Malawi have been for-profit institutions with a commercial motivation.

Second, differentiated demand from parents and students dissatisfied with features of government schooling is another explanation of growth. This is conspicuous in South Africa, which has high secondary enrolment rates but wide variations in quality. It also has a heterogeneous population with differing preferences for schooling based on faiths and cultural identities. Elite high-cost non-government schools attract aspirant families who value high academic standards, social exclusivity and broad curricula, and who perceive many public schools as failing to meet their needs. Faith-based schools offer an alternative to secular public schools.

Third, demand that arises from labour market employment practices, credentialism and ambitions for social mobility is of growing importance. This interacts with the first two types of demand and has regional and global, as well as national, characteristics. As modern labour markets develop, access to them is increasingly determined by secondary and higher level qualifications. Where primary education is universalised the main determinant of life chances for most becomes access to, and progress through, secondary schooling. South Africa has already reached this level; Malawi is moving towards it.

The fourth explanation for growth in South Africa and Malawi is that more permissive attitudes have been taken by the State to allowing non-government providers to operate. In the former, facilitation has been permissive but on the margin of mainstream policy on access, in the latter policy anticipates non-government providers will contribute directly and significantly to achieving higher participation rates.

The key questions seem to revolve around whether different kinds of demand will continue to grow and what should be the policy response of States facing different patterns of demand.

Three observations are critical. First, there is an important asymmetry between most countries in SSA and those with mass secondary participation in rich countries. The 0-14 year-old age dependency rates are as high as 94% in Malawi and 59% in South Africa<sup>1</sup>. For SSA as a whole the rate averages about 85%. In the UK, USA and Australia they are 30%, 32% and 34% respectively. The ratio of school-age children to the work force which generates income that can be used to support the costs of unsubsidised schooling is therefore very different. So also is the relationship between typical secondary teachers' salaries and GDP per capita. In Malawi these are more than six times GDP per capita; in the UK they are about the same as GDP per capita. These realities limit the expansion of unsubsidised schooling supported by fees paid from household income.

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<sup>1</sup> The proportion of 0-14 year-olds compared to the population of 15-64 years old.

Second, non-government schools which are not subsidised have minimum operating costs which determine fee levels. The main costs, especially in low price schools, lie in teachers' salaries. The analyses for South Africa and Malawi, cited in Chapter 6, indicate that when fee levels are related to household survey data, many families will be excluded by poverty from participation at secondary level in full cost non-government schools. This is one explanation of the skews in participation by household income observed in both countries. In Malawi the effect is so strong that few outside the richest 20% of households can afford to participate. Non-government schools that access the poor can only do so if they are subsidised, even when they minimise overheads to close to zero and pay teachers much less than in government schools, with unknown consequences for quality. Some do this through contributions from NGO organisations and from contributions from faith-based communities. The scope for substantially increasing these kinds of subsidy is not evident. The point is that there are limits of affordability to participation determined by costs which will limit effective demand for non-government providers. For-profit organisations will not operate at a loss. Not-for-profit organisations are unlikely to offer schooling opportunities on a national level to large numbers without national or international subsidy.

The third observation is that in many countries with low secondary enrolment, participation could double or more at current public costs if these systems operated at levels of efficiency similar to those in higher enrolment SSA countries. In countries with low secondary enrolment pupil teacher ratios are often low, workloads and time on task relatively light, curricula options extensive and learning material expensive. With efficiency gains there might still be a constraint arising from affordability depending on policy on fees, fee exemptions and bursary support, household income and propensity to support the private costs of participation. Nevertheless, much could be achieved by reformed systems designed to achieve greater enrolments at affordable costs.

Where there is excess demand a public policy response is required. This must seek to increase the supply of affordable secondary schooling. This is most likely to be public rather than non-government, especially if directed towards increased equity. In much of SSA it is more likely to be rural rather than urban. Subsidy systems like those in South Africa can allow non-government providers to operate at fee levels comparable with more expensive government schools. However, this is not seen as a solution in South Africa for two reasons. First, the State sees universal public provision as a commitment to be achieved over time. Second, though government schools can tolerate non-payment of fees and still operate, subsidised schools cannot allow this on any scale or they become insolvent even with a partial subsidy. They are therefore likely to reject or exclude poor students unable to maintain fee payments and cannot operate at low fee levels.

Where differentiated demand is growing as a response to a perceived or real diminution in public school quality the challenge is obvious to public school administrators. Declines in quality should be arrested and reversed. If this demand is from small minorities from high-income households, especially where they are exercising a right to unsubsidised independent schooling as in South Africa, the public disbenefit is probably marginal. If differentiated demand driven by poor public quality begins to occur on a large scale it calls into question the commitment and efficacy of the public school system and invites action. There are also concerns

from secularists, and debates within faith communities, that some forms of differentiated demand for faith-based schooling may carry risks related to social stratification, cultural autarchy, and social conflict. To the extent this is true then these questions have to be addressed within national policy environments.

Labour market demand and credentialism are becoming more important. Public education systems may have to become more demand-led as a result. If flight to non-government schools is because of this then public schools may not be responding to legitimate aspirations which should not define, but should shape, curricula and their realisation. If qualifications lead to narrow learning and teaching styles the case is clear for more authentic assessment linked to valued outcomes.

Non-government schooling has a role to play in niches where the State may be a poor deliverer, especially where minority passions and talents are serviced. But few suggest general secondary schooling should be largely non-government provided across SSA. If it were, private benefit and private returns could override social gains and more general human capacity development. The poor would continue to be excluded unless direct costs were heavily subsidised. If such subsidy were to be available, it would need to be accompanied by effective regulatory systems that would almost certainly exceed existing capacity by a wide margin. It would also need to be linked to national goals including those contained in the MDGs.

## Ways Forward

The research identified several ways forward. Two possibilities were dismissed as unlikely. These were the prohibition of non-government secondary schooling on the one hand, and the substitution of much government secondary schooling by non-government providers as systems expanded. The first is not practical in democratised SSA countries and would generally not gain popular support. The second is precluded because for-profit providers could not do this at the fee levels they would have to charge; not-for-profit providers would have to be heavily subsidised to the point where most of their costs were met publicly and they would become de facto government schools. The opportunity cost of this would be high for the government system and there is no clear evidence that enough potential providers exist. Countries with the highest secondary enrolment rates (South Africa GER 90%, Botswana 81%, and Namibia 59%) have conspicuously not adopted this strategy as a central feature of policy for mass provision.

Three scenarios can be envisaged which appear plausible for policy and practice in relation to non-government providers. These are outlined below.

### Scenario 1: Development by Default – Laissez-faire

Most countries in SSA have experienced growth in non-government provision but have yet to articulate new policy to respond to new realities. Some appear to depend on optimistic projections of growth in the non-government sector to meet enrolment and transition rate targets. A laissez-faire approach with little regulation, and no incentives and subsidies to steer growth, will occur where policy systems are disinterested in shaping non-government provision,

or are unable to provide the infrastructure that would make it possible to monitor and regulate growth. In the absence of new policy, growth is likely to continue until the limits of affordability are reached, and/or for-profit non-government providers cease to see it as attractive to create more capacity as rates of return on additional investment fall. Faith-based and not-for-profit providers may continue to grow if they have access to funds beyond those generated by fees.

There are several problems associated with a *laissez-faire* approach. First, States have commitments, arising from the Dakar targets and Millenium Development Goals, to improve access and equity at secondary level. If non-government providers are to play a role in achieving these, then this should be planned, rather than left to the vagaries of the market place. Second, public provision cannot be planned effectively where there is significant non-government provision, unless the two sub-sectors stand in a known relationship to each other. Third, States do have public responsibilities to protect consumers of services and ensure that what is offered in the market meets minimum standards (of health and safety, quality, and financial probity). Fourth, access and equity are not the natural concerns of for-profit providers which, it seems, constitute a large proportion of recent growth in much of SSA outside South Africa. A *laissez-faire* approach foregoes the opportunity to influence non-government sector through strategic use of subsidies designed to promote pro-poor equity. Fifth, faith-based schooling may contribute to tolerance, civic values and social justice; it may also be seen by secular States as promoting differentiation, encouraging separate identities, and undermining national cohesion. Sixth, a *laissez-faire* approach is essentially silent on the problems which arise from the growth in Dwelling House-type schools of low quality, dubious provenance, and low accountability.

## Scenario 2: Managed Growth on Separate Tracks

Managed growth should be attractive to States that wish to engage non-government providers in helping to meet public policy goals for secondary education. If it is to occur then these goals must be explicit and have a degree of public consensus. They must also be feasible from the point of view of available public investment and recognise the characteristics of effective demand, including affordability.

In this scenario governments will persist in constructive dialogue with significant non-government providers to determine complementary strategies that could result in more equitable expanded access at affordable costs. This would include both for-profit and not-for-profit providers and would recognise their distinct character and potential contributions. It would maintain separation between government and non-government systems with clear boundaries between each sub-sector.

Growth of both sub-sectors would then occur but at different rates and with different profiles. The detail can only be determined in context. For reasons explored in earlier discussion substantially higher levels of overall enrolment are most likely to arise where States succeed in developing more efficient methods of providing access to currently excluded groups at lower costs to students and households. Most will choose to do this directly, rather than through large-scale subsidy of non-government providers. Non-government providers could flourish in their traditional constituencies – the relatively wealthy, and the faith based. If managed growth

supported the development of a robust infrastructure sufficient to manage targeted but modest pro-poor subsidies, the subsidised non-government sector could grow and make a contribution to equity.

There seem to be at least five difficulties with this approach. First, dialogue with non-government providers may be difficult to follow through to consensus. Second, the politics of non-government provision are vulnerable to shifts in the political ideology of governments that could disrupt or stall growth. Third, simultaneous growth in both sub-sectors could lead to competition and conflicts of interest. Fourth, effective regulation may prove to be beyond the capacity of the State as interest groups may subvert independent evaluation. Fifth, checks and balances at local level may be weak and sanctions for misallocation ineffective, resulting in mismanagement and financial abuses.

However, managed growth with consistent policy over a substantial period of time seems to offer many advantages. It can be reviewed to match evolving circumstances. Dialogue should address and resolve possible conflicts of interest and operation before they become destructive. Arrangements could develop between the sub-sectors for common procurement of textbooks, and more open access of non-government teachers to in-service support. The success of managed but separate growth depends on the effectiveness of the management centred on Ministries of Education. It may not succeed where the political values are hostile to non-government providers, and overly bureaucratic, hierarchical and autocratic. Nor will it succeed if State and non-government actors are so close to each other they collude against the public interest.

### **Scenario 3: Public/Private Partnerships and Blurred Boundaries**

A third possibility is that growth will occur in both government and non-government schools with a plurality of forms developing that create a spectrum from public to non-government. Some or most public schools will acquire some of the characteristics of non-government schools (e.g. locally managed budgets, control of fee income, admissions policy, aspects of curriculum, and access to private development finance and fund raising). Conversely some non-government schools will qualify for some subsidies (e.g. on text books, teacher training, in-service support) if they meet qualifying criteria and some may be partly or completely adopted by government to the point where teachers' salaries might be paid, leaving some elements of school management under the control of a partnership between the State and the original owners.

This scenario is a partial reality in some SSA systems. The advantages of this approach include first the ability to influence non-government provision in a pro-poor way through conditions attached to subsidy. Second, the State can allow diversity outside the mainstream government system, and transfer some or most of the costs to those who value that diversity. Third, successful government schools can attract additional off-budget income and maintain higher standards and lower class sizes than might otherwise be the case. Fourth, government schools may begin to be in constructive competition with efficient non-government providers, and may also benefit from non-competitive partnerships that promote shared financing and use of facilities, or even specialised staff.

On the down side infrastructure demand may be high to manage and regulate such diverse systems. Second, subsidies do have an opportunity cost to the public budget. Third, equal opportunity and access to government schools may be rationed by price if fees are locally set and not carefully regulated. Fourth, sinking schools which are of poor quality and suffering falling roles may fade over a time and may have little opportunity to recover without targeted intervention. Finally, subsidised non-government schools will lose some autonomy that may or may not undermine their character.

This scenario depends on light but effective regulation with appropriate checks and balances to guide development of the non-government sector towards contributing to the achievement of national goals. A delicate balance must be struck in which regulation is practically possible, trustworthy, and adequate to prevent excess profits and abuse by the unscrupulous. If this is unattainable more regulations, the predictable response of some State bureaucracies, may not solve the problem. Over-regulation carries the risk of stifling diversity and innovation, and reducing the incentives for non-government providers to operate.

Two other points are important. First, contracting out secondary educational services on a large scale to non-government providers assumes a variety of things that do not hold in SSA. These include the existence of providers who have the capacity to operate mass systems and the willingness of them to so do; the likelihood that governments would accept relinquishing control and funding of the largest group of public sector employees; and the possibility that such systems could be regulated to reflect a consensus about targets set for secondary schooling. Though not completely inconceivable, such a strategy would invert much existing public policy in most SSA countries, and would have very substantial transaction costs and high risks.

Second, though ‘public private partnership’ is a common catchphrase in the policy debate on non-government provision, its meaning varies widely. In the OECD countries it is often interpreted in terms of the use of private finance to promote public good e.g. school building. This reduces public sector borrowing requirements in the short term, but does of course create public debt. In SSA debt is a major issue. Further, if the public private partnership is between a government and an external for-profit private entity it is not very clear what kind of partnership it might be, especially if concessionary finance is being sought. It quickly becomes complex to unravel the motives of key actors, the possibilities for transfer pricing and tax evasion, and the reasons why private rather than concessionary or grant financing might be favoured. At the very least the principal agents have different ‘publics’ to which to relate.

## Policy into Practice

The research identifies ten general areas for action that form the basis of a toolkit to develop policy and practice in relation to non-government provision of education. More specific policies for Malawi and South Africa are contained in the full Country Reports.

### 1. Strengthening the Policy Dialogue

For policy dialogue to take place it is necessary for governments to take clear positions on the responsibilities of the State and identify how non-government providers can contribute to national policy objectives. For the process to develop it is likely to be necessary to:

- encourage associations of non-government providers to develop, and establish consultative mechanisms with government;
- strengthen capacity within Ministries of Education to understand and oversee developments in the non-government sub-sector;
- recognise the non-government sector in planning the expansion of secondary schooling by including the needs and capacities of the sector in projections and sector reviews and realistically estimating its likely growth;
- establish clear legal frameworks for non-government schooling and refine those that already exist;
- identify the roles that government wishes to allocate to non-government providers, establish how feasible these are, and enter into discussion with associations of providers and/or some other consultative forum.

Central issues for dialogue include:

- agreed classifications of types of non-government providers (e.g. for-profit and not-for-profit; secular and faith-based; type of ownership; student clientele);
- complementary relationships between government and non-government providers (opportunities for sharing resources/expertise; mechanisms to minimise destructive interaction; consultative processes related to different areas of concern [e.g. curriculum, examinations, teacher recruitment]);
- constitutional requirements, governance, and legal identities;
- admissions, access and equity;
- quality assurance;
- fees and subsidies;
- data collection and analysis.

### 2. Access and Equity

Some forms of non-government provision may increase access and equity. Others may not. If non-government providers are to contribute directly to national goals then:

- admissions policy must not be exclusive; it needs to be transparent and judged to be fair in relation to known criteria;
- encouragement should be given to providers servicing unmet needs with reasonable quality provision, and operating mechanisms to encourage enrolment of the poor and otherwise disadvantaged;

- costs to households need to be affordable to different income groups, and will have to be subsidised if they are not; efficiency gains in low-enrolment government systems could result in a doubling or more of participation rates and could lower costs;
- non-government providers are unlikely to substitute for government provision for most of those currently excluded, but can complement existing provision.

If the contribution is to be indirect then:

- resources released by those who opt out of public education should be redirected towards populations that enjoy little or no access to secondary schooling, and/or to quality improvement for disadvantaged groups.

### **3. Efficiency and Effectiveness**

Non-government providers may operate efficiently and effectively. Where they do there may be opportunities to:

- use benchmarking to compare similar government and non-government schools.
- identify aspects of best practice that are transferable including those that may involve performance monitoring, incentive structures and effective teacher and curriculum management practices.
- cluster teachers across the two sub-sectors for professional development activities.
- share resources, procurement, and curriculum innovations.

### **4. Teachers**

The appointment, status and conditions of service of teachers working in non-government schools need regulation both to protect students from poor quality teaching and inappropriate teacher behaviour, and to protect the employment rights of teachers as employees. For this to happen:

- legal requirements for appointment should be identified;
- teacher unions and associations of non-government providers should be consulted;
- governance systems should provide for dispute resolution.

### **5. Governance**

If non-government providers are to complement provision effectively in publicly accountable ways they need to have legal identities and governance structures that make it clear where accountability lies, what information should be available to those who enrol and those who work within the institutions, and what form management structures take. This needs:

- appropriate legislation;
- mechanisms to ensure compliance .

### **6. Facilitation**

Facilitation of non-government providers depends on agreed policy positions on what is to be facilitated and why. Some facilitation has little opportunity cost (e.g. simplified registration). Other facilitation has substantial opportunity costs which have to be evaluated before their

adoption (e.g. salary subsidies for non-government providers reduce the budget available for government school teachers). The issues are complex but important. They include issues of principle – e.g. should for-profit providers be subsidised with public money and should students in non-government schools be included or excluded from access to subsidised learning materials? And issues of practicality – e.g. who would be responsible for recovering unsecured loans for capital development? How can pro-poor subsidies be defined?

Non-government providers can be facilitated by a wide range of mechanisms that include:

- accessible registration and licensing procedures that do not create unreasonable barriers to entry and subsequent operation;
- selective subsidy through block grants or through capitation or other allowance systems granted against performance criteria;
- pro-poor subsidies directed towards low-cost schools serving disadvantaged populations;
- bursaries tenable at non-government schools;
- seconded public school teachers where this does not degrade public provision;
- tax-exempt status providing schools are genuinely registered as not-for-profit;
- underwriting loans for capital developments against reasonable securities;
- provision of subsidised learning materials;
- access to in-service training for teachers and other system-level infrastructure e.g. subsidised examinations and curriculum development.

## 7. Regulation

Regulation is necessary to protect consumers and assure reasonable quality. Mixed systems of self regulation and independent assessment are probably the most feasible. Self regulation alone would seem inappropriate given public liabilities and duties of care. Large non-government systems may warrant independent parastatal agencies to register and license providers, monitor standards, and direct subsidies. Some of the cost could be recovered from levies on providers. Regulatory systems need to be:

- focused on criteria that are publicly known;
- sufficiently comprehensive to be effective, but not so demanding that they create high overheads and stifle creative activity;
- viable in terms of demands on personnel and finance;
- regular in operation with known cycles of school evaluation which may vary in depth from light inspection to comprehensive review;
- independent of provider interest groups.

## 8. Data Needs

Policy dialogue, regulation and facilitation require reliable data on non-government providers. This can be achieved if:

- national data collection systems include non-government providers and participation is mandatory;
- regulatory and subsidy systems specify what institutional-level data is needed, with penalties for non-provision.

## 9. Development Partnerships

Development partners<sup>3</sup> need to develop coherent strategies to support the development of secondary schooling for the reasons identified in the research report. There appear to be widely differing views on what advice and support should be made available in relation to non-government providers in general and different types of non-government providers in particular. Some of the more important needs that development partners could contribute to meeting are to:

- ensure that secondary school development and the role of non-government providers figures in sector reviews and that planning and financial support include realistic projections and costing of growth;
- encourage constructive dialogue with non-government providers of different types where there are ambitions to integrate their contribution into provision in ways complementary to public initiatives;
- consolidate experience of support for the secondary sector from past and current projects and programmes;
- anticipate requests for secondary sector support and undertake background analysis and studies to develop appropriate responses;
- link support for higher education development to improved quality and participation at secondary level;
- support the development of data collection and analysis systems which include non-government providers.

## 10. Further Research

There are many areas where further research is needed to ensure that policy can be developed which is based on analytic realities, adequate assessment of current trends in the secondary sector and their development consequences, and appropriate facilitation and regulation of non-government providers. A short list includes:

- basic mapping of the non-government sector in countries where there is little or no data including school census data and location analysis;
- exploration of constructive and destructive interference between public and non-government school systems;
- charting participation in non-government schools through analysis of household survey data where possible, school records, and national statistics to uncover the contribution of the sector to access and equity, and to establish within each country the limits of affordability below which unsubsidised non-government providers of quality can operate;
- robust analyses of performance to indicate whether or not non-government schools achieve learning outcomes more effectively than comparable government schools;
- post facto analyses of regulatory and subsidy systems to establish whether they meet their intended goals and identify how they might be improved to promote more equitable pro-poor access, and to establish the most effective modalities;
- detailed studies of different types of demand for non-government schooling to profile their attractions, estimate the extent of likely future growth, and establish whether or not differentiated demand has implications for public school systems;

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<sup>3</sup> That is multilateral and bilateral agencies and international NGOs that support educational development..

- surveys of teachers in non-government schools, complemented by case study work, to profile teachers' attributes, terms and conditions of service and remuneration, and link these to future patterns of demand;
- tracer studies of those attending government and non-government schools to establish whether employment prospects differ and compare outcomes;
- cross country analysis of policy on non-government providers to compare approaches, create policy option frameworks, and assess viability and likely effects;
- review of development partners' rationales for and activity in supporting different types of non-government providers, matched where possible with evaluative judgements of impact on expanded provision .

### **Concluding Remarks**

Excess demand arising from the growth in primary school leavers, and differentiated demand arising from dissatisfaction with public school systems, is leading to non-government providers of educational services establishing secondary schools. The broad policy environment across SSA favours liberalisation and has encouraged this growth. However, much expanded provision has been unplanned and has taken place with little effective regulation. Its consequences for access and equity are largely unknown, its interactions with public systems uncharted, and the quality of new provision has been widely questioned. In the worst cases it may be that some growth has not been pro-poor at all, but has traded on aspiration and hope to capture scarce surplus income from those who have no other opportunities to continue their education.

This book shows how complex and varied the realities of non-government provision are, and how different approaches have been adopted in two countries towards policy dialogue, facilitation and regulation. It gives insights into different types of providers, their motives, clientele, teachers, curriculum and performance.

At its root the debates over the roles non-government providers can play in the expansion of more equitable access to affordable secondary schooling in South Africa, Malawi and SSA more generally are ideological. Some political systems have committed themselves to the goal of mass public provision at secondary level, others have not. With reform, larger budget allocations for secondary, and more efficient working practices, publicly supported enrolments could be doubled or tripled in many of these countries, if their systems were configured more like those in higher enrolment countries in SSA.

The contribution that unsubsidised non-government providers can make is limited by affordability, and mediated by demographic and economic realities. The general conclusion is that non-government providers can complement or substitute for public provision down to levels of household income which are at about the twentieth percentile in the poorest countries beyond which reasonable quality provision is unlikely if provided without subsidy.

The parameters surrounding the debates around public and non-government provision are very different in low-income SSA than they are in rich countries. Infrastructure is weak, the private sector is often small, surplus income is scarce, tax revenue is limited, and company law and financial regulation patchy. Simple translation of ideology and mechanisms across national economies and organisational cultures can be risky and may have perverse consequences.

The challenges of expanded secondary access are extensive. It is important that non-government providers are encouraged to complement the efforts of the State, especially where States are failing to deliver services. The public interest requires appropriate regulation of the activities of non-government providers, though capacity to do so is often very limited. The State needs reminders that sometimes the educational needs of parts of its population may be best met by non-government providers. Constructive co-existence is attractive but it needs nurturing.

### Summary Comparisons - South Africa and Malawi

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| <b>Size of Sector</b> | Relatively small but varied, with between 1200 and 2000 providers. Rapid growth from a small base since 1990. New school registrations peaked in 2000, since when growth appears to have slowed. About 6% of independent schools in the sample enrol more than 500 students and a further 41% more than 200. The remainder are small schools, 17% of which have less than 50 students. | Non-government schools appear to account for more than 25% of secondary enrolments and are similar in numbers to established conventional government schools. Rapid growth since 1994 concentrated amongst low-cost Dwelling House schools and small family owned providers. Growth appears to have slowed since 2000. The average school size of private schools appears to be between 100 |
| <b>Equity</b>         | Most independent schools operate at mid to high-fee levels, beyond the level of affordability of the poor. Quality and performance are very low in low-fee schools. High-cost schools perform as well or better than the best government schools with which they compete.  | Most non-government secondary schools operate at fee levels that exclude households below the 20th decile of wealth. Dwelling House schools are both the cheapest and the poorest quality, with few if any facilities. Performance in low-cost schools is well below that in government schools. Established higher cost schools perform as well or better than conventional                |
| <b>Access</b>         | Most independent schools are urban or sub-urban. Few have rural catchment areas and few are in townships. Schools remain characterised by differences in religious and community orientation linked to cost, entrance criteria and location. Low-cost schools have few entry criteria and admit foreign students who can register easily.  | A few wealthy students attend international schools. Middle income students have access to established mission schools and well-founded commercial schools which compete with conventional government schools. Dwelling House schools enrol those with sufficient cash income to pay fees and compete with local government CDSSs. Most are   |

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|-------------------|--|---|
| <b>Ownership</b>  | Most independent schools have Christian religious affiliations (71%). About 31% are church owned, 22% are owned by Trusts, 22% by companies and about 25% by individuals or families.  | No national statistics are available. It is likely that between 50% and 75% of schools are Dwelling House, or small family or commercially owned. About 20 grant maintained schools remain owned by Churches but  |
| <b>Governance</b> | Elite, top-end schools have good governance structures which conform to regulatory requirements. Middle and low-cost schools tend to be commercial, with proprietor governance. Non-government schools generally often have hierarchical management structures with low levels of transparency or  | Established medium sized schools have governing bodies and regularised accounting procedures. Most others have owner/managers with little or no governance structures and little transparency or accountability.  |
| <b>Fees</b>       | About 21% of schools operate with fees above Rand 20,000, 17% Rand 12,000-20,000, 24% Rand 6,000-12,000, 34% Rand 1,000 –6,000,  | Fees range from K1,600 to K20,000 per student per term (or as much as K600,000 in international schools). Boarding costs add considerably to  |
| <b>Subsidies</b>  | Low-fee schools depend on subsidies based on fee levels and other criteria including examination performance. Lower fee schools receive the maximum 60% subsidy based on the average cost per student in the Province. Subsidy amounts have been falling, bringing into doubt the financial viability of low-cost schools. If schools receive subsidies they must be registered as non-profit organisations which allows tax | Only grant-maintained schools receive subsidies which are similar to those for normal government schools. Private schools receive no subsidy and are liable to tax on assets and income, and on learning materials.   |
| <b>Quality</b>    | High-cost schools have extensive facilities and very low pupil:teacher ratios. Low-cost providers are often in unsuitable rented accommodation with no sports facilities, specialised rooms or equipment.  | High-cost schools have extensive facilities and very low pupil:teacher ratios. Many mid-fee schools are in converted buildings with limited space and overcrowded classrooms and large classes. Dwelling House schools are converted domestic properties or shop houses and are often grossly over crowded with |

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|------------------------------------|--|--|
| <b>Curriculum</b>                  | <p>All schools follow the national curriculum and take South African examinations. Some high-cost schools may take international qualifications.</p> <p>Faith-based schools provide a particular religious ethos. Few but the highest cost schools offer innovatory teaching and learning.</p>                       | <p>All secular schools follow the national curriculum and take national examinations. Mission schools are committed to broader educational goals. International schools offer a wide range of subjects with an emphasis on creative teaching and student-centred learning. Dwelling House schools and other low-cost providers focus narrowly on learning related to</p> |
| <b>Achievement</b>                 | <p>High-cost schools produce results comparable with the best public schools, many of which are Ex Model C schools. Mid-range schools are comparable or better than average public schools. Low-end independent schools may achieve better than the worst public schools and may fail if they do not.</p>            | <p>Established non-government schools (and grant-maintained schools) perform as well or better than conventional government schools and much better than CDSSs. Dwelling House schools and other low-cost providers often achieve pass rates of 10%-20% on the national examination. This is comparable or</p>   |
| <b>Teachers</b>                    | <p>Teachers need to be qualified and registered if schools receive subsidies and most are, though they may be temporarily registered whilst upgrading. Their employment falls under labour law. Low-fee schools may have problems paying salaries, especially where subsidies are delayed or not paid.</p>           | <p>Most teachers are under- or unqualified except in higher cost schools. Lower costs schools may be staffed by those who have retired and more commonly by secondary school leavers and undergraduates working on piece work arrangements. Informal contracts are common in all but the more</p>  |
| <b>Regulation and Facilitation</b> | <p>The regulatory system in South Africa is extensively legislated and often enforced, especially as it relates to subsidies. It places a significant overhead on providers, especially small schools, to respond to all its requirements.</p> <p>Some aspects of the regulatory system are more inhibiting than</p> | <p>The regulatory system in Malawi is undeveloped. Though regulations exist they are dated and rarely enforced. There is little capacity to enforce conditions for licensing and registration.</p> <p>Beyond benign neglect there is little in government policy that facilitates as opposed to permits non-</p>   |

## Chapter 1: Introducing the Research

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### Introduction

This research is concerned with the development of non-government provision of secondary education in two countries, Malawi and South Africa. Pressure to expand secondary schooling has been growing rapidly in much of Sub-Saharan Africa (SSA), partly as a result of unsatisfied demand for places as primary schooling is universalised. There is growing dissatisfaction with the quality of public secondary education systems, many of which have been neglected since the 1980s. The priority attached to Education for All and the Millennium Development Goals (MDGs) that relate most closely to education<sup>3</sup> has resulted in much public investment and external support being directed towards universalising primary schooling. As a result budgetary provision for secondary education has stagnated or even declined. It has been widely assumed that secondary growth can be accommodated at least in part through increased enrolment in non-government institutions, and through various kinds of partnership between the State and non-government agencies. The extent to which this is likely to be true, and the consequences of depending on such a strategy, are poorly understood. This research seeks to explore the realities, identify the opportunities and risks, and reach policy-relevant conclusions.

The case for greater involvement of non-government providers in secondary education has been well rehearsed. It includes the possibilities that non-government agencies may be more efficient and effective than the State (as a result of competition and increased accountability to their clients), and that the more secondary education is financed privately the more governments can concentrate scarce public resources on those in most educational need with least household resources. These and other possible advantages are contested by those who argue that publicly financed secondary provision is essential for the achievement of the MDGs that relate to education, and that non-government providers are unlikely to address broader social and economic goals to which many governments are committed (e.g. equitable provision for the poor, adequate supply of secondary graduates into the labour force) (see Chapters 2 and 3).

The macro-economic policy advocated by some dominant development partners and embraced by many governments in SSA has encouraged forms of liberalisation in educational service delivery. These are more permissive than in the past towards both for-profit and not-for-profit non-government providers. This has encouraged growth in the sector which, more often than not, has been weakly regulated, unplanned, and which may have had adverse impacts on access, equity and efficiency. Many of the assumptions that have underpinned these approaches have been drawn from experience in rich and middle income countries, some of which have moved in a similar direction since the 1980s. However, these movements have been more often than not marginal to mass State provision, which has continued to be the main mode of delivery of secondary schooling in the majority of OECD and SSA countries.

Evidence based policy on non-government secondary provision in much of SSA is either non-existent or inadequate to reflect recent developments. The issues are complex and vary greatly in different national contexts. This research seeks to provide insights from two countries – South

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<sup>3</sup> The MDGs most commonly related to education are: Goal 2: Achieve universal primary education and ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling; and Goal 3: Promote gender equality and empower women and eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education. Other MDGs are closely related to secondary schooling, though this is often overlooked (Lewin 2005).

Africa and Malawi. South Africa has high enrolment rates, is the richest economy in SSA, and has a developed policy framework for regulating non-government provision, which dates from the period of the apartheid State. It has seen a radical transformation of its education system since the early 1990s. This has resulted in changing patterns of provision that have resulted in modest growth of non-government schooling, and a continuing debate about the extent and nature of the use of private financing in State schools. In contrast Malawi has very low secondary enrolments, is one of the poorest countries in the world, and has little effective capacity to regulate non-government schooling. Here the non-government sector has mushroomed since the mid-1990s as constraints on establishing private schools have been removed. Excess demand, created by Free Primary Education and massive expansion of primary enrolments, has not been accompanied by substantial growth in conventional government secondary schooling.

### Research Objectives and Methods

This research is based on empirical work in South Africa and Malawi which included both system-level analysis and school case studies, and reviews of research from other parts of Sub-Saharan Africa. It is focused on problems of educational provision at the secondary level. It seeks to explore how non-government provision has been developing to meet rapidly growing demand for secondary schooling of different types.

The guiding research questions are:

- What range of non-government provision exists at secondary level? How is it configured in terms of key dimensions, e.g. participation, staffing, curriculum, management and costs? How has it been changing?
- What is the policy framework within which non-government and quasi-private secondary schooling operates? How does policy address issues of governance, regulation and quality assurance? Do such frameworks encourage public/private partnership and if so what are the dimensions of this?
- What is the likelihood of further growth in non-government provision? What appear to be the implications for equity, access and the development of skills and competencies? Does non-government and quasi-private provision provide learning experiences that are likely to be different to those in government schools? How should policy steer development?

The specific research objectives are to:

- analyse the policy context within which non-government providers are supporting expanded secondary level education;
- develop a structural map of non-government and private/public provision and undertake illustrative case studies at institutional level to explore key issues for planning and policy;
- gain insight into the extent to which non-government provision offers distinctly different learning experiences related to skills relevant to development, and to what extent it replicates public provision more or less effectively;
- identify policy frameworks and develop a toolkit to assist in devising public policy on non-government provision.

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<sup>4</sup> Most clearly the IMF and World Bank.

<sup>5</sup> The rationale for the choice of countries is elaborated in Chapter 2.

The research methods utilised were developed by country research teams within a collaboratively designed framework. This had several elements.

The first stage in the research was to undertake a documentary review of literature on aspects of non-government provision. A cross national review was commissioned focusing on Sub-Saharan Africa in general and East and Southern Africa in particular. This sought to identify trends, summarise recent empirical studies, and locate general policy issues in experience and practice across the region. It discusses differences between types of provider, the shape of the non-government sector in different countries, explanations of recent growth, insights into cost effectiveness, quality and equity, and emerging national policy perspectives. This was complemented by literature reviews on non-government schooling in both of the case study countries.

The second element of the research explored the policy context within which non-government provision was developing within the two countries selected for empirical work. This involved collecting and analysing legislation and relevant Education Acts, planning documents and data from management information systems, internal and external reports from Ministries and from development partners, and academic research studies. Texts were identified in consultation with key informants who were interviewed to help chart the relevant documentation. This process helped identify issues that needed more exploration and allowed current developments to be placed in an appropriate historical and institutional context. Central areas of concern included the legal and regulatory framework within which non-government providers operate and their perceived strengths and weaknesses, the nature of dialogue between government and non-government providers, financial support, fees and subsidy systems, governance systems and regulatory frameworks. The documentary base in South Africa was far more extensive than in Malawi, reflecting both analytic capacity available, and the priority given to policy related to non-government educational provision.

The third element of the research strategy was designed to create structural maps and analytic commentary on non-government provision. This included attempts to construct a typology of non-government providers, locating them on various dimensions including type of ownership, for-profit and not-for-profit organisations, denominational and secular, urban and rural, large and small, purpose built-facilities and temporary buildings, etc. Part of the mapping exercise also sought to identify the different types of students they attracted e.g. relatively rich or poor (high-fee-paying and low-fee-paying); those selected out of the government system or opted out from choice; boys and girls, examination retakers etc. Other dimensions sought information on teachers in the non-government sector, patterns of funding, and the nature of any public subsidies that existed.

The maps that were developed included data on enrolments and flows through the systems, teachers' characteristics, performance data, fee costs and modes of financial support, and governance systems. In both countries there were many gaps in the data, some of which could be filled with estimates, and others which remained unknown. Key informants were used to improve the quality of the maps and check the plausibility of the portraits that emerged. Other dimensions that received some attention were concerned with data on patterns of effective demand and on affordability to help understand the parameters that might influence future

growth of non-government provision.

The fourth element of the research sought to deepen understanding of selected non-government providers through a dual pronged strategy of data collection at the level of non-government provider associations or groups, complemented by a series of institutional level case studies involving school based field work. Thus representatives of providing organisations were interviewed, and access was negotiated to a range of illustrative schools of different types. The case studies included ten schools in South Africa and nine schools in Malawi. Research teams visited each school over several days and explored different dimensions of their operation guided by issues emerging from the documentary reviews, structural maps, and concerns of stakeholders related to each school. Depending on circumstance interviews were conducted with school owners and managers, principals, teachers, students and in some cases parents.

The fifth element of the research process consolidated the insights from the reviews and empirical data. Each country case was written up into a country report. These full reports were designed to be published in-country. They formed the basis of the condensed country case studies presented as subsequent Chapters in this volume. The final stage was to integrate the cross national review material with a cross case analysis into a policy related discussion designed to identify ways forward.

The research was constrained in several ways. Data on non-government educational provision is sparse and unevenly collected. National data bases are often incomplete and may contain systematic errors. Under-reporting of schools is common, especially where there are advantages to for-profit providers in minimising their visibility to regulatory and tax authorities. The secondary sector as a whole has not been viewed as a priority in general and as a result has been poorly served by national data collections systems. A further consequence of policy neglect has been that much of the relevant legislation under which non-government organisations operate is outdated, ambiguous, partial in scope and not designed for current conditions. Regulatory systems are hampered by this and by capacity, which is often inadequate to supervise even small proportions of the number of institutions in operation.

The institutional case studies were as detailed as conditions allowed. They were necessarily illustrative rather than representative. Difficulties were encountered which resulted from lack of record keeping, irregular operation, availability and willingness of some stakeholders to be interviewed, and concerns with commercial confidentiality and the sensitivity of aspects of non-government organisations, operation and funding.

This book is organised in seven Chapters. Chapter 2 provides introductory discussion of the key dimensions of the international debate on non-government providers and service delivery, reviews the case for expanding secondary schooling, identifies factors likely to affect growth, provides preliminary definitions of types of non-government providers, and presents the rationale for the choice of country cases. Chapter 3 consists of a literature review drawing on recent work across Eastern and Southern Africa and deepening understanding of central issues. Chapters 4 and 5 present condensed accounts of the country case studies for South Africa and Malawi. In each case the shape and size of non-government provision is mapped and placed within their national contexts, the policy and regulatory frameworks are described, and the insights arising from school case studies are explored. Chapter 6 collates perceptions across the case studies. Chapter 7

## Chapter 2: Identifying the Debate

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identifies conclusions relevant to policy and develops a toolkit of ideas for policy development.

### **The International Debate**

The international debate about the role of non-government providers in service delivery in education has its origins in the development of neo-liberal ideologies which seek to reduce the role of the State in favour of more market based methods of service delivery. There appear to be three key elements to the evolution of these ideas in countries of the North, which have been projected on to the debates on development in SSA.

First, the idea of competition as a means of improving the efficiency and effectiveness of public services gained popularity through the 1980s. Competition, it was thought, could be introduced by contracting out some public services and by allowing non-government provision to compete directly with public sector providers. Thus, for example, it was argued that the existence of non-government schools might act as points of comparison and as benchmarks for government schools to improve performance and efficiency, and that competition between commercial providers of learning materials would offer benefits in terms of cost, quality and delivery over government providers. Monitoring systems were developed to permit comparisons in performance and the creation of league tables through which the performance of schools could be compared. The school effectiveness movement developed and began to offer value added indicators (which attempted to control for school intake quality) that purported to identify where schools were succeeding and failing. These sometimes, but not always, seemed to indicate that some non-government providers performed well and were more efficient.

Second, privatisation began to be adopted as a broad solution to what were often seen to be moribund public sector providers of services with intractable problems of inefficient and ineffective service delivery. This took many forms, from the selling off of State enterprises to more modest half-way houses that privatised aspects of service delivery. Within this framework in some systems schools were given more autonomy in managing their own budgets, and in making decisions about staffing and the allocation of recurrent and capital expenditure. Though not privatised in terms of ownership, much of the imagery was that of small businesses with managing directors, stakeholding shareholders and clients (principals, parents and students), able to influence growth and development. Governing bodies could be construed as directors of an enterprise with legal obligations and financial responsibilities.

Third, privatisation began to be accompanied by increasing concern for regulation. Privatisation as an ideology was very much just that. The ideology often preceded the demonstration of benefits, or the tools to monitor whether in fact its potential benefits were realised. Regulation was seen to be needed to protect the interests of consumers, discourage private sector monopolies replacing State service delivery, and minimise rent seeking and profit maximisation at the expense of effectiveness. It was also needed to defend the State's interest in promoting public goods which have consequences for the well-being of society and the economy, and positive externalities (e.g. in terms of equity) which are not necessarily in the interests of non-government providers.

These three key elements in the evolution of policy perspectives on non-government

involvement in service delivery evolved in the socio-economic and political context of OECD countries. In some fields, e.g., health in the U.K., they were accompanied by reforms designed to separate public purchasers of services from providers who might be either public or private. Some small-scale attempts were made at introducing this approach into the English education system through local management of schools and other initiatives. More generally thinking on competition, privatisation and regulation began to be projected into policy on service delivery in developing countries through the activities of some, but not all, of the development agencies. Most obviously the World Bank promoted dialogue about the role of the private sector, and of Non-government Organisations (NGOs) in educational development. So also did the International Finance Corporation (IFC) which was keen to advance loans for public private partnerships. Several bi-laterals, including DFID, explicitly recognised the roles that might exist for non-government providers in achieving aspects of the MDGs.

The conditions that surround service delivery and its development vary enormously between the OECD and many of the poorer countries. Some elements of this variation include:

- Radically different starting conditions. Many poorer developing countries have yet to universalise access to primary schooling, levels of achievement vary over very wide ranges, and indicators of equity and efficiency suggest dramatic inequalities exist and may be widening.
- The level of development of markets in services. Effective competition assumes free flows of information and widely dispersed abilities to understand and act on that information. Often rural parents have little ability to exercise choice in schooling because of supply side constraints in delivery and an inability to finance fee paying options. The urban poor may be excluded from real choice by price and other mechanisms that restrict access to a full range of providers e.g. language group, religious affiliation etc.
- Lack of capacity to monitor and regulate providers. Without this information is scarce and unreliable, transparency is low, and local power structures may obscure objective realities of costs, performance and beneficiaries.
- Absence of conditions of good government. Without democratic institutional frameworks and effective legal, administrative and financial systems that encourage confidence, predictability and accountability in service provision, there are risks of rent seeking and monopolistic profit maximising.
- Lack of evidence on the impact of competition policy, privatisation, and regulation. Without data on the effects of policy interventions designed to favour non-government providers debate and policy evolution may become essentially ideological and there is a risk of perverse outcomes concealed by lack of reliable evaluation.
- Differences in the demographic and economic realities of poor countries. School-age children in poor, high population growth countries may constitute 40% or more of the population. In rich low, population growth countries this percentage may be less than 15%. Secondary teachers' salaries in a poor country (e.g. Malawi) may be four or more times GDP per capita; in rich countries like the UK they are often about the same as GDP per capita. Moreover, disposable income that could support non-government schools is often highly skewed in ways that suggest only the richest households could afford the costs of unsubsidised secondary schooling.

These and other differences mean that it is essential to develop new understandings of the role

of the State in secondary provision. These are poorly articulated in much of anglophone SSA, where the historic assumption has been that, with a few exceptions, the State should be the main provider, and the one of first choice, except perhaps for a wealthy minority. Most SSA education systems post-independence assumed that the State should fund, provide infrastructure, regulate, monitor, and manage most of the secondary school system, either directly or in a close relationship with not-for-profit providers (predominantly religious organisations) and in some cases philanthropic land owners, mining companies, and other large-scale economic enterprises. In the latter case the most common arrangement has been for the State to pay recurrent costs but leave ownership of school buildings with selected non-government providers.

Changing patterns of demand and constraints on public budgets, which have been stressed by universalising basic education, are leading to new circumstances where non-government provision at secondary level is growing fast to the point where it may come to enrol the majority of learners in some SSA countries in one form or another. Public policy on how to manage this transition and its consequences is urgently needed. So also is a considered perspective on what role international assistance should play in these developments, for what reasons, and with what likely consequences.

### **Why Secondary Schooling?**

The focus of this research is on secondary provision and more particularly secondary schooling. There are six main reasons for this.

First, secondary schooling is central to development. It is at this level that students acquire abstract thinking and analytic problem-solving strategies and where occupationally relevant skills are consolidated. Economic growth is associated more closely with participation rates in secondary than in primary. Development is constrained in countries where the labour force contains small proportions of secondary school graduates. Foreign direct investment has tended to favour countries with higher rather than lower levels of secondary participation (see e.g., Lewin 1998, Lewin and Caillods 2001, Lewin, Little and Evans 2000, Wood and Mayer 1999, Wood and Ridao-Cano 1996).

Second, the Education for All (EFA) agenda has resulted in low priority being given to the expansion of secondary schooling in development planning and for external assistance, as noted at the Dakar conference (Lewin and Caillods, 2001). This is problematic, both because achievement of EFA goals depends on sufficient numbers of secondary school graduates becoming available to become primary teachers, and because issues of equity, marginalisation and disadvantage appear most strikingly at secondary level. As primary education for all becomes a reality it is successful participation and completion of secondary schooling that determines life futures.

Third, growth in non-government provision at secondary level has been rapid in much of Sub Saharan Africa. In some cases the majority of secondary schools, and enrolments, are now in non-government institutions where most of the funding is not provided directly by governments. In others private provision is expanding as confidence in the public school system

diminishes (Lassibille, Tan and Sumra 2000, Lassibille and Tan 1999, Jimenez and Lockheed 1995, Bray 1998). Private capital is being invested in financing secondary schooling in for-profit institutions, alongside growth in not-for-profit schools associated with benefactors, charities, faith based organisations, and corporations and other economic enterprises. There are also many examples of public subsidy of non-government schools through a wide range of mechanisms that are more often ad hoc than systematically determined. If growth is to be balanced to serve public policy objectives at secondary level, and if the development of non-government providers is to be regulated to this end, then coherent and consistent policy is needed.

Fourth, mass participation at secondary level cannot be publicly financed at current levels of cost in many of the poorer developing countries (Lewin and Caillods 2001, Garfield, Holsinger and Ziderman 1994, Colclough with Lewin 1993). Advocates of an increased role for non-government providers, and by implication increased non-government financing, need to address a range of questions on which data is sparse. These include questions of the motives of new providers, affordability, impact on public provision, effects on poverty alleviation, equity, gender, efficiency and effectiveness. If it is true that strategic public subsidy in partnership with non-government providers can offer the benefits of greater access, participation and completion at affordable costs, then it is important to determine how best to achieve these goals.

Fifth, governments and development partners have shown ambivalence towards the development of non-government providers of secondary schooling. Though the general climate has shifted in favour of greater levels of activity, few countries have established a consistent policy on the roles that non-government providers should play, on the division of responsibilities between the interested parties, and on the nature of subsidies that might be made available. Practice varies widely (James 1991, Bray 1998, World Bank 2000:60). The policy vacuum is important. Unregulated and unplanned expansion of non-government providers carries with it a wide range of risks, not least those of exclusion of the relatively poor, the deterioration of public provision denuded of the best students and the wealthiest parents, the exploitation of casually employed and under-qualified teachers, and the possibilities for the mis-allocation (and even fraudulent use) of both private and public monies. Value for money is a concern of both government and development partners. Ambivalence to support for non-government providers is linked in part to lack of confidence in mechanisms to license, monitor and regulate providers according to minimum public standards.

Sixth, though the role of private schooling and public-private partnerships has been a growing concern since the early 1990s, much research has focused on the reasons why countries differ in the extent of private provision (e.g. James 1993a, Bray 1998), and/or whether those enrolled in private education outperform those in State schools (Jimenez and Lockheed 1995). There has been a limited amount of research which has charted how increased effective demand for secondary schooling is changing the educational landscape subsequent to much expanded primary enrolments, especially in SSA (e.g. Lassibille, Tan and Sumra 2000, Fiedrich 1999). Little is known about the size and shape of non-government provision, the beneficial ownership of assets, systems of governance and quality assurance, the level of direct and indirect public subsidy, the supply and training of teachers, patterns of participation by different groups, relative costs, and levels of performance. Without more systematic understanding of these dimensions, and the interactions between government policy and market and non-market led

non-government provision, perverse outcomes are possible.

### **Factors Shaping the Growth of Non-Government Provision**

The growth of the non-government secondary education sector can be explained in at least four different ways which it is useful to outline in advance of discussion of the case studies. The following discussion illustrates this in relation to Malawi and South Africa.

First, non-government schools are a response to general market demand. Where public provision of schooling is insufficient to meet demand, the private sector may grow to fill the gap created by excess demand over supply. James (1993b) refers to the ‘crowding thesis’ where over-subscribed public school systems result in unsatisfied demand that migrates to private institutions.

In Malawi access to secondary school was constrained to very low levels by deliberate acts of policy such that fewer than 10% participated in any form until the mid 1990s. Those not selected had the option of turning to non-government providers if they could afford it, or participating in the now defunct Malawi College of Distance Education (MCDE) system which was of low quality and achieved pass rates at the secondary school leaving certificate of less than 10%. Excess demand for access to secondary school in Malawi is a clear consequence of expanding primary enrolments, the lack of growth in conventional government school places, and the perceived low quality of the Community Day Secondary Schools (CDSS) that have partly replaced the MCDE institutions.

In South Africa non-government schooling was historically largely the preserve of the wealthy and developed within the apartheid structures that provided separate schooling for different racial groups. Post apartheid the public school system has been opened to all South Africans and public subsidies per child have been equalised<sup>6</sup>. However, access to schooling remains uneven and quality widely varied. Many former white schools have adapted to equitable financing by charging substantial fees which are used to support facilities and employ additional teachers. Some government schools have thus developed mixed forms of financing which have preserved some of their special characteristics though they have remained within the State sector. Alongside this, some schools have opted to become fully private to maintain their autonomy, quality, social exclusivity and curricula diversity, and to join the established group of non-government schools. There are also a range of other non-government providers – both for-profit and not-for-profit – that serve to meet demand where government secondary schooling is either not available, is perceived to be of poor quality, or is lacking in meeting the needs of particular groups.

Thus excess demand can be the result of general under-supply (as in the case of Malawi), or of under-supply related to the ambitions and resources of particular socio-economic groups (as is in part the case in South Africa). In the former case non-government schooling may develop to meet mass demand from those excluded from entrance to subsidised public schooling. It is in a sense second best since most consumers would prefer subsidised State schooling. Alternatively, demand may reflect the preference of elites for non-government providers even when their progeny have access to public schooling. High quality, high-cost, non-government providers

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<sup>6</sup> And in the case of non salary support, subsidies have been adopted to yield greater benefit to the most disadvantaged schools.

exist in South Africa (and a few in Malawi) for this reason.

The second main reason advanced for the growth of private schooling is the existence of ‘differentiated demand’ for educational services. This proposition suggests that even if the State provides sufficient places in public schools, there remains demand generated by the particular preferences of specific groups. This is most obvious in relation to faith-based schooling. Secular State schooling operates on the basis of uniform and consistent provision independent of religious persuasion, and thus does not satisfy those wanting different emphases. Where there is such differentiated demand, non-government schools may fill the gap. On the supply side providers with faith-based convictions have developed non-government schools with differing relationships with government in terms of finance, from fully private to partly or largely subsidised. Thus in Malawi several established schools have Church affiliations and are either government subsidised (i.e. grant maintained where most if not all recurrent costs are paid), or financed from private resources and donations from home and abroad. South Africa has a variety of faith based providers that include Catholic, evangelical Christian, Hindu and Muslim schools, many of which receive some public funding on a formula linked to fee levels.

A third, and inter-related, type of demand is that generated by domestic and globalised labour markets and the bureaucratisation of employment in modern sector jobs. Secondary qualifications acquire value through the access they provide to employment opportunities. This may be for reasons linked to human capital formation. It may also be that their value in part lies in screening hypothesis type explanations of how desirable occupational roles are allocated in different societies (Dore 1976). Secondary qualifications also provide access to post-school training and tertiary education (both domestic and international) that confer economic benefits on the successful. Those wishing to maximise their chances in the domestic labour market and those aspiring to migrate, may preferentially opt for non-government schooling if it is perceived to offer higher standards, more orientation to skills and competencies with an economic value, and more access to opportunity through the social screening benefits associated with more rather than less exclusive institutions. Thus a very few high-cost schools in Malawi appear to appeal to this kind of clientele and a rather larger number in South Africa, in both cases orientated in part to international labour markets.

Demand for non-government schooling is influenced by the forms of public provision that are available. Where public schools are permitted to raise revenue from fees and other contributions they may begin to operate like private fee-paying schools, especially if they generate a substantial proportion of their revenue outside the public budget. This is true of ‘ex-Model C’ schools in South Africa. To some degree this reduces demand for wholly private schools operating at similar levels of fee income. Such schools receive public money and private income enabling them to offer facilities and services that would require much higher fee levels in unsubsidised schools.

Finally, non-government schooling has grown because it has been encouraged to do so. Where economic liberalisation has occurred, high rates of return have been available to entrepreneurs with capital and organisational skills, who have established for-profit schools which meet one or other type of demand pent up from previous periods where the State monopolised provision. New for-profit providers have entered the market place for educational services. These complement older established providers which have continued to operate.

## Defining Non-Government Providers

The definition of non-government providers of educational services is complex. It is not as simple as Kitaev's specification – 'all formal schools that are not public, and may be founded, owned, managed and financed by actors other than the State, even in case when the State provides most of the funding and has considerable control over these schools (teachers, curriculum, accreditation etc)' (Kitaev 1999:43).

Though this is a good starting point it begs the question of what are the defining features of public provision and where the boundaries may lie for the mix of funding and the degree of control. For some, an ideal definition of public schooling implies at a minimum public ownership of assets, public appointment and payment of teachers, public admissions procedures, adherence to a national curriculum, inspection by Ministry officers, subsidised fees or fee-free attendance, and the auditing of public financing. It also implies adherence to whatever legislation determines minimum physical standards for facilities, legal liabilities, governance mechanisms and grievance procedures. Public schools in Malawi and South Africa fit these definitions in principle, though in practice in both cases there are variations from the ideal – e.g. in Malawi many public schools would not meet minimum physical standards applied for registration of non-government schools; in South Africa high-end State schools employ substantial numbers of additional teachers off-budget from fee income.

Grant-maintained type arrangements are not uncommon where ownership remains with a non-government body, but all or some teachers' salaries are paid publicly, admissions quotas may be used to favour groups associated with the ideals of the owners, and additional fees may be charged and used to employ more teachers or enhance teachers' salaries. Non-government sources of funding may amount to a substantial proportion of recurrent costs. They may also support development expenditure with or without matching grant arrangements from government sources. Community based schools have been constructed in many SSA countries including Malawi, with the expectation that government will take over most recurrent costs when they are functioning. This may or may not happen, leaving the status of such schools ambiguous.

The extremes seem easy to identify – wholly owned, financed and managed government schools, and wholly privately owned for-profit institutions operating essentially under company law and national legislation, which may or may not require adherence to educational ordinances. However not-for-profit schools come with many different forms of ownership, operation, accountability and sources of funding. As a result they are difficult to classify simply. Questions remain as to at what point public schools become more like non-government schools and at what point do non-government schools become more like public schools. Where decentralisation is more of a reality than an ambition, and includes substantial degrees of de facto school self-government and control over income and expenditure, boundaries may be further blurred.

The definition of non-government providers needs to be seen in country specific ways. The literature review discusses this further, and the country case studies make pragmatic decisions

on the definition of non-government providers using local definitions by public agencies. Of necessity the case studies offer a partial view of what are extensively differentiated forms of provision outside mainstream government schooling. These differences are reviewed in the concluding Chapters to see to what extent they are helpful.

### The Choice of Countries

The two case study countries for this study exemplify different approaches to non-government secondary schooling. South African education has experienced unprecedented changes since the democratic elections of 1994. These have included the closure of the fifteen different public education administrations associated with different racial and ethnic groups and the establishment of a single state system with a national Department of Education and nine provincial departments. The national department is responsible for the establishment of national norms and standards as well as for monitoring the implementation of policy by the provincial departments. New legislation and policy have changed the educational landscape, including *inter alia*, a new framework for education policy development (National Education Policy Act, 1996), the reorganisation of the funding and governance of schools (South African Schools Act, 1996); the introduction (and later revision) of a new learner-led, outcome-based curriculum (Curriculum, 2005); the restructuring of the further education sector (Further Education and Training Act, 1998); and the development of various policies on a range of areas, including teacher education, teacher provisioning, special needs education, quality assurance and education management development. As the State system has been consolidated, non-government providers have had to navigate a changing landscape of demand and competition, and choose between wholly private status and registration as not-for-profit organisations qualifying for subsidies.

Enrolment rates at secondary school level in South Africa have been high by the standards of SSA. However there is a legacy of very unequal provision in terms of facilities, performance, and performance giving access to further study. The South African Schools Act of 1996 acknowledges that the State is not the sole provider of educational services at school level and provides for two types of schools: public schools and independent (i.e. private) schools. Among the former, there is a category of ‘public schools on private land’, which includes farm and some church schools. The latter – described in more detail in Chapter 4 – include a number of privileged schools catering for an elite, faith-based schools and a growing number of other schools, some of which cater to the poor. Many patterns in the schooling system derive from the segregated system that has been displaced, despite the changes since 1994 (Sayed 1999a, 1999b).

The Hunter Review Committee in 1995 noted three key aspects of the non-government school sector as it then was:

- The private/independent sector is diverse<sup>7</sup>. Estimates suggest that it caters for a small but rapidly growing proportion of learners drawn from different communities. It includes ‘traditional type’ private schools and more progressive, alternative forms of education devised by particular groups. Private schools in South Africa are established both by business concerns (e.g. EDUCOR) and not-for-profit organisations (e.g. Catholic Institute of

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<sup>7</sup> School provision in the independent sector includes both for-profit concerns and not-for-profit concerns. Non-government schools in South Africa are generically known as Independent Schools.

Education);

- Non-government forms of provision make important contributions to provision, though they enrol a relatively small proportion of the total number of students. Recognition represented a significant policy shift from the original opposition to non-government schools, expressed in the ANC's Yellow Book on Education and Training in 1993, towards a position which is essentially permissive, if not facilitating;
- Little attention has been given to how the sector is developing. This is complicated by the fact that many private providers operate in the post-school sector which overlaps with secondary schooling. There is a need for research to chart the forms of provision and provide a basis for a policy framework.

Policy has evolved since the Hunter report and contemporary language refers to the sector as 'independent' rather than private or non-government, to capture the diversity of providers and forms of school provision. Independent as a descriptor includes both schools which are wholly private and those which receive some funding from the State (see the Norms and Standards for Funding Act). The South African Schools Act (SASA) has created a framework within which non-government providers can function effectively. The Higher Education Act of 1997 has similarly allowed for the establishment of private higher education institutions.

Despite this legislation considerable ambivalence appears to remain towards non-government providers on the part of the State. Calls for regulation have been especially prominent in relation to higher education to protect the public from misrepresentation, unfair trading, and to manage competition with public institutions for students and fee income. Secondary schools are a Provincial level competence under the constitution, which means that though guiding frameworks are national their interpretation and implementation may vary between Provinces. It seems clear that some Provincial governments are more facilitating than others when subsidies are discussed and allocated.

South Africa was chosen for this research because it has the most developed system of registering, regulating and subsidising non-government educational providers in SSA. It has diverse mechanisms through which a proportion of public schools raise additional resources privately. The independent school sector has grown (by some accounts tripling in size since 1990) though it remains small overall. South Africa is wealthy enough for its population to support much larger non-government provision. It has a strong State that has not adopted this as a core strategy for secondary schooling and is an interesting case for this reason. It offers a counter-case to those who argue that substantial proportions of mass provision in SSA should be non-government.

In contrast to South Africa, Malawi has had one of the lowest transition rates from primary to secondary schooling in SSA and has historically had less than 10% of its population accessing secondary schooling. Along with these low participation rates, public costs in normal government secondary schools have remained high relative to primary school places (on average at least six times greater) and in relation to GDP per capita (about 30%), limiting the extent to which enrolments could expand. There is currently a commitment to maintain the share of the budget allocated to primary education at around 65% of all public spending on education. This compares with the 10%-15% allocated to the entire secondary school system, which is less than

that allocated to the higher education institutions which enrol far fewer students. Recent analysis (Lewin and Caillods 2001) indicates clearly that Malawi cannot substantially increase secondary participation in normal public schools at existing levels of cost within imaginable ceilings of budgetary growth. The problems are embedded in the small budget share, the high public costs and the low internal efficiency. Greater participation is feasible with much improved school management and deployment of resources, but this has yet to occur.

Transition rates from primary into government secondary schools in Malawi may have been falling. Primary level enrolments expanded from about 1.8 million to nearly 3 million after the introduction of free primary education in 1994. This increase in enrolments is beginning to be reflected in the numbers of primary completers seeking access to secondary, though at a rate much slower than predicted because drop out and repetition remain high.

The capacity in government secondary schools has only increased modestly and remains between 50,000 and 60,000, of whom less than 40% are girls. By contrast private school enrolments have grown rapidly since 1994, when the new government eased restrictions on non-government providers. Recent estimates suggest that more than 40,000 are enrolled in registered non-government secondary schools and perhaps a further 10-15,000 in unregistered schools. If growth continues non-government enrolments will soon exceed those in State secondary schools. In the late 1990s, enrolments in the Malawi College of Distance Education (MCDE) system grew rapidly to exceed 100,000, and may have reached 200,000. These schools had low quality (with pass rates at Malawi School Certificate level of 5%-10%), but high direct costs to those who attended. They have now been partly converted into Community Day Schools (CDSS) and it appears enrolments have fallen as a result<sup>8</sup>.

Malawi has had no clear policy on the growth and regulation of non-government schools, or on those parts of the public school system which have mixed public and private finance. There is a sentiment to allow further growth in the non-government sector<sup>9</sup>. However, many schools are unregistered, and those that have been registered recently have become certified with no effective quality assurance system or enforcement of minimum standards of facilities or staffing. Nothing is known systematically about varying forms of finance, governance and curriculum in the non-government and mixed public/private sector, or the levels of cross subsidy that may be taking place (e.g. through contributions to teachers' salaries, teacher training and examination costs). Nor is anything known about the extent to which the growth in non-government schools is interacting with the development of the CDSS, which often share catchment areas and compete for (or share) staff.

It is therefore timely to focus part of this research on Malawi. As a poor central African country with low participation rates at secondary it is illustrative of countries where economic growth is likely to be constrained by shortages of qualified secondary school leavers. It also exemplifies situations where public resources are unlikely to be sufficient to finance mass access to public secondary schools at sustainable levels of cost. Strategies that mobilise private resources and make best use of public/private partnerships appear attractive. However without an appropriate

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<sup>8</sup> See Chapter 5 for a more detailed description of MCDE and CDSS schools. CDSS now have selective entry which is likely to have reduced enrolments.

<sup>9</sup> The most recent Policy and Investment framework of the Government of Malawi (PIF 2000:25) suggests targeting an increase in private school enrolments to reach 25% of the total by 2010.

regulatory system, adequate governance, quality assurance and a consistent policy framework these hypothetical benefits may be elusive. It may be that the public school system can learn from effective practices in non-government schools; it may also be that non-government schools should be more closely bound to meet minimum standards and to complement rather than compete with the fragile public school system. Conversely it may be that new non-government provision is limited in its potential for growth, questionable in terms of quality, and self-serving in its appeal for subsidies. A case study is needed to clarify some of these issues.

This chapter has opened the debate about the basic assumptions that inform the enthusiasm to increase the role of non-government providers of educational services in secondary schools. It has drawn attention to the importance for much of SSA of increasing access and participation in secondary schools in ways that are affordable. And it has outlined factors which shape demand and discriminate between different types of non-government providers. Having established a rationale for the choice of country case studies it is now appropriate to proceed to a review of the literature in order to extend insight into recent policy and practice within SSA.



## Chapter 3: Non-Government Secondary Schooling in Eastern and Southern Africa

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### Introduction

This chapter provides a review<sup>10</sup> of literature available since 1990 on non-government secondary schooling in East and Southern Africa<sup>11</sup>. It provides an indication of changes in size and relative importance of the sector at secondary level and explores some of the reasons for growth, with special consideration of the 'new generation' of non-government providers. Subsequently it reflects on implications for national policies to support changes that have occurred and comments on the desirability and feasibility of further development amongst non-government providers.

State involvement in education has commonly been justified on the grounds that there would be under-investment if left to the market. At the heart of the debate about the non-government education sector is the idea of education as a 'public good', which argues that the benefits of educational investment accrue not only to individuals through enhanced life opportunities but also to society through positive externalities. The case is often made that the public benefit case is more important for lower levels of education. The private benefits of higher education generally outweigh the public good aspects. If so private and other non-government forms of provision at higher levels should be encouraged.<sup>12</sup> Much of the debate has emphasised the use of cost-recovery mechanisms to share costs in essentially public systems at secondary levels (Colclough 1996). Recently, however, some prominence has been given to suggestions that the private sector should play a more substantial role in provision of educational services as a complement to public providers, or even as an alternative (Tooley 2001, 2004).

Non-government providers have a long history of educational service delivery in most of Sub-Saharan Africa. These include the activities of missionaries and other faith based organisations, those of not-for-profit community and international NGOs often focusing on under-served areas, and those of for-profit private institutions catering to domestic elites. In much of SSA non-government educational institutions were established in advance of mass public education (Peano 1997). Recently two key trends in the role of the non-government sector are evident. Firstly, the Education for All agenda has placed emphasis on the expansion of primary education to universal levels. This has constrained public finance for secondary schooling to the extent that many SSA secondary school systems have seen public subsidy costs per child fall and transition rates into public secondary schools decline, even though there has been some improvement in gross enrolment rates. In some cases, non-government schools at secondary level have emerged to fill the gap of unsatisfied demand. More often than not, most growth appears to have been a result of private for-profit providers entering the market place, and much has been unregulated, since States have had little capacity to develop appropriate and effective systems. Secondly, international debates related to the changing role of States and

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<sup>10</sup> The review is selective and includes material on Kenya, Lesotho, Malawi, Uganda, South Africa and Tanzania, with some references to other countries in the Region.

<sup>11</sup> The International Institute for Educational Planning (IIEP) has produced a number of relevant documents, including a number of country case studies, as well as a review of literature on private education in SSA (Kitaev 1999). This review does not seek to replicate this study, but rather provides a more detailed focus on issues relevant to East and Southern African countries since the 1990s. The World Bank has also played an important role in research on private education. The World Bank's Secondary Education in Africa research programme includes a focus on how SSA countries can provide incentives for private sector participation in secondary education (see [http://www.worldbank.org/af/seia/concept\\_en.pdf](http://www.worldbank.org/af/seia/concept_en.pdf)).

<sup>12</sup> See Colclough (1996) for an overview of debates around the role of the State in education.

<sup>13</sup> e.g. in the context of WTO negotiations and the World Bank's promotion of a 'global education industry'.

markets in general and in education in particular<sup>13</sup> have focused attention on increased liberalisation in the education sector. This position argues in favour of an enabling environment for non-government providers, a 'lighter touch' for State regulation (on the assumption it is over regulated) and, in some versions, consideration of State subsidies for non-government providers.

Knowledge about non-government activities in formal education is scant (World Bank 2002). In part this reflects the neglect of the secondary education sector as a whole. As noted in Chapter 2 much external dialogue on education in the poorest countries has been directed towards basic education, with an associated neglect of secondary. Though this is beginning to change (for example, Rwanda, Uganda, Tanzania and Zambia all have secondary education development programmes under review), it will be some time before new balances are established. With respect to the non-government sector specifically, it also reflects the intrinsic difficulty of exploring a sector where statistics are not often centrally collected, proprietors are often unwilling to be open about their institutions, and States have weak motivation to monitor and regulate things for which, to some degree, they do not see themselves as having responsibility or accountability.

### **Government and Non-Government Providers**

In its simplest form, public provision occurs when education is managed directly by the government and expenditures are met from tax revenues, while non-government provision is evident when ownership and management are independent of government and expenditure is supported by fees and private contributions. In the latter case providers are free to determine the character of the educational services they provide within whatever national legislation applies (World Bank 2002). It is extremely rare for these clear distinctions to exist in practice. Rather, a continuum of government/non-government control and financing is evident (James 1991). Trends in non-government and private sector<sup>14</sup> involvement in education need to be examined in the context of priorities towards marketisation and privatisation in the economy more generally. These both influence the education sector itself, and often shape employment opportunities that influence the educational choices of parents and students. Marketisation essentially implies the adoption of market practices that introduce elements of competition into service delivery. Privatisation is more specifically related to the beneficial ownership and administration of educational institutions by individuals or corporate entities (Kwong 2000). Cost-recovery can be a feature of marketisation if it creates new relationships between clients and providers that allow more competition and accountability. It is a necessary component of most kinds of privatisation. Regulation, a third element associated with the development of non-government providers, is generally a responsibility retained by the State *de jure*, even if *de facto* it may not be very effective. It can of course itself be privatised to contractors working to government terms of reference.

Kitaev's definition, cited in Chapter 2, highlights the complexity of trying to distinguish simply between private/public aspects of education, with different arrangements possible in relation to provision, financing and regulation. Even where the schools are owned and managed by non-government agencies, they are often subsidised by governments who pay the costs of

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<sup>14</sup> Private and non-government are often used interchangeably in the literature. Non-government is preferred in this text unless authors specifically use private.

curriculum development, inspection, examinations, teacher training, and subsidised text book production. In most cases, the State attempts to maintain some control over all education institutions through regulatory systems with varying degrees of effectiveness. Non-government providers may include NGOs, religious organisations and community based organisations, as well as the more conventional profit-seeking private sector, each with different motives for their involvement in education. Limited data exist which could enable an assessment of the different types of non-government education institutions. Kitaev (1999) suggests that the majority of registered private schools in SSA continue to be non-profit-making community schools and religious schools, rather than profit-making schools. This situation may be changing where secondary enrolment growth is rapid. It may also be that for-profit private schools are under-counted since they have less of an incentive to register if they are required to pay tax, whereas non-profit schools may receive subsidies from government. There is a blurring of the distinction between for-profit and not-for-profit institutions, and the motivations of principal agents. Some not-for-profit schools may aim to make a surplus which is reinvested into the school, while for-profit schools may do so to pay shareholders or sole proprietors. In practice, the distinction between for-profit and not-for-profit institutions is sometimes seen as a distinction between tax-paying and tax-avoiding institutions.

Lesotho provides an example of the complexity of private and public roles in the ownership and financing of education. Officially, private schools are defined as ‘all schools owned by individuals, groups of individuals or organizations and not funded by the government’ (Lesotho Education Act 1995:7). However, according to UNESCO data, all primary schools are classified as private since the Church has traditionally been seen as the provider of education, although the Ministry is responsible for recruiting and paying for teachers in these schools. There has been a lack of clarity about the respective roles of the Government, Churches and the local community, leading to problems and tensions which remain unresolved (Lerotholi 2001). In Zimbabwe most schools which are classified as private receive government support in the form of payment of teachers’ salaries, and a per capita grant for non-recurrent expenditure and building grants (Latham and Blair 1999, Lewin and Caillods 2001). Conversely, public education in some countries relies heavily upon private contributions which can be of a similar level to those charged in private institutions, and which may account for half or more of total costs (Bray 1996, Colclough et al. 2003, Lewin 2002, Lewin 2003).

There are other dimensions to the interface between government and non-government provision. Voucher schemes are aimed at allowing parents and students to choose between different types of schools, where vouchers can be redeemed to help offset all or part of the cost at either public or private schools. Although not new, this is receiving increasing attention as a way of encouraging the expansion of non-government secondary education (World Bank 2002). However vouchers are not used in SSA systems to date, with the exception of some small-scale schemes related to vocational education and training in Ghana and Kenya. Another recent development concerns ‘contract schools’ which remain publicly owned and funded, but are managed by the private sector in exchange for a management fee. This is happening in some OECD countries but no examples of these are available in the SSA context (World Bank 2002). Within government systems there may be contracting-out to private companies of some aspects of the service (for example, education management services, quality assurance services, examining) (Pampallis 2003). The private sector may also be involved in education through the

supply of educational inputs to both government and non-government schools – including publication of textbooks and other learning materials, building schools and other infrastructure, running student hostels etc (World Bank 2002).

Further problems with defining non-government education arise if non-formal education (often provided by national and international NGOs) is included, as well as that established by communities (where communities may or may not be responsible for running costs etc.). Those providers may have different motives with respect to the accumulation and use of profit compared with private providers directly motivated by profit. Terminology also varies between countries and this adds to the confusion. For example, South Africa avoids use of the term ‘private’ in favour of the euphemism ‘independent’ to define schools which are not State or State-aided (South Africa Schools Act No. 84 of 1996).

Thus providing a general definition across countries is problematic, given the diversity of types of non-government involvement in education. National and international statistics only include private institutions which are registered and, therefore, officially recognised, although these may be only a small part of the total non-government sector. In many cases, Ministries of Education do not see themselves as responsible for non-government institutions; and the institutions consider that they have the right to operate independently of the government. They do not want to be fettered by government regulations and wish to minimise tax and other obligations if they do register. As Kitaev (1999: 20) indicates:

Being outside of the public education system, private education in developing countries does not regularly provide data and statistics for official surveys and analysis. Information available on private education in Africa may be fragmented, contradictory and controversial, subject to sources, sampling design and expected outcomes. Although in many African countries Ministries of education have special divisions or units in charge of private education, these are normally limited to regulations regarding subventions and private teachers’ management.

Government bodies are, therefore, often limited to regulation of non-government institutions. It is a moot point, however, whether regulation can be effective if the government does not have information on how many private institutions exist, where they are located, how many they enrol, who teaches in them, and how well they perform.

### **International Perspectives on Non-Government Involvement in Education**

At the international level a tension is apparent between a friendlier approach towards the role of the State which co-exists with a reinforced commitment to privatisation. This was beginning to be evident in the 1980s (Rose 2003a) and has been reinforced in the 1990s. The basic macro-economic policy instruments for development continue to be based on principles adopted in the 1980s of free trade and privatisation, with some reassessment of the role of the State to allow effective implementation, recognise market failures and acknowledge human development approaches that mediate market mechanisms (Hildyard 1997, Gore 2000). Cuéllar-Marchelli (2003) provides a useful summary of the economic and governance/political rationales for privatisation in recent times, which she suggests are relevant also to arguments promoting

decentralisation (related to the changing role of the State):

From a political perspective, it is being argued that decentralization and privatization policies contribute to redistributing power and expanding the range of social actors accountable for improving education in a particular social context. From an economic point of view, these strategies are able to shift the financial burden either to lower levels of government, by decentralizing financial responsibility, or to the private sector, by privatizing education. Besides, additional resources to supplement government budget constraints can be mobilized through the private sector. There is also strong belief that greater school autonomy and private sector participation due to decentralization and privatization will lead to improvements in education quality. Not only are these policies more responsive to variations in local education needs and cultures within a country, but they are also expected to foster greater efficiency in resource utilization. The latter relies on the assumption that the closer the provider to local needs, the better the resources are allocated to match existing demands. Privatization, in particular, has been conceived, not only as a way to reduce excessive government intervention, but also as a means by which inefficiencies in service delivery are corrected by the market.

Encouragement of non-government involvement in education through cost-recovery and provision at secondary level is entirely consistent with this advocacy. After some experimentation, cost-recovery in public primary schools has been discouraged by international agencies (including the World Bank), since the evidence has shown that this is not only inequitable, but also inefficient, and runs counter to the rights-based views of EFA (UNESCO 2003:221, Rose 2003b). The same may be true at secondary level.

The World Trade Organisation (through the General Agreement on Trade in Services – GATS) and World Bank have been influential in promoting private sector involvement in education. The WTO's memorandum on Education Services indicates an intention to create conditions for greater liberalisation of the trade in education and to create more markets for educational provision. It is notable, however, that member countries have so far made few commitments to open up educational services to international competition on WTO terms. Some development partners, particularly the World Bank, have been influential in promoting non-government involvement in education in SSA. In Tanzania, the World Bank has supported a National Education Trust Fund, financed through a grant from the Norwegian government, to give small grants to non-government schools (Lassibille, Tan and Sumra 2000). The grants, comprising approximately 8% of schools' total resources, are intended to provide support for the completion of school buildings, buying teaching and learning materials and supporting in-service training of teachers and heads. A recent report provides evidence from 11 countries of the World Bank's involvement in the development of non-government education at all levels of the education system (Sosale 1999).

The International Finance Corporation (IFC), one of the constituent organisations of the World Bank group, has made loans to non-government schools since 1994, the first being to support the expansion of an elite primary/secondary academy in Uganda targeting middle and upper income families, and another being to the expansion of a primary school to a secondary school in Kenya in 1997 (Karmokolias and Van Lutsenburg Maas 1997). IFC activities in education increased in 1998 'in response to rapid growth in client demand, especially in Africa'

(IFC nd). In total, the number of IFC approvals is still small, with only 11 by mid-1999, seven of which were in SSA.<sup>15</sup> A number of market surveys and case studies of non-government education in different countries were commissioned, including in South Africa and Zimbabwe ([www.ifc.edinvest.org](http://www.ifc.edinvest.org); Tooley 1999). The motivation of IFC in education is clear:

Profitability is as important in education as in any other industry in the private sector. After all, profits are the very basis of sustainability. Without them, private schools would slide into bankruptcy and be of no value to their clients... It may be argued, however, that given the importance of education and the weakness of the private education sector in countries like Kenya, IFC should assume a pro-active stance in helping establish the conditions which will help edupreneurs minimize risks and increase the probability of being profitable.

(Karmokolias and van Lutsenburg Maas 1997: 15 and 20)

The World Bank is seen to play a role in ensuring that national conditions are conducive to such developments:

More conservative commercial institutions are likely to remain on the sidelines until these two institutions [World Bank and IFC] give leadership through a coordinated strategy. The Bank should intervene in the area of government policy, both with respect to the issues [risks] raised as well as with respect to the curricula offered.

(Karmokolias and van Lutsenburg Maas 1997: 22)

### **Evidence on the Size and Importance of Non-Government Secondary Schooling**

According to UNESCO and World Bank data secondary gross enrolment rates (GER) increased modestly in SSA in the 1990s, but this increase was concentrated in a small number of the higher income countries (Table 1). In most there was little or no improvement in GERs at secondary. Moreover there is some evidence that transition rates were beginning to fall. Figure 1 shows transition rates for SSA for four different age cohorts, showing how transition rates have changed over time. Differences in transition rates between primary and secondary school converged for boys and girls (although a gender gap in secondary GERs persist in many countries, due to the smaller number of girls completing primary school), while urban/rural differences remained. Overall transition rates amongst the most recent cohorts appear to have dropped. This suggests that secondary systems have not kept pace with expanding primary school systems and this is likely to be an important reason for the growth of non-government schooling.

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<sup>15</sup> Other IFC loans to education services in SSA countries include to the Gambia, Senegal, Guinea, Guinea Bissau and South Africa, all of which were approved in 1998. By far the largest loans have, however been to two private universities in Argentina – accounting for three quarters of the total loans made to education.



**Figure 1: Transition Rates from Primary to Secondary in Sub-Saharan Africa**

Source: Lewin 2003 from DHS data.

Reliable cross-national statistics on non-government schooling are simply not available. Attempts to construct a consistent data matrix for SSA have not been successful<sup>16</sup>. UNESCO estimates for SSA countries vary widely from year to year, and there are no cross nationally comparable data for most countries in SSA at secondary level.<sup>17</sup> This arises from classification problems, from widely differing data collection systems, and from under counting of unregistered schools. What data there is indicate that, on average, non-government enrolment is most prevalent at the pre-primary level where there have been strong traditions of private sector provision. It is also more common at secondary level than primary. The data is shaped by differing definitions between countries which sometimes only include fully private schools and in other cases include those where most recurrent costs are paid by the State.

Table 2 presents UNESCO data from various years. This confirms that growth in GER2 has been slow in SSA and much less than for all developing countries. The figures for countries in East and Southern Africa are incomplete and appear to vary in surprising ways. Apparent declines occur in the recent past in Botswana, Malawi, Mozambique, South Africa, Swaziland and Zimbabwe. If these declines are real and not artefacts of the data collection this is cause for concern. However, in the case of Malawi, the high figure for 1999 is clearly misleading – it includes claimed enrolments in the MCDE system that were probably never real, and have subsequently declined as CDSS have been introduced. In South Africa enrolment rates may be declining as demand softens but there is uncertainty over the size of the age group. It is clear that in some cases private school enrolments have not been included in the GER2 figures e.g. in Tanzania and Uganda. In others, e.g. Zimbabwe, they have been included. No secure conclusions can be drawn from this data, which clearly needs validating. From what little there is on the proportion of private schooling it would seem that there is no correlation with GER2

<sup>16</sup> Inconsistencies between data returned to UNESCO and that contained in Sector Reports and in individual EMIS systems suggest that UNESCO's published figures have wide margins of error arising from the reporting system.

<sup>17</sup> The Statistical Profile of Education in SSA (SPSSA) database set up by ADEA ([www.adea.org](http://www.adea.org)) also includes data on the percentage of private teachers in private schools, and of private schools at the primary and secondary levels. On the whole, these show similar patterns to the enrolment data shown here. The World Bank EdStats database ([www.worldbank.org/edstats](http://www.worldbank.org/edstats)) includes information on private expenditure on education, although this does not differentiate between expenditure in private and public institutions.

levels. These figures sometimes include religious schools in which recurrent costs are paid by the

|  |   |   |   |   |   |   | 0 | - |
|--|---|---|---|---|---|---|---|---|
|  |   |   |   |   |   |   |   | 4 |
|  |   |   |   | 5 |   |   | - | 1 |
|  |   |   |   |   |   |   |   | - |
|  |   |   |   |   |   |   | - | - |
|  | 4 | 8 |   |   |   |   | - | 7 |
|  | 7 | 8 | 7 |   |   |   | 0 | 7 |
|  |   |   |   |   |   |   | - | 4 |
|  |   |   |   |   |   |   | 1 | 2 |
|  |   |   |   |   |   |   |   | - |
|  |   |   |   |   |   |   | - | - |
|  | 3 | 5 | 5 | 5 | 6 | 6 |   |   |
|  |   |   |   |   |   |   | - | - |
|  |   |   |   |   |   |   |   |   |

state (e.g. Swaziland), but in other cases refer only to wholly private schools (e.g. Tanzania).

**Table 2: Gross Enrolment Rate at Secondary (GER2) and Percentage of Private School**  
Source: UNESCO various years

That there has been rapid growth in non-government provision of one kind or another in some SSA countries is undeniable from country sourced data. Uganda, Malawi and Zambia have all seen large increases in enrolments in various kinds of non-government secondary schools (Lewin and Sayed 2005, Lewin 2003, Lewin 2002), with stagnation or slower growth in government school enrolments. In the case of Zambia private secondary schooling only reached around 6% of total secondary enrolment by the beginning of the 1990s (Kelly 1991, Fidelity Consultancy Services 1994). Recently excess demand has been accommodated in 'Academic Production Units' (APU) which are organised on high school premises for those unable to access ordinary secondary schooling and who are taught by normal teachers paid from additional fee income. About one third of all high schools have these units (Bennell et al. 2003). Though these APUs are not non-government schools, they operate on private fee income with free access to facilities. More than 60% of secondary enrolment in Uganda, and more than 40% in Tanzania, is now in non-government schools. In Malawi we estimate that almost as many are enrolled in non-government schools as are in conventional government schools (excluding CDSS) and they may be as much as 25% of total enrolments. In both Malawi and Uganda it is reported that non-government primary schools have also appeared,

partly as a response to perceptions of declining quality (Kadzamira and Chibwana 2000, Fiedrich 1999).

Country level data on the public and private financing of the secondary education sector is also lacking in cross-national data sets. There is cause for concern that in low enrolment countries allocations of public funds are unbalanced. In Malawi expenditure on university level education consistently exceeded that on all secondary schools through the 1990s (Lewin and Caillods 2001) and in Tanzania the university system absorbed nearly three times the amount spent on all secondary schooling in 2002 (Lewin 2003). Zambia and Uganda both appear to allocate somewhat more to secondary schooling – about 15% of the education budget – which in both cases is about 50% greater than the higher education budget.

### **Explanations for Recent Expansion of the Non-Government Education Sector**

As noted in Chapter 2 the reasons for the growth of non-government schooling can be classified into several categories (James 1993b, Sayed and Rose 2002). These are concerned with inter-related factors associated with excess demand, differentiated demand, increasing competition for domestic and internationally portable qualifications, and liberalisation of economic activity which creates opportunities for entrepreneurial activity and profits. The most common explanation of the founding of the new generation of non-government secondary schools since the early 1990s is undoubtedly that it is a response to excess demand. This section will focus on the reasons, and implications, of this response in particular.

Where public educational provision is insufficient to meet demand, non-government agencies may fill the gap. The underlying reasons for excess demand include growth of the school-aged population faster than the creation of new places. Though HIV/AIDS has suppressed school-age population growth rates, these remains above 2% in much of SSA and are over 3% in some countries. In the latter case the number of primary leavers doubles every 25 years. On top of this, basic education projects related to EFA are increasing the numbers of primary graduates. A number of countries in sub-Saharan Africa abolished primary school fees in the 1990s (including Malawi in 1994; Lesotho in 2000; Tanzania in 2000; Uganda in 1997; Kenya in 2003) (Colclough et al. 2003). This and other measures to universalise primary education have had the result that enrolment growth rates for primary schools are widely outstripping the rate at which new places are being provided in government secondary school systems. In Uganda the output from primary schooling is anticipated to double by 2010. In Tanzania it is expected to increase nearly three times (Lewin 2003, Lewin 2002). In Malawi, the situation is complex. Though primary enrolments grew rapidly after FPE was announced, the number of primary completers has yet to expand rapidly. They will do so if repetition and drop out rates fall to those levels projected in plans for Education for All.

In Malawi increases in secondary enrolment have occurred from a very low base. Much of this growth has been in 'second-chance' community day secondary schools (CDSS) which replaced the Malawi College of Distance Education (MCDE) system after 1998. The vast majority of teachers in the CDSSs are trained to teach at the primary level and, therefore, do not have expertise in secondary school subjects. Classes take place in converted primary school classrooms that lack the necessary facilities (Kadzamira and Rose 2003, Lewin and Caillods 2001). By the late 1990s enrolment in the MCDE/CDSS system was more than double that in

conventional government secondary schools (as a result of enrolment doubling over a decade in government schools, and increasing by five and a half times in the MCDE/CDSS).

The increased resources allocated to primary under FPE included the costs of fee abolition as well as the cost of additional teachers, and have meant that over 65% of the education budget has been allocated to primary. The share of education resources allocated to secondary schooling fell from 17% to just 10% by the latter part of the 1990s. As a result, secondary school unit costs for government schools, which had already deteriorated during the 1970s and 1980s, continued to decline, with expenditure per pupil falling by over one-third in real terms since the introduction of FPE (Rose 2003b).

Growth in secondary enrolment in Malawi has continued and non-government schools have expanded their share of enrolment. The increases in secondary enrolment are partly explicable as a result of the increasing use of secondary level qualifications to control access to many formal sector jobs. Since most children now have access to primary schooling, a primary leaving certificate has little value in the labour market. Enrolment in non-government schools secondary tripled between 1997 and 2000 and became comparable to that in conventional government schools. These largely private for-profit schools vary considerably, with fees charged ranging widely. Children who do not gain access to conventional government schools have a choice between CDSS and non-government schools. High-cost non-government schools exist in small numbers and are preferred by some relatively wealthy parents. Most new non-government schools are low to mid range in cost and have fee structures not dissimilar to CDSS. Excess demand thus results in a choice between CDSS and affordable non-government schools influenced by perceptions of quality. Despite the increases in enrolment that have occurred, the proportion of children in secondary school remains low – at only 14%, compared with the government's target of 30% (Kiernan et al. 2000). Given the resources being spent on primary schooling, it is unlikely that the government will meet this target. Further expansion of the non-government sector is likely to be inhibited by the affordability of fees.

In Kenya, according to Karmokolias and van Lutsenburg Maas (1997), 32% of households were sending their children to non-government secondary schools in 1994. The authors conclude that enrolments in private schools have expanded dramatically since the 1980s, while they have remained stagnant in government schools. Similar to Malawi, public secondary unit costs were declining in the late 1990s by 10% in real terms. The authors suggest that there is considerable unmet demand for private secondary schools in Kenya, as evident by long waiting lists of students who have met admission criteria but for whom there was no room in the school. They note that, in rural areas, a larger proportion of those in the poorest quintile in secondary school are enrolled in private schools (36%, compared with 26% from the most well-off quintile). However, overall, the lowest quintile comprises only a small proportion of those enrolled in secondary schools (less than eight percent of total enrolment in rural areas). Therefore, although a larger proportion of these are in private schools, they are only a small proportion of total enrolment in private schools (with one person from a poor rural household enrolled for every three from the most well-off rural household).

The authors conclude, perhaps controversially, that:

It is sometimes argued that many of the lowest-cost private schools provide a very low-

quality education and, consequently, poor parents are defrauded by such disreputable schools...Nonetheless, a strong case can be made that a wide quality-price range is efficient and responsive to the variety of felt needs...Attendance in low-cost, low quality private schools is a result of free choice. Consequently, there is no a priori reason to believe that consumers are not making a rational benefit/cost/risk calculation when they decide to enroll and re-enroll their children or themselves in such schools, given that they have the public school option available to them. It makes little sense to deny lower income groups such choices, simply because educational standards in some inexpensive schools have lower quality standards than more expensive schools patronized by higher-income groups.

(Karmokolias and van Lutsenburg Maas 1997: 1 and 12. Emphasis added)

Average fees in rural non-government schools in Kenya are estimated to be lower than in rural government schools (KSh 5830 compared to KSh 6622), and highest in urban non-government schools (KSh 6184 compared to KSh 8741) (Karmokolias and van Lutsenburg Maas 1997. This study does not provide any evidence of the outcomes from the different sectors in order to establish whether those paying for non-government education are getting 'value for money' (however 'value for money' might be defined – the focus of the report is on choice and profitability rather than outcomes). It is, however, evident from the authors' own analysis that in fact the least well-off do not have a choice between government and non-government schooling, since children from better-off households are more successful in gaining access to the limited places available in the selective and prestigious government schools. Moreover previous research in Kenya estimated the rate of return to non-government schooling to be lower than to government schooling (Knight and Sabot 1990). In this case, private education is a response to excess demand although, for the poor, the choice is whether to go to a low-quality private school with dubious benefits, or not to go to school at all – not a choice between different types of school.

Similar circumstances in Tanzania have resulted in the non-government secondary sector in the 1980s growing due to the lack of places in government schools. The Tanzanian government relaxed its policy towards non-government schools<sup>18</sup> whilst maintaining its long-standing policy of limiting the places available in government secondary schools. No new fully-funded government secondary schools were built in Tanzania in the 1980s and 1990s, though some community schools were established and taken over by government. The policy choice had been to prioritise primary schooling in a second attempt (the first was in the 1970s) to universalise primary schooling. As in Malawi and Kenya, a substantial proportion of Tanzanian non-government schools are low quality and are second- (or last-) chance schools. They are also very unevenly distributed throughout the country, with most non-government schools to be found in the more developed areas, e.g., Dar es Salaam, Kilimanjaro and Arusha (Lewin 2003).

Fees in non-government secondary schools are, on average, 50% higher than in government schools, with some as much as five times the minimum fee charged in the public sector (Lassibille et al. 2000). Tanzanian households spend at most 5% of income on average on

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<sup>18</sup> Private schools were nationalised in the early 1960s, although the policy was not strictly maintained (Lassibille et al. 2000). Subsequently private schools reappeared and in the new climate of the 1990s expanded. They now account for about 40% of secondary enrolments.

<sup>19</sup> 5% may seem low to some readers, although this amount is consistent with typical allocations based on household surveys in different countries (although these often under-estimate the total costs made by households). Even if this were raised to 10-15% it would not substantially change the nature of the problem.

educational expenditures, although poor households spend a lower proportion (Tanzania Household Budget Survey 2002:42)<sup>19</sup>. Secondary school direct private costs averaged TSh 154,000 in 2000 across all types of school (Education Status Report, 2001:102). Typical private schools appear to charge about double this amount per student in Dar es Salaam, or over four times the amount charged in government schools. Once other fees and contributions which are often charged in government schools are included, charges in government schools increase, but are still substantially lower (approximately one-third) of those in private schools in Dar es Salaam. There is, however, a disparity in fees charged by non-government schools, with many established non-government schools charging substantially higher rates than government schools, while low-cost private schools and Dwelling-House schools may well charge less than government schools. However, no data are available on these low-cost institutions, which are likely to be of very poor quality. Without a detailed analysis it is difficult to be precise about the level of household income that effectively excludes students from participation in secondary education. However recent estimates indicate that even better-off households would have difficulty in supporting the current direct costs of secondary schooling in government schools at average cost levels. Those poorer than the 20th percentile of household income will almost certainly be excluded from these schools, and certainly would not be able to afford the fees of more established private schools without substantial subsidy (Lewin 2003). Thus their only option is likely to be for low-cost, low-quality private secondary schooling, if any at all.

Dieltiens (2002) highlights the growth of independent (private) secondary schooling in South Africa, rising from 1% of schools in 1985, to 2% in 1995, to perhaps 4% by 2000.<sup>20</sup> It is reported that more than 2000 unregistered schools may exist if all those referred to as 'fly by night' schools set up in urban centres and informal settlements are included, though this number may be an exaggeration and many of these informal schools are unstable. They target black over-age pupils in particular, and some have closed as soon as fees have been received in advance of any learning. A large proportion (38%) of independent schools are situated in Gauteng province, which caters for 50% of those enrolled in these schools. Although it is true that the non-government sector has played an increased role in schooling in South Africa, it still caters for only a small proportion of the total number enrolled. Recent growth appears skewed towards low-cost poor quality education. In contrast the established independent schools, and some community and faith-based schools established in the late 1990s, continue to offer high quality at middle to high-costs.

A multi-tiered pyramid of education thus appears common across East and Southern African countries. This consists first of a small group of high-cost, elite non-government schools at the peak of desirability and performance, sometimes accompanied by small numbers of highly selective government schools. The second group of schools is much larger and includes a core of government schools serving the majority of pupils most of which are well-established, purpose-built institutions. These schools co-exist with middle fee-range non-government schools with reasonable facilities and staffing. The third level consists of poor quality government schools, often community constructed and operating without adequate staff and facilities, and sometimes having the character of expanded primary schools structures with few facilities, paralleled by a rapidly growing base of low quality 'last chance' non-government

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<sup>20</sup> The UNESCO data indicate the proportion of private secondary enrolment in South Africa to be only 2.4% in 2000.

schools for those unable to gain access to the limited places available in government schools, often housed in converted buildings. The situation is much more complex than this simple model suggests and it varies from country to country. In some cases, it might be related to dissatisfaction with the quality of teaching in government schools, while in others it is due to the scarcity of places in government schools.

The expansion of non-government schooling is mainly a response to excess demand in many countries in East and Southern Africa. Other factors seem significant but less important. It is possible that the growth of non-government schooling is more of a substitution for public investment rather than an addition. Conventional arguments that non-government schooling frees State resources for those who cannot afford the costs of attendance is not valid in circumstances where much enrolment is in high fee cost schools, whether government or non government, which exclude the poor. Neither is it valid if the resources hypothetically released are diverted to other education sectors or other purposes. Low-cost non-government schooling is not evidently of quality, though it may be no worse than that at the low end of the public system. The difference is that its direct costs fall on the poor and that schools are not subsidised. It may indeed be the only choice for those excluded from public schooling. The question is whether this should remain the case as secondary enrolments are expanded.

It is questionable whether the expansion will continue, due to a lack of access to appropriate land, building and credit, demand-side constraints related to poverty, as well as bureaucratic hurdles to the registration of non-government schools (Karmokolias and van Lutsenburg Maas 1997, Kiernan et al. 2000). Even in Tanzania, where the secondary sector relies heavily on private provision, it is unclear how far the non-government sector can be relied upon to sustain expansion of the system. Although only 10% of children now attend secondary school, there are signs of a slowdown in the expansion of non-government schooling (the number of registered schools only increased from 414 to 434 between 1999 and 2003), suggesting possible market saturation at current prices, falling rates of return on investment and doubts about value for money from clients (Lassibille et al. 2000, Lewin 2003). Calculations of the affordability of secondary schooling in general and non-government schooling in particular indicate the limits of household income beyond which even low-cost providers will cease to be able to operate economically. At these levels of fee income many children will still be excluded by price, and enrolment growth will stall.

### **Cost-effectiveness, Quality and Equity**

The expansion of non-government provision is often linked to arguments related to improved quality and cost-effectiveness. Less frequently are concerns with equity advanced. It is generally recognised that non-government provision, especially if for-profit, may have adverse implications for equity. High-quality, high-cost providers have no necessary reason to consider equity as a factor in deciding who to enrol. Though they may offer bursaries to support the 'deserving but needy', this is rarely on a scale that would make much impact on equity and the distribution of opportunity. The majority of clients may also have no direct interest in redistributive policies that reduce the comparative advantage that they may think that they are buying. Those who opt out of State education may be inclined to vote for low-cost, low-quality public schooling, saving on taxes and perpetuating class differentials (James 1997, cited in

Peano 1997). They may also be those who occupy the higher reaches of government policy-making systems. Low-cost, not-for-profit providers may have different motives and have a different impact on equity. Whatever their impact on equity and opportunity, it would seem idiosyncratic if they were to be seen as the leading vectors to improve equity. If States do not have the responsibility and mobilise resources, and transfer responsibility to civil society organisations with limited capacity and varied agendas, there would seem to be a problem with the role of the State (especially where public commitments have been made to enhance equity and reduce exclusion and marginalisation).

Very little analysis of the gender implications of the encouragement of non-government providers is available, despite international attention given to the promotion of gender equality in education through the MDGs. An analysis of who gets access to the expanding 'last-chance' low-quality schools deserves greater attention for an improved understanding of the equity implications of recent trends. There is some evidence from national and international data of a narrower gender gap in better-quality registered non-government schools compared with government schools (e.g. in Malawi, Tanzania and Uganda). This may be the result of more affluent parents being less likely to discriminate. It may also be because of historic admissions policy to government secondary schools which in some cases clearly provided more places at secondary level for boys (including in Malawi, for example). However, there is no systematic evidence on the situation in low quality, low-cost, and unregistered private schools.

The cost-effectiveness of non-government schools has attracted some attention. It is argued that where there is competition for students, and where schools are managed financially to break even or make a profit, the result will be improved cost-effectiveness. Gains are seen to be available from public/private 'partnerships' (World Bank 2002) that try to make use of a marketisation of aspects of secondary schooling and create more competition and benchmarking of efficient practice. Given the problems of delineating the non-government education sector, and in obtaining accurate information on its financing, very few studies are available which explore the relative cost-effectiveness of non-government and government schools. It is often difficult to calculate the amounts spent in non-government institutions since funding is diverse, cross subsidies difficult to assess, and accounting often lacks transparency. Religious institutions may receive substantial subsidies from their parent organisations. Practice varies widely on whether free or subsidised textbooks and other learning materials should be provided to non-government schools. According to Peano (1997: 64), there is 'an eternal debate' on whether non-government or government schools are more cost-effective, with studies presenting conflicting conclusions 'using against each other arguments of biased approaches and inaccurate comparisons'. Similarly, based on a review of the literature, Cuéllar-Marchelli (2003) argues that there is no conclusive evidence to show that the proposed benefits of privatisation in schooling actually occur in practice.

The few studies available examining the relative efficiency and cost-effectiveness of private schooling admit significant problems with their data (see, for example, Lockheed and Jimenez 1994). Some of the earlier studies on cost-effectiveness of private versus public schooling (including in Tanzania) reported that private school students generally outperform those in public schools even after controlling for pupil background, and that the unit costs were lower in private schools (Cox and Jimenez 1991; Lockheed and Jimenez 1994; James 1993a). These

studies do not, however, differentiate between different types of private schools. The study by Lassibille and Tan (1999) is a rare example of an attempt to measure cost-effectiveness based on disaggregation of different types of non-government schools. They attempt to examine differences between government and community schools in the public sector, and Christian and parent association community schools (Wazazi) schools (particularly ones established in the 1990s) in the non-government sector. They find that both types of non-government schools perform less well than government schools and that performance deficits persist even controlling for school inputs, suggesting that the non-government schools are less efficient than government schools. They recognise that this contradicts earlier evidence from Tanzania which suggested that private schools were more cost-efficient and effective than public schools. Their results imply that the new generation of non-government schools which are emerging to meet excess demand have been of low quality and poor performance. Higher performance in government schools is partly due to the selection process which directs the most capable students to government secondary schools (with the use of quotas by region and gender). Those not selected only have the option of attending low quality, non-government schools. Al-Samarrai (2001) presents evidence from Tanzania which suggests an inverse relationship between level of fees and student performance – with the lowest fees and highest performance in government secondary schools, and highest fees and lowest performance in non-government Trust schools, with Wazazi schools in-between.

In general, even where costs are lower in non-government institutions, there is a need to examine the reasons for cost differences. This may be due to more intensive use of teachers (larger classes, greater teaching loads), lower salaries and poorer conditions (casual employment, piece work contracts, moonlighting public school teachers working for marginal rates), fewer overheads, little non-salary expenditure etc. There is no systematic data in most SSA countries that can unpack the realities which might explain varied costs. Low-cost non-government schools may or may not add value through improved efficiency. Early studies by James (1991) indicate that the value added by private schools in excess demand situations is unclear, while in other cases lower costs of private schools do not seem to be explained by lower quality. Since recent expansion has in particular been driven by excess demand, there is an implication that new entrants may not be adding value efficiently.

In a recent study on profitability of non-government education in Kenya, the authors were unable to determine the profitability of non-government schooling in practice (Karmokolias and van Lutsenburg Maas 1997). Unit costs in public secondary schools are, on average, nearly double those of non-government secondary schools. However, unit costs in non-government secondary schools vary considerably – according to the survey of non-government schools mainly in and around Nairobi, these ranged between \$120 and \$3,250, with teacher and administrative salaries constituting the largest single cost item for all schools surveyed. Some of the most expensive schools are classified as not-for-profit (because they are affiliated with religious or ethnic community organisations, even though they accept students of all races and religions) and do not, therefore, pay tax. By contrast, some of the lowest cost schools are tax-paying even though they cater for lower income groups (Karmokolias and van Lutsenburg Maas 1997). From the information provided in their study, it is not possible to ascertain whether the lower average unit cost in some non-government schools is due to increased cost-effectiveness or other reasons (including poorer quality and/or that all costs are not accounted

for). Even if non-government schools appear to be more cost-effective, in terms of having lower annual unit costs, questions arise about whether it is indeed cheaper to educate children in low quality institutions – whereby it is likely to take more years for them to attain basic standards, thereby increasing the average cost per graduate.

### **National Policy Towards Private Sector Involvement in Education**

Non-government education is influenced by policies within the education sector and beyond. Legislation outside Ministries of Education, for example from Departments of Trade and Industry and Labour, affects the role of the non-government sector within education. As Dieltiens (2002) points out, independent schools in South Africa are not only governed by legislation within the education sector but also in relation to taxation and labour. For example, independent schools employing more than 50 members of staff have to submit employment equity plans according to the Employment Equity Act (Dieltiens 2002). The complexity of the variety of legislation, rather than a single policy statement, can result in considerable time spent ensuring that regulations are complied with, and may also curb the autonomy of independent schools. Furthermore, this may mean that independent schools are subject to greater legislation than government schools. In addition, in South Africa government regulations discourage competition between public and independent schools, refusing subsidisation of new independent schools near existing public schools which are not full. The government considers the legislation desirable in order to protect consumers and ensure quality of education.

In Uganda, liberalisation and privatisation of the economy is mentioned by the country's EFA Assessment as one of the issues which needs to be taken into account when considering the feasibility of achieving EFA with respect to acquisition of essential skills. The EFA Assessment suggests that 'With the privatization of State enterprises, very few workers will be hired by government. Consequently EFA goals of evolving entrepreneurial spirit are well placed and timely'. In particular, it is suggested that privatisation of the economy requires that students acquire employable skills to be job creators and compete favourably in the labour market. Partly as a consequence a permissive approach has been taken to non-government providers of educational services, and these have grown rapidly. Non-government schools in principle fall under business legislation, or under charitable foundation status.

The lack of a clear policy framework in Lesotho has resulted in ambiguity about the respective roles of the Government, Churches and the local community:

While the Ministry of Education has developed policies, laws and regulations according to which schools should be run, local level school management has been in the hands not of the Ministry, but of the Churches. The result has been parallel management structures, with consequent ambiguity at school level with regard to accountability. With local-level school management in the hands of managers appointed by the Churches, and not accountable to the Ministry, the task of enforcing Ministry regulations at school level has proved a difficult one. Furthermore, teachers have been unclear as to who was their employer, as they were employed by the Church (on behalf of government) but paid by the Ministry. (1991/2-1995/6 Education Sector Development Plan 128).

## Regulation and Licensing

As the non-government sector becomes increasingly important in secondary education there is self evidently an important role for the State in relation to licensing and regulation. Questions arise about what is being regulated, who should regulate, and how should regulation be enacted. Key issues include:

- how legitimate providers are established;
- the level and manner in which providers are resourced;
- the taxation and customs and excise treatment of providers;
- how providers are governed and managed;
- the operational flexibility that providers have (e.g. in relation to charging of fees);
- information disclosure requirements on providers;
- regulation of the teacher labour market, including teacher registration and contracting arrangements;
- process of review and quality assurance of providers. (World Bank 2002: 20).

Three possible responses to the regulation of non-government education have been identified (Sayed with Rose 2001)<sup>21</sup>. One option is to allow the market to regulate its own activities. In other words the quality and success of non-government education providers will be determined by the extent to which they can effectively compete in the market. This, it is argued, will enhance competitiveness and choice, which are the perceived advantages of the for-profit non-government sector, allowing them to do what they are best at. Many would not consider market regulation to be an acceptable approach, partly because the operations of non-government providers within a country have a direct impact on public institutions and leave students unprotected. As such, this is an abdication of responsibility by government. In most countries there is no ‘free market’ for education in reality as most governments regulate the activities of non-government providers in some way and with good reason. Schools also have physical locations which determine their market access.

A second approach is not to allow any institution to operate as a non-government provider, as was the case previously in countries such as Tanzania and Mozambique. This rejectionist discourse only works if the State has the capacity to act against non-government providers and is seen to deliver services effectively. This is increasingly unrealistic in the context of liberalised economic policy, and because excess demand is growing so fast that the politics of prevention look decidedly unattractive. In most countries such an approach would involve closing or nationalising existing institutions and there is little evidence that this would be favoured.

The third way, referred to as a governance approach, is where the State recognises and acknowledges the existence of this sector but seeks ways of regulating its activities. This approach steers between the laissez-faire orientation of the first approach and the ‘rejectionist’ logic of the second. In some cases, regulation is undertaken by a buffer body rather than by the State itself. The weakness of this approach is that the capacity to specify regulations may greatly

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<sup>21</sup> Chapter 7 develops and extends this typology.

exceed the capacity to implement them effectively.

An increasing number of countries in East and Southern Africa have liberalised restrictions on non-government providers. The 1973 nationalisation decree of non-government primary schools in Tanzania was revoked in 1990. Within two years 32 non-government institutions were operating, some of which were non-government institutions owned by the Catholic Church prior to the nationalisation decree (Bray 1996, cited in Kitaev 1999). Non-government secondary schools, which were initially discouraged but tolerated, began to be encouraged after 1986, although formal regulations continued to prohibit profit-making and individually run non-government schools.<sup>22</sup> Uganda, Malawi and Rwanda have all liberalised restrictions on non-government schools in the 1990s.

Regulation of quality and content of non-government provision can include, amongst others, adequacy of financial provision, facilities available, curriculum, qualification of teachers and class size. Such criteria are stipulated in Tanzania, where applications should first be submitted and approved before the school is built (Chedié et al. 2000). NGOs, communities and individuals are now allowed to establish, own and manage educational institutions at all levels. However they must abide by laws and regulations issued by the Ministry of Education or any other Ministry responsible for the type of education and/or training concerned (Tanzania EFA Assessment, 2000). As a result, non-government providers are expected to operate in almost identical ways to public providers (although in practice this is not the case).

Despite encouragement of the non-government sector in Zambia, it has been noted that in practice its development has been hindered by 'excessive regulations and bureaucratic procedures', with no strategies proposed for encouraging expansion (Fidelity Consultancy Services 1994: 11). The process of registration is time-consuming, with each school requiring the personal approval of the Minister of Education. Non-government schools should pay an initial registration fee, as well as a fee for renewal of registration, and maintain far higher standards in terms of teacher qualifications and school facilities than government counterparts. Fees set by registered non-government schools have to be negotiated with parents, and then agreed by the Ministry of Education. While such regulations ensure minimum standards are met, they may stifle competition and encourage schools to operate unregulated and, therefore, possibly at significantly lower standards than considered acceptable. Thus the Academic Production Units in Zambia are run in competition with true non-government schools and may affect demand.

By contrast, in Malawi the private sector is heavily involved in secondary education. This has grown since 1994 in an ad hoc and unplanned way, without any government policy support (Kiernan et al. 2000). The Ministry of Education admits that the number of private schools is not known as it has no strong policy to ensure registration of these schools before they open. It notes that the Education Act which is supposed to regulate the establishment and operation of the institutions is 'too out-dated to serve the purpose to any national benefit', so most operate without following the required legal procedures. In addition, it suggests that given that non-government schools are business entities, they 'tend to give cosmetic pictures on their financial

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<sup>22</sup> Following the nationalisation of private institutions, school fees were introduced in primary and secondary schools in Tanzania, implying a contradiction in the policy, since private financing continued to be encouraged.

flows for fear of government interventions' (Malawi EFA Assessment 2000). In Mozambique, while several requests for licensing non-government schools have been presented to the Ministry of Education since 1990, the country Dossier reports that, with a few rare exceptions, consistent projects for building and equipping schools with laboratories, libraries, toilets, desks and other facilities have still not appeared. Instead what have appeared are flimsy buildings, which provide evidence of the difficulties faced by the non-government sector in mobilizing funds for the investment required.

In South Africa legislation on non-government education has developed rapidly since the end of apartheid.<sup>23</sup> The governance of education has been a highly contested area (Moja and Hayward 2000). High levels of regulation are apparent, with attempts to ensure that non-government institutions, especially those that are subsidised, replicate what is happening in the State sector. Methods to measure, track and regulate non-government providers have occurred in response to expansion and on-going ideological debates (Sayed and Rose 2002). Furthermore, commercial institutions complain that the regulatory system fails to recognise the market-based rationales associated with profits and practicality. In reality, students and parents are often unable to make informed decisions about which service to buy, since consumers generally lack sufficient standardised information to judge the quality-for-price between competing choices (Crouch 1998, cited in Dieltiens 2002).

Where regulation of the non-government sector is evident, this is often most apparent in determining what schools can teach, in particular to keep them in line with publicly run schools. Thus non-government schools in most countries are required to follow the standard national curriculum, with students expected to take national examinations. Legislation related to non-government education in South Africa includes, for example, stipulation that independent schools follow the core national curriculum, setting minimum standards for subsidies to independent schools based on criteria such as, amongst others, redressing previous inequalities, and achieving minimum standards in national examinations. Schools can, however, supplement the core curriculum, for example with religious education for those affiliated with religious organisations. Although schools in Malawi are under no obligation to follow the structure set up by the government, most non-government primary and secondary schools follow the national curricula, as students are expected to sit for national examinations prepared by the Malawi National Examinations Board, while designated non-government schools for international students follow international curricula (Malawi EFA Assessment 2000). Similarly in Mozambique, in accordance with the law, most non-government schools follow the national curriculum although they may also teach additional subjects. Pupils in non-government schools also sit for national examinations and teachers are trained in government teacher training institutions (Mozambique EFA Assessment 2000). In Namibia and Zimbabwe non-government schools are required, as a condition of registration, to incorporate the national curriculum as a minimum requirement (Namibia EFA Assessment 2000; Latham and Blair 1999). Non-government schools in Tanzania at all levels follow the same curricula as public schools. In Zanzibar, non-government institutions can have their own curriculum but it must be approved by the MOE. In practice most non-government schools follow the national curriculum, although no standard curriculum has yet been developed in Koranic schools (Zanzibar EFA

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<sup>23</sup> A detailed examination of legislation governing independent schools in South Africa is included in Dieltiens 2002.

Assessment 2000).

### Overview

States continue to play a dominant role in East and Southern Africa in shaping secondary school systems. The range of practices is diverse but some tentative generalisations seem possible (Table 3).

|  |  |
|--|--|
| Setting of policy objectives   | Retained by Governments with varying but often weak consultation and engagement with   |
| Provision  | Predominantly public in most but not all countries; recent rapid growth of low-cost non-government providers in low secondary enrolment countries; continued growth may  |
| Curriculum development   | Government responsibility in all but wholly  |
| Assessment and examinations  | Government responsibility except in high-cost  |
| Monitoring and regulation: <ul style="list-style-type: none"> <li>- setting of fee levels</li> <li>- length of school day/year</li> <li>- language of instruction</li> <li>- teacher pay and conditions</li> <li>- class size</li> <li>- type of facilities</li> </ul> | <p>Fee levels regulated in some systems but not others; additional charges unregulated.</p> <p>Generally set by governments but often not regulated with variations in non-government schools.</p> <p>Conforming with national policy.</p> <p>Usually at the discretion of non-government providers; may or may not be subject to labour law requirements.</p> <p>Under control of governing bodies and proprietors; may be subject to nominal regulation.</p> <p>Generally specified in regulations for licensing</p> |
| Funding and taxation   | Wide range from wholly private to subsidies of different kinds including those for salaries  |
|  |  |

**Table 3: Secondary Education: Functions and Responsibilities**

Most regulation attempts to control entry of non-government providers into the education sector often based on criteria which government schools themselves are unlikely to be able to meet. In practice, governments frequently turn a blind eye to illegal private providers, arguing that they are making a contribution in filling the gap in provision and that there is not much they can actually do to prevent them opening. Less attention is often paid to monitoring quality and access to non-government schools than to initial registration due to demands on resources beyond capacity.

In general, a tension is evident between lighter regulation to enable the non-government sector to operate largely unfettered; and tighter regulation to avoid the growth of low quality non-government education. While the former runs the risk of allowing last-chance schools to proliferate, the latter creates expectations for the non-government sector to replicate the State sector (e.g. by following the same curriculum and examinations), with implications for choice and diversity, and for whatever it is that makes the non-government sector different. Regulation can be costly in terms of time and financial resources if it is to be effective (Levin 1999, cited in World Bank 2002). The costs of regulation are largely unknown, although what indications there are suggest that in low enrolment countries regulation is widely underfunded. Thus in Uganda only two education officers are responsible for licensing and registering over 2000 non-government schools, and there is only one Ministry official in Malawi responsible for registering all schools (public and private, primary and secondary). In both countries, supervision is nominally the responsibility of the inspection system which is currently unable to visit all government schools regularly. Non-financial problems associated with regulation relate to the operation of regulatory systems that are culturally grounded, subject to interest group pressures and lacking in checks and balances. If non-government/public partnerships are to be successful, information about different providers and their services is needed. Such information is often not readily available, and requires time and effort in its collection. Collecting and disseminating information about the non-government sector is, therefore, another role in which the State will have to be more actively involved if increased reliance on non-government providers is being encouraged.

**Conclusion**

This Chapter has highlighted the problems of obtaining consistent, comparable information on recent developments in non-government sector involvement in education in East and Southern Africa. Non-government secondary schooling has expanded as a response to excess demand arising from successful EFA programmes in the low-enrolment countries on which we have data. The evidence available indicates that claims that the non-government sector can provide better quality education at lower cost is not substantiated across the literature we have examined. Within systems there will be cases where this may be true given the range of types of non-government provision, but a general case is not evident. Often expansion appears to have been by default (or despair) rather than by design. Broadly speaking a three-tier pyramid has evolved, with a base of low quality non-government schools becoming increasingly prevalent to fill the gaps created by excess demand, above which lie well founded non-government institutions and government schools. At the highest levels of performance, high cost non-

government schools compete in most countries with a core of selective government schools known to have high standards. Where it is considered desirable to encourage more growth of non-government providers there appear to be limits to probable expansion, not least those of affordability to clients and of rate of return to for-profit owners. Evidence on the equity implications of increased reliance on non-government schooling in the sub-region is yet to be properly investigated. *Prima facie* it would seem that for-profit providers are unlikely to be pro-poor and not-for-profit providers will be constrained in accessing the poor without subsidies.

There is no evidence to support the case sometimes put forward that expanded non-government schooling increases choice in low enrolment countries. It raises a number of questions. Firstly, choice is generally constrained by cost and by location. Subsidised government schools may recruit nationally, but the only non-government schools likely to do this will be relatively high-cost. Where non-government providers exist side by side with government schools (generally in urban areas) there may be some choice. In many rural areas there is only likely to be one source of secondary schooling, and that is most likely to be government. Second, paying fees for non-government secondary schooling is an option of last resort for many, rather than a choice. Third, this choice is unavailable to large sections of the population whose household incomes are inadequate to support costs. Fourth, choice depends on adequate information which, as we have seen, is largely lacking at national level and even more likely to be unavailable locally. Finally, the experience of fee abolition at primary level suggests that fees do have a significant effect on enrolment. Most government secondary systems charge fees that represent half or more of the costs of provision. Enrolment growth in government schools will be limited by these fees and the other costs of attending. Non-government providers offering comparable quality will find it difficult to operate at much lower costs.

The concern must remain that provision of low quality non-government education for the poor may not be serving their needs, and may be absorbing their scarce resources with limited benefits. Better regulation is a possible solution if the financial and non-financial constraints on this can be resolved. How feasible this is within current policy and resource levels is a critical question. So also is the fundamental issue of the opportunity cost of subsidies to non-government providers. The more that is spent in this way the less that is available to extend the coverage and quality of government provision.

There clearly are cases where non-government providers may offer equivalent service at similar or better prices. If these services are consumed by those wealthy enough to afford appropriate fees, the case for subsidy is weak in relation to other needs and opportunity costs. If these services are to be directed towards poorer households then non-government providers would need to demonstrate efficiency and effectiveness comparable to government schools, and a willingness to operate in areas where populations currently have little or no access to secondary schooling.



## Chapter 4: **Non-Government Secondary Schooling in South Africa**

### Introduction

This chapter synthesises the analysis of non-government providers of secondary schooling in South Africa. It has four sections. The first provides an introduction to the policy framework that has developed since 1994 to shape the activities of non-government providers. It outlines major legislation and discusses the shape of the sector, the subsidies it receives, and identifies the main organised constituencies. The second section maps the growth and composition of the non-government sector and develops a typology of schools. It also offers an analysis of fee and other data. The third section presents evidence from school case studies which give insight into the different types of schools and their main characteristics, operating styles and financial status. The fourth section identifies issues arising from the analysis which are suggestive of future trends and draws attention to some policy-relevant findings<sup>24</sup>.

### Independent Schools in South Africa<sup>25</sup>

The South African education system has a long history and has undergone radical transformation since 1994. The separate school systems for different racial groups have been replaced by a single system of education within which schools are a concurrent competence of both the national and provincial governments. The national Minister of Education determines 'national policy for planning, provision, financing, staffing, co-ordination, management, governance, programmes, monitoring, evaluation and well-being of the education system...' (Department of Education, National Education Policy Act, 1996). Provincial governments make provincial policy within the parameters of national policies, frameworks, norms and standards. The provincial Departments of Education have responsibility for establishing, managing and supporting schools and other pre-tertiary educational institutions in their provinces. They are financed through the provincial budgets voted by provincial legislatures, based on monies largely (but not entirely) received in the form of block grants from the national government.

Compulsory education (also considered to be equivalent to basic education) in South Africa now extends up to grade 9, which is the end of the General Education and Training (GET) band of the National Qualifications Framework (NQF). Primary schools, however, generally go as far as grade 7 owing to the infrastructure inherited from the old system. Secondary schools (made up of grades 8 to 12) therefore cover part of the GET band as well as the whole of the further education and training (FET) band (grades 10-12). While the Constitution of South Africa gives the right to basic education to all, it provides that everyone has the right to participate in further education and training (the FET level), which the State, through reasonable measures, must make progressively available and accessible (Department of Education, South African Schools Act section 29 [1]). The FET band is designed to prepare learners for higher education or the world of work and extends across a range of institutions including public schools, outreach and community programmes, government departments and a variety of private providers. Ordinary secondary schools cover the academic route and this

<sup>24</sup> The full case studies from which this chapter was written are available from the Education Policy Unit at the University of the Witwatersrand, Johannesburg, South Africa.

<sup>25</sup> Non-government schools are known as independent schools in South Africa under current conventions.

research is limited to an investigation of ordinary secondary schools only.

Independent schools in South Africa have a complex history. During apartheid the independent schools sector included mainly elite, high-fee schools and faith-based schools catering to various social sectors, particularly among the white population. The largest number of faith-based schools were part of the Catholic system. Virtually all the independent schools used English as a language of learning. From the 1980s a number of the independent schools began to admit black learners and a few new schools were established to cater for a non-segregated student body. From the establishment of the apartheid system in 1948 the relationship with government varied from one of grudging acceptance to hostility, and little or no subsidies were provided by the State. After the De Lange Commission in 1976 the climate slowly changed, such that by the time of the 1986 Private Schools Act there was an acceptance that subsidies could serve a useful purpose and that the role of such schools in promoting diversity was positive (Muller 1992).

Since 1990 the independent school sector has seen fairly rapid growth from a small base and now accounts for between 1200 and 2000 schools<sup>26</sup> and between 3% and 4% of total enrolment. Thus the independent secondary school sector in South Africa is relatively small. South African Schools Act (SASA) provides for a basic set of functions for all School Governing Bodies. These include the adoption of a constitution and mission statement for the school; the determination of the admissions policy of the school subject to certain restrictions; and the development of a budget that could include schools fees. In addition to the basic functions, governing bodies may also apply to their Provincial education department, under Section 21 of the Schools Act, to be allocated additional functions including the right to manage their own budgets, and decide what subject choices to offer and which textbooks to use within the national curriculum.

The payment of school fees in public schools has been the topic of intensive debate, with even the Department of Education acknowledging this as a ‘growing commodification of education, with the corresponding pressures of privatisation’ (DoE, November 2000: 35). Part of the reason why there are not more independent schools in South Africa stems from the ability of some ‘ex Model C’ schools (i.e. formerly high cost public schools restricted to whites) to remain public whilst also collecting high-fees. Such schools are important in that they effectively operate as semi-private sector within the public system. More importantly, they have become important spaces for middle class parents and use the fees to maintain what is perceived as a quality education system. Their significance lies in the fact that they act as ‘direct competitors’ to private schools and are, as intended, an attempt to ensure that there is no middle class flight from the public to the private sector (Sayed 2002).

The distinction between public and private is, therefore, a complex one. This study has confined itself to the investigation of non-public schools, defined in the SASA (Act 84 of 1996) as ‘independent schools’. Independent schools are distinguished from public schools in SASA by ownership criteria, as those which ‘any person may, at his or her own cost, establish and

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<sup>26</sup> The higher figure includes estimates of those that are unregistered.

<sup>27</sup> Section 51 of SASA allows for parents to register learners to receive education at home. Because there is little available data on home schooling, this study focuses only on independent schools as described in the Act.

maintain ....<sup>27</sup> From here on independent is therefore used to describe these private schools.

### Policy on Independent Schools

The South African State is committed to provide equitable education for all and realise the constitutional right of individuals and groups to offer an alternative education to that provided by the State. The debate on non-government provision has seen ‘a blurring of traditional left and right political positions’ in South Africa (Sayed 2002). This has resulted in heated exchanges between proponents and opponents of non-government provision. For analysts critical of the influence of independent schools, the expansion of these schools in a context of unequal distribution and poverty is seen as a threat to the State’s function in redistributing educational goods and in ensuring the equal access of all to education. Advocates of independent schooling argue that such schools offer alternative choices to the State’s standardised educational package, and that they are necessary to realise the right of citizens to access non-government schools. It is also argued that as long as there are inefficiencies and under-performance in public education in terms of access and quality, independent schools act as a pressure valve, helping to plug gaps that State provision is unable to fill. In addition, it is contended that increasingly independent schools draw clientele from across the social classes and ethnic communities (Du Toit 2002, Hofmeyr and Lee 2004). Most, however, operate at fee levels that are above the level of affordability for poor households.

The Constitution of South Africa allows for the establishment of non-government educational institutions, while at the same time attaching conditions to their operation (section 29, subsection 3). Trevor Coombe, previously Deputy Director General in charge of education policy, notes that the Constitutional provision ‘represents a fine middle path, avoiding the extremes of argument for and against the establishment of a right to private education’ (Coombe 2001:6).

The basis for governance and funding of South African schools is laid out in the South African Schools Act of 1996 (SASA) and the National Education Policy Act, No. 27 of 1996 (NEPA), with the associated National Norms and Standards for School Funding of 1998 and their updates. NEPA lays the foundations for cooperative governance in education policy formulation. The Act sets in place the principles and processes in determining national policies and to establish consultative bodies. The Minister is obliged to form a National Education and Training Council (NETC)<sup>28</sup> composed of the main national stakeholders in the education system. Its job is to advise on broad policy and strategy for the development of the national education system. Independent schools may also be represented on provincial education councils through their associations.

SASA sets conditions on the establishment of independent schools designed around ensuring quality education and combating racism. Crucially, private schools are not to be inferior in standard to comparable public schools and the admission policy of the school should not discriminate on the grounds of race. Since schooling is a provincial competency,<sup>29</sup> each provincial education department lists further conditions before independent schools can be registered. Generally these include:

<sup>28</sup> Section 11 of the Act. The NETC has yet to be established though the Act required its establishment within one year.

<sup>29</sup> Higher education is deemed a national competency in South Africa.

- A guarantee that the school will exist for at least a year;
- The number of learners in a school is not less than 20;
- Educators are qualified and registered with the South African Council of Educators (making it illegal for independent schools to employ unregistered teachers);
- The buildings and resources are adequate for the teaching and learning that will take place in the school;
- Compliance with health and safety norms;
- Schools must follow the National Core Curriculum.

The Department of Education has tightened its control over registered independent schools in the recent past. Two main arguments appear to legitimise the restrictions on independent schools - the first is that the State needs to ensure that all learners receive quality education and the second that private schools need to become a part of 'an integrated schooling system' (Asmal, Business Day, 9 October 2001). New policy, such as Whole School Evaluation, which uses the same instruments to quality-assure both public and independent schools, and the introduction of a single examinations authority, gives the State greater leverage to regulate the curriculum of independent schools. The Education Laws Amendment Act of 2002 proposes the introduction of a single national examination for all grade 12 learners (first announced in September 2001). A single examination authority, expected to be functioning from 2005, would effectively make examinations currently conducted by private examining bodies such as the Independent Examinations Board (IEB) redundant. Minister of Education, Kader Asmal, used 'nation-building' to explain the reasoning behind the proposal. In a letter to The Star newspaper, he writes: 'The Department of Education's ability to monitor and exert influence on the promotion of values and approach in question papers by private examination bodies is limited ... Our aim is not to outlaw other matriculation examinations which may or may not be recognised by employers and educational institutions in South Africa and elsewhere, but rather to ensure that we have a single examination that is suitable for our nation-building process and which conforms with our curriculum' (The Star, 26 September 2001). The Independent Schools Association of South Africa (ISASA) gave ambivalent backing to the proposal in a press release (11 September 2001). It supported the idea of a single examining authority 'because this would remove the current variability in the standards of different provincial examinations', while insisting that choice of examinations that are based on the national core curriculum prevents a State monopoly and makes for a healthy education system'.

ISASA, which historically represents high-cost independent schools, has been active in lobbying for its interests. It objected strongly to the Education Laws Amendment Act (2002), which proposed that the Minister prescribe a national curriculum and a process for the assessment of learner achievement in all schools. The bill was later reworded, following public hearings and objections by the private schools (in particular ISASA) that the policy infringed the independence of private schools. Instead of determining the curriculum, the bill was changed to allow the Minister to determine the 'curriculum Statement indicating the minimum outcomes or standards' (Business Day, 11 September 2002).

ISASA also successfully challenged the Department on the policy dictating the age of entry into schools. The policy indicated that children may not enrol in grade one any earlier than in the year in which they turn seven. In a High Court judgment early in 2000, the court found that

an 'under-age' learner about to start in an independent school was being unfairly discriminated against by the January 2000 notice on age admission for independent schools. The court also found that the policy was not in the best interests of the child and a Departmental appeal failed. The then Minister Asmal said the judgment widened the already large gap between independent and public schools 'by adding to the privilege that the wealthy already enjoy' and that the government remained committed to a single integrated system of schooling in South Africa. ISASA's interest was clear in that elite independent schools had operated lower admission ages in the past and their clientele favoured this as it reflected practice in the UK and elsewhere.

Other contestations have come from a network of Christian independent schools which challenged the policy banning corporal punishment in all schools in the Constitutional Court. This failed to change policy. Christian Education South Africa, an umbrella organisation for some Christian schools, argued that section 10 of SASA, which made the administration of corporal punishment a criminal offence, infringed on the freedom of religion. The Business Day reported that, 'It said independent schools had been stripped of their right to participate in a cultural life of their choice. They cited verses from the Bible which they claimed condoned the use of corporal punishment to discipline children' (Business Day, 8 May 2000).

Although there are no direct references in SASA prescribing governance structures in independent schools, in line with its stated objective to base education on democratic principles, the Gauteng Department of Education has pressurised independent schools to establish participatory governance structures. According to Knott, '... what is said about governance of public schools should be applicable, either directly or with modifications, to private schools. This is based on the requirements of the South African Schools Act (section 42(3)(a)) that the standards maintained by independent schools should not be inferior to the standards in comparable public schools. This would include the standards of democracy and governance'. He argues that although there are no regulations specifying what structures should govern independent schools, they are bound by the principles of the National Education Policy Act, which specifies: '...broad public participation in the development of education policy and the representation of stakeholders in the governance of all aspects of the education system' (Knott 2002). In addition, a draft amendment to SASA does away with the prefect system, usually a disciplinary body appointed by staff, to be replaced by a Representative Council of Learners (RCL).

There has been growing concern from independent schools that legislative overload is sapping private schools, causing them significant financial difficulties and curbing their autonomy. Apart from education legislation independent schools, unlike government schools, are also regulated by legislation affecting businesses. For example, schools that employ more than 50 staff have to submit employment equity plans according to the Employment Equity Act. Besides the regulatory framework, the State has also maintained leverage over the independent school sector through the granting of subsidies, which we turn to next.

### **Subsidies to Independent Schools**

Public funding of independent schools is fairly limited, but very significant for lower cost providers who could not function without assistance. The National Norms and Standards for

School Funding, gazetted in October 1998 (hereafter abbreviated to the Norms), set the minimum standards for subsidies to independent schools. The Norms recognises that independent schools are cost-efficient for the State: ‘if all learners were to transfer to public schools, the cost of public education in certain provinces might increase by as much as five percent’ (Department of Education 1998: section 56). There are, however, two important constraints on subsidy payments. First, in line with the Norms’s general intention to redress past inequalities and backlogs in public education, subsidies ‘must serve explicit social purposes’ (Norms 1998, section 63). Subsidy allocations must show preference to independent schools that are well-managed, provide a good education, serve poor communities and individuals, and are not operated for profit (Norms, 1998, section 64). Secondly, there are financial constraints on State support for independent schooling. Subsidies are paid out of non-personnel allocations, which in 1998/9 amounted to just 10% of total expenditure in provincial education departments (PEDs).

Provincial legislatures have discretion over education budgets and can determine how much is to be spent on independent schools, using the Norms as a guide. Criteria for funding include whether the school is registered, has a proven track record, and does not compete with a nearby overcrowded public school of equivalent quality. In addition, to qualify for a subsidy secondary schools must have a matriculation (grade 12) pass rate above 50%, the repetition rate in grades 11 and 12 should not be more than 20%, and the school is not to engage in practices which artificially increase the grade 12 pass rate (Norms 1998, section 146 and 147).

The basic principle for estimation of subsidies is to use the average unit costs per pupil in State (public) education in the previous year. Since the average cost per learner in public schools differs substantially among provinces, subsidies do too. The formula used in the Norms provides that schools charging more than two-and-a-half times the provincial average cost per pupil in a public school receive no subsidies. The Norms clearly defines ‘fees’ as covering all expenses except examination fees, boarding fees and textbook costs, to prevent schools from disguising fees as other types of payments required from parents. Those charging lower fees will receive subsidies calculated on a sliding scale – so that the lower their fees, the higher their subsidies (Table 4). Where schools are borderline cases, the provincial department can use the following qualitative descriptions as additional criteria:

- Schools in the first category or highest subsidy level would typically be located in townships, deep rural areas, or informal settlements;
- Those in the second category would typically be in inner city or transitional sub-urban areas, catering largely for township or informal settlement clientele or urban lower middle class;
- Those in the third and fourth categories would be middle and upper middle class schools with good facilities and local clientele;
- Those in the fifth category, which receive no subsidy, would be well- established schools with

|   |   |
|---|---|
| Up to 0.5 times (50%) of the provincial average public cost per learner in ordinary   | Subsidy equal to 60% of the provincial average cost per learner in ordinary public          |
| Higher than 0.5 and up to 1.0 times the provincial average public cost per learner in ordinary public schools for the previous fiscal | Subsidy equal to 40% of the provincial average cost per learner in ordinary public schools. |
| Higher than 1.0 and up to 1.5 times the provincial average public cost per learner in ordinary public schools for the previous fiscal | Subsidy equal to 25% of the provincial average cost per learner in ordinary public schools. |
| Higher than 1.5 and up to 2.5 times the provincial average public cost per learner in ordinary public schools for the previous fiscal | Subsidy equal to 15% of the provincial average cost per learner in ordinary public schools. |
| Higher than 2.5 times the provincial average public cost per learner in ordinary public   | No subsidy.   |

excellent facilities, a national or regional clientele and very low learner: educator ratios.

**Table 4: Allocation table for Independent School Subsidies**

Source: Government Gazette, 12 October 1998, No. 19347, section 151 (Figure 3)

The Norms stipulates that the subsidy category of a school is set according to the January 1998 fees ranking until a new ranking date is declared. Schools established after 1998 are categorised according to the above descriptions. Schools on the borderline between categories can appeal to be categorised at the lower fee level to attract a higher subsidy. The Norms does protect independent schools by not allowing the provincial subsidy to deviate by more than 10% from the historical rolling average of the previous three years, without consultation with the National Department (Hofmeyr et al. 2001: 30).

Concern has been expressed on the lack of capacity in the Education Departments to implement the Norms. In their joint March 2000 submission to the Minister, the independent school associations identified the following implementation problems in most of the provinces: inadequate capacity in the provinces to monitor independent schools; lack of readiness to implement the National Norms properly on time; lack of adequate notice given to schools of the subsidy amounts; inappropriate or no management checklists used by provinces; late payment of subsidies; and a dramatic decrease in the allocations to independent schools in the provincial budgets of provinces like the Eastern Cape and Mpumalanga (Hofmeyr et al. 2001: 32).

There have been problems related to the interpretation of the funding policy. Hofmeyr et al. argue that 'there has been uncertainty in the provinces about what should be included in the provincial per capita expenditure figure for determination of subsidies' (Hofmeyr et al. 2001:

30). The provincial average cost per learner (PACPL) in the Gauteng Department of Education (GDE), for example, has dropped for the secondary phase although the GDE budget has seen real growth. In 1996/7 the PACPL for the secondary phase was R4,354. This dropped to R4,217 in the 2000/01 fiscal year and was set at R4,038 for 2001/02. The GDE is confident that the PACPL is correct since it has been verified by the auditor general and an internal audit. However David Harrison, chair of the Alliance of Black Independent Schools (an association that represents schools in the inner-city and in informal settlements in Gauteng), claims that the GDE has been lowering the PACPL by shifting around amounts to different budget items. Harrison questions the GDE's interpretation of the Norms and claims that the GDE has not used the discretionary powers permitted in section 144 of the Norms which states, 'a provincial MEC may vary them [the funding guidelines] so long as their spirit and intent is maintained'. In a letter to the provincial department, Harrison argues that despite an increase in enrolment in independent schools, the percentage share of the school subsidy budget had shrunk from 4.2% in 1994/5 to only 1.5% in 2000/01 (Harrison 2001: 5). Harrison argues this is contrary to Section 160 of the Norms: 'the Ministry of Education in co-operation with PEDs and representatives of independent schools will monitor the application of the new norms to ensure that the overall subsidy to independent schools is a reasonable percentage of the total education budget in a province, in relation to the relative size of the independent and public school sectors in the province and other relevant considerations' (Harrison 2001: 2).

The Alliance of Black Independent Schools has also been in dispute with the GDE over the regulation that secondary schools must have a matriculation pass rate above 50% in order to qualify for a subsidy (Norms 1998, sections 146 and 147). Since 2000 the GDE has cut subsidies on a sliding scale – schools must tally a 50% matriculation pass rate to receive the total subsidy, and those attaining less than 20% receive no subsidy (since 2003 the sliding scale concession no longer applies and subsidies are cut completely to those schools attaining less than 50% in the matriculation exam). The criteria related to matriculation results proved expensive to the two informal settlement schools investigated as part of the case studies. In one, subsidies were cut based on the poor matriculation showing of just 14 learners in the first year that the exams were written at the school. Such subsidy cuts make it still more difficult for the schools to improve performance. While they are intended to put pressure on schools to perform they simply add to a cycle of failure. The failure of the formula to redress past inequalities in these cases is even more glaring when one considers that many of the schools in informal settlements were established because no public school existed in these areas. The Alliance of Black Independent Schools is planning a court challenge of the matriculation pass rate criteria on the basis that 'collective punishment' is unconstitutional. For Harrison: 'The system clearly discriminates against secondary school children in the historically disadvantaged communities and our schools believe the financial consequence of the GDE's policy is a clear breach of our African children's constitutional right to basic education and various national and provincial school acts' (Harrison 2001: 6).

A further set of problems relates to the payment of subsidies based on the number of learners counted on the 10 day survey conducted at the beginning of the year. For schools in the informal settlements and inner-city the 10 day headcount was contentious because of the large number of learners flooding in after that date who are not included in subsidy calculations for the first term. In one informal settlement school over 200 students were registered after the

first 10 days of school. Another case study school in an informal settlement had had to tread carefully around community objections to their turning away students after the 10 day headcount and have had to take latecomers in without their being subsidised, because there is no alternative public school nearby. According to Rennie Nair of the GDE, however, subsidy allocations are adjusted up if learner numbers have increased between the quarterly headcounts.

Although independent schools are generally treated as businesses and need to take into account legislation affecting businesses, they can qualify for tax exemption, and are thereby indirectly subsidised by the State. Up until 2001 all schools were exempt from paying tax. No registration or other formality was required. With changes to the Income Tax Act, promulgated on 15 July 2001, independent schools are required to register as Public Benefit Organisations (PBOs) with the South African Revenue Services (SARS) to qualify for tax exemption. They may also be entitled to pass tax deduction benefits to donors. A PBO is defined as an organisation 'of a public character' which is a Section 21 company or a trust or an association of persons. As PBOs, schools may not carry on any business undertaking or trading activity unless the activity is carried out substantially on a cost recovery basis, the gross income from that activity does not exceed the greater of 15% of the gross receipts of the school or R25,000; or it is only of an occasional nature undertaken substantially on the basis of voluntary labour (all information from Bennett 2001).

Once registered as a PBO, schools will be required by SARS to be further registered as non-profit organisations. The provisions of the Non-Profit Organisations Act need also to be observed therefore. The NPO Act defines an NPO as a trust, company or other association of persons established for a public purpose, the income and property of which is not distributed to its members or office bearers. The Act's Stated objectives are: to encourage and support NPO organisations in their contribution to meeting the diverse needs of the population by creating an environment in which NPOs can flourish; to establish administrative and regulatory frameworks within which NPOs can conduct their affairs; to encourage NPOs to maintain proper standards of governance, transparency and accountability; to create an environment within which the public may have access to information concerning NPOs; and to promote a spirit of co-operation and shared responsibility within government, donors and amongst other interested persons in their dealings with NPOs, (all information from Bennett 2001a).

Independent schools also have to contend with the Property Rates Bill which may add to their costs. The Bill will give municipalities the right to levy rates on all property, except for infrastructure, with the power to grant rebates or full exemptions in terms of broad guidelines set out in the Bill. If the Bill is passed into legislation, then schools will have to argue their case at municipal level if rates in practice are levied against them. Where an independent school has land which is not used for educational purposes then the municipality can determine what area is exempt from rates.

Current government policy appears to act as a disincentive to the growth of the sector. This despite the acknowledgement in National Norms and Standards for School Funding that: 'Independent schools perform a service to their learners that would otherwise have to be performed by the Provincial education department. Public subsidies to such schools cost the State considerably less per learner than if the same learners enrolled in public schools. It is,

therefore, cost-efficient for the State to provide a subsidy' (Department of Education 1998). Subsidies are nevertheless fairly limited. Although the Norms prioritises schools catering to poor learners or in areas where public school access is unavailable, even these schools are only eligible for a 60% subsidy grant.

Furthermore spending on independent schools has declined in real terms. On average provincial education budgets consume roughly 37% of the total provincial spending (Wildeman 2002: 4). Of this just over half a percent on average is spent on independent schools in the form of subsidies. Between 1995/6 and 2000/01 amounts spent on independent schooling dropped by R41130000 despite an increase in the number of schools. With more schools opening up and the budgets shrinking, subsidies to schools have been cut over the past few years – often followed by protests by the independent schools.

### Structural Map of Independent Schools

The research analysed statistics from secondary sources as well as primary data collected through a national survey of 282 schools. The schools were selected based on a composite list from various information sources including the national database, the GDE database and information from various associations.

The questionnaire requested information on, inter alia, geographical location, ownership, religious affiliation, year of establishment, number of learners (with gender and race specifics), number of educators, matriculation pass rates, subsidies and fee levels. Questionnaires were sent to all registered secondary and combined independent schools in KwaZulu Natal, Gauteng and the Western Cape. No data was returned from schools in the North West Province. Table 5 summarises the number of schools captured.<sup>30</sup>

|  |   |   |  |   |
|--|---|---|--|---|
|  |   |   |  |   |
|  | 9 |   |  |   |
|  |   |   |  |   |
|  |   |   |  |   |
|  |   |   |  |   |
|  | 9 |   |  |   |
|  |   |   |  |   |
|  | 0 | 0 |  | 0 |
|  |   |   |  |   |
|  |   |   |  |   |

**Table 5: School Survey Sample**

### Structure of the Independent Schools Sector

The independent secondary school sector in South Africa as defined in this research is relatively small. In 1992 there were just 392 independent schools nationally, 62% falling under the white

<sup>30</sup> In the tables that follow the count is not always 282 as data from some schools were missing for such analysis

House of Assembly (Gotkin, 1993). Within the next ten years the sector saw moderate growth, but it still makes up a small proportion of schools nationally. Data from the Department of Education Directorate: Information Systems shows that in 1995 there were 552 independent schools, 2% of the national total. By 2001 this had grown to a total of 984 independent schools representing 3.6% of schools in the country and just 2.1% of total enrolment (DoE, 2003).<sup>31</sup>

According to a Human Sciences Research Council (HSRC) survey of independent schools, 61.4% of all independent schools were registered after 1990. Registrations peaked in 1999 (10% of all independent schools were registered at this time) and then dropped significantly (just 1.5% of schools were registered in 2001).

Growth has been most significant in Gauteng and the Western Cape. According to the School Register of Needs 2000, these were the only provinces to see an increase in numbers of independent schools. In 2001 Gauteng had the largest number of independent schools, with 313 schools or about 32% of the national total (DoE 2003:8). Table 6 shows the distribution by province.



**Table 6: Percentage of Independent Schools as Percentage of Schools by Province (2001)**

In 2001 learners at independent schools in grades 8 to 12 made up 2.4% of the national total. The proportion of independent school learners increases at matriculation grades from 2.6% in grade 11 to 4.3% in grade 12. This increase is mostly due to the drop-out in the State sector

| Type of School        |     |     |     |     |     |     |
|-----------------------|-----|-----|-----|-----|-----|-----|
|                       |     |     |     |     |     |     |
|                       |     |     |     |     |     |     |
|                       |     |     |     |     |     |     |
| <b>Independent as</b> | 1.9 | 2.0 | 2.2 | 2.6 | 4.3 | 2.4 |

<sup>31</sup> These official statistics are probably conservative. According to Hofmeyr et al. by the year 2000 there were more than 2000 independent schools, making up 7% of schools and 3% of pupils nationally (Hofmeyr et al. 2001: 8). A survey by the HSRC estimates that there are 1300 independent schools (grades 1 to 12) (du Toit 2002: 5).

between grades 11 and 12. Table 7 shows this.

**Table 7: Number of Learners in Public and Independent Schools by Grade in 2001**  
**Typology of Independent Schools**

In developing a typology of independent schools, categorisation by fee levels is an obvious starting point. The National Norms and Standards for School Funding uses fee level as the only criterion to classify schools into five subsidy categories. In terms of the typology of schools we look within the fee categories at religious affiliation, size of school and ownership.

From our survey, the following five fee-based categories emerge:

- Elite schools, with fees over R20,000 per annum – 21% of schools;
- Top end schools, with fees between R12,000 and R19,999 per annum – 18% of schools;
- Upper middle, with fees between R6,000 and R11,999 per annum – 24% of schools;
- Lower middle, with fees between R1,000 and R5,999 per annum – 34% of schools;
- Lower end schools, with fees below R999 per annum – 4% of schools.

|  | 7 |  |
|--|---|--|
|  | 3 |  |
|  |   |  |
|  |   |  |

Table 8 shows the number and percentage of schools in each fee-level category; however for the purposes of categorisation the two top categories have been added together.

**Table 8: Fees in South African Independent Schools, Excluding Boarding Fees**

### Fees by Religious Affiliation

The following categories emerge when fees are cross-tabulated with religious affiliation,

- Elite schools: 35% of schools charging over R20,000 per annum were Anglican; most of the rest were inter-denominational Christian; 14% claimed to be secular;
- Top end schools: 46% of schools charging fees between R12,000 and R19,999 were classified as inter-denominational Christian; 39% were Catholic;
- Upper middle: 36% of schools charging fees between R6,000 and R11,999 were inter denominational Christian; 24% were charismatic<sup>32</sup>; and 19% were Catholic;
- Lower middle: 65% of schools charging fees between R1,000 and R5,999 were classified as inter-denominational Christian.

<sup>32</sup> Charismatic schools generally have an evangelical character with committed religious leadership associated with particular faith groups.

Anglican, Methodist and Jewish schools are concentrated in the highest fee range. Over half (54%) of Catholic schools in the sample charge above R12000 as do 58% of secular schools. 46% of interdenominational schools and 48% of charismatic schools charge below R6,000.

### Fees by Ownership

Table 9 shows the outcome when fees are cross-tabulated with ownership:

- High-cost schools are most commonly owned by Churches and Trusts, very few are privately owned;
- Upper-middle fee schools are predominantly Church owned;
- Lower-middle fee schools are mostly owned by individuals or families.

These categories are based on self-reporting and are thus subject to different interpretations of

| Fees, excluding | Individual | Trust | Church | Company |   |
|-----------------|------------|-------|--------|---------|---|
|                 | 6          |       |        |         |   |
|                 |            |       |        |         |   |
|                 |            |       |        |         |   |
|                 | 4          |       |        | 5       |   |
|                 |            |       |        |         |   |
|                 | 8          |       |        |         |   |
|                 | 5          | 5     |        |         |   |
|                 |            |       |        |         |   |
|                 |            |       |        |         |   |
|                 |            |       |        |         |   |
|                 | 2          | 1     | 3      | 1       | 7 |
|                 |            |       |        |         |   |
|                 | 4          | 2     | 5      | 2       | 3 |
|                 |            |       |        |         |   |

what is owned. They do not distinguish between different types of beneficial ownership in any detail, or indicate how the schools are registered.

### Table 9: Fees by Ownership

#### Independent Schools in Practice: Findings from the School Case Studies

Ten schools in the Gauteng Province, each representing a different school type, were studied to provide greater detail on the reasons for their establishment, who attended these schools and why, admission criteria, financial issues, governance and regulation, as well as the quality of

<sup>33</sup> Bridging schools exist largely to teach those who have dropped out of the formal system or failed and who wish to re-nter after upgrading their qualifications

education provided. The study also assessed the extent to which the school offered distinctly different learning experiences related to skills development, and to what extent it replicated public provision. Researchers visited an elite school, two in an informal settlement and two inner-city schools. The other schools chosen represented a for-profit school, a Muslim school, a township Catholic school, a bridging<sup>33</sup> school and a Christian charismatic school. Information was gathered through semi-structured interviews with staff and students and, where possible, owners of the school and parents. Documents such as school policy documents were perused in writing up the case study reports. The fieldwork also included classroom observations where possible. The Gauteng Province was chosen as the main site to exemplify the nature of the independent school sector in South Africa. It is also the province which best exemplifies the diversity of types of providers.

Gauteng Department of Education (GDE) statistics on independent schools are unreliable. According to the educational management information system (EMIS) there were 301 subsidised schools in 2002 (primary, secondary and combined), enrolling 109079 learners. The GDE section dealing with subsidies puts the number at 230 schools with 86,561 learners. This either means schools are over counted or that about 70 exist that are not subsidised but should be. The number of non-subsidised schools is still more difficult to pin down. The GDE provides a list of 115 non-subsidised schools, but this list does not record some prominent, elite schools (such as St Stithians, Roedean and St Johns).

| Grade | Subsidised | Non-subsidised | % of Total |
|-------|------------|----------------|------------|
| 8     |            |                |            |
| 9     |            |                |            |
|       |            |                |            |
|       |            |                |            |
|       |            |                |            |
|       |            |                |            |

Table 10 shows the number of learners in grades 8 to 12 in independent schools in Gauteng (EMIS data). The increased percentage of learners in grade 12 is due to greater drop out in the number of matriculants in public schools rather than to an increased enrolment in independent schools, as noted above.

**Table 10: The Number of Learners Enrolled in Gauteng Independent Schools, 2002**

Source: GDE EMIS Unit, 13 June 2002

Independent schools (primary, secondary and combined) employ 16% of educators in the province, which translates to an average teacher: learner ratio of 1:16, less than half the public school ratio of 33:1 (calculated from GDE EMIS data, 13 June 2002).

The GDE budget has seen a real growth rate from 1999/2000 to 2002/03 of 4.9%. The budget

<sup>34</sup> State schools in South Africa are allowed to charge school fees which are determined by individual SGBs. However, the government has put in place a policy which provides for exemptions for learners unable to pay the fees set.

| Subsidy Level | Number of secondary | % | Number of secondary | % |
|---------------|---------------------|---|---------------------|---|
|               |                     |   |                     |   |
|               |                     |   |                     |   |
|               |                     |   |                     |   |
|               |                     |   |                     |   |
|               |                     |   |                     |   |
|               |                     |   |                     |   |

for independent schools meanwhile has decreased by 5.8% in the same period (Porteus 2001: 5&6). This means that although the sector is growing slightly (learner numbers are projected to grow at 2.9% from 1999/2000 to 2002/03), the expenditure per learner is declining. Subsidies make up the bulk of this budget line, with a small amount allocated to manage subsidies and monitor performance. Table 11 shows that 70% of independent schools receive some subsidy.<sup>34</sup>

**Table 11: Profile of Independent Schooling in Gauteng 2001/02**

\* GDE EMIS data

Source: Rennie Nair, Analysis of the 2002 Subsidy to Independent Schools

The GDE's relationship with independent schools is a 'financial one, but also involves equity, quality, relevance and efficiency and effectiveness' (Petje, speech to GDE Independent Schools Conference, 17 October 2002). This is in keeping with the SASA stipulation that independent schools must not be of inferior quality to comparable public schools. The Act does not define what 'comparable' means and leaves this to the judgements of officials in provincial education departments. Petje notes: 'There is a need for mechanisms for operational efficiency in public schools and the same must apply to independent schooling'. The GDE in 2003 drafted two instruments to ensure allocative and operational efficiency: a Financial Management Regulation for Independent Schools and a checklist for the assessment, evaluation and monitoring of independent schools.

According to Vaughan Holmes, charged with registration of independent schools in Gauteng, as long as schools comply with the criteria for registration there is no difficulty with registering. Since 1999 approximately five schools per annum have been registered. Following an executive management decision, no schools in the inner city have been registered since February 2000. The decision, however, merely confirmed practice. Almost all inner-city schools (99%) were registered by the previous government (i.e. before 1994).

The GDE clamped down on unregistered independent schools in 1999. In 2002 they were aware of just five unregistered schools: three in the Pretoria inner city, one in the Johannesburg inner city and one on the East Rand (interview, Vaughan Holmes, GDE, 4 December 2002). Information on unregistered schools is supplied by the public. Holmes notes that the only area with a large cluster of independent schools is in the Orange Farm area because government provision of schooling did not keep pace with the rapid growth of the settlement. In the East Rand a similar informal settlement has been developing rapidly, but government has managed to keep up with delivery of schools here. A member of the research team walked through two

large informal settlements in the Soweto area and found no independent schools. It appears that where informal settlements are confined to small areas (unlike Orange Farm which is a sprawling settlement), learners are able to travel out to nearby schools.

The GDE is not considering converting the independent schools in the Orange Farm area into public schools. Holmes explains that the GDE is establishing new public schools in the area and ‘the assumption is that if the independent schools offer poor quality education, they will die a natural death’ (interview, 4 December 2002). He says only two schools have applied to be converted to public schools (St Barnabas and Pace College).

### School Profiles

The case study schools are profiled in Table 12<sup>35</sup>. Two of the case studies are located in Orange Farm, a sprawling informal settlement that grew rapidly, outpacing government provision of education. The schools were set up in the mid-1990s to meet the demand for education. Both schools are very large, with over 1,000 learners. Fees are very low (below R100) and they qualify for a 60% subsidy. One was established by a philanthropic businessman, has purpose built classrooms, a neat schoolyard and has managed to attain reasonably good matric results. The other was set up through a community initiative and is housed in a dilapidated building previously used as a chicken battery. Performance in the matric exam has been generally poor.

Two schools, located in the inner-city, were established in the early 1990s to pick up on the demand for education from learners disgruntled with the quality of schools in townships. (At least one of these schools had a profit motive.) They continue to cater for township learners or those staying in the inner-city. Both charge fees just below R5,000 per annum. One is accommodated on the fifth floor of a run-down office block with inadequate toilet facilities and few teaching resources, while the other school managed to raise funds from big business to move out of its inner-city premises into three residential houses on the fringes of the city. This school has some ties to the Presbyterian Church and has benefited enormously from corporate funding, even managing to buy two extra houses in the vicinity to accommodate a few boarders.

Two faith-based schools, a Muslim school and a Christian charismatic school, were established to provide education grounded on religious fundamentals. Both schools are well-established with exceptional matric results. Although interdenominational, learners at the Christian school come mainly from charismatic or pentacostal affiliations and parents must present signed letters from the pastor of their church when applying, as proof of their Christian affiliation. The Muslim school draws predominately from the surrounding Indian community and Islamic dress code is enforced.

The Catholic school, the oldest of the schools studied, is located in Soweto. It aims to cultivate a Catholic ethos but is less religiously directed than the former two. Just over 50% of its learners were Catholics, but the school no longer has nuns or brothers from religious orders working there. Fees are kept as low as possible, amounting to about R1,500. Matric results have fluctuated but are normally in the region of 80%.

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<sup>35</sup> The names of schools have been changed.

Table 12: Characteristics of Case Study Schools

|                               | Location   | Learner numbers | PTR | Exam | 2001 Matric. pass rate | Average Fees per annum | Subsidy | Ownership     | % Girls | % Boys | % African | % White | % Indian | % Coloured | Religious affiliation |
|-------------------------------|------------|-----------------|-----|------|------------------------|------------------------|---------|---------------|---------|--------|-----------|---------|----------|------------|-----------------------|
| <b>Informal Settlement</b>    | Informal S | 1,916           | 40  | Prov | 79%                    | R50                    | 60%     | Family        |         |        | 100       |         |          |            | Secular               |
| <b>Informal Settlement</b>    | Informal S | 1,225           |     | Prov | 33%                    | R100                   | 60%     | Trust         | 50      | 50     | 100       |         |          |            | Secular               |
| <b>Inner-City</b>             | Inner-City | 315             | 20  | Prov | 69%                    | R4200                  | 25%     | 3 Individuals | 45      | 55     | 100       |         |          |            | Secular               |
| <b>Inner-City (Christian)</b> | Inner-City | 155             | 16  | Prov | 95%                    | R4690                  | 40%     | Trust         | 41      | 59     | 100       |         |          |            | Prebyterian           |
| <b>Muslim</b>                 | Suburb     | 421             | 14  | Prov | 100%                   | R5630                  | 40%     | Board         | 45      | 55     | 1.5       |         | 96       | 2.5        | Muslim                |
| <b>Christian Charismatic</b>  | Suburb     | 187             | 9   | IEB  | 100%                   | R13,139                | 15%     | Church        | 62      | 38     | 26        | 74      |          |            | Charismatic           |
| <b>Catholic</b>               | Township   | 648             | 31  | Prov | 88%                    | R1500                  | 60%     | Board         | 55      | 45     | 100       |         |          |            | Catholic              |
| <b>For-profit Elite</b>       | Suburb     | 205             | 25  | Prov | 99.5%                  | R22,800                | 0%      | Family        |         |        |           | 95      |          |            | Secular               |
| <b>Elite</b>                  | Suburb     | 1,200           |     | IEB  | 100%                   | R35,193                | 0%      | Trust         |         |        | 10        | 80      |          |            | Methodist             |
| <b>Bridging School</b>        | Suburb     | 247             | 22  | Prov | 53% (prev. 70%)        | R5,588                 | 25%     | Board         | 57      | 43     | 100       |         |          |            | Secular               |

Two elite schools were visited. One, a for-profit school charging fees over R20,000, was part of a larger group (franchise) of schools but owned by an individual. Its learner population was mainly Jewish. The other, a Methodist school, had fees over R35,000 and was owned by a Trust. The Methodist school has initiated a co-ordinate model of schooling – a model which lies in-between co-educational and single sex schooling. Based on research that suggests that girls and boys mature at different rates and learn at a different pace, the girls' and boys' schools are separate institutions, but some classes are combined from grades 10 to 12. The school is set on an estate with magnificent sports grounds, including nine rugby fields, an Astroturf hockey field and an 'aquatic complex'. The for-profit school emphasized academics ahead of extra-curricular activities. Its learning environment was described as 'relaxed' and learners are not required to wear uniforms.

The final school was initially set up as a bridging school to upgrade the English and Maths skills of learners transferring from township schools to ex-Model C schools, and to provide opportunities to matriculants wanting a second chance at rewriting the matriculation exams. Although the focus has shifted from bridging learners between township and ex-Model C schools, the school is still geared improving Maths and Science. Promotional material explains that the 'Matric Centre aims to address the appalling failure rate in matric by offering rewrite facilities to those who through lack of educational facilities have failed.' The rewrite programme is, however, falling away. Fees range from R5,000 to R6,000, with many learners on bursaries. Financial contributions from companies have mainly been used to cover capital costs. The higher grades (10-12) occupy a floor in an office block in a northern suburbs business district. Classrooms are large and learners sit in cubicles to study during free periods. There is no uniform (although learners wear a school T-shirt) and the school day is longer than usual, closing at 4pm.

### Access

A primary aim of the case studies was to investigate why learners choose to attend independent schools. For each case study a rich set of explanations was given. Often learners cited the poor condition of public (mainly township) schools as a reason for choosing independent schools. Learners noted that they had moved from schools where there was little or no teaching taking place. While learners in the elite schools questioned the quality of education in ex-Model C schools, it appears that the inner-city schools pick up on the overflow of learners avoiding township schools but unable to access the ex-Model C schools. On the flip side, most independent schools were seen to be offering quality education – indicated by their matriculation results. Small classes and individualised attention amplified this argument.

The perception that independent schools offer a better quality education than public schooling is only partly true. While 7 of the 10 case study schools achieved above the provincial average in matriculation exams, it must be noted that seven of the schools charged relatively high-fees. In addition, academic merit was taken into account when admitting learners in at least four schools. These administered admissions or 'diagnostic' tests and/or interviewed prospective learners. When the matriculation results of the case studies are compared with comparable public schools (Table 13), socio-economic status appears to be a fairly good indicator of

| School                            | Average fees | 2001 Matric.             | Comparative                  | Average fees | 2001 Matric. |
|-----------------------------------|--------------|--------------------------|------------------------------|--------------|--------------|
| Informal                          | 50           | 79%                      | Orange Farm                  | 90           | 98.5%        |
| Informal                          | 100          | 33%                      | Orange Farm                  | 70           | 90%          |
| Inner-City                        | 4,200        | 69%                      | Inner city<br>(Barnato Park, | 2,400        | 100%         |
| Inner-City                        | 4,690        | 95%                      | -                            | -            | -            |
|                                   |              |                          |                              |              |              |
| Christian                         | 13,193       | 100% (IEB)               | Ex-Model C                   | 5,900        | 98%          |
| Catholic                          | 1,500        | 88%                      | Township                     | 120          | 35%          |
| Township                          | -            | -                        | Township<br>(Diepdale        | 50           | 36%          |
| Township                          | -            | -                        | Township                     | 100          | 30%          |
| For-profit<br>Elite               | 22,800       | 99.5%                    | Ex-Model C<br>(Parktown      | 9,000        | 100%         |
| Elite                             | 35,193       | 100% (IEB)               | Ex-Model C                   | 7,700        | -            |
| Bridging<br>school in<br>northern | 5,588        | 53%<br>(usually<br>70%+) | -                            | -            | -            |

performance. Independent schools do not out-perform public ex-Model C (former white) schools, and in the case of the inner-city school and Orange Farm they under-perform. Pass rates in public township schools are, however, cause for concern. When many black learners explain that quality was the main consideration for choosing to attend an independent school, their school of comparison is a township school.

Table 13: Performance of Case Study Schools and Comparable Public Schools

On its own, the perception of quality education is insufficient to explain why learners choose to go to an independent school. The principal of the charismatic Christian school gives a candid assessment of quality in his school: 'I am very hesitant to say independent schools offer anything more than public schools – we have the same teacher training, use the same teaching techniques and the same textbooks as [the neighbouring ex-Model C school]'. In faith-based schools parents are presumably prepared to pay extra for the religious instruction. In fact religious affiliation is a crucial draw card for parents dissatisfied with the secular environments

of public schools. The Muslim school and the charismatic Christian school provide a particular religious ethos and the school day is structured around religious practices. Such differentiated demand is not catered for in public schools.

The elite schools attract a particular kind of learner. The high quality of education and sporting facilities is certainly a motivation for attending these schools, but just as important is the sense of confidence that being in an elite school conveys. As one educator put it: '[the school] gives learners 'an edge' – a self-confidence that comes from the incredible input to each individual learner.' Only the Trust Owned elite school had a programme in place to integrate learners with learning difficulties into mainstream classrooms. Their inclusion model was well developed and additional co-teachers were available for classroom support.

Bursaries also drew learners to independent schools. With the exception of the bridging school, however, very few bursaries were available. The bridging school had a large number of bursary students identified by the Maths Centre as having potential to succeed in Maths and Science. The elite schools offered approximately 53 full bursaries or scholarships and 25 partial bursaries, and the for-profit school had approximately ten full bursaries (5% of learners) available.

The convenience of an independent school close to home was not given much importance. The exception is of course in the informal settlement of Orange Farm. With no public schools within walking distance, most learners had no alternative to the two schools visited. These schools most resemble public schools in their admissions. Indeed the principal at one of these schools explains that many parents do not realise that the school is private, a perception the school does nothing to dispel because 'independent schools in Orange Farm are seen to be for poor people'.

One of the inner-city schools had a large core of learners from other African countries, mainly the Democratic Republic of the Congo, Mozambique and Angola. For many of these learners access to an independent school was made easier because, unlike public schools, no additional documentation was required other than a birth certificate.<sup>36</sup>

Another factor that may have an impact on access to independent schools is the language of learning and teaching. Most schools (90%) from our survey data were English medium. Many of the Afrikaans medium schools may have been established to protect cultural identity. From the survey data five schools offering instruction in Afrikaans and seven offering dual medium (English and Afrikaans) were set up in the past ten years, which points to new demand for independent schools from the Afrikaans community during the transition period from National Party rule to ANC government. The 62 Christelike Volkseie Onderwys (CVO) schools in the country were all set up since the 1990s with the aim to provide 'excellent education to the pupils from an Afrikaans background'. Six were included in the survey.

From the above it appears black learners choose independent schools as an alternative to poor quality township schools or, in the case of the informal settlements, because no public school has been established within walking distance of their homes. Many of the black learners who

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<sup>36</sup> However it should be noted that current government policy precludes independent schools from enrolling learners without valid study permits. Schools which do not comply are in legal contravention of government policy.

travel into the city centre or to the suburbs from the townships may have preferred to attend former white schools but are unable to gain admission because these schools are full. Inner city schools may also be attractive to township learners because of the sense of autonomy or maturity that goes with travelling into the city to school. White learners opt for independent schooling based on differentiated demand: either an elite form of education or for religious reasons.

### **Governance**

Governance structures are the main means through which democratic decision-making and accountability are ensured. Two types of governing structures were evident in the case studies, with schools having one or the other or both. The first, usually at the top of an organogram, is a Board of Governors, mainly responsible for oversight of school policy and representing the interests of the owners. Boards were often made up of long-term members, usually the owners of the school or high-profile members nominated by the owners. The second structure, the School Governing Body (and sometimes called a Board of Governors), was normally made up of parents elected at AGM meetings, teachers, principal and, in some cases, learners. The SGBs were seen as mediating communication with parents and their main function appears to be fund-raising.

Apart from one inner-city school all schools had structures in place which included parent representation. The case studies were not always able to ascertain what role parents played or how elections were conducted. Learners were only represented on governance structures in three schools, two of which are in the informal settlement and followed most closely the example of public school governance.

School governance is countermanded by the financial imperatives of ensuring institutional sustainability. Financial administration was normally handled either by the principal, or an accountant or undertaken by the finance directorships (owners). Finances were administered at one inner-city school without any transparency or accountability to staff, parents or learners.

Board or SGB decisions are taken up in the school by management, which is usually represented on these structures by the principal. Schools tended to have a fairly traditional, hierarchical management structures. Principals were supported by deputy principals and heads of departments. Some schools had formed committees involving learners and teachers alike organising either issue-based concerns, cultural and sporting activities or general running of the school. Prefect bodies, responsible for learner discipline, were in place rather than Representative Learner Councils (RLCs). RLCs have replaced prefect bodies in public schools and act as vehicles for learner participation in school governance. The GDE has warned independent schools that they need to keep pace with levels of democracy in public schools.

Issues related to teaching and learning were usually dealt with by teachers. Few schools had appraisal or support structures in place for educators and many teachers said they had a great deal of autonomy in their classes. The bridging school and one inner-city school reported that the principal conducted classroom observations. The elite schools felt that since they hired only qualified educators and often headhunted teachers, appraisal structures were unnecessary. One of the elite schools ear-marked 5% of the budget for teacher development. In the for-profit

school, educators were fired if their classes under-performed.

### **Cost-effectiveness**

The collection of fees is crucial in covering running costs. The schools investigated as case studies tended to implement strict measures to ensure payments were made and the general rule was that learners were excluded until fees were paid in full or agreements signed with parents. The two schools serving residents in an informal settlement were almost entirely reliant on State subsidies to cover running costs. For one of them this meant teachers went unpaid until subsidies came in (in 2002 the first salary payment was in July). The other school, set up by a philanthropic entrepreneur, relied on the financial backing of the owner to cover salaries.

A few of the other schools complained of the pressures of on-going financial stress and difficulties in collecting fees. One of the inner-city schools was unable to pay teacher salaries when subsidy payments were delayed. The Christian school found its low teacher: learner ratio too expensive to maintain and blamed the rise in inflation in 2002 for an increased number of learners defaulting on fee payments.

With the exception of the two elite schools, the schools in the case studies were unable to pay teachers the equivalent of salaries in public schools. The elite schools used their financial muscle to headhunt educators from public schools, particularly for Maths and Science. The Catholic school was the only other school to pay teacher salaries at the same rate as in the public sector, but teachers received no benefits other than a pension. At least three of the schools had recruited a few retired teachers. The bridging school, besides hiring teachers on a 'salary sacrifice', employed part-time educators who were paid at an hourly rate.

Another large expense for the newly established schools was bond payments or rent on premises. The inner-city school, for example, paid over R20,000 per month on rent. Donations were generally used for bursaries, computers or to buy, improve or extend buildings.

A number of the subsidised schools have carefully worked out their fee level in order to be affordable to their target market, while at the same time aiming to fit into the highest subsidy category possible (usually 40%). As a result these schools often sit precariously on the borderline between subsidy categories and as the GDE average per capita cost has dropped, they face the prospect of slipping down into the lower subsidy category. Very few schools are able to generate a surplus safety net and only just manage to cover operating costs.

### **Curriculum and Innovation**

One of the concerns of the research was to investigate whether independent schools were able to extend their learning and teaching beyond conventional approaches to the national core curriculum. The case studies indicated that generally there was little innovation in terms of the curriculum. In fact most schools have had to react and keep up with government Outcomes Based Approaches and there has been little initiative to improve teaching practices independently. There were exceptions. For example, one school had benefited from a funded

programme to improve Maths and Science teaching and was also in the process of accrediting an entrepreneurship course. The elite schools were far advanced on computer technology – both in terms of access and level of skills. While schools with computers (there were only 3 without) were training students on basic Word and spreadsheet programmes or were loading computers with educational games, in the elite schools learners had their own e-mail addresses, and had wide access to the internet and CD Roms. In addition Design and Technology courses in these schools made extensive use of computers, so that learners were researching and designing mechanical and electrical gadgets on computers before assembling them practically.

A few of the schools were concerned to offer a more holistic education through extramural activities. A compulsory drama activity, for example, was presented in the bridging school. Outreach projects (or ‘community service’) at the elite school are compulsory and learners are encouraged to do further charity work in underprivileged areas. The projects aim to raise learners’ awareness of their privileged status. A similar project was initiated at one of the inner-city schools – again to encourage learners to recognize their privilege and the role they can play in helping others. The Christian school had outreach projects based on the ministry. However with the exception of the elite schools, which offered a wealth of sporting and cultural activities, in most schools extramural activities were offered on a limited scale. Often facilities were not available at the school and learners had to walk or pay for transport to sporting fields.

### **Reflections on the Independent School Sector**

Prior to the 1990s independent schools in South Africa were largely denominational (predominantly Catholic schools which held approximately one third of the sector) with a scattering of ethnic schools (German, Chinese and Japanese), Waldorf schools and schools run as independent businesses (Gotkin 1992: 54). The increase in independent schooling since the 1990s has shifted the ownership patterns from church to individuals and companies. The majority of Catholic schools have been converted to ‘public schools on private property’. Although the largest proportion of schools is still owned by churches (31.2%), a surprisingly great number of schools (25.1%) are owned by individuals/family businesses. In addition 21.4% are owned by Trusts and 21.4% are owned by companies. The majority of schools, however, remain denominational: about 71% are Christian, 5% are Muslim, 3% Jewish and 0.5% Hindu. In all, 71% of schools no older than 25 years are religiously affiliated, suggesting that although church-owned schools make up 25% of schools set up in the same period, owners may be motivated to set up religious schools without being affiliated to a church.

The racial profile of independent schools does not appear to have changed significantly in the same period. Department of National Education Statistics in 1992 show that whites made up 46% of enrolments, Africans 43%, coloureds 6% and Indians 4% (quoted in Gotkin 1992: 112). The survey revealed that white learners continue to make up the greatest proportion of enrolment (45%). African learners constitute 39%, Indian learners 7% and coloured learners 4% of overall enrolment figures. It must be noted, however, that our survey is biased towards top-end schools, so that the proportion of African learners is probably higher than this survey suggests. The HSRC statistics show that African learners constitute the majority of learners in 44% of schools, while 38% of schools have a majority of white learners. Growth was found to be strongest in schools with a majority of African and coloured learners between 1990 and

1994, and in schools with a majority of white and Indian learners since 1994.

Although we have no historical comparative data on socio-economic status, anecdotal evidence suggests that the elite schools that dominated the landscape in the 1990s have been displaced by schools serving the lower end of the market. Hofmeyr et al., for example, comment that: ‘The non-public sector is becoming more diverse under the influence of new education policies, demand and supply factors, the legacy of apartheid, the growth of black middle and upper classes and a vibrant informal sector. There is no such thing as an easily recognizable, uniform entity called an independent school. Independent schools are rich and poor, religious and secular, urban and rural, big and small, traditional and alternative’ (2001:13). The HSRC study concurs, finding that ‘there has also been a greater increase of schools charging fees within the lowest fee category since 1990’ (du Toit 2002:10). The HSRC’s definition of ‘lowest fee category’ is, however, high, from R0 to R6,000. The survey took the lowest fee category as schools charging below R1,000 per annum and found this segment to be negligible (4% of schools). Again it must be remembered that our survey had a bias to top-end schools, yet it appears that independent schools generally serve an urban middle class. Most schools charge between R1,000 and R5,999 per annum. Remarkably 33% of schools with fees over R20,000 per annum were recently established (within the past ten years). Although these schools make up only 15% of schools set up in the past 10 years, the market for elite schools clearly grew in the 1990s.

### **Prospects for Growth in the Independent Secondary School Sector**

Despite some growth, the independent schooling sector is small by international standards. The question then is why did independent schooling not grow rapidly in the last decade. Part of the explanation must lie in the partial privatisation of public school funding. Policy after 1996 encouraged independent contributions to public school financing as a result of educational expenditure cuts, particularly following the fiscal austerity measures of the government’s Growth, Employment and Redistribution (GEAR) strategy. SASA gives School Governing Bodies (SGBs) authority to charge school fees which parents would be compelled to pay. The government reasoned that if middle class (formerly white) public schools were prevented from raising funds to supplement State funding, the quality of schooling would fall and middle class learners would flee to independent schools. This in turn would deprive the entire public schooling system of an influential core of parents. While parents may be exempted from paying fees if they are unable to afford them, and schools may not expel learners for non-payment, SGBs may take legal action against parents for outstanding fees.

The semi-privatisation of public schools as articulated through the payment of school fees is further complemented in the wide-ranging functions and powers of school governance structures. In decentralising governance to schools, SASA charges SGBs to adopt a constitution and develop a Mission Statement for the school, adopt a code of conduct for the school and recommend the appointment of educators. In addition Section 21 of the Act allows SGBs to apply for additional functions, including the right to determine extra-curricular activities and to choose the subject options offered at the school (within the parameters of provincial curriculum policy). An amendment to SASA in 1997 allowed schools to employ at their own expense additional teachers to those allocated by the department. This has enabled some fee paying public schools to maintain low pupil:teacher ratios.

Many of the former white schools have been able to charge relatively high-fees, enabling them to continue offering quality education. This perhaps explains why there was not a flood of middle class white learners exiting the public school system and pouring into independent schools. The department acknowledges that while the decision to allow user fees in public schools 'represents our best reconciliation between the aims of equity and quality in the context of budgetary constraints, there is a growing tendency in the global discourse to elevate the charging of school fees from a necessary tactic to a principle, whereby 'clients' (parents and learners) have the 'right' to 'choose' (through purchasing power) the highest quality 'commodity' or 'service' (school) they can afford (or are willing to pay for)' (DoE 2000: 36).

Probably the strongest influence on the relatively modest growth of independent schools is the availability of public schooling. In South Africa the public schooling system has fairly good coverage. Enrolment figures for public schooling show substantial increases, from

| Province | GER 1997 | GER 2000 | % Change |
|----------|----------|----------|----------|
|          |          |          |          |
|          |          |          | 5        |
|          |          |          | 6        |
|          |          |          | 3        |
|          |          |          |          |
|          |          |          |          |
|          |          |          | 7        |
|          |          |          |          |

approximately 10.1 million learners in 1991 to 12 million learners in 1999, representing an annual average growth rate since 1991 of 2.8 percent (DoE 2000: 29). However gross enrolment rates at secondary level appear to have fallen (Table 14). It is not clear whether this is a result of a reduction on over-age learners or because of an actual decline in participation.

**Table 14: Gross Enrolment Ratio by Province, South Africa 1997 and 2000**

Source: Enrolment data from Department of Education, 1997 and 2002; population data from Statistics SA

If there is excess demand in relation to public schooling, stronger growth might be expected in independent secondary schools, especially in those provinces with a low gross enrolment rate. The opposite, however, appears to be the case. A review on provincial enrolment statistics shows that provinces with fairly high gross enrolment rates also have a greater proportion of independent schools. According to the 2000 national survey Gauteng (48,103 learners), Western Cape (9,828 learners) and KwaZulu-Natal (18,473 learners) account for 78% of learner enrolment in independent secondary schools. KwaZulu-Natal had a gross enrolment rate in secondary schools of 88% in 2000, Gauteng 93% and Western Cape 84% (the national average was 87%). Conversely the Eastern Cape has the lowest proportion of independent

learner enrolment, just 0.5% of the provincial total, but had the second lowest gross enrolment rate in 2000 in secondary schools at 73%.

In addition, according to the 1996 census, most of the 1.2 million out-of-school learners (12% of those aged between 7 and 18) were in rural areas (DoE 2000: 15). However in the largely rural provinces with most demand for schooling, the number of independent schools is negligible. In the Northern Cape independent provision of secondary schools makes up just 0.8%, in the Northern Province 0.8% and in Mpumalanga, 1.3%.

The extent of poverty may explain why independent schools have not burgeoned in the rural provinces with the largest numbers of out-of-school youth. A United Nations Development Programme (UNDP) report puts the poverty rate at 45% – that is some 18-20 million South Africans living in poverty. Between 25% and 30% live in extreme poverty, with an income less than R194 per adult per month (South Africa – Transformation for Human Development 2000, UNDP 2000). Independent schools are unlikely to provide access to out-of-school youth because poverty counts as an important reason for their exclusion from public schools. Our own survey shows that there are very few schools serving the lower end of the market where excess demand exists – just 4% of schools charged fees below R999 per annum while 62% of schools surveyed charged fees over R6,000 per annum.

Because of the overlap of race and class in the South African context, the relatively high level of fees charged seems to have resulted in a disproportionate number of white learners in the elite sector. The top-end schools included as case studies were made up of a majority of white learners, while no white learners attended the seven schools with fees below R6000.

### **Quality, Performance and Curriculum Issues**

There has been continued concern over the quality of education offered at public schools. The Department of Education admits that: ‘while enrolment is extensive, the quality of outcomes of the school system is low. On average it takes 8.8 years to complete Grade 7, and 18 years of learner effort for one learner to reach Grade 12’ (DoE 2000: 17). Matriculation pass rates have been improving, but with just 58% of learners passing in 2000 and only 14% receiving a university exemption, both the quantity and quality of passes remain a concern.

The question, then, for this research is whether independent schools were able to offer quality education and whether they were able to do so at a lower cost than public schools. The cost of quality is crucial because if the provision of a good education comes at high-cost in independent schools then most will be excluded. However, if independent schools were shown to be generally superior to public schools within similar fee ranges, this can be seen as a care for the State to support their expansion.

Learner:educator ratios hint at the quality of education independent schools offer, since generally the lower the learner:educator ratio, the more individual contact an educator may afford a learner. The Report on the School Register of Needs 2000 Survey indicates that learner:educator ratios in independent schools (both primary and secondary) dropped from 25:1 in 1996 to 15:1 in 2000 (DoE 2000:27). These learner:classroom ratios compare

favourably to the national ratio in 2000 of 38:1. Small classes are, however, related to fee levels. As the case studies showed, schools with high-fees had low learner:educator ratios and vice versa.

Matriculation examinations act as an important indicator of the performance of the South African education system. Unfortunately the DoE does not break down results by public and independent schools. However a count of schools with the best academic results shows that 27 of the 60 schools are independent (45%). The average fees at these 27 schools was R17,040). Of the 35 schools that achieved a 100% pass on higher grade for both Maths and Science, 9 (26%) are independent.

But while some schools are clearly achieving at this upper end, a substantial number are under-achieving. According to Rennie Nair of the GDE: ‘the rate of underachievement is disturbing in this sector’ (GDE Independent Schools Conference, 17 October 2002). Table 15 shows that

|  |   |  |
|--|---|--|
|  |   |  |
|  |   |  |
|  | 8 |  |
|  | 4 |  |
|  |   |  |

one fifth of GDE subsidised schools had their subsidies cut in 2002 for performing below 50% in the 2001 matriculation exams. Nationally independent schools make up 20% of all schools (including public) with a pass rate of less than 20% and make up 16% of all schools with a pass rate above 50% (our calculation).

**Table 15: GDE Grade 12 Matriculation Pass Rate Subsidy Penalties, 2002**

Source: Gauteng Department of Education

These statistics need to be balanced with the results from the Independent Examinations Board (IEB), which is taken by 134 schools and is recognised as a high quality exam. The Financial Mail writes: ‘Independent schools punch above their weight academically. Schools that write the IEB educate only 1% of matriculants but in 2000 produced 10% of African matriculants with higher-grade Maths and Science passes and in 2000 6% of all university entrance passes’ (Financial Mail, 28 June 2002:30). Since schools writing the IEB exam are top-end schools, catering to advantaged learners, these results should not be surprising.

The case study reports revealed a complex set of reasons for varying outcomes in the matriculation exam, though socio-economic status clearly played a role. The two top-end schools, besides mustering a wealth of educational resources, were able to headhunt educators. In one of these schools educators were dismissed if their classes under-performed. In addition learners at these schools spoke of a competitive academic environment which was propped up with supportive networks and individual attention. Religion also appears to play a role in performance. The two faith-based schools – a Muslim and a Christian charismatic school – provided a strong disciplined environment organised around religious principles. In most case study schools, extra lessons were also given after hours to matriculation students (it was not

clear to what extent this was practiced in the lower-end schools). The case studies also revealed that in a number of schools academic merit was taken into account when admitting learners by using diagnostic tests.

Three case study schools performed below the GDE pass rate in 2001. The poor showing in two of these schools was blamed on the learners rewriting the exam. Both schools enrolled a large number of learners attempting the exam for a second time. The inner-city school was, however, found to offer a generally poor standard of teaching (based on classroom observations) and teachers had few resources to aid instruction. The third school, located in an informal settlement, managed a pass rate of just 33%. Housed in a dilapidated building once used as a chicken battery, teachers sometimes went months without pay and the quality of education was subsequently very poor.

While the results of the matric examinations are used by the public as a measure of a school's performance, a better assessment of quality would be the extent to which independent schools are able to prepare learners for higher education or the world of work. The case studies revealed that there was generally little innovation to push the educational boundaries beyond the national core curriculum. Again the elite schools were an exception, where computer technology made a substantial difference to learning opportunities. Where innovative programmes had been implemented, such as an entrepreneurial course in the bridging school, these were externally funded.

In sum, then, this research has found that the differences in quality between independent schools and public schools do not suggest greater effectiveness, except possibly for elite schools. Where independent schools have been able to achieve better results, this is because they can muster the resources which only a few can afford. This situation is also mirrored in some public schools. The ex-Model C schools continue to capitalise on the resources they accumulated under apartheid and their ability to charge relatively high-fees. The greatest difference in terms of quality is therefore not between independent and public, but between well-resourced schools and those less advantaged. As Crouch remarks: 'Both public and independent sectors tend to fail in the production of equity-in-quality' (Crouch 1998:76). The challenge remains for government to improve public schooling in the previously disadvantaged sectors.

Independent providers sometimes argue that they are more responsive to the needs of the economy because they are more demand-led than government schools. We found little evidence of this in most of the schools studied, which adhered narrowly to the national curriculum. Schools did not appear to have close links with employing organisations. Changes to the national core curriculum for grades 10 to 12 are designed to ensure that schooling gives learners with the skills and knowledge needed to pursue higher education and to contribute to the economy (Zafar 2002:39). Should the national curriculum strategy achieve its aims, there should be little difference between public and independent schools in the extent to which they promote knowledge and skills of use in the labour market. Questions have been raised, however, over the government's readiness to implement the curriculum. The changes necessitate re-training educators on the principles, skills, values and methodology underpinning the new curriculum and the development of educators to teach new subjects, particularly in Mathematical Literacy and Life Orientation, which will be compulsory subjects (Zafar

2002:41). In addition it is as yet unclear whether government will be able to deliver on learner support material and other infrastructural requirements, such as workshops and workstations for new subjects like Electrical Technology and Mechanical Technology (Zafar 2002:42). Upgrading teacher skills and developing learner materials for the NCS to succeed will require massive investment. Yet the education budget is unlikely to be increased significantly.

Independent provision and public/independent school partnerships may have some attraction, bearing in mind the smallness of the independent sector. Mick Andrew, for example, argues that the 'industrialisation of education' is a necessary progression for education (Andrew 1998:81). According to Andrew the larger independent colleges run as business ventures are able, 'to achieve major economies of scale in areas such as course development and media costs' (Andrew 1998:81). And, he writes, 'can do so without burdening the taxpayer and by meeting the needs of the workplace and society for lifelong learning in an accountable, transparent, efficient and effective way' (Andrew 1998:83).

However the costs of implementing the NCS in independent schools will need an investment that may increase user fees and so aggravate inequalities. Crouch notes that 'education is more investment than consumption – one has to give up something now in order to derive benefit later' (Crouch 1998:75). Markets are unwilling to finance the education of poor people without collateral or assurance of repayment. One consequence may be that independent providers choose to offer subjects that are cheaper to deliver, specialising, for example, in commercial subjects rather than the Science or engineering fields, as they already do except in high-cost schools. A study by the National Business Initiative (NBI) on the independent college sector found that while colleges were generally responsive to students and potential employers, 'it is worth remembering that independent colleges are independent for-profit institutions, driven by the cost effectiveness and profitability of courses, and not necessarily the long-term national interest. Note also the focus on commercial rather than technical training' (Buckland et al. 1996:22).

It is premature to judge what effects the NCS will have on demand for independent schools and how well they will adapt to its demands. The impetus will need to come from independent providers to show they can respond appropriately without becoming more exclusive. It seems unlikely that core State policy and funding will change significantly to favour independent provision more than is currently the case.

### **Policy Perspectives**

Policy on independent schooling in South Africa steers a fine balance between the constitutional guarantee of the right to exist and a complex regulatory framework that prescribes the operation of schools. As such it may be argued that the policy framework is constitutionally enabling and not especially facilitative. The incentives to operate are not strong and have been declining for at least some of the schools that receive subsidy. The development trajectory of the South African State has been to 'broaden access to public secondary education for all within the framework of the democratic transformation of society, combating racism and sexism and all forms of unfair discrimination.' (Preamble to South African Schools Act, 1996). As such the independent school sector as it exists is bifurcated between those schools that meet

differentiated demand and those that operate in a context where the State under-provides publicly available secondary schooling opportunities.

Whilst the current regulatory framework may be consistent with overall educational development strategy, it is opaque about the role that independent schools will play in future. There is a need for a more focused policy dialogue. South Africa faces a raft of new educational challenges overlaid on the backlog arising from the legacy of apartheid. These new challenges include high rates of urban migration and of cross-border immigration; the demographic, social and economic impact of HIV/AIDS on schooling and the role of secondary education in its amelioration; transitions in the labour market towards more knowledge-intensive employment and towards greater proportions of service sector workers; and increased integration with the globalised education industry which both creates opportunities to export educational services and generates competition for domestic providers. High and middle level independent schools may be well placed to adapt to these changes in so far as they affect them. It is not at all clear whether low-cost independent providers will have a role and if so what it will be. Neither is it clear to what extent real partnerships between the public and private sector will have a contribution to make. These are issues that need careful consideration and active policy dialogue.

While current policy may be challenged by future development, there are two immediate issues which government policy for the sector needs to address. The first relates to the singular use of matriculation exam results to assess the quality of education provided by independent schools and the related removal of subsidy if a school scores below 50%. Measuring quality by means of these examination results fails to take into account student entry characteristics and other school contextual issues that may have an impact on performance. As the case study reports of two schools in the informal settlement found, subsidy cuts make it still more difficult for schools to improve performance. Educational opportunities for poor learners in areas where no public school exists, and where independent schools were established to meet demand, are therefore worsened. And as David Harrison of ABIS points out, penalising the entire school on the results of the previous year's matriculation amounts to 'collective punishment.' It penalises those entering the school for the performance of those leaving.

The condition regulating the number of matriculation rewrites to 20% of grade 12 enrolments should also be reviewed. Given the importance of the Senior Certificate in the job market, and the large number of failures, independent providers may offer a crucial service to learners wanting a second chance at the exam. The inefficiencies related to repeaters and over-age learners in the system will be off-set slightly because government will be subsidising such learners at most at 60% of the Provincial average cost per learner.

Second, government's approach to converting independent schools set up to meet excess demand into public schools needs clarity. SASA stipulates that schools wanting to convert apply to do so to the provincial head of department. However the GDE, for example, has no plans to take over independent institutions in areas where excess demand exists. Rather their approach is to establish new public schools in competition to independent institutions. This tactic seems unnecessarily antagonistic and replicates resources. A better approach would be to negotiate a clear set of criteria for conversion with these schools.

## Chapter 5: **Non-Government Secondary Schooling in Malawi**

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In the South African case independent schools will continue to offer a complementary form of provision to government schools, catering for a small but significant number of students. In the high quality, high-cost schools there seems no strong reason for new policy. The issues look different in relation to lower cost providers, where the relationship with the government school system remains unclear and where demand remains unsatisfied.

### **Introduction**

This Chapter presents the outcomes of the Malawi case study. It has four sections. The first provides an introduction to the secondary school system, its historical development and recent evolution. It outlines current policy on non-government providers and their licensing and regulation, and reviews the Private Schools Association of Malawi. Second, an analysis is provided of how the secondary school system has grown and profiles a structural map of provision. This covers enrolment growth and composition, the type and location of non-government providers, performance, affordability, and present and future demand. Third, nine school case studies are synthesised to provide insights into different types of non-government schools. Each was explored in terms of catchment and characteristics of learners, teachers, facilities, curriculum, finance, and management and administration. The last section contains some reflections drawn from all the case study data which are relevant to future policy.

### **Non-Government Providers in Malawi**

In 1994 the government of Malawi inherited a largely moribund education system with low enrolment and completion rates at primary, and very low participation rates at secondary. Few structural changes had been made since independence in 1964 and the non-government sector in education was very small. Malawi has had one of the lowest participation rates in secondary schooling in Africa. It is only recently that gross enrolment rates (GER) have exceeded 10%. Transition rates into government secondary schools have been low. Overall primary level enrolments expanded from about 1.8 million to nearly 3 million as an immediate consequence of the introduction of free primary education after 1994.

The core of the government system at secondary level in the mid-1990s consisted of four fully funded boarding schools, about 35 government day schools (with much boarding partly financed by fees) and about 20 grant aided schools the latter mostly run by denominational organisations to which capitation grants were paid by government to cover a proportion of costs. Since 1998 most government supported schools have been renamed Conventional Secondary Schools (CSS), though distinctions resulting from their past history remain. In 2003 there were 4 national government boarding schools, 23 day CSS, 33 boarding CSS, and 27 grant aided schools.

In addition to the conventional school system, the Malawi College of Distance Education (MCDE) was established in the mid 1960s. Initially this organized a large number of distance learning centres in which teachers' salaries were paid by government. The teachers were primary

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<sup>37</sup> The full country case study and other research products are available from the Centre for Educational Research and Training (CERT), Chancellor College, Zomba, Malawi.

qualified teachers posted to the MCDE system and paid from the primary education budget. Pupils paid fees that covered more than 60% of the costs of the centres. As distance learning centres, the MCDEs operated at very high pupil:teacher ratios of between 100:1 and 200:1. Some were organised in purpose-built structures, some in buildings designed for other purposes which happened to be available, and many functioned in primary school premises in the afternoons after regular pupils had finished school. Starting in 1998 the MCDE centres have been re-designated as Community Day Secondary Schools (CDSS).<sup>38</sup> The long-term intention is to integrate them fully into the public system. As yet there is no practical way of achieving this within existing budgets, since this would imply greatly increased government expenditure on education. In reality many MCDE/CDSSs continue to operate with very high pupil:teacher ratios and very few learning resources. There were thought to be over 520 MCDE/CDSS schools in 2000.

Non-government schools, i.e. those that receive no subsidy from government, have grown rapidly in numbers at secondary level. Official enrolments doubled between 1997 and 2000. Currently about 150 partly or fully registered non-government schools exist. In addition an

Table 16: A Classification of Secondary Schools

|            | Type       | Conventional Govt. (CSS) | CDSS | Grant Aided | International Non Govt. | Commercial Non Govt. | Mission Non Govt. | Dwelling House Non Govt. |
|------------|------------|--------------------------|------|-------------|-------------------------|----------------------|-------------------|--------------------------|
| Funding    |            | ✓                        | ✓    | ✓           |                         |                      |                   |                          |
|            |            | ✓                        | ✓    | ✓           | ✓                       | ✓                    | ✓                 | ✓                        |
| Ownership  |            | ✓                        | ✓    |             |                         |                      |                   |                          |
|            |            |                          |      | ✓           | ✓                       | ✓                    | ✓                 | ✓                        |
| Regulation | Government | ✓                        | ✓    | ✓           |                         | ✓                    | ✓                 |                          |
|            |            |                          |      |             | ✓                       | ✓                    | ✓                 |                          |

statistics.

Secondary schools can be classified into several types. Table 16 shows one way of categorising the differences.

The distinction between government and non-government in terms of funding is blurred because government schools charge fees and raise money from contributions. Grant-aided schools are owned by missions and differ from mission non-government schools in that they receive capitation grants from government. The mission non-government schools rely solely on fees and external assistance. CSS are the core of the government system and are in high

<sup>38</sup> The CDSSs are established by communities but funded by the government largely from the primary budget. In 1997 these schools had an average pupil:teacher ratio of 84:1 compared with 48:1 in conventional government secondary schools (MOE 1997). Since 2002 a maximum class size has been set at 45:1 and entry has become selective and is no longer open access. Enrolments are likely to have fallen as a result.

demand. CDSS constitute the much larger number of converted MCDE schools. There are at least ten non-government schools that offer internationally based curricula and operate at very high-costs, and in some cases admit non-Malawian pupils temporarily resident in Malawi. Commercial non-government schools are owned and run by private proprietors. Dwelling House schools are those established on a small scale in domestic or commercial properties by private individuals and are mostly unregistered.

In brief the problem can be simply stated. Conventional government and grant-maintained secondary schools have not been able to accommodate the increased demand for secondary education places. There has been massive expansion in enrolments of MCDE/CDSS and non-government schools over the last decade. Enrolments in the MCDE system exploded in the late 1990s and exceeded 180,000. These CDSS now have smaller enrolments as a result of new policy on selection to limit class size, and appear to have a Form 1 entry of perhaps 30,000 students. Recent estimates suggest that more than 30,000 students are enrolled in registered non-government secondary schools and perhaps a further 20,000 in unregistered schools, implying a Form 1 enrolment in non-government schools of at least 15,000 and probably more.<sup>39</sup> This can be compared to the 12,000 or so places available in conventional government schools. The number of primary leavers is yet to increase as fast as those in lower grades as repetition and drop out remain high. However if higher retention and completion rates are achieved as planned, competition for the limited number of places available at secondary level will increase dramatically and the nominal transition rate from primary to secondary of about 25% will begin to fall.

### **Policy and Practice and Non-Government Providers**

Currently there is no clear policy on the growth and regulation of non-government schools, or on those parts of the public school system which have substantial mixed public and private finance (the grant-aided schools and the MCDE/CDSS, which both levy significant fees). Much of that which does exist is reflected in the various versions of the Policy and Investment Framework for Education (PIF) (MoEST 2001). The PIF includes a specific aim to support good quality non-government secondary schools as a complement to public provision. It indicates that 'the Education Act will be revised with the aim of accommodating cost-sharing and private initiatives with regard to educational provision at all levels of the education system' (MoEST 2000:20) and that 'The necessary policy environment will be provided to encourage participation of non-government actors in the provision of secondary education' (ibid:21). The PIF envisages that by 2012, 10% of primary students and 25% of secondary students will be in the non-government sector.

The change in attitude of government towards non-government providers dates from the late 1990s and reflects the ideology of the post 1994 government. It is a recognition of the fact that substantial expansion at secondary level in conventional government secondary schools is not feasible within existing budget constraints. Several questions remain unanswered in the PIF. It is not clear what government regulatory mechanisms should be established to develop, support and indeed possibly subsidise the non-government sector. Nor is it clear what systems and

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<sup>39</sup> Data available in 2004 suggest that there are over 42000 enrolled in registered non-government schools.

performance indicators are appropriate that would enable the government to monitor quality and access. Two other important issues are the extent to which non-government providers will be able to grow as expansion draws in students from lower income groups with limited capacity to pay, and how the growth of the non-government schools will affect government schools, especially the CDSS.

A report by the Staff Development Institute (SDI in 2001) put the case for a supportive policy environment for non-government providers. It argued that:

- Non-government schools assist in providing education services by absorbing the excess students who cannot secure enrolment in government schools due to the few places available. This means that non-government schools are an alternative channel for students who cannot otherwise access normal secondary education;
- Non-government schools provide a kind of competition with government schools and can assist in improving the quality of the services rendered, especially when standards are thought to be falling;
- Non-government schools create employment for a large number of people who might otherwise have been out of employment, and making no contribution to the economy. The income received provides welfare services to the employed persons and their close relatives. Consequently, they can contribute to national poverty reduction.

It is a bit misleading to accept these arguments completely at face value. Increasing the non-government provision could have the consequence of reduced quality – it all depends on the characteristics of schools. The non-government schools may or may not generate competitive benefits for quality – if they attract teachers away from State schools they could diminish teaching quality in those schools (as may be happening with some CDSS). Though there are employment and welfare benefits to those who are employed in non-government schools, this comes at a cost to those who pay fees. If these fees are disproportionately paid by the relatively poor, and if the service delivered is not of good quality, poverty is unlikely to be diminished.

The current position is that the Malawi Government, through the Directorate of Secondary Education, is committed to expanding secondary school opportunities to accommodate the increasing numbers of primary school leavers. Thus one government official observed: ‘it is clear from the figures that government cannot ignore the role of the non-government schools. It is equally clear that government must find a way of controlling the sub-sector to ensure quality and value for money’ (British Council 2001: 7). Though it is clear that there is a sentiment to allow further growth in the non-government sector, most new schools remain unregistered, and those that are registered simply become certified, with no effective quality assurance system or minimum standards of facilities or staffing. Little is known systematically about varying forms of finance, government and curriculum in the private and mixed public/private sector, or the levels of cross subsidy that may be taking place (e.g. through contributions to teachers’ salaries, teacher training and examination costs).

What is known is not encouraging. As the demand for more secondary education has intensified, more and more non-government schools have flourished alongside the MCDEs. After democratisation in 1994, and the change in policy which saw the conversion of all MCDEs into CDSSs, there has been an explosion of private schools owned by individuals. This

group of private schools has changed the map of private schooling in Malawi. Most are for-profit institutions and there is much concern about quality. Their popularity derives from the lack of other choices and not from the quality of education they offer. In establishing private schools, most owners have looked to the standards of MCDE schools (now the CDSSs) rather than to conventional secondary schools (The British Council 2001:7). The evidence is that the recent expansion of secondary education has occurred to the detriment of quality.

Characteristically there are large numbers of pupils per class, a large proportion of untrained teachers and a lack of almost any teaching materials. As Anderson observed, ‘although some of the teaching I saw was very good, much of it was very dull, and variety was generally lacking. Where was the group-work, the pupil reflection, problem solving, independent thinking, creativity and innovation?’ (British Council, 2001).

Most non-government schools operate in environments that are far from satisfactory. The report by the Staff Development Institute noted that ‘the pressure to accommodate this influx of primary school leavers led to non-government schools springing in every conceivable place such as residential houses, beer halls, tobacco barns and all sorts of dilapidated buildings’ (SDI 2001:1). The problem seems to be that most proprietors of private schools have little or no knowledge of school management and operations. They also have to depend on teachers who are often untrained graduates, or primary school teachers teaching at secondary level.

As noted above there is no specific legislation in the Education Acts governing non-government provision. An interview with a former Permanent Secretary reveals that under the Education Act 1962 (which remains current) the Ministry of Education Science and Technology (MoEST) is mandated to:

- ensure that educational institutions operate within the minimum standards;
- register/deregister any school meeting/not meeting the standards provided for schools;
- inspect or close schools that are not having the recommended facilities for operating a school.

Interviews with PRISAM and MoEST officials revealed that the process of registering a school starts with the proprietor applying for a licence at Ministry headquarters. The Ministry then sends Divisional personnel to inspect the premises. Registration procedures are slow and arduous, with the result that many providers see little alternative but to operate on an unregistered basis or on provisional certificates. Regulatory requirements include the need to show evidence of:

- land title;
- tenants agreement;
- Bank Statement and proof of financing;
- staff certificates;
- partnership deeds/articles of association;
- original proprietor’s and head-teacher’s bio-data;
- site and building plan;
- copy of the contract for the teachers and signed contracts;
- school rules/code of conduct approved by Board of Governors;
- District school inspection report and Health inspectors report.

The interviews revealed that there are many inconsistencies in the way Divisions grant these licences and that different criteria are used by different Divisions. It is believed that many schools are registered but there are no records to support their registration status. Indeed our own visit to the EMIS section of the MoEST found no systematic procedures in place for the registration processes apart from a list of a few schools in a hardcover notebook.

While the regulations stipulate that no school should be opened until the licence has been granted, school owners open schools before they have received approval. MoEST officials admitted that many schools have opened without permission and that frequently proprietors ask for a license after they have enrolled pupils. Registration is ad hoc and certifies little. No cases were identified where schools had closed because of failure to meet licensing conditions.

Unsurprisingly schools with licences do not adhere to the minimum standards as evidenced by our own observations. The MoEST has been unable to register many schools, even less regulate them. Evidence from SDI (2001) showed that MoEST (the Directorate of Education Methods & Advisory Services) is also unable to regulate and inspect all government schools with reasonable frequency. Shortfalls are noted: ‘many students in non-government schools are facing problems which affect their studies, spoil their chances of going to university, and even deny them their rights. Imagine, an MSCE holder teaching Form 4! These teachers cannot express themselves and share what they know with us’ (views of a student at a British Council workshop, 2001).

One government official interviewed confirmed the problem, saying that ‘the majority of non-government schools have too few teachers and most of these teachers are unqualified’. Responding to the criticism as to why government is not closing down these schools, another Ministry official observed that ‘while closing these schools would be desirable, it is not practical ... because there is nowhere else for students to go’.

Paradoxically it is not only new private schools that have been established with little or no regulation or adherence to established norms. The same is also true of the majority of the new Community Day Secondary Schools (CDSSs). Most of these are operating in borrowed premises. The GOM diverts primary teachers from primary schools to these community schools and picks up the salary bills. There has been little effective regulation and monitoring of the CDSSs, and many have conditions similar to those found in low-cost non-government schools. Thus established norms pertaining to tuition fees, teachers’ wages, conditions of service, student selection and examination are not enforced. Basic information which might enable monitoring and compliance is lacking.

It is clear that there is little capacity in the Ministry for the carrying out of effective inspection. With only four inspectors at the Divisional level (each with 6-8 districts which each have many secondary schools), it is difficult to see how effective inspection can indeed be carried out.<sup>40</sup> Under the current decentralization process, District Assemblies are to run secondary schools in future and will assume the responsibility for nursery, primary and CDSSs. These responsibilities

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<sup>40</sup> It was learnt during interviews with Ministry officials that recent efforts have increased the number of secondary methods advisors to eight for each division— still not enough to inspect schools effectively.

will include recruitment, and the promotion and transfer of teachers (The Nation, Thursday 22 November 2001). The unfortunate thing is that nowhere are non-government schools mentioned under these arrangements. Logically the regulation of these schools might also be part of the assemblies' responsibility. However this would add an additional burden on already understaffed offices.

There are other issues concerned with the regulation of non-government schools. At the moment there is no coordination between the Ministry and the Malawi National Examination Board (MANEB). Schools can be registered with MANEB as examination centres even when they are not known by other parts of the MoEST. Other problems relate to the premature closing of schools, when operators decide to cease trading with little or no intention of compensating those who have already paid fees. As pointed out by a parent, 'the lack of control leaves parents (and pupils) open to exploitation and they end up frustrated as they have no voice representing their interests within the schools' (parent at British Council sponsored seminar, 2001).

### **The Private Schools Association of Malawi**

There have been attempts in the past to establish an association of private schools to assist in the promotion of quality education and regulate affiliated members. Most recently (October 2000) the first Constitution of Private Schools Association of Malawi (PRISAM) was adopted.<sup>41</sup> PRISAM's main objectives are to promote and to improve private education services in Malawi and to safeguard the interests of all persons concerned with the provision, promotion and improvement of private education in the country.

The main objectives of PRISAM by its own account can be summarised as:

- obtaining recognition of the organization by the Ministry of Education, Science and Technology and promoting improvement of standards in the delivery of education services in Malawi by providing a channel of communication, consultation and liaison with Government Departments on matters affecting private schools;
- collecting from members general statistical or other data as may be deemed necessary and transmitting the information to the appropriate Departments;
- providing advice, guidance, lectures, seminars and other training programmes;
- borrowing, raising or securing the payment of money in such manner as PRISAM may think fit to support PRISAM and lending or advancing credit to members against indemnities and assets;
- promoting facilities for members for the exchange of views and information on matters of policy affecting the provision, promotion and improvement of education services in Malawi;
- seeking to associate, co-operate and/or affiliate itself with other associations, organizations whose aims are similar to those of PRISAM and enabling PRISAM to be registered and/or recognized in any foreign country.

It is not immediately obvious that PRISAM is concerned with effective self regulation, or is likely to be able to discharge such a function. Most of the likely members may not be concerned

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<sup>41</sup> PRISAM membership is mainly composed of proprietors of private schools.

about regulatory issues, and/or may wish to influence such regulation to be over permissive. Membership of PRISAM is voluntary, and it appears to have few if any sanctions available to it to discourage inappropriate activities by proprietors. It also has yet to establish a financial base and it is unclear whether members are inclined to pay anything more than modest affiliation fees. There remains no clear relationship with Government.

The SDI report (2001) relating to PRISAM identified possible strengths and weaknesses of developing PRISAM. Amongst the dilemmas it uncovered remain the problems of finance – PRISAM is seeking public subsidy and international support. Given that domestic finance is insufficient to support government schools the case for subsidy seems weak. It is also weak as a result of the laissez-faire approach taken to membership, and the possibility that subsidy might simply increase the margins of for-profit providers.

Currently PRISAM appears to be an organisation influenced mostly by the commercial proprietors rather than educational and community interests. It includes a proliferation of low-achieving schools and has neither the voice nor the quality to influence national policy. Interviews with PRISAM officials produced suggestions that problems of registration and regulation could be eased if the Ministry enforced a requirement that all schools should be members of PRISAM before registering and before becoming examination centres. But this would give public responsibilities to an essentially private organisation, without clear accountability and with obviously conflicting interests. While ‘government is interested in seeing a PRISAM which is strong enough to play a self-regulation role in monitoring quality’, many members have a business-minded approach to education and see schools as predominantly commercial enterprises.

### **Mapping Non-Government Secondary Schooling in Malawi**

Attempts to map the Malawian non-government school sector are hampered by lack of data and the difficulty of collecting it. In the absence of the full inclusion of non-government schools (and all the CDSS) into the EMIS system, the best that can currently be done is to profile the system on the basis of the estimates. What is clear is that many new non-government schools are not registered, many are in dilapidated or inappropriate buildings, and that many small non-government schools are contributing to the poor quality of education in the secondary sector.

The secondary school sector in Malawi has grown tremendously. However most of those who leave primary still have no opportunity to enrol at the next level in schools of reasonable quality. As the numbers reaching grade 8 increase, the situation will deteriorate. It is also possible that because of the high-costs of non-government secondary education of minimal quality, and the limits to government subsidies to government schools, effective demand for secondary education will not keep rising. This section maps the non-government sector in more detail and sheds more light on its features.

### **Overall Patterns of Enrolments**

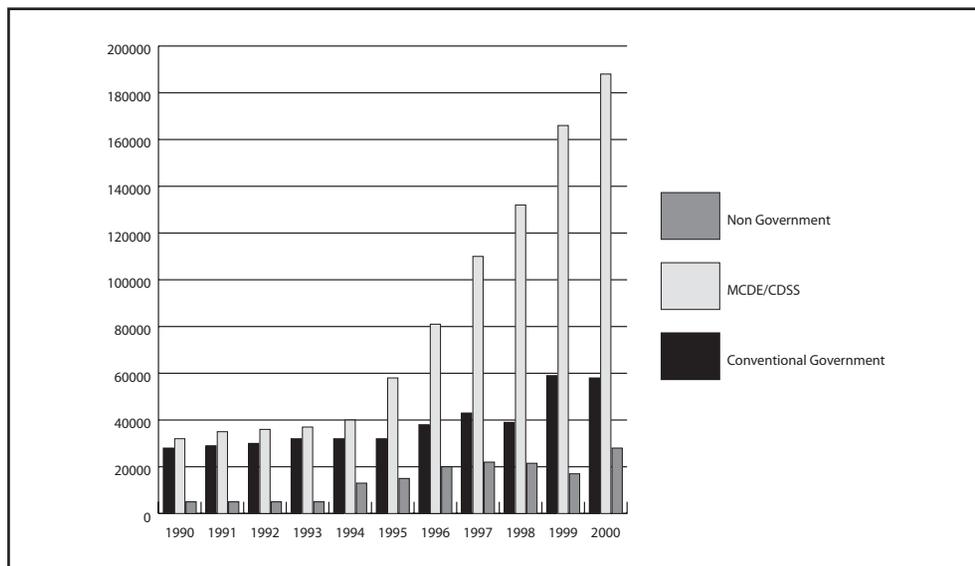
The pattern of growth in enrolments in different types of secondary schools in Malawi, as shown by official statistics, is displayed in Figure 2. Government school enrolments began to

grow after 1995 and increased from about 35,000 to close to 60,000 by 2000. The MCDE (now CDSS) enrolments expanded rapidly over the same period, from about 55,000 to peak at over 180,000. Since 2001 these numbers have fallen as selective entry has been applied to CDSS. Non-government schools recorded by the system appear to have increased enrolments from around 17,000 to about 28,000 (or more if those unregistered are included) in 2000.

Considerable caution is needed in interpreting this data because the quality of the data sets used is very poor, with unexplained variations in claimed enrolments from year to year.<sup>42</sup> However there is no doubt that overall secondary enrolment has grown and that much of this growth was in the MCDE schools that have become CDSSs. The data almost certainly under-estimates recent growth in non-government school enrolment as a result of non-response to school census surveys. Data collection related to secondary schools has not been a priority since the announcement of Free Primary Education. It has been estimated that there were as many as

| Types of secondary schools | Approximate number | Approximate number |
|----------------------------|--------------------|--------------------|
|                            |                    |                    |
|                            |                    |                    |
|                            |                    |                    |
|                            |                    |                    |

60,000 pupils in the non-government schools (Kiernan et al. 2000), compared to the 28,000 enumerated in 2000.<sup>43</sup> It is thought that not much more than a third of the registered non-



government schools responded fully to the MoEST questionnaire. Table 17 shows estimates of the numbers of schools and pupils in 2000.

<sup>42</sup> To the extent that even the Malawi Education Basic Statistics (2000:75) contain large inconsistencies in the numbers enrolled in CDSS and Non-government schools in different Tables.

<sup>43</sup> All these estimates ignore problems of irregular attendance which make enrolment data uncertain. By 2004 over 40,000 were identified by the preliminary results of the school census.

<sup>44</sup> The 2004 school census enumerates 180,000 secondary school pupils in Forms 1 to 4, suggesting this total may have been an exaggeration. In 2004 about 25% of registered schools appeared to be private.

**Table 17: Numbers of Secondary Schools and Enrolments by School Type (2000)**

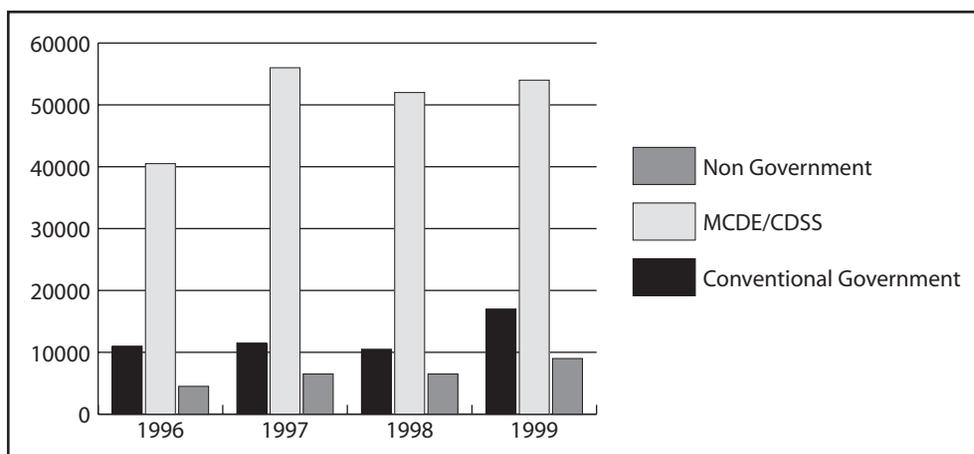
**Figure 2: Enrolment by School Type**

Source: MoEST Statistics 2000.

Examination entry statistics provide a cross check on participation in different types of schools. The numbers entered for Junior Certificate of Education (JCE) and for Malawi School Certificate of Education (MSCE) are shown below (Figures 3 and 4). Government school entrants for JCE match claimed enrolments in Form 2 fairly consistently. MCDE/CDSS entrants grew from about 40,000 to over 55,000 in 1997 but then stabilised, suggesting that although overall claimed enrolments in CDSS might be growing fast, many were not entering for the JCE examination. Non-government school candidates for JCE more than doubled from 1996 to 1999 (42,000 to 93,000). JCE has a high pass rate and does not act as a selection examination. This may explain the discrepancies since many may not take this examination.

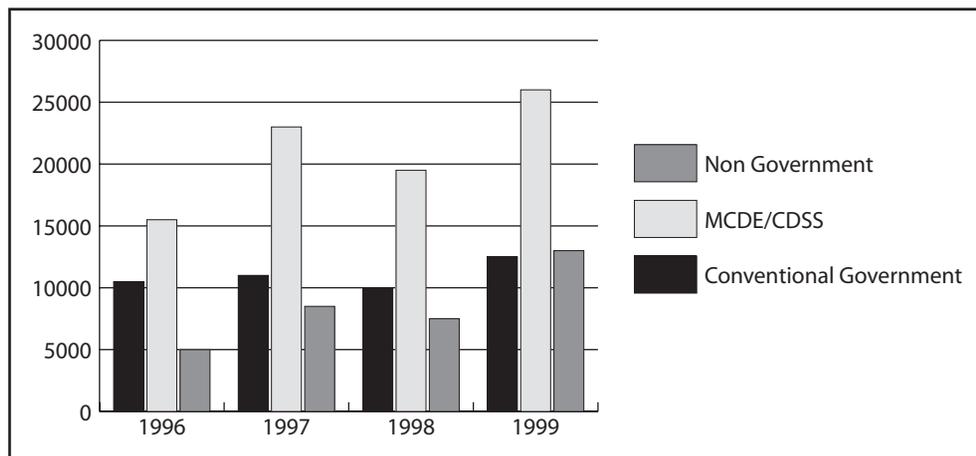
MSCE entrants in government schools increased from 10,500 to 12,600 between 1996 and 1999, with a dip in 1998. MCDE/CDSS entrants grew from 15,500 to 26,000 with a similar pattern. Non-government entrants grew strongly from about 5,000 to over 13,000. Though some of this growth may have been a result of changing patterns of re-sitting MSCE after failing in government schools, it does seem to indicate a strong expansion in non-government provision, at least as this relates to MSCE entry. It is consistent with the estimates that suggest that non-government enrolments may have been as much as 60,000 (i.e. more than four times greater than MSCE examination entries).

Non-government schools have a greater share of entrants at MSCE level when compared with JCE. This may be both because non-government schools do not attach much importance to JCE, and because at JCE level non-government candidates may be entered from small schools through CDSS, whilst at MSCE level more are entered through non-government schools registered as Malawi National Examinations Board (MANEB) examination centres.



Since 1999 the number of non-government school candidates for MSCE has exceeded those

from government and grant-aided schools. This seems to confirm that the non-government



sector is now probably larger than the conventional government school system (excluding the CDSS).

**Figure 3: JCE Entrants Malawi 1996-9**

Source: MANEB Statistics

**Figure 4: MSCE Entrants by School Type**

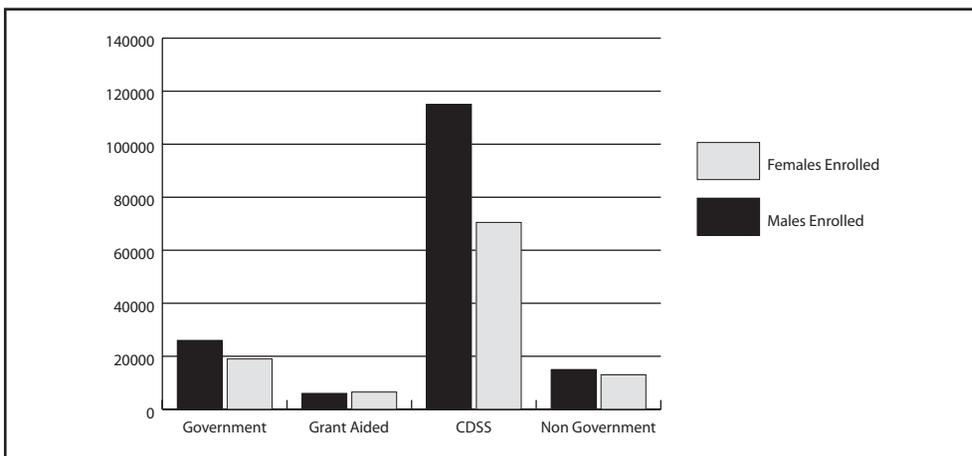
Source: MANEB Statistics

Enrolments at secondary level display gender imbalances. National data suggests boys' and girls' enrolments are most different in CDSS and in government schools. Grant-aided schools actually have more girls enrolled than boys. Differences recorded for the non-government schools on which there is data are small (Figure 5). Gender gaps in favour of boys increase by the time of MSCE entry in Form 4 (Figure 6). This suggests that females are more likely to have left school by Form 4 than are boys. The gaps remains small in grant aided and non-government schools registered with the MANEB.

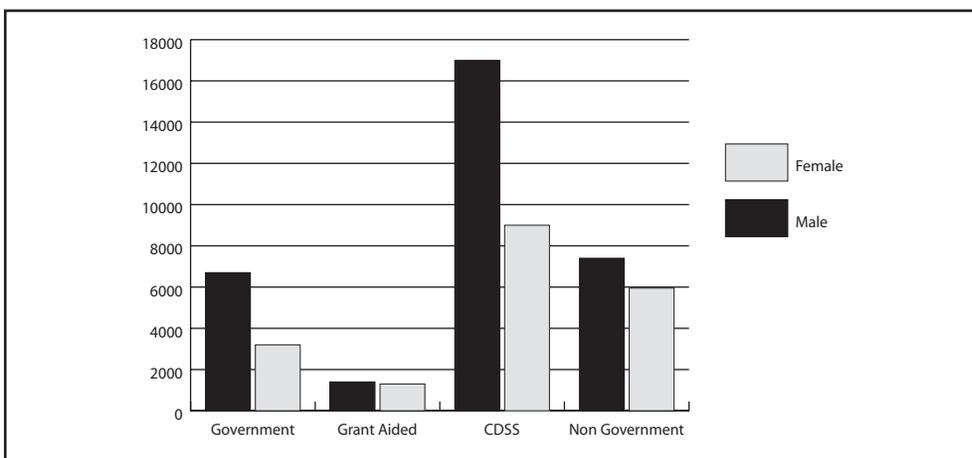
MANEB data on MSCE candidates in 2001 shows a male to female ratio of entrants of 2.1:1, 0.96:1, 1.9:1, and 1.18:1 for government, grant aided, CDSS and non-government schools respectively. A partial explanation of these patterns is that historically conventional government schools were built with twice as much boarding accommodation for boys as for girls. Selective drop-out of girls in higher grades of secondary is the other obvious reason. Non-government schools do not show these trends, at least in terms of examination entry in MANEB registered schools. It may be that those who are rich enough to afford non-government school fees are, by and large, rich enough not to need to discriminate between boy and girl children.

### The Non-Government School Sector

The lack of availability of data makes it extremely difficult to have an accurate picture of the status of non-government schools. No institution in Malawi has reliable information regarding how many non-government schools there are in the country. This makes planning and policy formulation subject to uncertain assumptions and the casual empiricism of interest groups.



Estimates of the number of non-government schools in each district by their registration status are presented in Table 18. This information is compiled from a number of sources. The first is the MoEST register of non-government schools known to them. The second source is based on



MANEB records of all non-government schools that have registered as examination centres. The third is the list of schools that have registered with the Private Schools Association of Malawi (PRISAM). Finally, and perhaps the most reliably, district education managers (DEMs) were asked to check lists and identify schools in their locality.

**Figure 5: Malawi School Enrolments by Sex**  
Source: MANEB Statistics

**Figure 6: MSCE Entrants by Sex and School Type**  
Source: MANEB 2000

Malawi (PRISAM). Finally, and perhaps the most reliably, district education managers (DEMs) were asked to check lists and identify schools in their locality.

A comparison of information from these four sources revealed the confusion surrounding the non-government sector. A good number of schools on the Ministry list were reported defunct

by the DEMs. PRISAM reported the smallest number of non-government schools. This is likely to be because there is no compulsion to join the association and no reason why PRISAM should maintain records on non-members. There were marked variations in the number and names of schools known by different sources. This is an indication that non-government schools have mushroomed without proper registration procedures.

The information in Table 18 illustrates that more than half of the 313 non-government schools

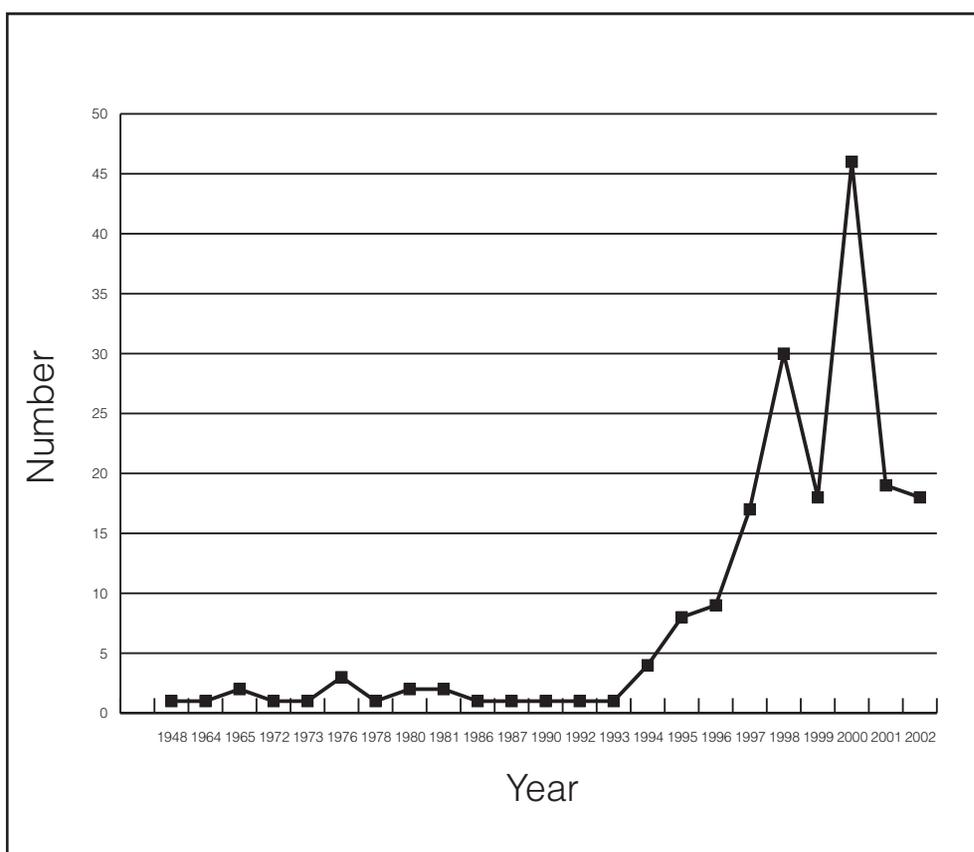
| Division     | District   |      |                           | Unregistered | Total |
|--------------|------------|------|---------------------------|--------------|-------|
|              |            | Full | Provisional <sup>45</sup> |              |       |
| Northern     | Chitipa    |      | 2                         | 2            | 4     |
|              | Karonga    |      | 2                         | 6            | 8     |
|              | Rumphi     | 2    | 2                         | 2            | 6     |
|              | Nkhata-Bay |      | 1                         | 8            | 9     |
|              | Mzuzu      |      | 7                         | 7            | 14    |
|              |            | 3    |                           |              |       |
| Central East | Kasungu    | 1    | 7                         | 3            | 11    |
|              | Nkota-Kota |      | 3                         | 3            | 6     |
|              | Salima     |      | 1                         |              | 1     |
|              | Ntchisi    |      |                           | 2            | 2     |
|              |            | 1    |                           |              |       |
| Central West | Ntcheu     | 3    | 3                         | 2            | 8     |
|              | Dedza      | 3    | 3                         |              | 6     |
|              | Mchinji    |      | 2                         | 3            | 5     |
|              |            |      |                           |              |       |
| South East   | Machinga   |      | 0                         | 14           | 14    |
|              | Mangochi   | 1    | 4                         | 7            | 12    |
|              | Zomba      | 1    | 3                         | 14           | 18    |
|              |            | 2    | 8                         |              |       |
| S. Highlands | Thyolo     | 1    | 5                         | 4            | 10    |
|              | Chiradzulu | 1    | 2                         | 8            | 11    |
|              | Mulanje    |      |                           | 5            | 5     |
|              |            | 2    | 7                         |              |       |
| South West   | Blantyre   |      | 37                        | 20           | 57    |
|              | Mwanza     | 1    | 1                         | 2            | 4     |
|              | Nsanje     |      |                           | 1            | 1     |
|              |            | 2    |                           |              |       |
|              |            |      |                           |              |       |

<sup>45</sup> Provisional status cover schools not yet fully recognised and ideally schools are supposed to be in that status for one to two years, but it was reported that many schools have been on provisional status for many years.

identified are not registered. The urban areas of Blantyre and Lilongwe harbour most of these non-government schools, and many are in unsuitable premises that could not be registered. There are many additional schools not captured by this inventory which are unregistered and also invisible to the data collection systems used.

**Table 18: Non-Government Secondary Schools in Malawi as at January 2003**

Statistics on the registration of new non-government schools are incomplete. Chawani (2002) provides the latest updated list of such schools as of April 2002. Figure 7 shows an analysis of the data. This graph shows the total number of newly registered schools in each year. Few non-government secondary schools were registered before 1990. After 1994 many more schools were registered, reaching a peak in 2000. In the following two years (2001 and 2002) the



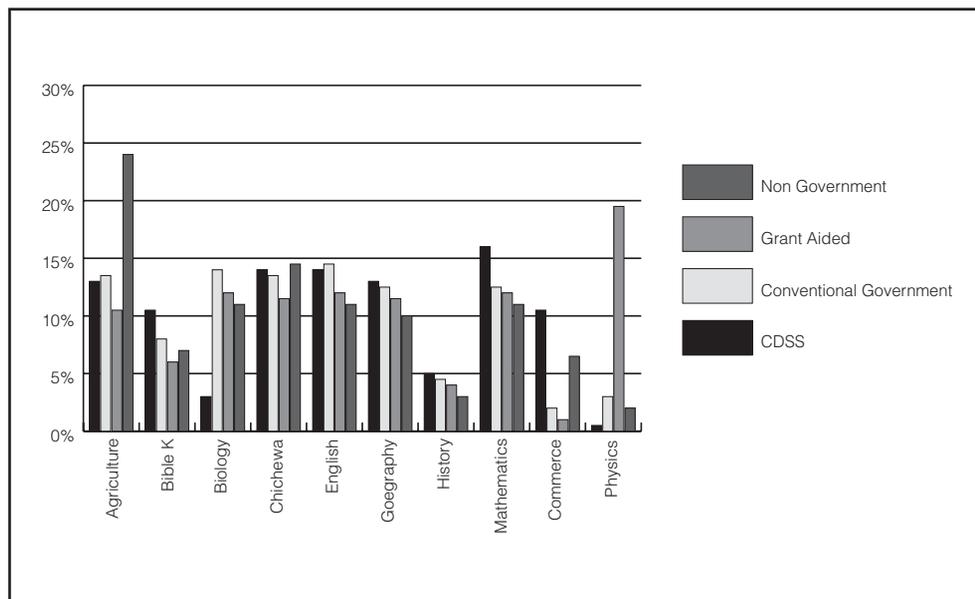
numbers have fallen considerably, indicating that demand may have softened. The possible reasons for this include affordability, general macro economic decline with consequences for incomes and fee paying, and saturation of some local markets with providers. There is no data on the number of non-government schools that may have closed each year.

**Figure 7: Non-Government School Registrations, Malawi**

Source: Chawani (2002)

Examination data from MANEB give some insight into curriculum patterns and performance in the different types of schools (Figure 8). Large proportions of candidates in non-government

schools registered with MANEB take Agriculture, Biology, Chichewa, English, Geography, and



Maths. Subject entry patterns mirror government schools, with the exception of agriculture and commerce which are much more popular in non-government schools. Biology is not taken in CDSS, and Physics is most commonly taught in grant-maintained schools. There is no evidence that non-government schools registered with MANEB offer a wider range of subjects than do government schools; indeed the opposite appears the case.

**Figure 8: Subject Entry Patterns by School Type (% of Entry)**

Source: MANEB Statistics

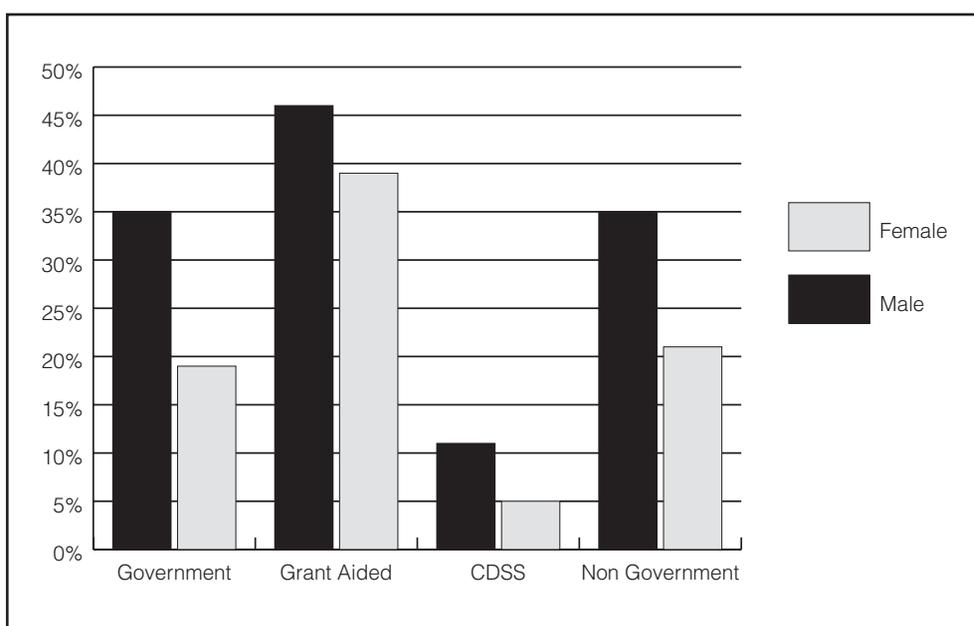
Pass rates in non-government schools registered with MANEB at MSCE level are comparable to government schools, much better than in CDSS, and worse than those in grant-maintained schools (Table 19). These patterns over-estimate non-government school performance since many smaller non-government schools are not MANEB examination centres and are not included. The candidates from these schools may have been entered through CDSSs.

Patterns of results show that pass rates in non-government schools tend to be highest in Agriculture, Bible Knowledge, English and Commerce, and lowest in Mathematics and Physics. Girls perform relatively poorly in all types of schools when compared to boys (Figure 9). The differences appear largest in CDSS and smallest in grant-maintained schools. Non-government schools appear to be slightly better than government schools in this respect. It should be noted that these comparisons between school types are unreliable because the non-government

schools entering candidates almost certainly do not include many recently established small

| School Type |  |  |  |
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private schools with limited facilities. There are associations within the data set between school size and performance which suggest small schools generally perform worse than larger ones. If the data set was complete it could be expected that the average pass rates in all non-government



schools would be lower than appears to be the case from this data.

**Table 19: Patterns of Performance on MSCE by School Type 2000**

Source: MANEB Statistics

**Figure 9: MSCE Results by School Type and Sex 2000**

Source: MANEB Statistics

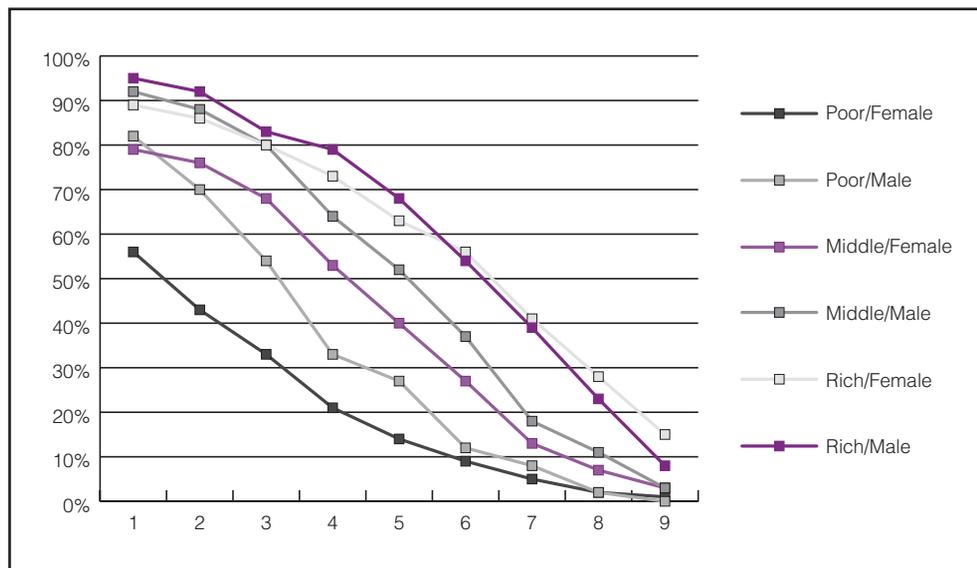
It does appear that pass rates are increasing. The pass rate for non-government schools has risen from 29% in 2000 to 43% in 2002, while that for CDSSs increased to 22% over the same period. This raises doubts about the comparability of the standards from year to year, since there are no obvious reasons why such large increases could be explained by improved performance of candidates. It may raise questions about the reliability and validity of the MSCE.

The underlying reasons for these patterns of examination entry and performance need more investigation. Clearly some non-government schools perform better than government schools. Equally some government schools perform far better than the majority of non-government schools. The detailed picture will be complex. It needs to include all non-government schools if cross-sectoral comparisons are to be made. It also needs to disaggregate schools in relation to how selective they are since this in part will determine subsequent performance. Physically many new non-government schools resemble CDSs, whilst older established ones are more like conventional government schools. The same is true of their staffing. Given this it is likely that the performance of pupils in new non-government schools may be closer to that in CDSs than in well established non-government schools.

### Participation and Affordability

Participation in secondary schooling in Malawi is heavily skewed towards the relatively wealthy. Those below the poverty line have participation rates a little over one third of those above the poverty line. It is also the case that there is no gender gap in participation for the urban population above the poverty line; in rural areas boys outnumber girls enrolled by 2:1 in secondary schools (Malawi Integrated Household Survey, 1998:42).

The highest grade reached by the 15-20 year old population in Malawi is shown in Figure 9 using Demographic and Health Survey (DHS) data. Grade 9 represents the first year of secondary schooling. For all grades those from more wealthy households are more likely to be enrolled (rich = top 20%, middle = middle 40%, and poor = poorest 40%). From this data



girls from rich households are more likely to have reached grade 9 than boys. For other groups gender differences largely disappear by grade 9, but are evident in lower grades. Figure 10 suggests enrolment in grade 9 amongst the rich is as much as 15 times more likely than from amongst the poorest groups.



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As noted above many of the non-government schools in Malawi are not registered and most are invisible in national statistics that do not in any case attempt to collect fee data. This makes comprehensive charting of fee levels impossible. An attempt was made to categorise non-government schools into three bands according to the fees charges per term, by generating estimates from key informants. These are shown in Table 21 and are the best available.

**Table 21: Non-Government School Fee Bands**

About 65% of Malawi's population fell below the poverty line of about 10 Kwacha per day per person defined by the Malawi Integrated Household Survey in 1998. The poverty line rose to about 14 Kwacha per person by 2000, and is perhaps by 2004 around 20 Kwacha per person per day. One question is whether households that fall on or below the poverty line can afford to send any of their children to participate in secondary schooling.

The average family size of poor households is around 4.5 persons, suggesting a maximum daily consumption of about 100 Kwacha. On average poor households spend no more than 2-3% of income on education and professional services (Household Survey, *ibid*:110). On this basis poor households might have perhaps 3 Kwacha a day to support the direct costs of schooling or, say, 1000 Kwacha a year. These households would therefore seem below the margin of being able to afford non-government schooling. The lowest range of fees and other costs appears to be of the order of 5,000 Kwacha per year (considering only fee costs). Households on the poverty threshold would seem to need to allocate at least 15% of their income to education to afford one child (fees plus other costs) at the cheapest non-government secondary schools or CDSSs. Those below the poverty line would have to allocate a much greater proportion of their scarce income. Even this would be unlikely to be enough given the high probability that the household had at least one other child in school needing support. Although primary schooling is fee free (Rose 2003a) there are direct and opportunity costs to be supported.

If these figures are accurate they suggest that there is a limit to secondary school enrolments in general determined by cost that does not extend much beyond the 20th percentile of household income, and the limit may be as low as the 15th percentile.

The PIF plans for 25% of all secondary schooling to be in non-government schools (MoEST 2001). Our estimates suggest that this target may already have been approached if all CDSS and non registered non-government schools are considered. However the uncertainties in estimating the numbers are considerable. If there are as many as 60,000 enrolled in non-government schools, this represents about 6% of the secondary age cohort, and over 20% of

those officially enrolled. Some students are paying high-fees but the majority will be in the low/mid range or in the lowest fee schools. About the same numbers are in conventional government schools where fees are subsidised. Perhaps as many as 180,000 are enrolled in CDSSs. Nominally the numbers currently enrolled in all secondary schools (284,000) are a little more than 20% of the total secondary age cohort.

The implications of this analysis would seem to be that:

- Those on the poverty line or below are unlikely to have the cash incomes sufficient to support children in secondary schooling at current fee rates and other costs in non-government schools and CDSSs.
- Realistically children from families below the 20th percentile of household income will have difficulty affording the costs of secondary schooling. Many of those from these families are likely to be enrolled already in government schools.
- Non-government schooling is unlikely to grow further unless either its costs fall or it captures students from poor quality CDSSs. The cheapest non-government schools may be running near their margins of viability, with most costs in salaries and limited scope to reduce these costs.
- If the costs of non-government schools superior to CDSSs are comparable to those of CDSSs, and location allows movement of students, it is possible that non-government schooling will continue to grow by increasing its share of the market relative to poor quality CDSSs, without expansion in total enrolments.

These conclusions are important because they are not widely appreciated in policy debates in Malawi. There are currently no better systematic analyses available which place limits to expansion and participation.

### **The Demand for Secondary Schooling in Malawi**

Our informants noted that three factors seem to influence demand for non-government education in Malawi. First there is a lack of government school provision and a very restricted number of places (a push factor). Second, the poor quality of much government schooling (as evidenced by the low pass rates in some traditional government schools and most CDSSs), encourages the relatively wealthy to opt out. Third, there is a perception that some non-government schools provide a more conducive environment to teaching and learning with more motivated teachers, better resources, greater safety, and more moral/faith-based education (a pull factor for one category of non-government schools). The restrictions placed on access to CDSSs since 2001 have reduced capacity at secondary level and this may be a further factor contributing to growth in demand.

Free Primary Education was introduced in Malawi in 1994 and total enrolments increased from about 1.8 million to over 2.9 million in less than two years. The new entrants who enrolled in 1994/5 who have survived through the eighth grade primary system are now approaching the Primary School Leaving Certificate that qualifies the successful for entrance into secondary level institutions. So far the cohort of final year primary pupils has not expanded rapidly because drop out has remained high and is yet to approach targets of less than 5% throughout the

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<sup>45</sup> These survey results differ from estimates from EMIS.

primary system.

Net enrolment rates in secondary schooling in Malawi are probably less than 10%. Gross rates, which include large numbers of over-age enrolments, are probably over 20% (Malawi Demographic Survey 2000:14).<sup>47</sup> These figures include participation in the CDSS system which accounts for well over 70% of enrolments but has been a system of mass failure (with MSCE pass rates that have historically been no more than about 5%). It predominantly serves the rural population. These low-cost CDSS government schools nevertheless have charged fees often amounting to about 3,000-4,000 Kwacha a year.<sup>48</sup> Currently there are about 12,000 places in conventional government secondary schools in Form 1. CDSS schools enrol a further 30,000 or so. Non-government schools appear to enrol about 8,000-10,000 according to the school census, but it seems likely that if under counting were corrected the number could be as high as 15,000. Thus perhaps 50,000-60,000 places are available in total.

Crude transition rates<sup>49</sup> from primary to secondary are about 8% into all conventional government schools, and as much as 40% into CDSS (reflecting in part the smallness of the numbers that survive to the end of primary). At least 6% of primary school completers enter non-government secondary schools in Form 1, or over 9% if higher estimates are taken of non-government enrolment. The crude transition rates of about 16% into government and non-government schools, or as much as 40% if CDSS are included, are likely to fall if the number of primary completers increases as is planned.

The simple conclusion is that if primary drop-out and repetition rates fall at least twice as many secondary school places would be needed to maintain current transition rates from primary to secondary over the next five years. These places could not be financed at the current cost levels of government schools. If the teaching costs of fully staffed CDSSs were transferred to the secondary education budget, and teachers were paid at rates common at secondary level, this would create another very substantial increase in expenditure.

In 2000/01 K 425 million was allocated to conventional government secondary schools which enrolled about 58,000 students. The average recurrent unit cost was therefore about K 7,300 or USD 90 (excluding the recurrent cost of CDSSs which predominantly fell on the primary budget since most teachers were paid from this source as ex-primary teachers). About 15% of the total recurrent education budget was allocated to secondary. Expansion at existing cost levels implies larger budget allocations for secondary which will place pressure on tertiary spending (often a similar or greater proportion of the total education budget as is secondary). Primary education allocations are protected by agreements with development partners such that they are likely to be maintained at more than 65% of the total. The room to manoeuvre is therefore limited. If the CDSSs continue to be absorbed into the normal government secondary school system then the costs to government will rise. Some gains would be available if CDSS have lower costs than conventional schools (day school attendance, no boarding subsidies, more

<sup>48</sup> There is a great deal of uncertainty about fees and total contributions required by these schools and no national data exist.

<sup>49</sup> The number in Form 1 as a percentage of the number in grade 8 not accounting for repetition of grade 8.

efficient utilisation of teachers) but it is difficult to see how these costs could be much less per pupil if the very low quality of CDSS is to be improved.

In order to explore recent developments in more depth we now turn to a set of school case studies which profile non-government providers in more detail.

### A Synthesis of Case Studies of Non-Government Schools in Malawi

Case studies were conducted in nine non-government schools of different types. Ownership was used as the main criterion for selection, with the level of school fees as a secondary consideration. Preliminary exploration yielded four major groups of non-government schools. First, there are large numbers of Dwelling House Schools, established in or adjacent to proprietors' homes, which have emerged since the mid 1990s. These are owned by private individuals who are often petty businessmen and women. Second, there are well established business entrepreneurs who own and run non-government schools in purpose-built buildings with a range of normal school facilities. Third are mission and Church and other faith-based

| Dwelling house non- | Established non- | Mission based | International |
|---------------------|------------------|---------------|---------------|
|                     |                  |               |               |
|                     |                  |               |               |
|                     |                  |               |               |
|                     |                  |               |               |

organisations that own and run schools. Finally there are a very small number of international schools which attract both Malawian and foreign learners and operate at high-costs. Schools in the Central and Southern Regions were purposively selected based on ownership, fee levels and accessibility. Table 22 shows the schools.

**Table 22 Case Study Schools**<sup>50</sup>

The case studies used standard data collection methods which included site visits, interviews, observation, analysis of school documents and collection of any secondary data available. In each school interviews were conducted with proprietors, the head teacher, at least three teachers, and with small groups of learners in different grades. Two types of instruments were used to capture data. The first comprised interview guides for the different types of respondents, and the second was a self-administered questionnaire. The interview guide for head teachers focused on issues of admissions and destinations of graduating learners, the curriculum, the approach to learning, school management, governance and funding, and the relationships of the school with the Ministry of Education. Heads were also asked to complete a school questionnaire to capture data on school characteristics, e.g. enrolment, staffing, learning materials and facilities, academic performance, and financial information.

Teachers were asked to give their views on different aspects of the school. These included their reasons for teaching in the school, the characteristics of learners, the curriculum, the approach

<sup>50</sup> Names of schools have been changed.

to teaching, school management, funding issues, perceptions of the schools' social climate and ethos, and salaries and conditions of work. The interview guide for learners was designed to tease out students' perceptions of aspects of the school similar to those solicited from teachers, with the exception of teachers' pay and conditions. They were asked to comment on why they were attending and what they liked and disliked about the school.

Three researchers were involved in the data collection. Initially one of the researchers conducted interviews with key informants in the Ministry of Education and with the President of PRISAM, and collected policy documents and data held centrally to help identify the schools and locate them in context. The school visits started with schools in the Central Region and finished with those in the Southern Region. At the school the team introduced itself to the head teacher and selected the teachers to be interviewed. Teachers were selected based on qualification, length of stay at the school and gender. Learners were selected based on class, gender and ability to articulate themselves. This was done with the help of head teachers. The three researchers then conducted the interview. The head teacher was also given the school questionnaire to fill in. All the interviews at a school took place over two days in each school. The full case studies are available in separate research reports.<sup>51</sup>

The case studies have a number of limitations. The schools chosen did not and could not reflect the overall distribution of school types. Rather they sought to capture examples of each type. It was important to explore well-established schools that might qualify for some kind of subsidy. Dwelling House Schools were difficult to locate systematically since they are unlikely to be registered, and many are operating on the boundaries of legality. It also proved difficult to gain cooperation from some of the proprietors of non-government schools. Their finances are shrouded in secrecy, as are other aspects of their operation, e.g. contracts with teachers. In some of the case study schools staffing and student enrolment were very unstable with considerable changes from year to year. This made it difficult to construct a picture over time of trends. It was recognised that self-reported performance data often seemed unreliable and sometimes exaggerated to give a favourable impression of achievements. Where possible this was taken into account and cross checked. Lastly the fieldwork was hampered by difficult physical conditions in Malawi and transport difficulties that limited the scope of the sample.

### **The Case Study Schools**

The general characteristics of the case study schools are outlined in Table 23 below. From this table and other data a number of characteristics become clear.

Two thirds of the case study schools are owned individually or by close family members. They act as sole proprietors with little accountability and they consider themselves to be the governing bodies, though there is no independent representation of other stakeholders. The smaller new non-government schools are not registered (though interestingly one is a member of PRISAM). Established non-government schools are registered. All the schools are located within travelling distance of major towns and cities, reflecting where demand and income is sufficient to sustain them.

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<sup>51</sup> These are published by the Centre for Educational Research and Training, Chancellor College, Malawi.

Table 23: Characteristics of Case Study Schools

| School Type                     | Yani Dwelling House | Laka 2000 Dwelling House | Soche Commercial | Angoni Boys Commercial | Angoni Girls Commercial | Mpini Commercial   | Madzi Religious | Kwasa Religious  | Pamwamba International |
|---------------------------------|---------------------|--------------------------|------------------|------------------------|-------------------------|--------------------|-----------------|------------------|------------------------|
| <b>Ownership</b>                | Sole Proprietor     | Sole Proprietor          | Sole Proprietor  | Family                 | Family                  | Family             | CCAP            | SDA              | DSB                    |
| <b>Day/Boarding</b>             | Day                 | Day                      | Day              | Boarding               | Boarding                | Boarding           | Board/Day       | Board/Day        | Board/Day              |
| <b>Foundation Year</b>          | 2001                | 2000                     |                  | 1997                   | 1992                    | 1992               | 1884            | 1902             | 1938                   |
| <b>Location</b>                 | Blantyre            | Zomba                    | Blantyre City    | 220Km from Zomba       | 220Km from Zomba        | 15Km from Blantyre | 15Km from Zomba | 20Km from Thyolo | Blantyre City          |
| <b>Governing Body</b>           | No                  | No                       | No               | No                     | No                      | No                 | Yes             | Yes              | Yes                    |
| <b>Registered/Licensed</b>      | No                  | No                       | Yes              | Yes                    | Yes                     | Yes                | Yes             | Yes              | Yes                    |
| <b>PRISAM Member</b>            | No                  | Yes                      | Yes              | Yes                    | Yes                     | Yes                | Yes             | Yes              | No                     |
| <b>Tuition Fee (Year) K</b>     | 1,200 x3            | 1,200 x3                 | 21,000           | 36,000                 | 36,000                  | 12,000             | 12,000          | 12,000           | 98,000 x3              |
| <b>Boarding Fee K</b>           |                     |                          |                  | Included               | Included                | 16,500             | 18,000          | 15,900           | 98,000 x3              |
| <b>Total Fees/student K</b>     | 3,600               | 3,600                    | 21,000           | 36,000                 | 36,000                  | 29,000             | 30,150          | 27,900           | 196000 x3              |
| <b>Est. Cost/student/year K</b> | 5,000               | 5,000                    | 25,000           | 40,000                 | 40,000                  | 30,000             | 30,000          | 27,500           | 588,000                |
| <b>Av. Teachers salary K</b>    | 12,000 x12          | 8,000 x12                | 6,000 x12        | 15,000 x12             | 15,000 x12              | 10,000 x12         | 15,000 x12      | 8,000 x12        | 130,000 x12            |
| <b>Forms Available</b>          | 1-2                 | 1-4                      | 1-4              | 1-4                    | 1-4                     | 1-4                | 1-4             | 1-4              | 1-6                    |
| <b>Number of Teachers</b>       | 6                   | 9                        | 8                | 10                     | 9                       | 16                 | 12              | 12               | 48                     |
| <b>Qualified Teachers</b>       | 10-25%              | 10-25%                   | 25-50%           | 50-75%                 | 75-100%                 | 25-50%             | 75-100%         | 25-50%           | 100%                   |
| <b>% Male Teacher</b>           | 66%                 | 100%                     | 100%             | 100%                   | 80%                     | 100%               | 83%             | 83%              | 65%                    |
| <b>Teacher Turnover</b>         | High                | High                     | Mid              | Low                    | Low                     | High               | High            | Low              | Low                    |
| <b>Number of Learners</b>       | 50                  | 540                      | 43               | 522                    | 540                     | 341                | 240             | 446              | 591                    |
| <b>% Male</b>                   | 36%                 | 40%                      | 60%              | 100%                   | 0%                      | 59%                | 58%             | 66%              | 100%                   |
| <b>Average Class Size</b>       | 25                  | 120                      | 11               | 87                     | 90                      | 40                 | 60              |                  | 14                     |
| <b>PTR</b>                      | 8:1                 | 60:1                     | 5:1              | 52:1                   | 60:1                    | 21:1               | 20:1            | 37:1             | 12:1                   |
| <b>Performance</b>              | N/A                 | Low                      | Low              | Mid                    | Mid                     | Low/Mid            | Mid             | Low/Mid          | High                   |
| <b>Attendance</b>               | Low                 | Irregular                | High             | Irregular              | Irregular               | Average            | High            | High             | High                   |
| <b>Learning Material</b>        | V. poor             | V. poor                  | Some             | Some                   | Some                    | Some               | Good            | Good             | Excellent              |
| <b>Lab</b>                      | No                  | No                       | 1                | 1                      | 1                       | 1                  | 1               | 2                | 8                      |
| <b>Library</b>                  | No                  | No                       | Yes              | Yes                    | Yes                     | Yes                | Yes             | Yes              | Yes                    |
| <b>Building Quality</b>         | Very poor           | Very poor                | Mediocre         | Mediocre               | Mediocre                | Average            | Sound           | Sound            | Excellent              |

Tuition fees vary over a wide range from less than K4,000 a year to over K12,000 (excluding Pamwamba which is about K900,000). Estimated costs to parents for attendance fall in the range of K4,000-K35,000 when additional contributions are taken into account. Teachers' salaries seem to vary from about K20,000 to K150,000 per annum or more. Salary packages vary and significant proportions of teachers in some of the schools are part time and/or part year. In the smaller schools teachers may work on a casual piecework basis being paid by the lesson. Significant numbers will also have other employment, most commonly as teachers in CDSS that operate in the afternoons. This frees them to teach in the mornings. This can be said to be a kind of hidden subsidy if individuals work for lower rates than they would otherwise do because they have the benefit of a government salary as well. Government teachers are paid about K120,000 a year (including housing allowance). It is plausible that some non-government schools are operating at lower teaching costs because they are not paying full salaries and employing staff part time. Most cannot be much cheaper on teaching costs.

The case study schools vary in size from very small, with 50 or so learners, to well over 500. Most schools cover Forms 1-4 except for one of the smallest new schools, which can only accommodate Forms 1 and 2. Some larger non-government secondary schools have primary and nursery schools within their premises, e.g. Kwasa Mission, Madzi Mission, Soche and Pamwamba. These primary schools provide an automatic source of Form 1 entrants for the secondary sections. In smaller Dwelling House Schools enrolment can be very volatile with a large turnover of learners who attend each year, or even each month. This means that, according to some informants and some direct observation, the majority of those enrolled in a particular form may not have been in the school the previous year. It appears that many learners pick and choose between schools in the same area depending on fees, teachers and quality, and fashion.

The great majority of teachers are men in the case study schools, except in the girls school. This is true of the teaching force as a whole in Malawi. This arises from historic patterns of gender discrimination that mean fewer girls qualify as teachers. It also reflects embedded employment and labour market practices. In most schools the majority of the teachers are untrained. If they are trained they are most likely to have been primary trained. In better urban schools near higher education institutions some are un- or under-employed graduates working casually. Staff often turnover rapidly from year to year, sometimes with more than half the staff changing in the smaller schools, allowing little continuity of learning. Average class sizes range from less than 15 to over 100, and pupil:teacher ratios from less than 10:1 to over 60:1. In most schools teachers appear to teach 15-20 periods a week if regarded as full time teachers.

The availability of learning materials, buildings and other facilities vary from completely inadequate to well provided. These differences appear to be associated with fee levels. So also do the indicators of quality. Smaller and lower cost schools have no specialized rooms, lack staff rooms and rarely have land other than that occupied by buildings. Classrooms are often very overcrowded in these schools, with up to 100 learners or more in normal classroom spaces. Higher fee schools seek to limit class sizes to 50 or 60.

The case study schools were investigated across a number of dimensions. These included the characteristics of learners, profiles of teachers, school facilities, curriculum, finance, and

management and administration. The findings are synthesised below.

### Characteristics of Learners

Learners in the case study schools originate from three groups. First, there are learners from surrounding countries attending very high-cost non-government schools with an international character. These schools also enrol Malawians from elite households. Second, other established non-government schools tend to attract learners from across Malawi using a national catchment supported by boarding for those from far away. Third, some schools have a local catchment area for learners and operate essentially as day schools.

The small number of international high schools in Malawi draw their learners from within and outside the country. Pamwamba has learners from 45 different nationalities. The major reason learners enrol at Pamwamba is its reputation as a high quality international school which offers widely recognized international qualifications. Most learners who complete their sixth form proceed to foreign universities for which they have been academically and socially well prepared. Parents choose Pamwamba because of the high standard and quality of its teaching, its extensive facilities and its well-managed regime. Pamwamba is very expensive. Ability to pay is, without doubt, the major decisive factor in sending a child to this school. The student body is predominantly composed of children from the political, social and business elite.

The established non-government and mission schools in Malawi see their catchment area as the whole country (though some of the larger established schools do admit a few learners from surrounding countries). Those that are non-government owned and operated by individual proprietors operate as business enterprises and operate for-profit. They market their services across the country. Most are located in semi-urban areas. Not only does this make economic sense in that they do not attract city rates as business enterprises, but it also adds to their appeal to parents. Protecting children from urban disturbance and opportunities for mischief is a priority for many parents. These schools generally have boarding facilities which Malawian parents favour. This allows them to recruit country-wide, though most learners originate from the largest towns and cities.

Mission schools generally operate with a national catchment area. They tend to have mid-ranging fees and thus exclude many of the poorest, though some have small bursary systems to subsidise able children who cannot pay. However ability to pay remains an important factor in securing admission. In mission schools the explicit focus of the school is not so much to generate profits but to further religious goals alongside providing an education of quality. Thus the Kwasa Mission Statement reads 'Kwasa Secondary School helps young people; through a holistic educational approach to harmoniously develop their mental, physical, spiritual and social capabilities into untarnished characters and hearts true to principle as they prepare for practical experiences of living in this world and the world to come.'

The curriculum of this school is founded on an educational philosophy that seeks to balance academic study with all-round development and spiritual enlightenment. The mission schools have catered for their faithful since their establishment. In recent years combinations of

ecumenical and economic concerns have expanded their target audiences to accommodate people of other faiths, while at the same time not compromising their core mission. In the case of Kwasa the admission policy explicitly states that 75% of those starting Form 1 should be Seventh Day Adventists. Madzi reserves up to 80% of the Form 1 spaces to the CCAP faithfuls.

The catchment for small newly established Dwelling House schools is very local and most compete directly for learners with nearby CDSSs. Their enrolments change from year to year. In and around urban areas, parents and learners seem to shop around for the best arrangements as some schools become popular and others fail. These schools are clearly second best in the sense that learners will attend government schools in preference, or high-cost non-government schools if they can afford to pay.

In principle all non-government schools are open to all Malawians as long as they can afford the costs. However practical realities automatically preclude potential learners from attending some schools. Urban non-government schools are a case in point. Most urban non-government schools do not have boarding facilities. Most are located in high-density housing areas. Soche is one such school. It is located in the heart of Blantyre and many learners end up commuting from home to school on a daily basis. Families incur transport expenses and lunch costs in addition to the high school fees. Thus access to urban non boarding schools is limited to learners coming from within the neighbourhood. Many learners and parents have misgivings about urban schools. Parents often argue that there are too many out-of-school distractions for the learners. Learners we interviewed also complained that their home environment and time spent on travel tends to distract them from concentrating on their school work.

Most non-government secondary schools, with the exception of denominational schools, appear to have no formal admission requirements except the ability to pay admission and tuition fees. Access is rationed by price. Within a price band choice of school depends on academic standing and examination results, location, and general reputation. Non-government schools sometimes advertise, usually through roadside name plates, newspapers and radio. The market for non-government schooling has clearly been growing and excess demand appears to have allowed more schools to open without saturating demand. This situation may be changing with slow economic growth and limits being approached to the affordability of the direct costs of secondary schooling amongst all but the richer households. The schools we researched were not generally planning expansion.

Interviews with teachers revealed that large proportions of learners in the established non-government schools are either academic failures or rejects from other schools because of discipline problems. Parents whose children have failed in government schools pay for non-government schooling to offer them opportunities to improve in behaviour or to improve in academic performance. Conventional government schools, but not CDSSs, are the first choice of most parents and learners. Successful learners in the non-government schools may return to the government system at higher levels.

In the mid to high level fee schools the great majority of learners are from relatively higher income households. Significant numbers of learners are transported by car to school and some

appear to have plenty of money to spend. Despite this, the general impression of teachers is that learners are intellectually weak and lazy, and need constant encouragement and spoon-feeding. The exception is at Pamwamba where there seemed to be more of a desire to learn amongst learners and more focus on working hard. The socio-economic status and cultural capital of their families is one of the explanations.

Non-government schools, particularly the commercial ones, recognize that their survival depends on a continued supply of learners. With increasing competition there is pressure to produce good examination results. This is a formidable challenge, considering the calibre of learners they attract. Most of the larger case study schools have introduced incentives to encourage learners to do well in examinations. Kwasa Mission has such a system. At the end of each term the best three learners are given a token of appreciation (usually rulers and pencils). In addition, as a way of enhancing learning, civic awareness and values, guest speakers are also invited. These include general managers of companies, religious and community leaders and affluent alumni of the school.

The learners interviewed in the established schools were drawn from the more hard-working and articulate. They generally recognised the working spirit of many of the teachers positively and indicated that they were helpful and went out of their way to support learners. The impression was that their teachers were generally well motivated. Nevertheless there were concerns that classes were overcrowded and resources insufficient. The general feeling among many learners was that in attempts to cut costs, the schools' owners often compromised on staffing levels.

All the sizeable schools visited had a prefect system with responsibilities for maintaining discipline and presenting learners' welfare concerns to the school administration. The number of prefects varied depending on the size of the school. Other responsibilities included entertainment, health and sanitation, dining, sports and hostel management. In some schools, e.g. Angoni and Madzi Mission, prefects are nominated by the teachers and voted into office by the learners. In others (e.g. Kwasa) the administration unilaterally appoints prefects. Good behaviour and an above-average class performance are the attributes which are usually considered when nominating prefects. Supplementing the prefect system are standing committees such as disciplinary committees, condolence committees and clubs such as anti-AIDS, drama, quiz, wildlife, and debating. In sum the larger schools have elaborate structures that provide avenues for handling learners' welfare concerns. This appears to boost student morale and facilitate learning. These arrangements did not exist in the Dwelling House schools.

Learners do have welfare concerns that occasionally disrupt learning. These concerns seem to emanate most frequently from the perceived failure of the school authorities to act on grievances. The concerns appear more entrenched in the 'commercial' non-government schools than in the mission or elite non-government school. Most often dissatisfaction is centred on inadequate diet and accommodation. Often there were complaints about meals that were poorly cooked, unbalanced and monotonous, and unpleasant living arrangements. Considering the fees paid in some of the schools these complaints may have some foundation.

Interestingly, learners in the mission schools were contented with their meals and accommodation. They did however complain of an over emphasis on prayer. They felt that this intruded into their time for study and recreation. In some instances, learners are required to pray three times a day. Many appear to go through the prayers yawning and sleeping, and do not take the time seriously.

Overall it is clear that non-government school learners have a wide variety of motivations, capabilities and backgrounds. Schools are very heterogeneous. International learners are really a separate category. Learners in the established non-government schools are either enrolled because they have failed to get access to government schools and are wealthy enough not to attend CDSSs and/or have failed at secondary school and are looking for a second chance. Those who attend low-cost local schools are choosing between CDSSs and small scale Dwelling House non-government schools. More teaching may take place in the latter, as a result of piecework teaching contracts, than in poorly organized CDSSs which are not effectively supervised. Much of what takes place in these schools seems to depend on learners' patience with very poor learning conditions, and the effectiveness of untrained teachers. For many of these learners these schools may be as much a social event as a learning experience.

### **Non-Government School Teachers**

Teachers in the case study schools vary widely. In all but two cases the majority are under- or unqualified and most do not hold teaching certificates or degrees (Pamwamba is the obvious exception). Some of those who are qualified have migrated from government schools in search of higher incomes and some have retired from government service. Many of the rest are young and under-qualified and have been attracted by the opportunity to work in circumstances where other jobs are not available and the opportunities to train as a secondary teacher are scarce. Intakes for secondary level training have been no more than about 300 trainees per year and admission on to the programmes is very competitive. A significant but unknown proportion of teachers, especially in the smaller non-government schools, are thought to be moonlighting from teaching in other schools, especially the CDSSs.

The reasons given by teachers for working in the non-government sector highlighted higher salaries, additional perks, timely payment, immediate recognition of performance, and in a few cases career development opportunities and the presence of a governing body. We discuss these in turn.

Qualified teachers in the higher paying case study non-government schools can earn K15,000 a month when all benefits are included, though this does not apply across all cases. This can be compared to about K10,000 in government secondary schools. Government teachers recently received housing allowances and salary enhancements which substantially raised their earnings. This triggered some movement of non-government school teachers back to government schools. At Madzi, for example, five teachers returned to government schools. This left the school with no option but to introduce a housing allowance (K3,000 per month for those holding diplomas and K4,000 per month for graduates) and make salaries more competitive. Some stability has returned to the market in teachers' salaries. However there was ample evidence that many non-government school teachers in the commercially run schools frequently

consider moving from one school to another in search of better pay packages. There is little disincentive to do this since most have no job security.

For some teachers their experience had been that it was more likely that non-government schools which generated their own funding would pay salaries in a timely way when compared to government schools where salaries were often delayed. They felt that at least their relationship with their employers was direct, and not at a distance through a government bureaucracy. National budget crises have meant that it has become a common occurrence for government teachers' salaries to be delayed, sometimes up to a month. Most proprietors seem to recognize their income depends on ensuring learners are taught and prioritise this salary payment over other expenditure, such as that on learning materials.

The more successful non-government schools recognize a close connection between the performance of their teachers, the success of students in examinations, and the attraction and retention of new enrolments. Several of the case study schools offer incentives to teachers to perform well. Thus Pamwamba has three ways of assessing teacher performance. The first is through examination results. The school carries out in-depth analysis of examination results and compares performance across subjects and teachers. This draws attention to under-performing teachers and leads to recognition of the most successful. Results that do not seem to fit into anticipated patterns usually indicate problems of some kind. Second, heads of department are charged with monitoring the needs of teachers, especially where there is cause for concern. Third, the head teacher makes efforts to observe lessons across the school to identify problems and praise good work.

At Kwasa teachers whose learners performed exceptionally well receive letters of appreciation and 50% of their monthly salaries as bonuses. Form 4 teachers received K3000 for producing distinctions in the final examinations. In addition to individual recognition for pupils' outstanding performance, staff also receive perks. They are provided with houses and pay a nominal rent. They also receive professional allowances of K1000 per month, medical assistance at 75% reimbursement, and education assistance for their own children (75%).

In two of the seven non-government schools visited opportunities for career development featured as an inducement to teachers. These opportunities ranged from in-service courses to postgraduate training courses. In these schools teacher development is an ingrained tradition. The schools either provide loan facilities or bursaries to enable the teachers to develop themselves on the job. In contrast to these two schools opportunities or career development are virtually non-existent in the 'commercial' non-government schools such as Angoni, and Soche, and in the Dwelling House schools.

Thus in Kwasa staff enjoy bursary opportunities for advancing themselves to the Bachelors, Masters or even Ph.D level. Most Seven Day Adventist educators are trained at Solusi College in Zimbabwe. In Pamwamba the school supports teachers in three different ways. First, when there is a new subject curriculum teachers are sent to a relevant course. Second, the school conducts staff in-service courses three times a year where new methods are introduced (e.g. use of computers and other learning media). Third, departments meet once a week to share experience and create opportunities for colleagues to help each other. In terms of the delivery

of the curriculum, teachers are given elbowroom to teach and develop themselves and explore avenues for upgrading and keeping themselves up to date. Teachers' development is supported by reimbursing the cost of purchasing books and materials deemed appropriate by a teacher.

The teachers in most of the non-government schools lamented their being excluded from attending mainstream career development opportunities offered to their colleagues in government schools. Their apparent marginalisation was a source of repeated concern. Specific mention was made of Domasi College upgrading and in-service courses to which non-government school teachers do not have access.

Many teachers also remarked on the difficulties of teaching pupils with a low motivation towards study and academic achievement. With some exceptions learners from relatively affluent backgrounds were not seen to be necessarily at an advantage. Significant numbers were in non-government schools because they had failed to gain entry to government schools, or because they had failed to complete examinations successfully. Some teachers also complained of overload and under-staffing, which resulted from the commercial orientation of their schools.

Though at least some teachers in the non-government schools benefit from relatively high salaries, in many of the schools their level of job security is very low. Teachers feel that proprietors can easily fire them whimsically at short notice, and their fears are justified by examples where this has happened. Their jobs are also subject to fluctuations in student enrolments, and in wider economic changes over which they have no control.

Despite all the difficulties those interviewed in established schools mostly regarded themselves as better off than their public school counterparts. They feel that though they have low qualifications, they have a better deal teaching in non-government schools. This cannot easily be said of those on casual contracts in Dwelling House schools who would generally not be employable in government schools. It may also be that for some of those most willing to be interviewed their conditions of service are preferable. Those who are disaffected, or at risk of losing their posts, may be understandably less vocal. The high turnover of teachers in some of the schools would seem to indicate a degree of dissatisfaction.

### **School Facilities**

The facilities available in schools depend on the type of school and also the nature and disposition of the proprietors. The range is very wide, from unacceptably low quality and lack of basic provision in the Dwelling House type of school to state-of-the-art facilities meeting international standards in the international schools. In terms of buildings, these vary from extended houses, through purpose-built schools constructed to low standards using cheap materials mostly erected since 1995, to well constructed older mission schools, which struggle to maintain the adequate facilities they have inherited.

Dwelling House schools are usually owned by ex-teachers or small-time business men and women, who exploit the excess demand for secondary school places and provide minimal learning facilities. These schools often compete directly for learners who would otherwise go to

CDSSs, many of which have very poor reputations. The CDSSs are staffed by primary teachers, often share buildings with primary schools and work in the afternoons, and have very large teaching groups and irregular teacher attendance. Small non-government schools can offer morning schooling which is more attractive, and can pitch fees competitively. They have the added attraction of staged payment of fees, which generally CDSSs do not offer.

Facilities in these Dwelling House schools are minimal. The buildings may be unfinished houses, renovated groceries or bars, or dwelling houses which have been turned into tuition centres. Typically these will stand on small plots of land which do not allow for expansion. There may be one or two buildings with inadequate numbers of toilets for the learners. Many are rented rather than owned. If the land is big enough the school may have a netball court or a volleyball court but there will be no space for a football field. The rooms that act as classrooms are converted from domestic living space. In the case study schools the teaching space is quite inadequate to accommodate the numbers of learners enrolled. They are grossly over-crowded. There may be some benches in each classroom but it is common to find learners' standing/sitting on windowsills and few if any desks available to write on. There was no teachers' work space available in either of the two case study schools; indeed there was no space allocated to anything apart from teaching.

Schools run by big-time business entrepreneurs are often part of conglomerate enterprises with several different activities and income streams. These entrepreneurs may have several interests in running schools – it may be profitable, it may help stabilize their labour force, and it can be seen as good public relations. One of the case study schools was of this kind and was associated with a saw mill business. In these schools it is more common to find purpose-built classrooms and a layout more similar to government schools, with a staff room and some boarding facilities. The quality of buildings is often low with poor finishing. Furniture is also of poor quality. Nevertheless they may offer superior facilities to that found in many CDSSs.

The schools owned by the larger business entrepreneurs pose the fairest competition to conventional government schools in terms of facilities. The facilities may not match those in some of the better government schools but they are comparable to those where facilities are dilapidated because of lack of repairs. These case study schools stand on large, expansive pieces of land which accommodate playing fields for football, basketball, netball and volleyball. Learners are attracted by this. The land allows for further infrastructure development but this depends on the kind of profits expected by the proprietors and their business plans. One of the case study schools has developed into two separate schools for boys and girls.

The established case study schools have infrastructure problems in the area of special rooms such as laboratories and libraries. The boarding schools generally do not have proper dining halls. The buildings may be of low quality in terms of architectural design, durability, finishing and aesthetics, but they do provide adequate learning space. The classrooms have desks, blackboards, pin boards and storage spaces. They have running water, electricity and telephones. Some have sick bays but few have school vehicles at the disposal of learners. These case study schools have surpassed the minimum requirements and have been registered.

Textbooks are a problem for all the schools except Pamwamba. A new scheme involving all

registered non-government and public schools is intended to slowly stock books for libraries and learners but this is yet to be in evidence. Currently pupil:textbook ratios appear to be in the range of more than 10:1 in better schools and are difficult to maintain due to student theft and damage. Special equipment such as computers, photocopiers and televisions is slowly being introduced into some of the case study schools. These are usually acquired through donors or well-wishers and are second-hand. Established non-government schools do have the infrastructure and facilities to compete well with many government schools. However they lack capital for investments in buildings such as dining halls, libraries and laboratories and other special rooms. Dwelling House schools lack even the most basic learning materials.

Mission schools are often well established. Some have been grant-aided in the past, many receive foreign donations and most have accumulated buildings and equipment over a long period of time. Standards of construction are usually adequate if not good. Locations generally allow for large plots of land and space for outside activities. When government provided substantive grants to mission schools they proved more imaginative and resourceful in their use and produced impressive performances. As the grants became meagre as a result of worsening economic conditions the mission schools have deteriorated, though they generally remain well stocked with facilities when compared to government schools. This appears to be due to more focused management systems as well as external assistance channelled through missions' headquarters. Unfortunately the high-fees charged by the missions in comparison to CDSSs generally exclude the poorest learners.

The international case study school is at the extreme end of the spectrum in terms of facilities. It provides a full range of state-of-the-art infrastructure and facilities. The buildings are specially constructed, they are architecturally solid and set in a beautiful and extensive campus, with a wide range of sports facilities. The number of classrooms allow pupil:classroom ratios of 15:1 or less. There are special rooms and accompanying facilities for Science, workshop subjects, art, computing and a purpose-built library. Learning resources are readily available in quantity, e.g. tape recorders, overhead projectors, computers, the internet, televisions, photocopiers, reprographic equipment. There are separate administrative areas that house the principal's offices, staff rooms, bursar's offices, secretarial services and sick rooms.

## **Curriculum**

All Malawian secondary schools, except the international schools, follow a national curriculum that has recently been revised. Different types of non-government schools do have different curricula emphases but all maintain a predominantly similar range of subject offerings. Most teaching is didactic in whole groups and is heavily teacher-centred. It is also strongly examination orientated in non-government schools, since examination results more than anything else tend to influence enrolments. Non-government schools have been excluded from government in-service activities and staff development linked to the new curriculum.

Dwelling House schools attempt to follow the national curriculum and compete directly with the CDSSs. They offer a limited number of core subjects at the Junior Certificate (JC) and Malawi School Certificate of Education (MSCE) level, and do not have the capacity to teach practical subjects except in a theoretical way. In one case study school over 150 learners were

packed so tightly in a room that it would have been difficult to write, never mind undertake any activity. These case study schools claimed to aim at providing quality education with limited resources and providing more secondary school places where the government schools fail to provide them. However, the schools are not registered and cannot be in their current condition. Neither can they be examination centres. These schools are really providing mass private tuition focused on examinations and little more. The methods used in teaching are non-participatory and not learner centred. Teachers, books, blackboards, chalk and other basic materials are lacking, pilfered from CDSSs, or available in inadequate quantities. The major methods used in class are drills and lectures.

Across all but the best case study schools teachers encourage learners to believe that it is through reading notes that they can pass their examinations. The teachers often do work hard to give as many notes as possible, deriving them from standard textbooks. The underlying belief is that the whole syllabus should be covered by didactic means and that this will give learners a chance of performing better at the examinations. Teachers in the case study schools thought that their approach contrasted with the slow and uncommitted pace at which teachers at CDSSs were alleged to work. Learners also said things that were consistent with this. However it is difficult to believe that the approach to learning and the conditions under which it takes place generally leads to successful performance on valid examinations.

In the more established non-government schools curricular arrangements are not much more extensive. There does appear to be a greater regularity and continuity in the teaching. Head teachers and heads of departments periodically check schemes of work and arrange self-study times for learners. Timetables are followed, internal school-based testing occurs and reports are written. However most teaching remains theoretical and didactic, note-taking is common and textbooks often absent, and schools also avoid specialised subjects for lack of laboratories and workshops. The new curriculum materials do not appear to have been designed for typical class environments at secondary level (very large classes, no work space, no learning materials), as found in many non-government schools and CDSSs.

Teachers in established case study schools claimed their examination results were generally better than government schools. The evidence on this is mixed and comparisons are difficult because the characteristics of the schools vary widely. The problems are compounded by the fact that non-government schools have many repeaters (who may benefit from practice effects), because it is widely recognized that there has also been a rise in cases of cheating, and because those likely to fail may not be entered for the examinations. Established commercial non-government schools seem to suffer from management systems which are highly concentrated between a proprietor and close relatives who may have little educational expertise, and who may be largely profit motivated. This may unwittingly encourage the cheating.

Mission schools have an advantage over other non-government schools in that their managing boards have a commitment to broader educational goals. The composition of the school governing boards is much wider and helps ensure some checks and balances in the way their schools are run and how the curriculum should be implemented. The case study schools have senior management teams to ensure that religion and discipline are blended together with teaching the national curriculum. Mission headquarters have educational departments, which

monitor curriculum delivery, decide on the facilities to be provided and set the standards of behaviour for both teachers and learners. Limited resources are an impediment to proper curriculum delivery but other structures for facilitating this are largely in place. Performance is considered to be comparable to public schools and is certainly better than CDSSs. Fine judgements are impossible because of the differing nature of learners and the state of mismanagement of examinations in the country in the last decade.

The international school has a wide range of subjects both academic and non-academic. The teachers are highly qualified and use a variety of teaching approaches including group work, problem solving, own-work presentation and project work, particularly in the upper classes. A learning and support department has been created to support learners with learning difficulties. These methods and arrangements were not seen in any of the other schools.

In summary the Dwelling House schools are acting as a parallel avenue to learners selected for CDSSs. Those learners disillusioned with the teaching and curricular arrangements provided in CDSSs may enrol in Dwelling House schools. These schools offer intensive drill, as they have no facilities to act otherwise. They encourage short cuts to passing examinations and provide little broader school experience. The schools attract criticism for their low standards. Much of this is justified. In established non-government schools more teaching goes on as a result of owners exerting pressure on teachers, though pedagogy is still very narrowly interpreted. Most teachers have had little or no training, work with inadequate facilities and may be unaware of all but the most basic teaching methods. Mission schools may have an advantage because their governance is often more focused on academic work complemented with religious learning. These schools offer a more conducive atmosphere for teaching and learning in terms of facilities and teacher support. They represent a widely trusted partner in the secondary school sector. The international school studied has many curriculum opportunities and practices that cannot be transferred to other non-government schools, effective though they may be.

## Finance

School fees in the case study schools varied from a mere K1,200 per term to over K36,000 (excluding the international school). Fees appeared to either be determined by proprietors acting alone and making market judgements of how much they can charge, or through more or less transparent processes that involved consulting governing boards and parents' representatives. The issues that surround setting fee levels is part of a broader concern regarding financial transparency and accountability in non-government schools.

Three of the case study schools published accounts, held meetings to discuss budget allocations for expenditure and were reasonably open about their accounting. In others there was almost no publicly available information on finances. In the more transparent schools the management draws up the budget and every term shows teachers how the money has been spent. In other cases the suspicion is that decisions are made to maximize profits and that income is directed predominantly to the benefit of owners. In all cases it appears salaries take up a large proportion of expenditure, but how much is difficult to ascertain. Clearly most of the non-government schools rely directly on fee income to survive are sensitive to declines in student numbers and benefit greatly from economies of scale (providing an incentive to enrol large class sizes).

Schools in the same area compete at both the lower and middle fee ranges. In the Dwelling House schools there appears to be a lot of instability in enrolment and fee income. These schools operate towards the boundaries of affordability of poorer segments of the community. They are limited by what CDSSs charge, in that if they charge much more they will lose learners. The market for the middle fee range schools appears more stable and draws on a smaller proportion of the population who are rich enough to afford fees of K30,000 or more. Most of the children in these families are probably already enrolled in either subsidized government schools or higher quality non-government schools.

It is impossible from the data to establish how profitable non-government secondary schools may be. It is clear that apart from the missionary schools which may be cross-subsidized, the objectives of school owners are to run at a profit, some of which may be reinvested. Uncertainties about what teachers are actually paid, the number of learners who pay fees throughout the year and non-salary expenditure are high. Some teachers, especially those in Dwelling House Schools are paid by the lesson. This may be as low as K100 per lesson. Annual contracts are more common in larger schools, but even these may be part-time or part-year. The volatility of learners' attendance (especially in the low-cost schools) leads to uncertainties about fee-paying enrolment as learners drop in and drop out during the year, and not all pay all the time. The lowest fee schools appear to spend almost nothing on learning materials. Learners are expected to buy textbooks, and in many cases learners have no books at all.

From the evidence available schools' fees appear to account for between 1.5 and 7 times the total value of teachers' salaries (though in one under-enrolled school, fee income appears less than declared teachers' salaries). It is unlikely that a school operating at fee income 1.5 times teachers' salaries is profitable. At the other end of the scale, at 7:1 the school certainly should generate a surplus. Taxation, of both salaries and corporate income, especially in the unlicensed and unregistered schools appears to be a matter of negotiation with the Revenue authorities.<sup>52</sup> At the very least all schools should have bank accounts through which income and operating expenses are channelled. This is not the case. This would help transparency and accountability. From the little information available about how the schools are run, it was apparent that most of the well established schools were also relying on other sources of income for budget support.

### **Management and Administration**

There were marked differences in the way the schools were managed. In the Mission schools and the international school there was a Board of Trustees which was part of the decision making machinery. These schools are operating with a high degree of transparency. In most cases the Board was seen as supportive of the teachers and trusted to take decisions on school improvement. The same applies more generally to the management styles in the schools that generally appeared consultative and consensual.

The established commercial schools are formally managed by Boards of Directors. However these seemed to consist of the owner (with or without a spouse or relative), and sometimes a bursar. In these schools decision-making is essentially private and this was seen to create an

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<sup>52</sup> It is possible that schools are reluctant to register because by doing so they would be liable to tax.

atmosphere of mistrust. In one of the schools a Board of Directors did exist but this body ceased to meet six years ago. None of the people we met was able to explain why the Board ceased to meet. Instead there were sporadic joint meetings between the directors and the teachers. The interviews with teachers suggested that these meetings were of little use and usually consisted of announcing what the directors had already decided, with little room for dissent or further consultation. Such management styles were judged by teachers as not supportive of teaching and detrimental to motivation and morale. Most felt that it was difficult to see how such schools could qualify for government subsidy given the autocratic and non-transparent manner in which the schools were run. Subsidy might just increase private profitability in profit-minded schools.

Dwelling House schools were even more centred on the owner, with no Board and, in one of our case studies, no head teacher (the school's owner, who was unqualified to teach, undertook all the non-teaching roles of the head teacher). One of the case study schools was very popular with learners despite cramming over 150 learners into rooms not much bigger than a generous domestic lounge. Both schools were effectively unregulated, with no accounts, autocratic leadership and high turnover of both staff and learners. Though these schools offer some sort of service which is in demand, they could not be licensed. They do raise public welfare and public accounting issues which need urgent action.

The proprietors of Dwelling House and commercial schools interviewed had no formal knowledge of how schools can be run. They simply remembered their own school experience (often limited to primary schooling) and talked of the school as a small business enterprise. Some of the consequences pointed out by heads and teachers were that pedagogic and professional advice were often not understood or taken and that buying the basic necessities for the school, e.g. chalk, reference books, furniture etc. was seen as a cost without much (financial) benefit. A simple emphasis on profits may mean that the newer non-government schools operate without tangible development after they are established, since owners are maximising returns on investment in the short term. There were requests from some proprietors for government subsidies, though these were not linked to any enthusiasm for reciprocal obligations to deliver basic services in a more transparent way. It was also mentioned that local banks were unwilling to lend money for school development, presumably because of the risks of default. If these risks are real, which the banks clearly believe they are, then part of the reason seems to lie in obscure management responsibilities and accountability both of which invite closer examination.

The school case studies provide an insight into different kinds of non-government schools. From this it is clear that the sector is diverse, attracts both rich and relatively poor learners, is very variable in facilities and performance but less so in terms of teaching methods and formal curriculum, and is largely self-regulated in more and less transparent and effective ways. Higher cost schools (which exclude all but the richest learners) appear well run and offer reasonable quality learning. This includes mission schools and some commercially run institutions. However other commercially operated schools and the Dwelling House schools studied suffer from very limited infrastructure, few learning materials, under-qualified teachers and opaque management with weak accountability. It is the latter which appear to have grown most rapidly in the recent past. There is little evidence that these schools are effectively regulated in the

public interest, and most are unregistered. Though they do contribute to increasing access to secondary level schooling, their quality is demonstrably poor.

### Reflections on the Malawi Case Study

This review of development of non-government schooling in Malawi has shown that it is an area of policy neglect and that non-government schools operate with little regulation. Provision has developed from an historic base of largely well founded schools associated with faith-based organisations. In the recent past growth has been concentrated amongst for-profit providers operating commercially. The secondary education department of the MoEST is not equipped to manage non-government schools as well as government schools. Non-government schools are largely unsupervised and unregulated. There is little reliable data on non-government schools which could be used to shape policy. The PIF makes unrealistic assumptions about growth in non-government secondary schooling and largely ignores problems related to affordability, and the limits of effective demand determined by providers' willingness to invest. The interactions between CDSS and non-government schools are largely uncharted though it is clear that in urban areas they compete for students, and that in some case they share teachers. Quality in schools run by new non-government providers is widely thought to be poor and what limited information there is confirms this observation.

A number of concerns arise from this Chapter. First, non-government schools do increase access, but their growth is based on enrolling those whose household incomes are well above the poverty line and who cannot get access to mainstream government secondary schools. The older established private sector schools mainly serve a rich clientele, which has increased slowly in numbers as Malawi has developed. Most of those enrolled in these schools are there because they cannot access government secondary schools but can afford mid to high level fees, and/or they also value what the schools offer (including denominational education). They are unlikely to want to access CDSSs or Dwelling House private schools. It would seem that this group of schools will grow at a rate determined by affordability in the mid range, and these schools will continue to offer educational services similar to those in traditional government schools.

Most new access has been created by low-fee private schools operating at the local level. Many of these are Dwelling House schools, or schools expanded from small-scale commercial enterprises. Despite the appalling conditions under which the Dwelling House schools are operating, they seem popular amongst the students who have the CDSS as the only alternative. The attractions include teachers whose absenteeism is low as a result of piece work payment, flexible fee instalments (often related to sporadic student attendance), and in some cases the reputations of proprietors for offering something better than the alternative (i.e. enrolment in a local CDSS). These schools are almost entirely unregulated, except by the market, and many appear unstable institutions with very high turnovers of staff and students. Some of our evidence suggests that they are often favoured over CDSSs. This would seem more a result of the poor quality of CDSSs than an endorsement of the quality of relatively low-fee private schools. It is unclear to what extent non-government providers increase access overall, and to what extent they substitute for poor quality CDSSs which then become under enrolled.

Second, analysis of affordability suggests that limits to non-government school growth may

soon prove a constraint. Households below about the 20th percentile of income distribution would seem unlikely to be able to finance fees and other costs at schools which are unsubsidised, even if they employ low-cost teachers casually. Demand for places will increase as more primary school leavers qualify. Effective demand will soften especially where performance on national examinations is poor.

Third, there is some evidence the non-government schools are relatively gender friendly. Differences in enrolments between boys and girls are typically less than in government schools. This may simply reflect the fact that higher income households are less likely to discriminate and can afford to support more than one child in secondary school. Government schools historically enrolled more boys than girls as a matter of policy. There is no obvious reason why non-government for-profit providers would do this.

Fourth, data is so poor that judgements of efficiency across school types are difficult if not impossible to make. The school case studies suggest that private sector schools vary widely in efficiency. The more effective ones make good use of resources, manage teaching time effectively and achieve good results. The least effective ones probably do none of these things and simply extract income from the relatively poor and offer little value for money. Effective private schools could be used to benchmark poor and failing government schools, as could the most effective government schools. This does not currently occur though there is no obvious reason preventing it. The problems of managing learning and teaching in CDSSs are outside the scope of this research. It was evident that many teachers and students felt that the reasons non-government schools were growing at the low-fee end of the market was because of low quality, teacher management and attendance problems, and lack of resources in CDSSs, all of which suggest they are very inefficient. Their cost per successful graduate is known to be very high as a result of their very low pass rates.

Fifth, as with efficiency, quality in non-government schools varies from very good to non-existent. Where it is poor, some combination of improved management and regulation and monitoring, coupled with some incentives and penalties, may have some value. In low and low-mid fee schools the most obvious vector to improve quality and performance at affordable cost is the supply of learning materials. Simply put, students in the case study Dwelling House schools have no textbooks at all. Teachers may or may not possess copies in main subjects. If these non-government schools continue to operate it is arguably the case that there some public subsidy of learning materials might be justified, since it is likely this is one of the most cost-effective means of supporting improved learning.

Sixth, the examination system in Malawi is losing credibility. One indication is the introduction of the university entrance examinations in place of the MSCE Certificate. Some high-cost non-government schools use external examinations and express little confidence in the value of local qualifications. The reasons for loss of confidence are beyond the scope of this review. However without robust indicators of achievement which are trusted, it is difficult to see how indicators of performance might be used as part of monitoring and regulations systems. Given the centrality of assessment in shaping learning and teaching, this would seem a critical area for reform.

Seventh, most non-government school teachers are untrained. Dwelling house schools employ almost anyone with a secondary education. The output of the Malawi secondary teacher education system is far too small to train sufficient secondary teachers to meet existing demand. Government schools and particularly CDSSs cannot be staffed by trained teachers for the foreseeable future. Some efforts to address teacher supply and demand questions, which recognise the needs of non-government schools, is needed. So also is a clear view of what support, if any, such teachers should receive. Most obviously this includes reviewing the arrangements that exclude non-government teachers from in-service support and training, and which give them little if any job security on which to build committed careers.

Eighth, there is evidence that management structures in a proportion of non-government schools are often not conducive to effective teaching. Lack of transparency, consultation and accountability appear common in commercially run schools. School governance has few public dimensions and community engagement is weak or non-existent. Unless or until governance and accountability questions are addressed it is difficult to see how partnership with government might be justified. The PRISAM appears far from developing to the point where it could act as a component of a self-regulating-system.

Ninth, there is currently no specific legislation in the Education Act governing non-government schools. The sector has grown considerably since 1994 without any government financial or policy support and with the minimum of control, regulation or supervision. This has promoted growing perceptions that school education can be dispensed in any manner, anywhere and organised by almost anyone regardless of their training. Traditional schooling activities believed to bring about the education of the child have been discarded in many new schools. Punctuality, sports, homework, recognition of individual difference, self-studying, reading widely, experiments and practical work, marking class work, and many other features of effective teaching and learning do not form part of much current practice. If the non-government system continues to grow in this way it is not clear why its growth should be encouraged.

Finally there are some conditions under which non-government providers might be encouraged and supported in ways which increase enrolments and enhance access, equity and quality. These conditions appear to include:

- effective assessment of facilities, staffing and other minimum qualifying conditions for registration and licensing;
- clear means to monitor the non-government providers that can offer schooling of minimal acceptable quality on a sustained basis, and differentiate those that can from those that cannot;
- agreement on appropriate forms of public accountability which include financial transparency, accessible governance structures, and performance indicators available to the public;
- the establishment of credible quality assurance mechanisms which may include elements of self-regulation but should also have an independent dimension which attracts public confidence.

If such conditions can be met then some forms of subsidy and support might be considered. The most attractive of these include assistance to increase the supply of learning material (most obviously through grants of books and/or subsidised purchase of books from nominated

## Chapter 6: **A Cross Case Analysis: Comparisons between South Africa and Malawi**

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suppliers), access to in-service training and teacher upgrading programmes, and selected bursaries linked to poor students. Some well-established institutions could become eligible for grants in aid if the conditions for this could be agreed.

Other conclusions relevant to future policy are identified in the following two chapters.

The two case studies present a patchwork of similarities and differences that illuminate the development of the non-government secondary school sector. This chapter discusses some of the most important comparisons that can be made and identifies strengths and weaknesses in the different approaches.

### **Overview**

Though no SSA country is typical of the region, Malawi does have several things in common with low income, low secondary enrolment SSA countries, especially in East and Southern Africa. Like Tanzania it has had a long history of very small secondary participation, a successful set of EFA initiatives that have succeeded in increasing primary enrolments and the numbers graduating from primary school, and it has seen non-government schools grow rapidly to account for substantial shares of secondary enrolment. Uganda is further ahead on the same curve in so far as non-government secondary schools now account for over half of all enrolment and the growth has been very rapid under the civil government. Zambia has responded to excess demand for secondary schooling through the creation of 'Academic Production Units' which are a fee-based half-way house between non-government provision and government provision. Rwanda is recovering from its genocide. It has a secondary system which has a high proportion of non-government providers, high-costs, and a low overall enrolment level. Expanded access in Rwanda requires new policy on non-government providers.

These countries face similar dilemmas of how to increase access in equitable ways at affordable costs to the State and to students and families. In all these countries policy acknowledges that non-government providers have a role to play, but none have devised subsidy systems or effective regulatory regimes. Important questions include whether what is already known about the recent growth of non-government provision justifies subsidy, given the opportunity cost of redirecting scarce public resources; how costs can be bought down to levels that allow greater participation beyond the 20th percentile of household income; and whether and under what circumstances non-government providers would enrol more of those currently excluded and whose numbers will rise as more graduate from primary schooling.

South Africa is the richest economy in SSA, with a vexed history of apartheid to overcome. Its secondary schooling rates are high, its infrastructure well established, and its public commitment to unify its education system in equitable ways manifest. Its independent schools are a small proportion of the total and respond more to differentiated demand than excess demand, except where there are pockets the State is failing to reach. It has also adopted a strategy that allows government schools to maintain considerable control over their affairs through registering as non-profit organizations entitled to set and collect fees which enable some to operate much like independent schools, but with the benefit of 100% State subsidy. This can be seen to diffuse demand for independent schools, and at the very least provides

competition in the mid to high-fee ranges. Alongside this, a novel fee subsidy regime exists which provides subsidies on a sliding scale based on fee levels and performance indicators. This directs more assistance (to a maximum of 60% of the average cost of provision) towards independent schools servicing poorer clientele. Though access to secondary schooling is widespread in South Africa, the problem remains that its quality is very uneven and differences in performance vast. The question is to what extent independent schools, or other kinds of public/private partnerships, have much to contribute to the diminution and eradication of these historic and current inequities.

|                |   |   |
|----------------|---|---|
| Size of Sector | Relatively small but varied, with between 1200 and 2000 providers. Rapid growth from a small base since 1990. New school registrations peaked in 2000, since when growth appears to have slowed. About 6% of independent schools in the sample enrol more than 500 students and a further 41% more than 200. The remainder are small schools, 17% of which have less than | Non-government schools appear to account for more than 25% of secondary enrolments and are similar in numbers to established conventional government schools. Rapid growth since 1994 concentrated amongst low-cost Dwelling House schools and small family owned providers. Growth appears to have slowed since 2000. The average school size of private schools appears to be between 100 and |
| Equity         | Most independent schools operate at mid to high-fee levels, beyond the level of affordability of the poor. Quality and performance are very low in low-fee schools. High-cost schools perform as well or better than the best government schools with which they compete.   | Most non-government secondary schools operate at fee levels that exclude households below the 20th decile of wealth. Dwelling House schools are both the cheapest and the poorest quality, with few if any facilities. Performance in low-cost schools is well below that in government schools. Established higher cost schools perform as well or better                                      |
| Access         | Most independent schools are urban or sub-urban. Few have rural catchment areas and few are in townships. Schools remain characterised by differences in religious and community orientation linked to cost, entrance criteria and location. Low-cost schools have few entry criteria and admit foreign   | A few wealthy students attend international schools. Middle income students have access to established mission schools and well-founded commercial schools which compete with conventional government schools. Dwelling House schools enrol those with sufficient cash income to pay fees and compete with local government   |

|            |   |  |
|------------|---|--|
| Ownership  | Most independent schools have Christian religious affiliations (71%). About 31% are church owned, 22% are owned by Trusts, 22% by companies and about 25% by individuals or families.   | No national statistics are available. It is likely that between 50% and 75% of schools are Dwelling House, or small family or commercially owned. About 20 grant maintained schools remain owned by Churches but financed  |
| Governance | Elite, top-end schools have good governance structures which conform to regulatory requirements. Middle and low-cost schools tend to be commercial, with proprietor governance. Non-government schools generally often have hierarchical management structures with low levels of transparency or   | Established medium sized schools have governing bodies and regularised accounting procedures. Most others have owner/managers with little or no governance structures and little transparency or accountability.   |
| Fees       | About 21% of schools operate with fees above Rand 20,000, 17% Rand 12,000-20,000, 24% Rand 6,000-12,000, 34% Rand 1,000 –6,000,   | Fees range from K1,600 to K20,000 per student per term (or as much as K600,000 in international schools). Boarding costs add considerably to   |
| Subsidies  | Low-fee schools depend on subsidies based on fee levels and other criteria including examination performance. Lower fee schools receive the maximum 60% subsidy based on the average cost per student in the Province. Subsidy amounts have been falling, bringing into doubt the financial viability of low-cost schools.<br>If schools receive subsidies they must be registered as non-profit organisations which allows tax | Only grant-maintained schools receive subsidies which are similar to those for normal government schools. Private schools receive no subsidy and are liable to tax on assets and income, and on learning materials.  |
| Quality    | High-cost schools have extensive facilities and very low pupil:teacher ratios. Low-cost providers are often in unsuitable rented accommodation with no sports facilities, specialised rooms or equipment.   | High-cost schools have extensive facilities and very low pupil:teacher ratios. Many mid-fee schools are in converted buildings with limited space and overcrowded classrooms and large classes. Dwelling House schools are converted domestic properties or shop houses and are often grossly over |

|                             |   |  |
|-----------------------------|---|--|
| Curriculum                  | All schools follow the national curriculum and take South African examinations. Some high-cost schools may take international qualifications.<br>Faith-based schools provide a particular religious ethos. Few but the highest cost schools offer innovatory teaching and learning.                       | All secular schools follow the national curriculum and take national examinations. Mission schools are committed to broader educational goals. International schools offer a wide range of subjects with an emphasis on creative teaching and student-centred learning. Dwelling House schools and other low-cost providers focus narrowly on learning |
| Achievement                 | High-cost schools produce results comparable with the best public schools, many of which are Ex Model C schools. Mid-range schools are comparable or better than average public schools. Low-end independent schools may achieve better than the worst public schools and may fail if they do not.        | Established non-government schools (and grant-maintained schools) perform as well or better than conventional government schools and much better than CDSSs. Dwelling House schools and other low-cost providers often achieve pass rates of 10%-20% on the national examination. This is comparable or better than many                               |
| Teachers                    | Teachers need to be qualified and registered if schools receive subsidies and most are, though they may be temporarily registered whilst upgrading. Their employment falls under labour law. Low-fee schools may have problems paying salaries, especially where subsidies are                            | Most teachers are under- or unqualified except in higher cost schools. Lower costs schools may be staffed by those who have retired and more commonly by secondary school leavers and undergraduates working on piece work arrangements. Informal contracts are common in all but the more   |
| Regulation and Facilitation | The regulatory system in South Africa is extensively legislated and often enforced, especially as it relates to subsidies. It places a significant overhead on providers, especially small schools, to respond to all its requirements.<br>Some aspects of the regulatory system are more inhibiting than | The regulatory system in Malawi is undeveloped. Though regulations exist they are dated and rarely enforced. There is little capacity to enforce conditions for licensing and registration.<br>Beyond benign neglect there is little in government policy that facilitates as opposed to permits non-government  |

### Some Comparisons

A summary of similarities and differences between the country cases is provided below.

**Table 24: Summary Comparisons between South Africa and Malawi****Size of the Sector**

South Africa has between 3% and 4% of its secondary enrolments in independent schools (and perhaps slightly less in ex-Model C schools). Malawi now has as much as 25% of total secondary enrolment in non-government schools, a proportion similar to that in conventional government schools established before the mid-1990s. In both countries growth has been rapid but now seems to have slowed. South Africa has seen differentiated demand drive much of the expansion, both in terms of religious preference and in terms of ‘quality flight’ from the public school system. Excess demand arises more from poor quality in some public schools than an absolute shortage of places. The exception is where recent population growth has outstripped the capacity of the provincial authorities to provide schooling. Some aspects of the demand at the higher cost end are likely to be related to access to globalised labour markets, international qualifications and access to higher education abroad. And growth has occurred because it has been permitted since the late 1980s.

Malawi’s growth in non-government schooling has been more recent. Starting from 1994 restrictions were eased on establishing private schools. Free primary education has encouraged excess demand in a dual economy where the vector from a traditional agriculturally based rural subsistence economy into modern sector jobs has become secondary schooling. Though there is some differentiated demand this has not evidently been the motor behind recent expansion. If there is another dimension to the expansion it has been the return on capital available to successful proprietors who have worked out the economics of fee-paying for-profit schools with low overheads and modest or minimal facilities. As in Uganda for a period in the late 1990s, setting up private schools has given one of the most attractive rates of return in the market place. There are now signs of instability, with it becoming clear that there is a lot of volatility amongst newly founded small-scale private schools. What evidence there is suggests that significant numbers may only operate for a few years before closing as a result of financial mismanagement, poor results and inability to retain teachers. The small urban population in Malawi is already fairly well provided with secondary school access at a price. Expansion requires lower direct costs to households private schools may have to charge fees too expensive for poor households to afford. Growth may stall as a result. As a result of low secondary pass rates and historically very restricted access it is also true that plausibly qualified secondary teachers are in short supply and this may act as another constraint.

South Africa has a clear and dominant policy perspective and constitutional framework that underwrites public mass provision of secondary schooling. Independent schools are voluntary and complementary, rather than essential for mass provision, and are constitutionally protected. They operate to service different communities with the resources to support them and the values which justify private contributions to their costs. Their scale is small. In Malawi there is an ambition in the national plan that private schools will come to enrol 25% or more of secondary students. It remains unclear how this is to be achieved since it depends on the actions of free agents. It is also not clear, given the demographic, economic and income distribution realities, whether it is achievable. Experience to date is not encouraging in terms of the proliferation of low-cost, low-quality providers.

## Equity and Access

Access and equity figure prominently in debates about the role of the non-government sector in secondary schooling. They have many dimensions. In both countries it is clear that those who access non-government provision of quality are drawn from higher income households. The skews are impressive. In Malawi children from rich households (top 20%) are more than 15 times as likely to be enrolled in secondary school than are those from the poorest 40% of the population. More evidence of restricted access is clear from the fact that 33% of all successful applicants to the University of Malawi came from just 20 secondary schools, and 50% from 37 schools (out of a total of over 800 schools). The majority were from conventional government or grant-maintained schools. Only 10 private schools provided entrants and these were all high-cost.

In South Africa over 80% of households have average incomes of less than Rand 50,000. This would seem too little to gain access to low-fee independent schools, restricting access generally to those above this level of household income. In principle in public schools fee exemptions are available on a means-tested basis. In low-fee public schools this means that few are excluded through inability to pay fees. In higher cost public schools, especially ex-Model C schools, fee waivers may be difficult to obtain in reality, and there are unlikely to be many who qualify for fee exemption. Independent schools may give fee waivers according to their own criteria. Clearly the scope for this is limited by the need to maintain financial viability. In effect waivers have to be cross-subsidised by higher fees from those who do pay. This means that lower cost non-government schools are unlikely to give waivers on all but a small scale.

Access to secondary schooling in Malawi is strongly urban biased. Rural residents have less than one tenth the chance of being enrolled than their urban counterparts (partly reflecting differences in wealth). The overwhelming majority of both government and private schools in Malawi are urban or peri-urban. Private schools do not generally operate in rural areas since there is very limited cash income which could support fees and other costs. It is also unlikely that they could attract and retain staff without guaranteed employment. Private providers in Malawi are clearly not the providers of secondary schooling of last resort and are unlikely to become so.

South Africa's secondary schooling is much more evenly distributed geographically - if not in terms of quality. Its independent schools are also overwhelmingly urban, suburban, and/or drawing on urban populations. In the research sample 90% were classified as urban. Unlike Malawi patterns of access display strong racial characteristics, with white learners opting for independent schooling based on differentiated demand – either an elite form of education or religious-based schooling – and the majority of black learners enrolling in low and low middle fee schools if they are in the independent sector. The survey data reveals that white learners make up the greatest proportion of enrolments (45%), African learners 39%, Indian learners and coloured learners 4% of overall enrolment figures.<sup>53</sup>

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<sup>53</sup> As noted previously these percentages do not tally with those from other sources, reflecting the uncertainties in all the estimates available.

## Ownership and Governance

There is a strong religious orientation to access in South Africa, as evidenced by the large number of faith-based private providers. Between 70% and 80% of independent schools are religiously affiliated. Religious affiliation is an important motivation for enrolment for parents dissatisfied with the secular environments of public schools. It is used directly or indirectly to filter applicants. A minority of independent schools appear to trade on cultural orientation based on language. Specifically a proportion of the Afrikaans-medium schools have been established to protect cultural identity.

These trends are not so dominant in Malawi as far as could be ascertained, especially amongst newly founded schools. Established private schools linked to Missions have expectations of the faith of those they enrol and are predominantly serving those affiliated with the relevant churches. However recent growth does not seem to have had a predominantly religious character. Most new schools appear secular and commercially motivated. As many as 75% of all private schools are likely to be of this kind, with ownership in the hands of individuals, family members or business associates.

Most independent schools in South Africa (we estimate about 90%) are registered as not-for-profit organisations. This qualifies them for tax exemptions. It precludes payment to shareholders or dividends to owners. It does not preclude surpluses that can be reinvested in aspects of the school environment which may benefit those associated with ownership, whether at the individual or community level. In Malawi, where many schools are not registered, some are charities and others fall under small business legislation. The latter are not tax exempt. However tax collection is far from regularised, and many do not seek registration in order to avoid attention from the authorities.

## Fees and Subsidies

Fees charged by non-government schools in both countries vary over a wide range. In South Africa over 60% of those schools surveyed were charging over Rands 6,000, which would put them out of reach of at least 80% of households. Fee levels in non-government schools are influenced by the subsidy system since there are four threshold levels that determine whether or not schools receive subsidies of 60%, 40%, 25% or 15%. In practice, to qualify for the highest subsidy schools have to charge less than about R2,000, and less than R5,000 for the 40% band. About 50% of independent schools receive no subsidy.

Parents who cannot afford the school fees can apply directly to schools for exemption. These exemptions may be full or partial, depending on parental incomes and according to a formula. In government schools parents may qualify if the gross income of the household is between 30 and 10 times the school fee; if it is 10 or less times the school fee the parent may be totally exempt. One problem with the exemption system is that it has no cap. Thus exemptions can be claimed in relatively high-fee government schools where income thresholds are much higher. This advantages ex-Model C schools. In independent schools exemptions are at the discretion of the schools' owners and may or may not follow these guidelines.

In Malawi fees vary from about K1,600 to over K20,000 per term. Fees in conventional government schools are heavily subsidised and are about K2,500 per term. It is estimated that the majority (about 70%) of private schools fall in the lower band of less than K2,000 per term and perhaps 10% charge above K8,000. This is more evidence that most private schools are low-cost low, quality providers. Households on the poverty threshold (65% are below the threshold) would need to allocate at least 15% of their income to fees and other costs to keep a child in a low-cost secondary school. Even this assumes that fees are being paid for only one child. On average allocations of household income to education are less than 5% of total expenditure for the poor. There is no system of fee exemption in Malawi in private schools except at the discretion of proprietors. Some offer some reduced fee places. Others offer to stagger payments and allow payment by instalments, unlike most conventional government schools where fees have to be paid in full. This is an attraction to the relatively poor with seasonally varied income.

The South African subsidy system is unusual both because it directs subsidies to non-government providers and because it is pro-poor in structure, with a sliding scale related to fee levels.

Provincial education departments classify schools into four levels. First, (60% subsidy level) those located in townships, deep rural areas or informal settlements, second (40% subsidy) those in inner-city or transitional suburban areas, catering largely for township and informal sector clientele, third (25% and 15% subsidy) those serving middle- and upper-middle class families with good facilities, fourth (0% subsidy) those well-established schools with excellent facilities and a national or regional clientele. Other conditions include that schools are registered as non-profit organisations and have operated for at least a year; agree to unannounced inspection visits by the provincial education department; are not established in direct competition with a nearby uncrowded public school of equivalent quality; and have final grade 12 pass rates of 50% or more for full-time candidates writing the examination in the prior year, with no more than 20% of Grades 11 and 12 learners repeating, and do not engage in practices that are calculated to increase the school's Grade 12 pass rate artificially.

There are at least five problems with this system. First, the matriculation pass rate condition penalises all students for the performance of those leaving. Second, some schools have high rates of repeaters because of the students they attract. Third, subsidies are based on a single-day headcount but admissions typically take more than a week to stabilise. As a result miscalculations are common. Fourth, the condition designed to prevent competition within a local area is difficult to apply retrospectively where an independent school already exists. It also ignores differentiated demand where government schools are not favoured by parents and students. Fifth, the subsidy is based on the average cost per student in the Province. There have been extensive disputes about how this is calculated, especially in Gauteng where the amount has been falling and it appears only direct teaching costs have been considered. Despite these problems, this system is an example of how a subsidy system can be constructed which facilitates independent schools. It is designed to show a preference for schools that are well managed, provide good education, serve poor communities and individuals, and are not operated for-profit.

Independent schools receive other forms of indirect subsidy, notably exemption from paying tax. With changes to the Income Tax Act (2001), independent schools are required to register as Public Benefit Organisations (PBOs) with the South African Revenue Service (SARS) to qualify for exemption. They may also be entitled to pass tax deduction benefits on to donors.

Malawi has no subsidy system except in the grant-maintained schools, which are regarded as quasi-government schools and where normal costs are met. About two thirds of Catholic schools in South Africa are 'government schools on private land' and in these salary costs are met though the Church maintains ownership, similar to a grant-maintained situation.

In both systems there are hidden subsidies in the sense that teacher training is a public cost. Some private teacher training takes place but on a very small scale. However in both countries public in-service programmes generally exclude teachers in non-government schools. Curriculum development and examinations are also publicly financed with contributions from examinations fees. Inspection systems are also public but have responsibilities to oversee non-government schools.

In both countries there are minimum fee levels below which non-government schools could not operate without other sources of income. These are determined mainly by teachers' salaries. In South Africa the schools cannot operate with reasonable learning conditions much below about Rand 4,000 per student (implying fees of Rand 2,000 or so after subsidy). In Malawi government secondary teachers earned about K160,000 in 2001 including allowances. At a pupil:teacher ratio of 30:1 the salary cost per student would be a little over K5,000. With operating costs and profit this suggests that perhaps K8,000-K10,000 per student is needed. Schools which are charging less than this, which are in the majority, are doing so by minimising overheads (learning materials, rent, food) and by paying teachers less than in government schools. Alternatively they are receiving subsidy from some other non-government source, e.g. overseas churches and non-government organisations (NGOs).

### **Quality, Curriculum and Achievement**

Curriculum and quality issues are of concern in both countries. In South Africa it is clear that established mid- to high-cost schools have facilities superior to average public schools, much lower pupil:teacher ratios (about half those in public schools), and offer additional options in the curriculum. They also attract and pay a premium for high-performing teachers. They follow the national curriculum which has become outcomes based. This allows considerable latitude on methods of learning and teaching providing attainment targets are met. The performance of this group is high. They have the resources to make extensive use of new information technologies and teach Science and technology to high levels. Many have out-reach programmes to develop social skills and social awareness. As noted above they compete successfully with ex-Model C schools in the mid-range of fees and above. About 45% of the 60 best performing schools in South Africa are high-fee independent schools. The Independent Examination Board (IEB) accounts for 1% of matriculation takers but 10% of African matriculants with higher grade Mathematics and Science passes.

Low-fee independent schools in South Africa often do not have the resources to offer expensive subjects at matriculation level, their facilities are less likely to be purpose built and some have no land at all and exist in rented accommodation. Their curricula are narrowly focused on examination success, the quality of teaching can be poor and unimaginative, and pass rates low. With very few exceptions their teaching displayed no evidence of innovative approaches and was reactive rather than proactive in curriculum terms. Since they are competing with low-end public schools, and are attractive to repeaters, their focus is understandable. About 20% of subsidised schools scored less than 50% pass rates on matriculation examinations in 2001. Independent schools made up 20% of schools with pass rates of less than 20%. Their performance may be poor but it may nevertheless be comparable to or better than the worst public schools. Their teachers are more likely to be present since their payment is often linked to how much they teach.

In Malawi a similar hierarchy exists but with a narrower peak. There are very few well-resourced private schools offering a full range of subjects with a comprehensive range of facilities. Only one of the case study schools could do this and could demonstrate that some of its learning and teaching practice extended beyond the national curriculum and conventional didactic approaches. Some Mission schools do have special characteristics related to their faith base. Few private schools teach Science and Technology effectively and most do not have the facilities. Examination entries indicate that very few Physics and Chemistry candidates come from private schools. Dwelling House schools and small commercial schools compete with CDSSs which are also often of low quality with very low pass rates. Where these private schools are preferred it is because some of the more effectively run schools do ensure that teachers teach, some of the teachers may be better qualified than the upgraded primary teachers common in CDSSs, and because they have active proprietors supervising on site. Alongside this most of these schools appear unlikely to satisfy minimum registration requirements in terms of facilities and teacher qualification, and many appear not to be enthusiastic about public accountability and engagement with such quality assurance systems as exist in District offices. Almost none of these low-cost schools are examination centres. Many resemble informal private tuition centres.

## Teachers

Predictably school performance in both countries is associated with the socio-economic status of students and the cultural capital which they bring. There is no robust data in either country that allows the independent effects of schools on achievement to be separated from socio-economic background. However some things are clear. Levels of teacher qualification, and hopefully competence and effectiveness, do vary in ways which are at least generally consistent with achievement patterns. In both countries high-fee schools tend to have teachers with qualifications and training similar or superior to the best public schools. At the low-fee end non-government schools tend to have much higher proportions of under- and un-qualified teachers.

To become a government teacher in South Africa it is necessary to satisfy minimum qualification and training requirements and be registered with the South African Council of Educators

(SACE). These conditions are being applied to independent schools but are yet to be fully implemented. In Malawi government school teachers must be trained and most at secondary level have appropriate qualifications, except in the CDSSs. In private schools there is little effective regulation and no real sanctions against employing unqualified and untrained teachers. These schools could not operate at their low-fee level without unqualified teachers paid relatively low wages on casual contracts, as noted above. It is also true that there are not enough qualified teachers in the labour market to support the schools as a result of small volumes of output (less than 300 a year) for secondary teacher training institutions over many years.

Teachers in non-government schools can be vulnerable to poor and demotivating conditions of service. This is not the case in the established, well run, and high-cost schools. However much recent growth has been in low-cost schools which cannot afford premium salaries and in which the profit motive may dictate that salary costs are minimised. Under-qualified teachers can be found in both countries willing to work for less than normal government salaries. Another common device is to employ staff on proportional contracts (e.g. just during term time) with no holiday or pension entitlements. Piece-work arrangements are used in Malawi, where teachers are paid by the number of classes taught and the time involved.

There is little or no security for many of these teachers, with no effective notice periods and few if any rights of appeal for dismissal. Salary payments in both countries are often delayed in low-cost schools. Many small schools in Malawi appear to work on a current cashflow basis paying teachers when fees are collected and stalling payment when there are shortfalls. In some cases in South Africa, subsidy payments have been delayed or withheld. Since most of these schools have few if any reserves teachers go unpaid. Sometimes this has resulted in collective resignations and the collapse of schools.

### **Regulation and Facilitation**

The legislation and practices that surround non-government schools are much more developed in South Africa than in Malawi. Company and tax law is detailed, as are the systems that surround the subsidy system. The majority of mid- and high-fee independent schools appear to conform to most of the stipulated requirements. They have established legal identities, governing bodies or their equivalent, and ownership is most likely to be embedded in a Trust, church or company. If they seek subsidy then they are obliged to produce audited accounts and meet financial conditions. In some respects independent schools appear to have been slow to adopt new governance practice – for example in setting up Representative Learner Councils as required in State schools. In other respects they appear pro-active – the Independent Schools Association of South Africa (ISASA) is discussing setting up its own quality assurance system (possibly to pre-empt the imposition of one by the State).

In Malawi the State has been generally unable to enforce much of the legislation that does exist. That which does exist is not comprehensive and not designed to respond to recent developments in the sector. Thus, as noted, many schools are registered as companies and operate under company law, not legislation specific to schools. This may not be of consequence for old-established and well-managed private schools. It carries risks, however, for the governance of Dwelling House and small business-run schools. Most are controlled by family

members or business associates with no necessary expertise in running schools. Few engage a wider circle in decision making. Many have no auditable accounts. Some have taken advantage of weak or non-existent supervision to make excess profits, or even to embezzle fee income.

The difficulty in South Africa appears to be mostly concerned with refining existing governance structures to ensure that independent schools, especially those that are subsidised, serve national needs and respect national legislation in spirit as well as to the letter. There is a risk that more restrictive conditions, and yet more bureaucratic procedures, will stifle diversity and innovation. They may also disadvantage small providers since the overheads involved will fall on them disproportionately. This may be especially worrying for the subsidised schools which attempt to access the less wealthy. Over-regulation could lead to this group withering and either becoming public schools or becoming fully private. It also seems possible that on occasion Provincial departments may use the subsidy system to pursue ideological rather than educational goals.

In Malawi the problem is different. Clearly the legislative framework for private schools needs revisiting and revising. So does the registration and licensing system which appears largely ineffective in that the majority of new schools are probably operating without a proper legal identity. Even where they are, it may be that many conditions for registration and licensing have not been met. However, even with new conditions, criteria, and governance and auditing requirements, the infrastructure to enforce an effective system is currently unlikely to be sufficient. More regulation would only make a difference if there was a plausible mechanism for implementation.

This is not an easy problem to resolve. Self-regulation might work for the core of established private schools but it would need checks and balances. It could gradually be extended. It would require some method of (self?) financing. If the State takes its responsibilities seriously then some steps should be taken to bring more order into the new private school sector. At the very least information is lacking which is needed to construct policy. The number of schools is unknown and the public have little information on which to exercise choice or influence the governance of private schools, except through a very imperfect market. Part of the solution lies in a more coherent approach to the provision of secondary schooling and its expansion. Without this conflicts of interest and of operation will probably multiply. Low-end private schools do appear to compete with CDSSs, sometimes to their detriment. An unknown proportion of teachers work in both sectors simultaneously. It ought to be possible over time to develop local forms of accountability within a national framework.

### **Some Policy Challenges**

Four areas stand out for further comment. These are: the nature of policy dialogue; questions of choice; quality and performance; and issues of privatisation and competition.

### **Policy Dialogue**

How government interfaces with non-government providers is an important indicator of the role it sees the sector playing in educational development. Most obviously this may be facilitating and complementary, neutral and competitive, or restrictive and inhibiting – or some

combination of these factors.

In South Africa there is a dialogue on policy with independent school organisations which is prominent in the press and institutionalised. After an interregnum in private education policy between 1994 and 1997, during which time the sector grew rapidly (Sayed, 2002), the government has established a policy framework for interaction with the private sector. This arose from historical concerns related to apartheid and the need to manage the dispensations to allow non-government schooling under the new constitution. The latter states that everyone has a right to establish and maintain, at their own expense, independent educational institutions that i) do not discriminate on the basis of race, ii) are registered with the State, and iii) maintain standards that are not inferior to standards at comparable institutions. This provides the basis for a rights-based approach to ownership and operation. Schools have to register and satisfy extensive conditions, as noted in Chapter 4.

The positive engagement by the State is reflected in three key policy documents, the first two of which are Legislated Acts, while the third is a regulatory framework. These are: (i) the South African Schools Act of 1996 (SASA), (ii) the National Education Policy Act of 1996, and (iii) the associated National Norms and Standards for School Funding of 1998. These instruments attempt to create a pro-poor, incentive-driven system for the private sector to complement State provision, with subsidy allocations to schools registered as public benefit organisations linked to equity, quality and access for the poor to low-fee independent schools.

Dialogue is active and there are several recent examples where the government has been legally challenged and has had to modify policy or its implementation (e.g. in relation to minimum age of entry and subsidy levels). Views differ on whether the dialogue is formative or reactive. Where court cases have been involved it is clear that dialogue has moved to contestation and conflict. In other cases, at least some associations of independent schools feel that they have influenced policy formation and reached amicable resolution of contentious issues without resorting to law.

South Africa has a proliferation of associations of independent schools. The associations with member schools in more than one Province are networked in the National Alliance of Independent School Associations (NAISA), which facilitates interaction between the associations and the government. Members include:

- the Independent Schools Association of South Africa (ISASA), with 320 affiliated schools, including for-profit and non-profit schools, most of which are established and relatively high-cost;
- the Catholic Institute of Education (CIE), with 110 fully independent schools. A larger number of about 200 are defined as ‘public schools on private property’ in which recurrent costs are paid by Provincial governments;
- the Alliance of Black Independent Schools, a Gauteng-based association, which has 70 members, the majority of which are secondary schools. Some estimates suggest 30,000 learners registered in these schools. The Alliance brings together schools with predominantly African populations in the inner city, suburbs, townships, and informal settlements;
- Accelerated Christian Education (ACE), which is an umbrella organisation for schools prescribing to the bible-centred educational programme of the American-based School of

Tomorrow (Lewisville, Texas). This has 283 schools and over 1,000 home schools affiliated to it;

- the Association of Christian Schools, which pulls together schools following a biblical philosophy. It has 35 members, 15 of which include grades 8 to 12;
- the Association of Muslim Schools, which has about 40 members;
- the South African Jewish Board of Education.

In addition to these organisations, there are at least four home schooling associations including the Association for Home Schools, KwaZulu-Natal Home School Association, Eastern Cape Home School Association and Western Cape Home School Association. These are networked in the National Coalition of Home Schools, which represents the associations at a national level. Most home schools are not affiliated to these organisations. They may enrol as many as 50,000 learners but the total is uncertain.

The independent school associations in South Africa can be vigorous in their interaction with the government and often present their cases in the mass media to generate debate and influence policy. The most prominent associations are ISASA and CIE. Government discusses and meets with these bodies frequently and they interact at both national and provincial levels. However much negotiation appears to depend as much on personal relationships as on the formal structures.

In contrast in Malawi there is a policy vacuum around government policy and thinking on the development of the private school sector. Some of the relevant legislation dates from the early 1960s. There is little active dialogue and interaction between the government and the private school sector which itself is yet to be effectively organised. The Private Schools Association of Malawi (PRISAM) speaks on behalf of a proportion of private school owners, almost certainly less than half the total. It is the most recent attempt to establish an association of private schools to influence government policy, and established its constitution in 2000. It seeks to obtain recognition by the Ministry of Education, Science and Technology and promote improvement of standards in the delivery of education services in Malawi by providing a channel of communication, consultation and liaison with government departments on matters affecting private schools, collect data from members, provide training, borrow and lend and advance credit to members, and become recognised in foreign countries. It has also indicated a desire to become a self-regulating body for the private school sector.

Most of these ambitions have yet to become a reality. Membership is voluntary and includes a proliferation of low-achieving schools which are predominantly owned by for-profit providers. In practice many members appear to favour little or no regulation. PRISAM has no sanctions except exclusion for inappropriate operating procedures and no source of core income. It is seeking public subsidy and international support. PRISAM has argued that problems of registration and regulation could be eased if the Ministry enforced a requirement that all schools should be members of PRISAM before registering, and before becoming examination centres. This would give public responsibilities to an essentially private organisation, without clear accountability, and with obviously conflicting interests. While 'government is interested in seeing a PRISAM which is strong enough to play a self-regulation role in monitoring quality', many members have a business-minded approach to education and see schools as predominantly commercial enterprises. PRISAM therefore does not talk for the major

established private schools or many of the faith-based ones.

Under the circumstances it is not surprising that there is little evidence that government gives much weight to PRISAM's representations. The other reason for this is likely to be that private schooling is simply not seen either as a priority area in which government can intervene effectively, or one in which it has the capacity to regulate and monitor even if it did.

In summary, interaction between the State and the private sector in the two countries may be viewed as follows:

- a rich policy environment in South Africa stands in stark contrast to the absence of legislation and public discussion in Malawi;
- the State provides a pro-poor approach to supporting independent schools in South Africa. In contrast private schools in Malawi receive no subsidies and almost no other direct support;
- there are many independent school associations in South Africa that are vigorous in engaging with the State and defending their interests. Though they do not define policy and have no rights to do so, they clearly do influence events;
- in Malawi the sector is neither organised coherently, nor does it often seem to make common cause. The State has operated an approach more of benign neglect than active engagement. It has a very limited capacity to regulate and many providers have weak interests in quality assurance.

## Choice

School choice in both countries is determined by the cost of participation. For those on low incomes non-government schooling in both cases is generally not an option, in the absence of bursaries or fee waivers. There is no systematic data on the extent of student subsidies of this kind. In the case study schools there was evidence that some students did have fee waivers in more or less formal ways. In South Africa exemptions can be granted; in Malawi some of the higher cost private schools have bursary schemes. In neither case is it likely that large numbers can pay reduced or minimal fees for the obvious reason that if most did not pay the schools would cease to be financially viable. Choice for those from poor households in South Africa is generally restricted to neighbourhood public schools which charge low-fees. In Malawi conventional government schools and CDSSs have subsidised fee levels which, though low, may continue to exclude many because of the very low levels of income in the economy. Private schools can operate at low-costs if they are minimalist institutions with almost no overheads and poorly paid teachers. As noted in the case studies they tend to compete with urban and peri-urban CDSSs where costs may be similar and quality not necessarily better.

Choice is therefore only a reality where disposable incomes are high enough. For those families where this is the case other criteria need to be satisfied. First, the opportunity to attend must be realistic. Location, distance from household, safety (especially for girls) and perceived benefits all come into play. Most non-government schools in both countries are located near population centres and not in rural areas serving rural catchments. This reduces choice for all but the urban and nationally mobile. Informed choice depends on information. Neither country has sources of information readily available to parents on pass rates, teachers' qualifications, facilities, fees and additional fees etc. In these circumstances, especially where parents are themselves not highly

educated, markets for school places will function imperfectly and depend much on word of mouth, advertisement and unverified claims.

Choice is also conditioned by government policy on secondary school development. In South Africa the government is able to provide near universal enrolment at the secondary school level and this reduces demand for independent schools. Differentiated demand (both elite and faith-based) shapes enrolments. Also important is the continued existence of the ex-Model C schools, which allows choice linked to perceived quality within the public sector. As noted these schools operate much like independent schools in many important respects.

In Malawi there is no direct analogy. New demand for private schools is mostly excess demand resulting from the small size of the conventional government school sector. Places in these government schools are allocated through performance on primary school leaving examinations with limited recognition of parental preference. Those excluded have a choice between CDSSs and private schools if they can afford the cost of participation. The situation will not change until more government secondary school places are available, which requires reprioritisation, more realistic budget allocations and lower unit costs.

The benefits of greater choice depend on an accommodation between the private benefits to individuals and the public benefits to the collectivity. Simply put, greater choice may often be in the interests of individuals who gain utility from whatever comparative advantage they think they are buying. From a public point of view, allowing or encouraging choice may have adverse consequences for public goods. Equity is an obvious public concern. The issues are complex, the basic problem clear. Some forms of non-government provision which expand choice may diminish equity. Where public subsidy is involved this must be a legitimate concern that should influence policy.

### **Quality and Performance**

Quality and performance clearly span a spectrum of definitions and performance across the non-government sector in both countries. No simple case can be made that non-government providers offer more or less quality and performance than equivalent public schools. In some cases they do and in others they do not. The reasons for this have been discussed in some detail and include variations arising from asymmetries in facilities, teachers' competence and motivation, the cultural capital of students, leadership and management strategies, accountability, and financial resources. Cost effectiveness is also difficult to evaluate across public and non-government sectors. Goals vary, data is scant and unreliable especially on costs, and it is difficult to account for infrastructural costs that benefit both public and non-government schools.

The resolution of the most obvious question – should non-government providers be given a primary responsibility for delivering secondary educational services on the assumption they are more efficient and effective – may be largely irrelevant to general, as opposed to specific, policy debate. In South Africa a clear commitment exists to mass secondary schooling that is predominantly publicly financed. This settles the issue of the role of independent schools for the foreseeable future as complementary institutions rather than ones which substitute for State provision on a large scale. The intention is that the remaining unserved areas will fall into the reach of the public system over time and that low-cost, low-quality providers will gradually

disappear.

In Malawi the option is open in principle for non-government providers to supply substantial proportions of secondary places. Government wishes to encourage this growth, albeit in ways that are beyond its capacity to regulate. The options are less open in practice. The evidence is that private schools already operate unsatisfactorily at the lowest cost levels that are plausible. These exclude as many as 80% of households and most of the majority rural population. The sector would seem unlikely to grow further for reasons of affordability and falling rates of return to proprietors. Expansion that is more equitable in terms of access is only available through subsidised government schools with low-fees. South African-style pro-poor subsidies to private providers on any scale could not be supervised without a massive increase in infrastructure designed for this purpose. Moreover there is already a substantial problem of quality associated with recently established lower cost non-government providers that needs addressing, whether or not further growth takes place.

Cost, quality and cost effectiveness are very relevant to decision making at the institutional level, and to public subsidy systems. This is clear in the South African case where considerable effort is made to ascertain whether subsidies are deployed appropriately. Many interesting insights are available from comparison across sectors, and many more could be useful given adequate data. If non-government schools can achieve similar performance with similar physical endowments, catchment areas and costs this is a challenge to public administrators. So it is also, if teacher and student absenteeism is much more problematic in government than non-government schools. Data collection and analysis in Malawi has not reached the point where robust comparisons are possible. It is important to improve the situation if more evidence-based policy is to be generated.

Capacity to monitor and regulate providers is constrained in both countries. It is problematic in South Africa, which has very small non-government enrolments and well-developed local government structures. Effective regulation appears well beyond reach in Malawi where civil society organisations are generally weak, transparency in the private sector is low, and local power structures may obscure objective realities of costs, performance and beneficiaries. Without effective legal, administrative and financial systems that encourage confidence, predictability and accountability in service provision there are risks of rent seeking and monopolistic profit maximising. Without much better information systems regulation is in any case very difficult to enact. Without a commitment to develop these, especially in Malawi, it is unlikely that self-regulation by default will be replaced by systems that allow consumers to choose, and give the public confidence that what is on offer is value for money, safe and effective, and is a viable alternative to mass public access to secondary schooling.

### **Privatisation and Competition**

The evolution of policy on non-government providers of educational services has passed through three phases in countries where there has been an enthusiasm for its adoption. First, it focused on the introduction of more competition in service provision in the belief this would promote efficiency and effectiveness. Second, this led in part to the privatisation or partial privatisation of some service delivery. Third, regulation has been seen as increasingly critical to

successful initiatives in public policy of this kind.

This and previous chapters have discussed these dimensions in relation to South Africa and Malawi. The conclusion is that in important respects this evolution of ideas and practices in some rich countries is problematic when transported to different contexts. Competition for secondary school places in conventional government schools in Malawi is fierce. In South Africa competition for entry to elite schools is strong, but less severe across the system as a whole because of its wide reach. Competition between schools is largely limited to higher fee independent schools and ex-Model C schools located in and around major population centres. It is embryonic in Malawi since there is so much surplus demand. Here it appears most prominently between low-cost public and non-government schools. Privatisation or quasi-privatisation is a feature in South Africa. Both the subsidy system and the ex-Model C school dispensations result in a measure of privatisation of service provision. Malawi has little of this except the small number of long established grant maintained schools. Regulation has developed in South Africa but not in Malawi.

The starting conditions in which non-government provision is developing are different between South Africa and Malawi, and when compared with highly developed rich country systems. Dramatic inequalities in access and equity in relation to secondary schooling exist and may be widening. The level of development of educational market places is embryonic for much of the population. Information is scarce, and ability to understand and act on information is unevenly distributed. Costs exclude many from effective choice. Thus efficient competition between schools leading to efficiency gains is yet to be a conspicuous feature of either system.

Real policy risks exist in the interactions between public and non-government sectors. In South Africa potential conflicts and inconsistencies exist between high-fee independent schools and ex-model C schools, which operate on a playing field which is not very level. At the low-fee end populations may remain unserved if the Provincial governments are unable or unwilling to open new facilities fast enough to provide public school opportunities at affordable costs. In Malawi high-cost private schools do compete for the best teachers who are in very short supply. In the majority of the system they compete with CDSSs in ways that may sometimes be counter productive. This is especially true where teachers are shared; in those schools which are more private tutoring than conventional schools and which extract scarce income from hopeful students who should have originally experienced better teaching in the government system; and where excess profits are made at the expense of the tax base which supports public schooling.

Privatisation of educational services is not a basic commitment in South Africa. The State is charged with redressing inequities and with delivering access to mass education through to the FET level. The blurring of the boundaries between public and non-government provision that has taken place with ex-Model C schools represents a compromise between powerful interest groups. It preserves high quality public schooling which would otherwise migrate to fully independent status. As a strategy for redress it is less than perfect – the main beneficiaries are the relatively wealthy. It acts as a safety valve for social elites. It may or may not become a model of choice for development in the public system. Privatisation is more a residual than dynamic policy in Malawi. Private schools have not been created from public institutions. The distinction between public and private remains sharp and the approach has been essentially

## Chapter 7: **Concluding Remarks**

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laissez-faire.

It is now appropriate to translate the detailed findings of the research into more general observations and conclusions about the role of non-government providers in the expansion of opportunity at secondary level. The last chapter offers a range of reflections and identifies ways forward.

The specific objectives of the research were to:

- analyse the policy context within which non-government providers are supporting expanded secondary level education;
- develop a structural map of non-government and private/public provision and undertake illustrative case studies at institutional level to explore key issues for planning and policy;
- gain insight into the extent to which non-government provision offers distinctly different learning experiences related to skills relevant to development and to what extent it replicates public provision more or less effectively;
- identify policy frameworks and develop a toolkit to assist in devising public policy on non-government and public/private provision.

Previous chapters have provided a review of the issues and detailed insight into policy and practice related to non-government provision in South Africa and Malawi. Chapter 6 has collated observations across the two case studies. For each country non-government provision of secondary schooling has been mapped in terms of key dimensions (e.g. participation, staffing, curriculum, management and costs) and some insights have been developed into how the sector has been changing. The implications for access, equity and the delivery of the curriculum have been explored for different types of providers, most significantly those with high and low-costs which enrol from elite and mass marketplaces for students. The research has also detailed the different policy frameworks that surround non-government school operation and development in terms of governance and regulation.

Several themes arise from the analysis which will shape the policy debate of the future and which invite summary consolidation. These are discussed below.

### **Patterns of Growth and the Nature of Supply and Demand**

Non-government secondary schooling is growing across the countries of SSA, but at different rates and with different qualities in different national systems. The importance of increased access to secondary is widely recognised and has been summarised in Chapter 2. There are at least four different aspects to the growth in demand which is supporting growth in provision. First, in low enrolment countries the main energiser of this growth is excess demand for school places. In Malawi and elsewhere (e.g. Tanzania, Uganda, Zambia) the supply of government secondary schooling has been historically restricted. Numbers completing primary schooling are increasing rapidly at rates far in excess of growth in new secondary school places. Transition rates into secondary appear to be falling. Non-government providers have grown in response to this demand amongst those with sufficient income to support the costs of participation. Most new providers in Malawi have been for-profit institutions with a commercial motivation.

Second, differentiated demand from parents and students unsatisfied with government

schooling is another explanation of growth. This is conspicuous in South Africa, which has high secondary enrolment rates but wide variations in quality. It also has a heterogeneous population with differing preferences for faith- and cultural identity- based schooling. Elite high-cost non-government schools attract aspirant families who value high academic standards, social exclusivity and broad curricula and who perceive many public schools as failing to meet their needs. Faith-based schools offer an alternative to secular public schools.

Third, demand that arises from labour market employment practices, credentialism and ambitions for social mobility is of growing importance. This interacts with the first two types of demand and has regional and global, as well as national, characteristics. As modern labour markets develop, access to them is increasingly determined by secondary and higher level qualifications. Where primary education is universalised the main determinant of life chances for most becomes access to and progress through secondary schooling. South Africa has already reached this level; Malawi is moving towards it.

The fourth feature of demand is facilitation. Demand for non-government schooling may grow as its supply increases, creating opportunities that did not previously exist. Part of the explanation for growth in both countries is that more permissive attitudes have been taken by the State to allowing non-government providers to operate. This is the case in both Malawi and South Africa and elsewhere in SSA, though the detailed nuances are different. In Malawi, policy anticipates non-government providers will contribute directly and substantially to achieving target participation rates; in South Africa facilitation has been simply permissive and on the margin, rather than a feature of mainstream policy on access.

The key questions seem to revolve around whether different kinds of demand will continue to grow and what should be the policy response of States facing different patterns of demand.

Three observations are critical. First, there is an important asymmetry between most countries in SSA and those with mass secondary participation in rich countries: this is central to the policy debates that surround supply and demand and the role of non-government providers. The 0-14 year old-age dependency rates<sup>54</sup> are as high as 94% in Malawi and 59% in South Africa. For SSA as a whole the rate averages about 85%. In the UK, USA and Australia they are 30%, 32% and 34% respectively. The ratio of school age children to the work force – which generates income that can be used to support the costs of unsubsidised schooling – is therefore very different. So also is the relationship between typical secondary teachers' salaries and GDP per capita. In Malawi these salaries are more than six times GDP per capita; in the UK they are about the same as GDP per capita. This reality limits the expansion of unsubsidised schooling supported by fees paid from household income. The demographic context of mass provision is very different in SSA than it is in rich countries.

Second, non-government schools which are not subsidised have minimum operating costs which determine fee levels. The main costs, especially in low price-schools, lie in teachers' salaries. The analyses for South Africa and Malawi, cited in Chapter 6, indicate that when fee levels are related to household survey data, many will be excluded by poverty from participation at secondary level in full-cost non-government schools. This is one explanation of the skews in participation by household income observed in both countries. In Malawi the effect is so strong

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<sup>54</sup> The proportion of 0-14 year-olds compared to the population, 15-64 year-old.

that few outside the richest 20% of households can afford to participate. Non-government schools that access the poor can only do so if they are subsidised, even when they minimise overheads to close to zero and pay teachers much less than in government schools, with unknown consequences for quality. Some do this through contributions from NGO organisations and from contributions from faith-based communities. The scope for substantially increasing these kinds of subsidies to non-government providers is not reliably known. There is little evidence that it is happening on a large scale, though there appear to be few constraints on this kind of activity. This suggests that there may not be much greater resources available for this purpose. The point is that there are limits of affordability to participation determined by costs which will limit effective demand for places in non-government schools. For-profit organisations will not operate at a loss. Not-for-profit organisations are unlikely to be able to offer schooling opportunities on a national level to large numbers.

Third, where there is excess demand a public policy response is required. This must seek to increase the supply of affordable secondary schooling. This is most likely to be public rather than non-government, especially if directed towards increased equity. In much of SSA it is more likely to be rural rather than urban. In many low secondary enrolment countries, participation could double or more at current public costs if these systems operated at levels of efficiency similar to those in higher enrolment African countries. There might still be a constraint arising from affordability, depending on policy on fees, fee exemptions and bursary support, household income and propensity to support the private costs of participation. Nevertheless much could be achieved by reformed systems designed to achieve greater enrolments at affordable costs. This is a public sector challenge which needs to be addressed alongside the debate over the role non-government organisations can play in meeting expanded demand.

Subsidy systems like those in South Africa can allow non-government providers to operate at fee levels comparable with some government schools. However this is not seen as a solution in South Africa for three reasons. First, the State sees universal public provision as a commitment to be achieved over time. Second, though government schools can tolerate non-payment of fees and still operate, subsidised schools cannot allow this on any scale or they become insolvent, even with a partial subsidy, since they will not be able to cover salary payments. Third, even with subsidies, fee levels are beyond the means of the poor.

Where differentiated demand is growing as a response to perceived or real diminution in public school quality the challenge is obvious to public school administrators. Declines in quality should be arrested and reversed. If this is occurring for small minorities from high income households, especially where they are exercising a right to unsubsidised independent schooling as in South Africa, the public disbenefit is probably marginal. It may be seen as inequitable and reinforcing social stratification and the inter-generational transmission of wealth. However prohibition of the wealthy buying educational advantage is not feasible in SSA. If differentiated demand driven by poor public quality begins to occur on a large scale it calls into question the commitment and efficacy of the public school system. There are concerns from secularists, and debates within faith communities, that some forms of differentiated demand for faith-based schooling may carry risks related to social stratification, cultural autarchy and social conflict. To the extent this is true then these questions have to be addressed within relevant national contexts.

Labour market demand and credentialism are becoming more important. Public education systems may have to become more demand led as a result. If flight to non-government schools is because of labour market demand, then public schools may not be responding to legitimate aspirations which should not define, but should shape, curricula and their realisation. If qualifications lead to narrow learning and teaching styles the case is clear for more authentic assessment linked to valued outcomes. Non-government schooling has a role to play in niches where the State may be a poor deliverer, especially where minority passions and talents can be developed. But few suggest general secondary schooling should be largely non-government across SSA, especially if this is within for-profit institutions. If it were, private benefit and private returns could override social gains and more general needs for national human capacity development.

### **Access and Equity**

Some aspects of access and equity have been addressed in the preceding discussion. Fundamentally non-government providers have no necessary reason to be concerned with increased access and with social equity. Some may have this ambition, especially if they are not-for-profit and influenced by values consistent with social justice. However it is States that have the responsibility for pursuing these goals, except perhaps where there is consensus that the State is illegitimate or corrupt.

Improved access will be a combination of effective demand (i.e. that which is manifest in supply converging with demand) and coherent public policy across public and non-government provision. Greater access of the poor to secondary schooling depends on the State and on subsidy. This is the most obvious form increased equity can take so that participation is less dependent on household income and wealth. There are many other aspects to equity including those that relate to national minorities, gender and disability. Though the data is poor there is some evidence that non-government providers may discriminate less in terms of gender in secondary enrolment than some public systems. Care is needed in interpretation – in high-cost schools this may simply reflect the fact that richer households either do not discriminate or do not have to; it may also result in part from lower rates of repetition amongst some groups of fee paying students where repetition is known to favour boys' completion of secondary schooling. Where this is true there are questions for admissions policy.

Significant non-government enrolment may contribute to access and equity indirectly. As is often pointed out, those who opt for non-government schooling hypothetically release publicly funded places that can be occupied by others. This is true and equitable if the benefit is indeed transferred to under-served populations. The issue returns to the scale on which this is feasible – an affordability question – and the extent to which gains are reflected in greater access rather than greater subsidy of, for example, select groups of already advantaged public schools.

The question for policy on non-government providers is whether national commitments to improved access and equity are contingent on particular strategies of engagement. Where the non-government sector is small and likely to remain so, non-government providers will not be the main vector for increased access and equity. Where it is much larger it may contribute if

there are incentives to address these goals. Pro-poor targeted subsidies, available to non-government providers, can help if they can demonstrate comparative advantage in reaching such groups. Some of the possibilities are capitation or other grants related to enrolment of the disadvantaged, extension of free textbooks to non-government schools servicing the poor and access to training programmes in gender awareness and in minority languages.

### **Efficiency**

Non-government providers, especially for-profit organisations, have obvious reasons to be efficient. Comparisons between them and similar public institutions can be informative and suggestive of needed reforms. There is a wide range of possible comparisons which can benchmark good practice and expose once rational but no longer appropriate practices in the public sector, illuminate causes of waste and inefficiency, suggest management and financial reforms, and create some constructive competition.

Efficiency is not a prime reason to facilitate the growth of non-government providers, but is an asset where good quality providers exist with attributes not dissimilar to many public schools. Cautions are necessary in making over-simple comparisons, most obviously where examination performance is superior in non-government schools – so also is the cultural capital of entering students. Inefficiencies are prevalent in public schools systems in SSA in terms of teacher utilisation and deployment. In many systems student:teacher ratios are below 15:1 and class:teacher ratios as much as 3:1. Efficient mid- and low-cost non-government providers would not choose to operate at these levels. Nor do public systems which have mass access. Moreover much expensive secondary school plant is under utilised and may be empty for significant periods (long vacations, weekends, evenings). Part of the reason is the lack of incentives for public school managers to capitalise on the assets they control.

The question here is whether non-government providers can provide examples of good practice that may be in part transferable. The answer is probably often yes, where efficiency is coupled with quality at affordable levels of cost.

### **Effectiveness**

Debates about effectiveness and non-government providers are bedevilled by differing definitions of purpose and what is valued. If narrow definitions are chosen (e.g. examination pass rates) it would not be surprising if equivalent fee-paying students taught by teachers on performance-related contracts did better than public school counterparts. If much broader definitions are used, especially those associated with faith-based values, objective assessments of the value of what is achieved are difficult to come by and reside as much in opinion as in evidence.

An important observation is that in Malawi low-cost, poor quality providers have been flourishing. Large numbers of Dwelling House schools have sprung up with minimal facilities, no learning material and under-qualified staff. If performance indicators were available it is highly unlikely that these would show anything but that these schools were very ineffective.

Interestingly the research did not support the general proposition that non-government providers were more innovative in learning and teaching methods than government schools. This was only found in exceptional and higher cost cases. It reflects the requirements that such schools follow national curricula, and the reality that with low levels of resources, significant proportions of untrained teachers, and students who value obtaining a secondary qualification above most other aspects of schooling, the reasons to innovate are weak.

Much of this debate on effectiveness returns to the question of what students are paying for in non-government institutions. There is no single answer. Different types of demand reflect different motives and choices.

### Teachers

Teachers, teacher training, and teacher management are central issues for the development of non-government secondary schooling. Along with affordability the supply of minimally qualified teachers may be the largest constraint on growth in participation in many, but not all, SSA countries. There are already signs that some expanded access at secondary is being supported by the migration of under-qualified primary teachers to secondary schools (Lewin and Stuart 2003). It is also true that in those countries worst affected, HIV/AIDS is depleting both the stock of teachers and the supply of teacher training applicants (Lewin, Samuels and Sayed 2003). Both these developments create challenges for teacher education policy related to the non-government sector.

The labour market for secondary teachers is subdivided. In high-cost schools terms and conditions of service may be superior to government employment, attracting some of the best teachers into non-government schools. Across the non-government sector the opposite is more often true. Teachers are often under-qualified, receive few if any fringe benefits (housing allowances, food, pension etc), have unstable contracts of employment and may be paid irregularly in ways directly linked to fee income. This is not a recipe for high quality, or for dependence on non-government providers as part of national strategy.

There are not-for-profit community-based non-government schools in which teachers are more securely employed and in which many may be there by choice and belief, rather than because of formal employment contracts. Where these institutions are stable and have regular sources of income the benefits that come from commitment to the collective endeavour may be considerable. The question is whether the circumstances that create these kinds of non-government provider can be replicated more generally, and whether the supply of teachers of this kind will rise with demand.

Many teacher training systems are not planned with a view to training teachers for non-government schools. In some countries this is explicit and projections of teacher demand limited to the public sector. In others it is by default, largely because it was not thought necessary in the past. This may seem curious since it can be seen as in the public interest that all teachers have a level of training is necessary to teach competently. The arguments in favour of this include: first, that all children are generally thought to have a right to education and by implication access to qualified teachers; second, that whatever the merits of non-government providers they have a public obligation to offer minimum quality, proxied by trained teachers,

but no obligation to train such teachers; and third that teacher mobility between government and non-government sectors is likely to have benefits that are not available if those qualified for one are not for the other.

Many countries preclude non-government teachers from subsidised in-service programmes. This is not particularly rational when such programmes are designed to introduce new curricula or new teaching methods, for reasons similar to the issue of teacher training. If there is national curriculum policy, and non-government schools are subject to it, then it is not clear how it should be implemented if non-government school teachers are excluded. Some cost sharing may be appropriate.

If the non-government sector is to grow, and if the proportion of under-qualified teachers is not to remain high, teacher education must recognise demand from, and the needs of, legitimate non-government schools. Where the sector is large, the question is how should teacher education curricula recognise different needs between the sectors and how should different types of training be financed.

### **Governance**

Questions of governance are important if non-government providers are to play a role in secondary expansion. The central issues related to governance revolve around policy dialogue with non-government providers, the legal and financial frameworks within which they operate, and their management structures.

The first set of problems with policy dialogue concerns the diverse nature of the sub-sector. Non-government providers come in many different forms with different interests. The most obvious distinction – for-profit and not-for-profit – is only one of many and is itself sometimes not clear cut. National associations come together on particular issues but fragment on others. This makes it difficult for government to know with whom it should consult and how it should interpret the standing and motives of different stakeholders. This is not to exaggerate the difficulties. Coherent dialogue does take place, especially in South Africa. It is, however, easy for special pleading and sectional interests to mask strategic questions for the sub-sector as a whole. In Malawi the problem is exacerbated by the absence of well-founded associations with broad agendas that have credibility with government.

Policy dialogue with non-government providers depends also on government having clear views on the potential roles the sub-sector can play, since this is a precondition for making progress with a dialogue to develop policy that attracts some consensus. This is clearer in South Africa than in Malawi, though paradoxically the sub-sector in Malawi is relatively much larger. Unless or until the approach is more than the ‘residual laissez-faire’ highlighted in Chapter 6, there may not be much to discuss. This is unfortunate given the numbers now enrolled and the widespread concern with quality and the possibly destructive interaction with public secondary schooling.

Legal and financial frameworks determine how non-government schools operate in terms of their legal identity, their reporting requirements and the methods used to generate revenue and account for its use. South Africa’s framework is well developed, detailed and recently

developed. It has also passed through several iterations to improve how it functions. Malawi has only the beginnings of such a framework, with dated legislation, little development to reflect recent changes in the size and nature of the sector, and weak capacity to enforce criteria and conditions. Appropriate legal and financial frameworks are essential for the healthy growth of non-government providers. Where they do not exist it is difficult to see it as anything but a priority to develop them in the light of contemporary realities.

### **Facilitation and Regulation**

Facilitation of the non-government sector is central to constructive engagement by the State to mobilise the potential of providers. The main distinction in the research is between approaches which simply permit operation by removing legal and other barriers to establishment (as has been the case in both South Africa and Malawi) and those that actively encourage providers with, for example, subsidies. The pro-poor subsidy system in South Africa is of special interest. It is unusual in SSA, it has been operating for several years and its strengths and weaknesses can be assessed, and it has provided some access to households that otherwise have been excluded and/or whose preferences for school type were otherwise inaccessible. It does, however, require an elaborate regulatory system.

Regulation is the bureaucratic sequel to legal and financial frameworks. It is one of the most important areas to reach consensus and feasible operating practices. Where it is linked to pro-poor subsidies, as in South Africa, it is a *sine qua non* for support of non-government schools. Where it is not, as in Malawi, it remains essential if quality is a serious concern, and the State takes its responsibilities to parents and students seriously. The most difficult problems with regulation are to develop systems that are operable with the resources available. These must not place unreasonable expectations on providers (sometimes of kinds which are not met in many public schools), but must at the same time discourage improper practice, false representation of what is on offer, and imaginary and self interested accounting of income originating from poorly informed consumers. Regulation cannot be defined so tightly that non-government schools become indistinguishable from government schools, since this defeats the purpose of permitting their operation. Neither should it be so permissive that little is regulated and there are no penalties for transgression.

One key is commitment to the goals of effective regulation. Others are adequate infrastructure to undertake the task, with sufficient checks and balances to minimise abuse; realistic system design to reflect constraints that will persist for more than the very short term; and development over a sufficient period of time to establish effective working practices. Some parts of non-government school activity will remain unregulated and may be unregulatable (fly-by-night schools, unregistered informal Dwelling House schools etc.). They can and should be clearly distinguished from those that are regulated by government with some guarantee that minimum standards are met.

### **Data Needs**

Throughout the research it was clear that data on the non-government sub-sector is startlingly sparse. Schools census data sometimes does not include such schools at all. Where it does it is frequently compromised by large-scale under-counting, over estimation of enrolments where

subsidies are available, and largely missing data on numbers of teachers and their qualifications and status. Performance data is often confounded by large numbers of students taking examinations in examination centres which are not the school in which they study. There are many other omissions and in much of SSA the size, character and growth of the sub-sector is largely unknown in all but an approximate sense.

This makes analysis very difficult and evidence-based policy elusive. If non-government providers are to play a role in secondary expansion, if they are to be regulated (and possibly subsidised), and if their claims to offer a valued service are to be validated, then the non-government sector must fall within the national data collection and analysis systems.

### Reflections on Development Partnerships

This research did not set out to explore directly the role development partners might play in influencing the evolution of the relationships between the State and non-government providers of educational services. This is a complex area much subject to the differences in approach and conviction of different development partners, the constraints and priorities under which they operate, and the particular circumstances under which external assistance is made available. Some brief reflections are appropriate.

First, as noted in Chapter 3, in much of SSA external support for secondary level development over the last decade has been unusual. Even more scarce has been support for non-government providers on all but a very small scale. This arguably has contributed to policy neglect. National policy systems are influenced by internationally set goals, especially where external finance is associated with compliance. Some medium size SSA countries are dependent on external budget support and other flows for more than half their recurrent national budgets. It would be surprising if they did not anticipate donor preferences and were not affected by conditionalities, most of which have been applied to primary goals and targets and have not favoured publicly financed secondary expansion. They have in some cases promoted an increase of dependence on non-government providers by default, and on higher levels of cost recovery in government secondary schools by design.

Second, constructive engagement with the analysis in this book suggests a number of possible considerations. A reappraisal of the centrality of coherent policy on secondary education for the achievement of the Dakar targets and the Millenium Development Goals is not an option, but a necessity. The goals almost certainly cannot be achieved, and will not be sustained, without such policy and its adoption. Moreover common objections to external support for secondary schooling, namely that secondary schooling is regressive (the rich benefit disproportionately) and that its content and methods are narrowly prescribed by recall-based examinations, does not lead to the conclusion that it should not attract support. Quite the opposite is the case, if access is to be more equitable and quality and achievement to be improved. Neither is it generally true that secondary schooling is a poor investment of scarce resources.<sup>55</sup> Most data in SSA indicates that those who successfully complete are more employable, have higher incomes, and are more likely to work in high value added occupations. The rich clearly do not believe it is a poor

<sup>55</sup> Investment in secondary schooling may be questionable where there is robust evidence of over-production of secondary graduates relative to labour market needs, and where such evidence does not indicate that it is the quality of secondary schooling rather than its quantity that is the problem.

investment. Neither do the poor.

Third, if the case for the managed expansion of secondary is accepted, the questions that follow are what should the role of non-government providers be, and how, if at all, should development partners support their growth. This research leads to the conclusion that expanded access that is pro-poor has to be lower cost to households, and is therefore likely to need public subsidy or be publicly provided. South Africa is unlikely to entertain external government-to-government support of non-government secondary schooling as a significant element of secondary school policy, nor does it need to. Non-government external support to particular schools is likely to continue on an ad hoc basis, much of it related to faith-based non-government schools.

In Malawi, and many other low-income SSA countries, it seems that non-government provision may be approaching the limits to which it can grow without subsidy. However it is not obvious that development assistance should be channelled towards non-government secondary education providers, given the unmet demands and under financing of public systems, and the difficulties associated with public subsidy of private for-profit providers. Circumstances are different, and some non-government providers might justify support if they satisfy minimum criteria of quality, service to populations otherwise excluded, and are not profit making. Access and equity are not likely to be served by general subsidies to non-government providers with the characteristics of many of the schools which have recently been established.

Fourth, the clearest cases for some external support within national development strategies for the secondary sub-sector would seem to relate to common approaches to reduce the price of learning materials, and to ensuring that all teachers meet minimum levels of qualification and competence. In the case of the former, lower cost text books etc. would increase availability and, in lower cost non-government schools, would meet an obvious need. The public responsibility of governments to regulate quality leads to the reasonable proposition that teachers in non-government schools should have equivalent professional qualifications to those in government schools. The only realistic way of promoting this is to ensure that the output of trained teachers is sufficient to meet demand. Individual non-government providers, or even most groups of such providers, are unlikely to have the resources to support conventional initial training on a national scale. Nor are they likely to support in-service teacher upgrading related to the introduction of new curricula. There is therefore a case for recognising demand from the established and quality assured non-government schools for teachers trained at public expense, and for giving them access to in-service programmes designed to improve quality and promote innovation. High-fee non-government schools could be invited to contribute to costs.

Fifth, other forms of subsidy are much more contentious, especially if externally supported. Capitation grants can be given to non-government schools according to formulas related to what government schools receive. Some or all of teachers' salaries could be paid from public funds whilst leaving ownership in the hands of non-government providers. Development grants could be made available to expand capacity and improve facilities. All these would have an opportunity cost which would diminish the funds available to government schools, and the capacity of the State to expand access and participation in equitable ways.

Sixth, where Sector Wide Approaches have been applied to development assistance, external support flows to the Education Sector as a whole and national government decide its allocation. Most SSA governments do not support non-government schools within their Medium Term Expenditure Frameworks. The demands of the State system generally take precedence. Sector-wide planning has developed in a patchy way. Often it does not include all secondary grades, or complete information on non-government providers. In some cases even lower secondary has been excluded from detailed education sector financial modelling, teacher demand projections, and curriculum investment; in others the non-government contribution to access and participation remains largely unknown. If external support is to flow, much better information is needed so that loans and grants can be informed by robust data, not least on beneficial ownership and financial audit trails.

### Ways Forward

There are several possible ways forward which suggest themselves from the research. Two possibilities can probably be dismissed out of hand. First, the prohibition of non-government secondary schooling is no longer an option in democratised SSA countries. Elites would not support it, and in all probability nor would wider popular opinion, especially that which was faith based. Changes in the law and constitution would also be needed in many cases and are unlikely to occur.

Second, growth strategies which depend on non-government providers to develop to the point where they largely replace State provision are unrealistic. For-profit providers simply could not do this at the fee levels they would have to charge, and there is widespread objection to subsidising for-profit providers. Not-for-profit providers would have to be heavily subsidised to the point where most of their costs were met publicly if they were to give access to the poor. They would therefore lose much of their identity and become as dependent as government schools on public finance, and the regulations that surround such support. Though percentage shares of non-government schooling have increased dramatically in some countries in SSA, these exist in relation to small overall enrolment rates, and test the boundaries of affordability. Countries with the highest secondary enrolment rates (South Africa GER 90%, Botswana 81%, and Namibia 59%) have conspicuously not adopted this strategy as a central feature of policy for mass provision. The reasons are not only to do with their relative wealth. In any case poverty is self evidently a barrier to unsubsidised expansion of non-government provision.

Three scenarios can be envisaged which appear plausible for policy and practice in relation to non-government providers. These are outlined below.

#### **Scenario 1: Development by Default – *Laissez-faire***

Most countries in SSA have experienced growth in non-government provision but have yet to articulate new policy to respond to new realities. Some appear to depend on optimistic projections of growth in the non-government sector to meet enrolment and transition rate targets. A *laissez-faire* approach with little regulation, and no incentives and subsidies to steer growth, will occur where policy systems are disinterested in shaping non-government provision, or are unable to provide the infrastructure that would make it possible to monitor

and regulate growth.

In the absence of new policy, growth is likely to continue until the limits of affordability are reached, and/or for-profit non-government providers cease to see it as attractive to create more capacity as rates of return on additional investment fall. Faith-based and not-for-profit providers may continue to grow if they have access to funds beyond those generated by fees. But there will be limits to these depending on the character of these non-government providers.

There are several problems associated with a laissez-faire approach. First, States have commitments, arising from the Dakar targets and Millenium Development Goals, to improve access and equity at secondary level. If non-government providers are to play a role in achieving these, then this should be planned, rather than left to the vagaries of the market place. Second, public provision cannot be planned effectively where there is significant non-government provision, unless the two sub-sectors stand in a known relationship to each other. Third, States do have public responsibilities to protect consumers of services and ensure that what is offered in the market meets minimum standards (of health and safety, quality and financial probity). Fourth, access and equity are not the natural concerns of for-profit providers which, it seems, constitute a large proportion of recent growth in much of SSA outside South Africa. A laissez-faire approach foregoes the opportunity to influence non-government sector through strategic use of subsidies designed to promote pro-poor equity. Fifth, faith-based schooling may contribute to tolerance, civic values and social justice; it may also be seen by secular States as promoting differentiation, encouraging separate identities, and undermining national cohesion. Sixth, a laissez-faire approach is essentially silent on the problems which arise from growth in Dwelling House-type schools of low quality, dubious provenance and low accountability.

These problems may out-weigh presumed benefits. The latter include the belief that non-government providers operating freely will be demand led and respond to market preferences in ways that are developmentally valued. This may be the case, but the nature of the demand for non-government schooling is essentially private rather than public. It is therefore possible that at least some providers will forego public goods to focus on private benefits. As noted they may have no necessary interest in equity, or in curricula that extend beyond examination-orientated learning. Other possible benefits include those associated with efficient school and local level of control of resources (which may or may not be reflected in benefits to consumers), and freedom to innovate in curricula and teaching methods (though this possibility in no way guarantees its realisation).

## **Scenario 2: Managed Growth on Separate Tracks**

Managed growth should be attractive to States that wish to engage non-government providers in helping to meet public policy goals for secondary education. If it is to occur then these goals must be explicit and have a degree of public consensus. They must also be feasible from the point of view of available public investment and recognise the characteristics of effective demand including affordability.

In this scenario governments will persist in constructive dialogue with non-government providers of scale to determine complementary strategies which could result in more equitable expanded access at affordable costs. This would include both for-profit and not-for-profit providers and would recognise their distinct character and potential contributions. It would maintain separation between government and non-government systems with clear boundaries between each sub-sector.

Growth of both sub-sectors would then occur but at different rates and with different profiles. The detail can only be determined in context. For reasons explored in earlier discussion substantially higher levels of overall enrolment are most likely to arise where States succeed in developing more efficient methods of providing access to currently excluded groups at lower costs to students and households. Most will choose to do this directly, rather than through substantial subsidy of non-government providers. Non-government providers could flourish in their traditional constituencies – the relatively wealthy and the faith based. If managed growth supported the development of robust infrastructure sufficient to manage targeted but modest pro-poor subsidies, the subsidised non-government sector could grow and make a contribution to equity.

There seem to be at least five disadvantages and risks with this approach. First, dialogue with non-government providers may be difficult to follow through to consensus. Some stakeholders might be, or feel themselves to be, disadvantaged with respect to others, and resist strategies not to their sectional advantage. Second, the politics of non-government provision are vulnerable to shifts in the political ideology of governments. Changes in power could disrupt or stall growth and negate gains that require timescales longer than that of many democratic governments. Third, simultaneous growth in both sub-sectors could lead to competition and conflicts of interest (e.g in relation to the enrolment of the most capable students, the appointment of teachers and the allocation of development finance). Fourth, effective regulation may prove to be beyond the capacity of the State as expansion takes place, and interest groups may subvert independent evaluation of criteria and performance. Fifth, where decentralisation of public administration is becoming a reality, checks and balances at local level may be weak and sanctions for misallocation ineffective, resulting in continued neglect of, for example marginalised populations, girls and the disabled.

On the other hand managed growth with consistent policy over a substantial period of time seems to offer many advantages. It can be reviewed and iterated to match evolving circumstances. In principle it should address and resolve possible conflicts on interest and operation before they become destructive. It may allow more constructive engagement between the sub-sectors through, for example, common procurement of textbooks and more open access of non-government teachers to in-service support. Of its nature the success of managed growth depends on the effectiveness of the management centred on Ministries of Education. It may not succeed where the political values are hostile to non-government providers and overly bureaucratic, hierarchical and autocratic.

### **Scenario 3: Public / Private Partnerships and Blurred Boundaries**

A third possibility is that growth will occur in both government and non-government

schools with a plurality of forms developing that create a spectrum from public to non-government. Some or most public schools will acquire some of the characteristics of non-government schools (e.g. locally managed budgets, control of fee income, admissions policy, aspects of curriculum and access to private development finance and fund raising). Conversely some non-government schools will qualify for some subsidies (e.g. on text books, teacher training, in-service support) if they meet qualifying criteria, and some may be partly or completely adopted by government to the point where teachers' salaries might be paid, leaving some elements of school management under the control of a partnership between the State and the original owners.

This scenario is a partial reality in some SSA systems. In Uganda and Tanzania half or more of the total costs of many government secondary schools are supported from fee income which in some cases is under the control of the schools. It becomes a moot point whether these schools are really government if they have a high degree of autonomy and substantial off-budget funding from non-government sources. Ex-Model C schools in South Africa generate substantial income over which they have discretion and enjoy a degree of autonomy as a result, and they continue to receive normal State subsidies. Grant-aided schools in Malawi charge fees and retain some residual characteristics of non-government schools in terms of ownership of assets, as do some Catholic schools in South Africa. Non-government low-fee schools in South Africa may receive the majority of their operating costs from subsidy, not fee income, though they are not government schools.

The advantages of this approach include, first, the ability to influence non-government provision in a pro-poor way through conditions attached to subsidy. Second, the State can allow diversity outside the mainstream government system and transfer some or most of the costs to those who value that diversity. Third, successful government schools can attract additional off-budget income and maintain higher standards and lower class sizes than might otherwise be the case. Fourth, government schools may begin to be in constructive competition with efficient non-government providers, and may also benefit from non-competitive partnerships that promote shared financing and use of facilities, or even specialised staff.

On the down side infrastructure demand may be high to manage and regulate such diverse systems. Non-government as well as government schools have to be audited and regulated more intensively, especially those that receive subsidies. Second, subsidies do have an opportunity cost to the public budget. Money used in this way could also be directed towards the most disadvantaged and marginalised schools that may well be government schools. Third, equal opportunity and access to government schools may be rationed by price if fees are locally set and not carefully regulated. There may be large differences between government schools located in different communities. Fourth, sinking schools which are of poor quality and suffering falling roles may fade over time and may have little opportunity to recover without targeted intervention. Finally, subsidised non-government schools will lose some autonomy that may or may not undermine their character.

This scenario depends on light but effective regulation with appropriate checks and balances to guide development of the non-government sector towards contributing to the achievement of national goals. A delicate balance must be struck in which regulation is practically possible, trustworthy and adequate to prevent excess profits and abuse by the unscrupulous.

If this is unattainable more regulations, the predictable response of some State bureaucracies, may not solve the problem. Over regulation carries the risk of stifling diversity and innovation. Strong States with low trust in decentralised decision making, averse to risk, and unsympathetic to non-government providers, may opt for tight regulation. However the more regulations are designed to promote convergence in form, the less it will seem worth paying fees from private income to non-government providers. And the more stringent the control the less the possibility for owners and groups to operate with a degree of independence, and the less likely they will remain as providers.

Two other points are important to remember in considering this scenario if it is seen as supporting rapid movement to mixed government/non-government systems. First, contracting out secondary educational services on a large scale to non-government providers assumes a variety of things that do not hold in SSA. These include the existence of national (or international) providers who have the capacity to operate mass systems and the willingness of them to do so; the likelihood that governments would accept relinquishing control and funding of the largest group of public sector employees; and the possibility that such systems could be regulated to reflect a political consensus about goals for the sub-sector and meet targets set for secondary schooling. Though not completely inconceivable, such a strategy would invert much existing public policy in most SSA countries and would have very substantial transaction costs and high risks.

Second, though ‘public/private partnership’ is a common catchphrase in the policy debate on non-government provision, its meaning varies widely. In the OECD it is often interpreted in terms of the use of private finance to promote public goods, e.g. school building. This reduces public sector borrowing requirements in the short term, enabling more to be constructed than might otherwise be the case in a given time frame. However this does of course create public debt. In SSA debt is a major issue. Further, if the public/private partnership is between a government and an external for-profit private entity it is not very clear what kind of partnership it might be. It quickly becomes complex to unravel the motives of key actors, the possibilities for transfer pricing and tax evasion and the reasons why private rather than concessionary or grant financing might be favoured. At the very least the principal agents have different ‘publics’ to which to relate.

### **Policy into Practice**

The research identifies ten general areas for action that form the basis of a toolkit to develop policy and practice in relation to non-government provision of education. More specific policies for Malawi and South Africa are contained in the full Country Reports written as a step on the pathway to the condensed case studies of Chapters 4 and 5. This book is not a Sector Report, but a research enquiry designed to identify problems, possibilities and potential dimensions

related to non-government providers of secondary schooling in an SSA country context.

We identify a range of possible ways forward which must be mediated by national context. They most closely relate to the scenarios of Managed Growth and Separate Development, and Public/Private Partnerships and Blurred Boundaries. For continuity these are grouped to reflect the themes discussed in the first part of this Chapter. They are expressed in summary form and assume a constructive and complementary relationship between government and non-government providers. Ten areas for action are identified and constitute a toolkit of ways forward.

### **1: Strengthening the Policy Dialogue**

For policy dialogue to take place it is necessary for governments to articulate positions on the role of non-government providers in contributing to expanded access at secondary level at affordable levels of cost. This needs to take a clear view of the responsibilities of the State and identify how non-government providers can contribute to national policy objectives. For the process to develop it is necessary to:

- encourage associations of non-government providers to develop, and establish consultative mechanisms with government;
- strengthen capacity within Ministries of Education to understand and oversee developments in the non-government sub-sector;
- recognise the non-government sector in planning the expansion of secondary schooling by including the needs and capacities of the sector in projections and sector reviews and realistically estimating its likely growth;
- establish clear legal frameworks for non-government schooling and refine those that already exist ;
- identify the roles that government wishes to allocate to non-government providers, establish how feasible these are, and enter into discussion with associations of providers and/or some other consultative forum.

Central issues for dialogue include:

- agreed classifications of types of non-government providers (e.g. for-profit and not-for-profit; secular and faith based; types of ownership; student clientele);
- complementary relationships between government and non-government providers (opportunities for sharing resources/expertise; mechanisms to minimise destructive interaction; consultative processes related to different areas of concern (e.g. curriculum, examinations, teacher recruitment);
- constitutional requirements, governance, and legal identities;
- admissions, access and equity;
- quality assurance;
- fees and subsidies;
- data collection and analysis.

### **2: Access and Equity**

Some forms of non-government provision may increase access and equity. Others may not. If

non-government providers are to contribute directly to national goals then:

- admissions policy must not be exclusive; it needs to be transparent and judged to be fair in relation to known criteria
- encouragement should be given to providers servicing unmet needs with reasonable quality provision, and operating mechanisms to encourage enrolment of the disadvantaged and the poor;
- costs to households need to be affordable to different income groups, and will have to be subsidised if they are not; efficiency gains in low enrolment government systems could result in doubling or more of participation rates and could lower costs;
- non-government providers are unlikely to substitute for government provision for most of those currently excluded, but can complement existing provision.

If the contribution is to be indirect then:

- resources released by those who opt out of public education should be redirected towards populations that enjoy little or no access to secondary schooling, and/or to quality improvement for disadvantage groups

### 3: Efficiency and Effectiveness

Non-government providers may operate efficiently and effectively. Where they do there may be opportunities to:

- use bench marking to compare similar government and non-government schools;
- identify aspects of best practice that are transferable, including those that may involve performance monitoring, incentive structures and effective teacher and curriculum management practices;
- cluster teachers across the two sub-sectors for professional development activities;
- share resources, procurement and curriculum innovations.

### 4: Teachers

The appointment, status and conditions of service of teachers working in non-government schools need regulation, both to protect students from poor quality teaching and inappropriate teacher behaviour, and to protect the employment rights of teachers as employees. For this to happen:

- legal requirements for appointment should be identified;
- teacher unions and associations of non-government providers should be consulted;
- governance systems should provide for dispute resolution.

### 5: Governance

If non-government providers are to complement provision effectively in publicly accountable ways they need to have legal identities and governance structures that make it clear where accountability lies, what information should be available to those who enrol and those who work within the institutions, and what form management structures take. This needs:

- appropriate legislation;
- appropriate governance structures;

- mechanisms to ensure compliance.

## 6: Facilitation

Facilitation of non-government providers depends on agreed policy positions on what is to be facilitated and why. Some facilitation has little opportunity cost (e.g. simplified registration). Other facilitation has substantial opportunity costs which have to be evaluated before their adoption (e.g. salary subsidies for non-government providers reduce the budget available for government school teachers). The issues are complex but important. They include issues of principle, for example should for-profit providers be subsidised with public money, should students in non-government schools be included or excluded from access to subsidised learning materials. And issues of practicality, for example, who would be responsible for recovering unsecured loans for capital development, how can pro-poor subsidies be defined.

Non-government providers can be facilitated by a wide range of mechanisms that include:

- accessible registration and licensing procedures that do not create unreasonable barriers to entry and subsequent operation;
- selective subsidy through block grants or through capitation or other allowance systems granted against performance criteria;
- pro-poor subsidies directed towards low-cost schools serving disadvantage populations;
- bursaries tenable at non-government schools;
- seconded public school teachers where this does not degrade public provision;
- tax-exempt status where schools are genuinely registered as not-for-profit;
- underwriting loans for capital developments granted against reasonable securities;
- provision of subsidised learning materials;
- access to in-service training for teachers and other system-level infrastructure, e.g. subsidised examinations and curriculum development.

## 7: Regulation

Regulation is necessary to protect consumers and assure reasonable quality. Mixed systems of self-regulation and independent assessment are probably the most feasible. Self-regulation alone would seem inappropriate, given public liabilities and duties of care. Large non-government systems may warrant independent parastatal agencies to register and license providers, monitor standards and direct subsidies. Some of the cost could be recovered from levies on providers. Regulatory systems need to be:

- focused on criteria that are publicly known;
- sufficiently comprehensive to be effective but not so demanding that they create high overheads and stifle creative activity;
- viable in terms of demands on personnel and finance;
- regular in operation with known cycles of school evaluation which may vary in depth from light inspection to comprehensive review;
- independent of provider interest groups.

## 8: Data Needs

Policy dialogue, regulation and facilitation require reliable data on non-government providers. This can be achieved if:

- national data collection systems include non-government providers and participation is mandatory;
- regulatory and subsidy systems specify what institutional-level data is needed, with penalties for non-provision.

### **9: Development Partnerships**

Development partners need to develop coherent strategies to support the development of secondary schooling for the reasons already identified. There appear to be widely differing views on what advice and support should be made available in relation to non-government providers in general, and different types of non-government providers in particular. Some of the more important needs that development partners could contribute to meeting are to:

- ensure that secondary school development and the role of non-government providers figures in sector reviews and that planning and financial support include realistic projections and costing of growth;
- encourage constructive dialogue with non-government providers of different types where there are ambitions to integrate their contribution into provision in ways complementary to public initiatives;
- consolidate experience of support for the secondary sector from past and current projects and programmes;
- anticipate requests for secondary sector support and undertake background analysis and studies to develop appropriate responses;
- link support for higher education development to improved quality and participation at secondary level;
- support the development of data collection and analysis systems which include non-government providers.

### **10: Further Research**

There are many areas where further research is needed to increase the probability that policy can be developed which is based on analytic realities, adequate assessment of current trends in the secondary sector and their development consequences, and appropriate facilitation and regulation of non-government providers. A short list includes:

- basic mapping of the non-government sector in countries where there is little or no data, including school census data and location analysis;
- exploration of constructive and destructive interference between public and non-government school systems;
- charting participation in non-government schools through analysis of household survey data where possible, school records, and national statistics to uncover the contribution of the sector to access and equity and also to establish within each country the limits of affordability below which unsubsidised non-government providers of quality can operate;
- robust analyses of performance to indicate whether or not non-government schools achieve learning outcomes more effectively than comparable government schools;

- post facto analyses of regulatory and subsidy systems to establish whether they meet their intended goals, and identify how they might be improved to promote more equitable pro-poor access, and to establish the most effective modalities;
- detailed studies of different types of demand for non-government schooling to profile their attractions, estimate the extent of likely future growth, and establish whether or not differentiated demand has implications for public school systems;
- surveys of teachers in non-government schools, complemented by case study work, to profile teachers' attributes, terms and conditions of service, and remuneration, and link these to future patterns of demand;
- tracer studies of those attending government and non-government schools to establish whether employment prospects differ and compare outcomes;
- cross-country analysis of policy on non-government providers to compare approaches, create policy option frameworks, and assess viability and likely effects;
- review of development partners' rationales for and activity in supporting different types of non-government providers, matched where possible with evaluative judgements of impact on expanded provision.

### Concluding Remarks

This research started with concerns that demand for secondary schooling was growing rapidly in Sub Saharan Africa and that the sector was suffering from policy neglect. Excess demand arising from the growth in primary school leavers, and differentiated demand arising from dissatisfaction with public school systems, was leading to non-government providers of educational services establishing secondary schools. The broad policy environment across the SSA region favours liberalisation and has encouraged this growth. However much expanded provision has been unplanned and has taken place with little effective regulation. Its consequences for access and equity are largely unknown, its interactions with public systems uncharted, and the quality of new provision has been widely questioned. In the worst cases it may be that some growth has not been pro-poor at all, but has traded on aspiration and hope to capture scarce surplus income from those who have no other opportunities to continue their education.

This book has shown how complex and varied the realities of non-government provision are, and how different approaches have been adopted in two countries towards policy dialogue, facilitation and regulation. It has given insights into different types of providers, their motives, clientele, teachers, curriculum and performance.

These, and the review of experience across the Sub Region, provide the basis for the policy-relevant conclusion outlined in the previous section.

At their roots the debates over the roles non-government providers can play in the expansion of more equitable access to affordable secondary schooling in SSA are ideological. Some political systems have committed themselves to the goal of mass public provision at secondary level, others have not. The latter often assume that non-government providers will make a considerable contribution to enrolment growth.

For poor, low enrolment countries the financial base does not exist to support mass access at current levels of cost. With reform, larger budget allocations for secondary, and more efficient working practices, publicly supported enrolments could be doubled or tripled in many of these countries, if their systems were configured more like those in higher enrolment countries in SSA.

The contribution that unsubsidised non-government providers can make is limited by affordability, and mediated by demographic and economic realities. The general conclusion is that non-government providers can complement or substitute for public provision down to levels of household income which are at about the twentieth percentile in the poorest countries; beyond this reasonable quality provision is unlikely if provided without subsidy.

It is worth restating that the parameters surrounding the debates around public and non-government provision are very different in low-income SSA than they are in rich countries. Infrastructure is weak, the private sector is often small, surplus income is scarce, tax revenue is limited, and company law and financial regulation patchy. Simple translation of ideology and mechanisms across national economies and organisational cultures can be risky and may have perverse consequences.

The challenges of expanded secondary access will remain for some considerable time in much of SSA. It is important that non-government providers are encouraged to complement the efforts of the State, especially where States are failing to deliver services. The public interest requires appropriate regulation of the activities of non-government providers, though capacity to so do



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is often very limited. The State needs reminders that sometimes the educational needs of parts of its population may be best met by non-government providers. Constructive co-existence is attractive but it needs nurturing. This research has identified many ways in which this could happen.

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