



FALSE PROMISES

How delivering education through public-private partnerships risks fueling inequality instead of achieving quality education for all

Summary

A growing body of evidence shows that education public-private partnerships (PPPs) which support private schooling are too often failing the most vulnerable children and risk deepening inequality. Despite this, the World Bank has been increasingly promoting education PPPs in poor countries through its lending and advice. Oxfam's research shows that over a fifth of World Bank education projects between 2013 and 2018 included support to governments for private provision of education. Detailed analysis also reveals the Bank's policy advice actively encourages governments to expand private provision of education. Case studies in Uganda and Pakistan raise concerns about unequal access, poor quality and low accountability. Low-fee private schools disproportionately exclude the poorest students and in particular girls, and rely on low-paid, poorly qualified teachers, many of whom are women. The World Bank and other donors should stop promoting and financing market-oriented education schemes and focus on expanding quality public schooling as a human right for all.

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Cover photo: Secondary students take their lessons at a PPP school in western Uganda. Credit: Initiative for Economic and Social Rights (ISER).

EXECUTIVE SUMMARY

NO SHORTCUTS TO QUALITY EDUCATION FOR ALL

Education: impressive progress, major challenges

The last 20 years have seen incredible progress in education. As a result, tens of millions of children, the majority girls, have had the chance to go to school.¹ Many poor countries are making impressive gains. For example, despite having the same per capita income today as Canada had in 1840, Ethiopia has managed to increase the number of children in school by 15 million in just 10 years.²

Partly because of this rapid expansion and inadequate financing, the quality of education available for many children is still very poor and major inequalities persist. A girl from a poor family in Nepal only receives on average one year of education, while a girl from a wealthy family receives nine.³ While many countries are making serious efforts to prioritize education spending,⁴ on average lower-income countries are still spending only half of what is needed per student to deliver a decent quality education.⁵ Donors are failing to deliver the increased aid to help meet this financing gap. It should be no surprise that the quality of public education in some countries is struggling to catch up.

PPPs and low-fee private schools: easy shortcut or false promises?

Public-private partnerships (PPPs) encompass a range of activities. PPPs for education provision—where public funding is given to private schools to deliver education—are being promoted by the World Bank and other donors as a solution to education quality challenges. In particular, PPP models that involve outsourcing public education responsibilities to low-fee private schools, such as in Pakistan and Liberia,⁶ are part of a growing trend. These schools cater to lower-income communities and are often profit-oriented. PPPs are often claimed to be less expensive and more efficient than public schooling, to provide better outcomes, to be able to scale up more rapidly, and to offer greater accountability through the mechanisms of “school choice” and competition. But these are false promises. A growing body of academic evidence shows that PPPs and private education do not necessarily deliver better education outcomes and at the same time risk increasing the gap between rich and poor.

Studies have found mixed evidence on learning outcomes in education PPPs, and no evidence that they consistently perform better than public schools.

Recent academic studies and reviews have found mixed evidence on learning outcomes in education PPPs, and no evidence that they consistently perform better than public schools.⁷ Studies have also raised strong and consistent concerns about the impact of education PPPs on inequality and socioeconomic segregation. One study of 17 countries found that, “in the majority of countries, [PPP schools] are reinforcing social disparities by disproportionately serving students in upper income quintiles.”⁸

A study of 17 countries found that PPP schools disproportionately benefited upper income students in the majority of countries.

The research raises particular concerns about market-oriented PPPs—those PPPs that rely on low-fee and for-profit private schools or that expand the market for private education to provide greater choice and competition. One academic review found that the competitive environments generated by many PPP models “provide incentives for schools... to discriminate against those who are less academically skilled or have

special educational needs,”⁹ and the OECD found that choice-based systems are often more socially segregated.¹⁰ Commercial school chains, such as Bridge International Academies in Africa, raise particular concerns about their resistance to government regulation and legal violations, exclusion of the poorest children, scripted teaching, and a focus on profit that is at odds with investment in quality education.¹¹

Women and girls are at greater risk of being marginalized by a PPP approach. School fees, even those considered low, restrict girls’ access to schooling as parents will often prefer to send boys when funds are limited.¹² The widespread elimination of user fees in primary schools in the 2000s meant tens of millions of girls were able to go to school.¹³ Though some PPP programs do not allow formal fees to be charged, the schools often levy substantial informal fees and additional costs.¹⁴ In Pakistan, the out-of-pocket costs in PPP schools were estimated to be half the income of a parent living at the poverty line.¹⁵ Low-fee private schools also cut costs by paying teachers very low salaries and relying on poorly qualified teachers; as well as undermining the quality of education, this threatens labor rights—particularly for women, who disproportionately hold teaching jobs in most regions of the world.¹⁶

In Pakistan, the out-of-pocket costs in PPP schools were estimated to be half the income of a parent living at the poverty line.

Evidence from Pakistan and Uganda: unequal access, poor quality

Oxfam’s own research on a World Bank-supported PPP in Punjab, Pakistan¹⁷ found that private schools in the study were not serving out-of-school children, the poorest girls and boys, or those with disabilities. It found the test-based funding model exacerbates inequalities by incentivizing schools to exclude those children unlikely to perform well on tests.

“We... cannot include the poorest of the poor in this school with other kids. It’s not like a charity; we have limited funds from [the PPP] and I need to earn a livelihood from this.” – PPP school owner

Research by the Initiative for Economic and Social Rights on the Universal Secondary Education PPP in Uganda¹⁸ also found that equitable access was not being achieved through the PPP and that schools were not affordable for the poorest children. Shadrack Chemutia from Kween District was forced to drop out of secondary school because he had no money for school fees. The government pays for his tuition but his PPP school levied additional fees and his family has not been able to raise the money:

“I have been staying at home for one year. I would like to be a doctor. If I go to school, I can be, but if I don’t go it [will] stop me from being a doctor.” – Shadrack, 16 years old

Both studies also found evidence that education quality was poor in PPP schools due to a lack of investment and a reliance on unqualified teachers. In Uganda, students in PPP schools performed poorly on assessments compared to their counterparts in government schools and other private schools. The Punjab study found that teachers, who are predominantly female and poorly qualified, are paid on average less than half the minimum wage and receive little training. Both studies found a lack of adequate structures for oversight of schools or accountability to communities.

In Uganda, students in PPP schools performed poorly on assessments compared to their counterparts in government schools and other private schools.

These trends should be a cause for deep concern. Education can and should be an engine for greater equality, both between rich and poor and between women and men. Yet instead the increased reliance on PPPs and expanded private schooling threatens to deepen inequality.

World Bank advice and lending: actively promoting private education and PPPs

For this report, Oxfam conducted a comprehensive review of World Bank policy advice and lending for education. The World Bank is the largest external funder of education

in poor countries and implements a majority of Global Partnership for Education (GPE) grants;¹⁹ its financing and advice is therefore important and influential.

Together with other donors, the World Bank has recently adopted a “private sector first” approach to development, agreed in 2017 during the Hamburg G20 and approved by the World Bank Board: “Only where market solutions are not possible through sector reform and risk mitigation should official and public resources be applied... This approach is currently focused on infrastructure but will be expanded to... education and health.”²⁰ This signals a potentially sweeping shift.

Policy advice

World Bank technical support to countries on education is delivered through its Systems Approach for Better Education Results (SABER) program. Our analysis of SABER “international best practice” recommendations and detailed policy advice²¹ finds that the World Bank is actively advising countries to expand the role of the private sector in education provision through PPPs and other reforms that reduce regulations and incentivize the growth of private education markets. For example, countries are scored more highly on the SABER rubric if they “facilitate market entry for a more diverse set of private providers” and ensure that all types of providers, including for-profit schools, are allowed. Our analysis finds that this advice relies on a selective evidence base and flawed, biased assumptions.

The World Bank is actively advising countries to expand private education provision through PPPs, reduce regulations and encourage the expansion of for-profit schools.

In Ghana, World Bank policy advice recommends piloting PPPs and reducing standards for teacher certification in private schools.²² In Nepal, it recommends that the government allow for-profit schools to be eligible for public funding of post-primary schools, something which is currently not allowed. It also recommends incentivizing private provision by providing start-up funding or public land to private schools.²³

Project-level support

For this paper, Oxfam conducted a review of the World Bank’s funding to governments for primary and secondary education over the last six years, covering 116 projects. We found that one-fifth (22 percent) of projects included elements of direct support for private provision of education across 14 countries, showing that the World Bank is following up its technical support with some significant funding.²⁴ This type of support has been gradually increasing over the last decade, with a more recent geographical shift to Africa. While not all Bank-supported PPPs give cause for concern and often they are one part of a larger project that supports public education, a significant number include a market-oriented approach that seeks to expand the role of private schooling.

Oxfam’s research shows that over a fifth of World Bank education projects between 2013 and 2018 included support to governments for private provision of education.

In the Philippines, for example, a policy loan supports expanded funding for a PPP as one condition for the loan’s disbursement.²⁵ In Burkina Faso, a project includes support for the construction of new private secondary schools where the ownership and management is leased to private providers.²⁶ Case studies from Uganda and Pakistan highlight the instrumental role of World Bank advice and lending in supporting the expansion of private education provision. Taken together with the increased direct funding of commercial schools by the International Finance Corporation (IFC), the Bank’s private sector finance arm—which has quadrupled since 2006²⁷—these trends are deeply concerning.

A recent study found that IFC’s direct funding for private education provision has quadrupled since 2006.

Time to correct course: toward transformative public education

Education is a fundamental human right and a building block of equal societies. While the challenges and problems of public delivery in many countries are real, research indicates that neither education PPPs nor low-fee, for-profit schools are a shortcut to quality education for all. The evidence is growing on the negative impacts of this approach on inequality and must not be ignored by governments, the World Bank and other donors.

Instead the World Bank and other development actors should urgently refocus their funding and effort on expanding and improving the public provision of education in developing countries. It is time to build transformative public education that is free and universal, adequately and equitably funded, with well-supported teachers and strong systems for accountable public oversight. Transformative public education fights economic and gender inequality, builds active citizens, protects communities and the environment, and forges inclusive and stable societies. Donors and governments around the world must turn away from harmful PPP approaches and recommit to the public purpose of education.

Recommendations:

- The **World Bank** should cease its advocacy and funding for market-oriented education PPPs, especially those that support low-fee and commercial private schools, and instead redouble its focus on supporting governments to strengthen public education provision. It should redesign or do away with its SABER policy advice on the private sector. The International Finance Corporation should stop funding K-12 commercial schools.
- **Governments** should devote the maximum available resources to public education including at least six percent of GDP and 20 percent of national budgets, and avoid diverting scarce public resources and attention away from the essential task of building free, good-quality, inclusive public schools. They should adequately regulate private education providers, especially commercial schools.
- The **Global Partnership for Education and other donors** should focus their support on improving the provision of public schooling in developing countries, and should not fund market-oriented education PPPs, especially those that support low-fee and commercial private schools. Donors should substantially increase their aid commitments to education, stop funding commercial schools through their private finance arms, and insist that the World Bank reorient its approach away from PPPs and commercial schools.
- **All actors** must ensure that their efforts are compatible with the progressive realization of the right to education and gender equality.

NOTES

- 1 United Nations (2015) *The Millennium Development Goals Report*. [http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20\(July%201\).pdf](http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%202015%20rev%20(July%201).pdf)
- 2 Lawson, M. et al (2019) *Public Good or Private Wealth?* Oxfam Briefing Paper. <https://www.oxfamamerica.org/static/media/files/bp-public-good-or-private-wealth-210119-en.pdf>. Based on Z. Paulos and A. Zeyede. (2017). National Education Sector Budget Brief: 2006–2016. UNICEF Ethiopia. https://www.unicef.org/esaro/UNICEF_Ethiopia_-_2017_-_Education_Budget_Brief.pdf.
- 3 Nepal Ministry of Health (2016). *Demographic and Health Survey*. Educational Attainment, Table 3.3.1: the average number of years of schooling for women in the bottom 20% is 1.1, while the average number of years of schooling for women in the top 20% is 9.1. <https://dhsprogram.com/pubs/pdf/FR336/FR336.pdf>
- 4 See for example rankings and analysis of country spending efforts on education in: Oxfam (2018) *The Commitment to Reducing Inequality Index 2018*. <https://www.oxfam.org/en/research/commitment-reducing-inequality-index-2018>
- 5 UNESCO (2015) EFA Global Monitoring Report, Policy Paper 18: *Pricing the right to education: The cost of reaching new targets by 2030*. Paris: UNESCO. <http://unesdoc.unesco.org/images/0023/002321/232197E.pdf>
- 6 For Liberia (see text box on p. 16); Pakistan (see case study in section 3).

- 7 See full discussion of the evidence in the main report, which includes: Verger, A. and M. Moschetti (2017) *Public-Private Partnerships as an Education Policy Approach: Multiple Meanings, Risks and Challenges*. Education Research and Foresight Series, No. 19. Paris, UNESCO; Aslam, M., S. Rawal, and S. Saeed. (2017). *Public-Private Partnerships in Education in Developing Countries: A Rigorous Review of the Evidence*. Ark Education Partnerships Group; Baum, D. (2018) *The Effectiveness and Equity of Public-Private Partnerships in Education: A Quasi-Experimental Evaluation of 17 Countries*. Education Policy Analysis Archives Vol. 26, No. 105.
- 8 Baum, D. (2018) *The Effectiveness and Equity of Public-Private Partnerships in Education: A Quasi-Experimental Evaluation of 17 Countries*. Education Policy Analysis Archives Vol. 26, No. 105. <https://doi.org/10.14507/epaa.26.3436>
- 9 Verger and Moschetti (2017) op. cit.
- 10 OECD (2014) *When is competition between schools beneficial?* PISA in Focus 42. https://www.oecd-ilibrary.org/education/when-is-competition-between-schools-beneficial_5jz0v4zbcmv-en
- 11 See discussion of commercial schools in Box3 in main report.
- 12 See discussion on the role of school fees in hindering girls' access to education, in: Tembon and Fort eds. (2008) *Girls' Education in the 21st Century Gender Equality, Empowerment, and Economic Growth*. The World Bank.
- 13 United Nations (2015) *The Millennium Development Goals Report*, op. cit.
- 14 Moschetti, M. (2018) *Unfair competition: exploring state-funded low-fee private schools' logics of action in Buenos Aires*. In Ed. Steiner-Khamsi G. and A. Draxler (2018) *The State, Business and Education: Public-Private Partnerships Revisited*. NORRAG Series on International Education and Development; Srivastava, P. and C. Noronha (2016) *The myth of free and barrier-free access: India's Right to Education Act—private schooling costs and household experiences*. *Oxford Review of Education*, 42(5), pp. 561–578; see case studies on Pakistan and Uganda in section 3 of this report.
- 15 See case study on Pakistan in section 3 of this report.
- 16 Sub-Saharan Africa is the only region to have more men teaching than women at primary level. UNESCO (2018) eAtlas of Gender Inequality in Education. <https://tellmaps.com/uis/gender#!/topic/GENDER>
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- 21 World Bank (2014) *What Matters Most for Engaging the Private Sector in Education: A Framework Paper* SABER Working Paper Series No. 8.
- 22 See World Bank (2015) *Ghana: Engaging the Private Sector in Education*. SABER Pilot Country Report. http://wbfiles.worldbank.org/documents/hdn/ed/saber/supporting_doc/CountryReports/EPS/SABER_EPS_Ghana_2017.pdf; see also World Bank (2015) *The role of the private sector in providing basic education services in Kasoa, Ghana*. SABER Pilot Country Report. http://wbfiles.worldbank.org/documents/hdn/ed/saber/supporting_doc/CountryReports/EPS/EPS_Ghana_In-Depth_Report_Final.pdf

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<http://documents.worldbank.org/curated/en/824511492491355799/pdf/114311-WP-PUBLIC-SABER-EPS-NEPAL-2016.pdf>.

24 See Annex 1.

25 World Bank (2014) (Approved FY 2015). *Philippines: Third Philippines Development Policy Loan* (P147803). Project Appraisal Document (Report No: 87921-PH).

<http://documents.worldbank.org/curated/en/786401468332663548/pdf/879210PGD0P147010Box385319B00OUO090.pdf>. See also World Bank (2013) *Second Philippines Development Policy Loan*. Project Appraisal Document.
<http://documents.worldbank.org/curated/en/756431468107643421/pdf/709540PGD0REPL0official0use0only090.pdf>

26 World Bank (2015) (Approved FY 2015). *Burkina Faso: Education Access and Quality Improvement Project* (P148062). Project Appraisal Document (Report No: 1044).

<http://documents.worldbank.org/curated/en/242461468229480667/pdf/PAD10440PAD0P1010Box385444B00OUO090.pdf>.

27 Baker, T. and W. Smith (2017) *From Free to Fee: Are for-profit, fee charging private schools the solution for the world's poor?* RESULTS Educational Fund. The report cites a total of \$162.28 million invested in direct provision of K–12 (primary and secondary) education between 2011–2015 as compared to \$38.9 million during the previous five years (2006–2010), an increase of more than four times.

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