



2017 Brock International  
Prize in Education Nominee

**James N. Tooley**

*Nominated by David J. Theroux*

August 26, 2016

Dr. Edward L. Harris  
Chair of the Executive Committee and Administrator  
Brock International Prize in Education  
1228 E. 25th Street  
Tulsa, OK 74114

Dear Ed,

As promised, I am delighted to submit the portfolio for my nomination for the 2017 Brock International Prize in Education, and I am privileged to serve as a Juror.

As you may recall, my nominee is the following:

**Professor James N. Tooley, Ph.D.**

Professor of Education Policy and Director, E. G. West Centre  
School of Education, Communication and Language Sciences  
Newcastle University upon Tyre, United Kingdom  
Research Fellow, Independent Institute

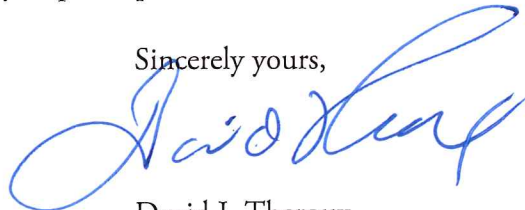
And, the attached portfolio includes the following:

- Nomination
- Curriculum Vitae (link)
- Letters of Recommendation
- Comments and Praise
- Videos (links)
- Publication and Article Samples

Please let me know if you have any questions.

Thank you again for the opportunity to participate as a Juror.

Sincerely yours,



David J. Theroux

DJT:js  
Enclosure

# JAMES N. TOOLEY

**Director, E. G. West Centre**

**Professor of Education Policy, Newcastle University upon Tyre**

**Research Fellow, Independent Institute**



## **2017 Brock International Prize in Education**

*Nominated by David J. Theroux*

Nomination.....	2
Curriculum Vitae.....	7
Letters of Recommendation.....	8
Comments & Praise .....	22
Videos.....	28
Publication & Article Samples.....	31

# Nomination

**James N. Tooley** is Professor of Education Policy and Director of the E.G. West Centre in the School of Education, Communication and Language Sciences at Newcastle University upon Tyne in England, one of the elite research-led “Russel Group” of universities in the United Kingdom. His Ph.D. is from the Institute of Education at the University of London, and he has taught and researched at the University of Oxford, University of Manchester, Simon Fraser University, Canada, and the University of Western Cape, South Africa. His first job was as a public school teacher in Zimbabwe, shortly after its independence from the United Kingdom.

Tooley is the foremost scholar around the world writing on advancing educational freedom and opportunity for the world’s poorest people. Through his ground-breaking research on low-cost private schools, his tenacious research-based advocacy, his innovative testing of models for raising the quality and accessibility of low-cost private schooling, Tooley has inspired and now leads a global movement that is celebrating and promoting educational freedom in order to improve opportunities in the developing world—a movement that carries direct implications for developed countries.

Prior to Tooley’s innovative research, low-cost private schools were not on the radar of any government, international agency, philanthropist, or investor; Tooley’s work has dramatically changed that. *The Economist* has described him as the pioneer of research on low-cost private schools in poor countries (March 17, 2012, p. 64); based on this research, he is an outspoken and eloquent campaigner for educational freedom and opportunity.

His research, funded largely by the John Templeton Foundation and the UBS Optimus Foundation, revealed to an unsuspecting world that low-cost private schools were extraordinarily ubiquitous in the slums and villages of the developing world. Initially conducting his fieldwork through large-scale quantitative surveys in Ghana, Nigeria, Kenya, India, and China, he found that in poor urban areas a large majority of schoolchildren attended low-cost private schools, while in rural areas, a significant minority did so. Testing a stratified random sample of 35,000 children in mathematics, English, and one other subject showed that children in low-cost private schools were significantly outperforming those in government schools, even after controlling for background variables and possible selectivity biases. Further, low-cost private schools were succeeding in achieving higher standards for a fraction of the overall cost of government schools.

He has recently extended this work in conflict and post-conflict countries in Africa, Sierra Leone, Liberia, and South Sudan. In particular, this research has explored different types of private schools, finding significant numbers of for-profit private schools in poor areas of the countries, which performed comparably to non-profit schools but significantly outperformed government schools. A new definition of low-cost private schools was created. Further, because government schools in poor countries involve fees, household surveys showed that the cost to parents of sending a child to a government school was 75 percent or more of the cost of sending a child to a low-cost private school.

For example, in one of the poorest slums in Liberia—one of the poorest countries in the world—Tooley discovered something remarkable happening. (Liberia of course is home to descendants of emancipated American slaves.) Fully 71 percent of children are going to private schools in the

slums, while only 8 percent are attending government schools. This has prompted him to ask: What's going on here? And does this remarkable trend have lessons for America?

While Tooley's interest in this research area captivated him, for many years it was hard getting anyone else interested in its potential: one major critic (Kevin Watkins, Director of the UNDP Human Development Report) wrote, "Tooley is ploughing a lonely furrow, long may it remain that way," a comment with which most others seemed to have agreed. However, this position has now changed significantly.

Tooley has won many prizes for his work, including the IFC/*Financial Times* Gold Prize, the Alexis de Tocqueville Award for Advancing Educational Freedom, and the National Free Enterprise Award. His work has been featured in BBC and PBS documentaries, including in the film *The Ultimate Resource*, alongside the work of Nobel Prize Laureate Muhammad Yunus and Friedman Prize-winner Hernando de Soto.

His recent work has extended its influence to 30 countries across five continents, including Afghanistan, Burkina Faso, China, Dominican Republic, Ghana, Guatemala, Honduras, India, Indonesia, Kenya, Kuwait, Liberia, Nigeria, Pakistan, Peru, Philippines, Rwanda, Saudi Arabia, Sierra Leone, Somaliland, South Africa, South Sudan, Tanzania, Uganda, United Arab Emirates, Zambia, and Zimbabwe.

Building on his research, Tooley has dedicated himself to creating working models of innovative practice in low-cost private education. These models help showcase private institutions' potential to extend access to educational opportunities to the poor, as well as to improve these opportunities. He is cofounder and chairman of Omega Schools, a chain of low-cost private schools in Ghana, which in four years grew to 40 schools with 20,000 students. He is also patron of the Association of Formidable Educational Development, a coalition of 5,000 low-cost private schools in Nigeria serving nearly 1 million children; chief mentor of the National Independent Schools Alliance (India); and founder of other private school associations in Sierra Leone, Liberia, and South Sudan.

Over the last quarter of a century, Tooley has published over 100 books, monographs, journal articles, and chapters in books on this theme. In 1992 as a young doctoral student, he published his first academic journal article challenging the prevailing consensus in academic circles in favor of government intervention in education. There followed a slew of academic and popular articles which began to set out a coherent vision of independent, private education. His first book challenged the role of government in creating a national curriculum, *A Market-Led Alternative for the Curriculum: Breaking the Code* (1993). This book was followed by a philosophical exposition of why governments should not control education in *Disestablishing the School* (1995), based on his completed doctoral thesis. In 1996, he published a more popular book, *Education without the State*. Several more books and monographs followed before his book *Reclaiming Education* in 2000, which set out a full-length treatment of why educational freedom is beneficial and how it can be achieved from the grassroots up without the necessity of policy reforms.

In the midst of this work, beginning in 2000, Tooley discovered that in India, Africa, and elsewhere, low-cost private schools for the poor were a reality, on a far broader scale than anyone knew. Tooley realized that many of his theoretical arguments in his previous writings now had a very practical realization. Most of his academic and popular writings became focused on accumulating evidence on this phenomenon, cataloguing its nature and extent, and reporting

on quasi-experiments which compared low-cost private provision with government schools. These works included his popular book, *The Beautiful Tree: A Personal Journey into How the World's Poorest People Are Educating Themselves* (2009), which summarized the research evidence, challenged the many critics of this work, and pointed to practical policy implications. As well as being a bestseller in India and winning the Sir Antony Fisher International Memorial Prize (2010), *The Beautiful Tree* has been enormously influential on governments, international agencies, and individual philanthropists, entrepreneurs, and investors. Since the book's publication, no one can now deny the existence and significance of educational freedom as a way towards "education for all."

However, Tooley's writings are not wholly focused on this important empirical evidence. He continues to challenge the theoretical and philosophical arguments over the role of government in education. This includes his work challenging the work of eminent philosophers of education such as Harry Brighouse of the University of Wisconsin (2010, *Educational Equality*) and Adam Swift of the University of Warwick (2008, "From Adam Swift to Adam Smith: How the 'Invisible Hand' Overcomes Middle Class Hypocrisy," *Journal of Philosophy of Education*), as well as taking on development economists advancing theoretical arguments about the role of government in education (2012, *Big Questions and Poor Economics: Banerjee and Duflo on Schooling in Developing Countries*). Most recently he has shown why the kind of "grassroots" privatization of education taking place in Asia and Africa is more effective in challenging injustice than is government education (2013, "Challenging Educational Injustices: 'Grassroots' Privatisation in South Asia and Sub-Saharan Africa," *Oxford Review of Education*). Tooley also published a full-length discussion of the work of the scholar who inspired his own work—the economist and historian Edwin G. West. The book, *E.G. West: Economic Liberalism and the Role of Government in Education* (2008, Continuum Library of Educational Thought), sets out a definitive case linking the arguments of Nobel Laureates Milton Friedman and F.A. Hayek with that of Adam Smith to buttress the notion of educational freedom. His most recent theoretical writing was published in 2014 in *Social Policy and Philosophy*, in a paper entitled "The Role of Government in Education Revisited." As the title suggests, this paper examines earlier work promoting educational vouchers and other school-choice reforms within the context of low-cost private schools in the developing world. The paper makes a case for a bold vision for educational freedom in America and across the world.

Throughout his 25 years of writing on the virtues of educational freedom and opportunity, Tooley has been a tireless, evidence-based scholar, integrating theoretical work with empirical findings. Hernando de Soto wrote in his comment on *The Beautiful Tree* that Tooley follows in the footsteps of Friedman himself, "With this important and passionately written book, James Tooley has joined the late Milton Friedman as a name to be reckoned with in support of 'market solutions' for providing quality education to poor children."

Tooley was profiled in *The Guardian* (November 12, 2013), a British newspaper known for its sympathies for government-dominated education. The profile by Peter Wilby, "Professor James Tooley: A Champion of Low-cost Schools or a Dangerous Man?," strongly acknowledged the important influence Tooley is having on British and international debates in education. The profile describes *The Beautiful Tree*: "It is written with verve, humour and suspense." It goes on to say, "Tooley . . . is charming, jolly and generous, and nobody who knows him doubts his sincerity and his genuine enthusiasm for . . . 'low-cost private schools.' Nor would anyone now seriously dispute the existence of such schools or even their frequent superiority to neighbouring state schools." Further, Wilby continued, "Tooley believes that countries such as Britain should learn from India, Ghana, Kenya and others. We, too, could have low-cost private schools if they

were run commercially. . . ‘I want to see private schools emerge and then the state just move aside from education.’”

The *Guardian* profile continues, “as far as state education is concerned, Tooley is a dangerous character. He has been described as ‘the high priest of privatised education in Britain.’” Wilby concludes, “I like Tooley but, if I were a highly qualified teacher working in a publicly funded school, particularly in Newcastle (‘a good place to start a low-cost private school’, he says), I would be afraid of him. Very afraid.”

Through his determined research-based advocacy, Tooley has succeeded in convincing international agencies and governments to change policies to take into account educational freedom as a means to improve educational access and quality.

The former British Secretary of State for International Development, Andrew Mitchell, has written, “Professor Tooley’s work on private education in developing countries . . . had a significant impact on Conservative Party and UK Government policy on education in developing countries, and in turn has helped improve the situation on the ground for large numbers of poor children and influenced UK and international thinking on how to make ‘education for all’ a reality.” The research inspired, among other things, a voucher program in Pakistan which enabled “hundreds of thousands of poor girls to attend low-fee private schools,” and the £300 million Girls Education Challenge Fund, “which seeks to stimulate non-state [private] providers to get up to a million girls into school in the hardest places.” Crucially, Mitchell wrote, Tooley’s research “provided the evidence upon which we could situate our proposed policy; and it also opened up a space in public debate which meant that a policy approach recognising diversity of education supply in developing countries would be accepted.”

Tooley’s work also heavily influenced the Lagos State Government and the British Department for International Development (DFID) Nigeria. Explicitly based on Tooley’s findings, DFID created a £25 million “Making Markets Work for the Poor” project, designed to further improve the workings of the low-cost private school market. The Association of Formidable Education Development (AFED) is a coalition of low-cost private schools in Lagos, with over 3,000 member schools, of which Tooley is a patron. Previously, the Lagos State Government set out to close all AFED schools. Tooley’s research “explicitly . . . led them to a change of heart.” A long process of engagement with the government led to the announcement in April 2013 that all AFED school children would now be able to sit state elementary school exams, which had formerly been forbidden to them—a rule that had effectively ended the school careers of a majority of these children. This reform allows 600,000 children in AFED schools to be liberated to continue further education.

From denial to condemnation to active support: several governments and agencies have undergone this process as a direct result of Tooley’s research and research-based advocacy. Furthermore, Tooley has inspired numerous philanthropists/social entrepreneurs to get involved in promoting the cause of educational freedom for the poor, bringing at least \$350 million into this space in the last five years. For instance, Edify has made loans to over 600 schools in the Dominican Republic, Ghana, and Rwanda, and will grow to finance 4,000 schools, impacting 1 million children, by 2017. Chris Crane, President and CEO, writes: “Prof. James Tooley and the E.G. West Centre are directly responsible for Edify and Opportunity International providing loans and other education resources to low-cost private schools between 2008 and 2013.” Indeed, “Prof. Tooley directly inspired my life’s work. As a result, I believe that, over the next 20 years,

20 million impoverished children will receive a much better education than otherwise would have been possible.”

Another organization is Gray Matters Capital (GMC), which created the Indian School Finance Company to disburse loans to low-cost private schools. It has disbursed \$11 million to date, and increased loan capital to \$140 million, explicitly inspired by the Newcastle research. Bob Patillo, founder of GMC notes that Tooley’s research has “literally been life-changing.” His organization’s “entire vision . . . has tightened to focus on the APS [affordable private schools] sector.” “The ground-breaking research of the E.G. West Centre changed the entire focus of our visions, ambition and work.”

The IDP Foundation has similarly been inspired to change the direction of its work. The Foundation has currently invested \$5 million in creating loans and program development for educational improvements in Ghana, impacting at least 27,000 children in 105 schools, with the aim of reaching 1,200 schools over the next 4 years. Irene Pritzker, President of the foundation, notes “The inspiration for all this work was the result of the findings and writings of James Tooley.”

Professor Tooley is also an indefatigable social entrepreneur himself, experimenting with different approaches to increasing the quality of, and extending access to, low-cost private schools: he has created or inspired the creation of voluntary associations of low-cost, private-school entrepreneurs in Nigeria, Ghana, Sierra Leone, South Sudan, Kenya, India, and Liberia. He is busy creating a global network of these associations now, to enable educational freedom to have a seat at the top table of international deliberations. He has co-created or inspired the creation of several “chains” of low-cost private schools, which through economies of scale can raise investment to serve literally millions of disadvantaged children. One such chain which he helped inspire is Bridge International Academies in Kenya, now with 60,000 children. Another is Omega Schools in Ghana and Sierra Leone, of which he is co-founder and chairman, currently serving 25,000 children, which has created “Pay-As-You-Learn,” an innovative, all-inclusive daily-fee model. Also inspired by Tooley’s work, Pearson created its Affordable Learning Fund for low-cost private education, initially capitalized with \$15 million, with Sir Michael Barber as Chairman, which is investing in Ghana, India, and the Philippines.

Finally, Tooley is keenly aware of the importance of ideas. He continues to contribute to educational theory, debating the case for educational freedom with the world’s leading philosophers of education, such as Harry Brighouse. His recent contributions on social justice and low-cost private schools for the poor (in *Oxford Review of Education*), his masterly exegesis, *E.G. West: Economic Liberalism and the Role of Government in Education*, and his paper “The Role of Government in Education Revisited: The Theory and Practice of Vouchers, with Pointers to Another Solution for American Education” (2014, *Social Philosophy and Policy*), have shown the relevance of low-cost private schools to educational needs in America. In the process, he has been adept at getting critics of educational freedom to take the position seriously. For instance, Stephen Ball (Oxford University), Britain’s most fervent critic of marketization in education, has written a book, *Global Education Inc.: New Policy Networks and the Neo-Liberal Imaginary*, which features a chapter highlighting the work of Tooley as a key example of “policy entrepreneurship.” Ball writes, “Tooley performs all three of the functions of policy entrepreneur. He has identified particular educational needs and offers innovative means to satisfy them; he is willing to take financial and emotional risks in pursuing change . . . and has been able to assemble and coordinate networks of individuals and organisations, local and



transnational, with the capabilities and resources needed to achieve change. . . . He gets things done!”

Another former critic, Sir Michael Barber, has written, “I know of few academics who have been so effectively countercultural to the point of ultimately winning the argument, on the basis of original and constantly repeated evidence, effective advocacy and persistence.”

Tooley’s most recent work is in conflict and post-conflict states in Africa, including Liberia, Sierra Leone, and South Sudan, as well as northern Nigeria. He is not afraid of going to these very dangerous places to examine low-cost private schools, and he is not afraid of advising governments there about how the poorest, if allowed, are successfully meeting and indeed surpassing educational needs. In each of these countries he has further created associations of low-cost private schools, to enable educational entrepreneurs to unite to better combat threats from harmful government policies and to share ideas and practices.

## **CURRICULUM VITAE**

Please view full CV online: <http://www.independent.org/pdf/jamestoolleyCV.pdf>

# LETTERS OF RECOMMENDATION





27 November 2012

To whom it may concern:-

Dear Sir / Madam,

**Professor James Tooley - Testimonial**

Professor Tooley's work on private education in developing countries had a profound impact on the Conservative Party's policy on education in international development which my team and I formulated in Opposition and then implemented in Government. When we published our Green Paper on international development prior to the 2010 General Election, we specifically cited evidence on the existence of private schools for the poor from Professor Tooley's articles "Educating Amartech: Private Schools for the Poor and the New Frontier for Investors" (FT, Sept 2006) and "Private Schools for the Poor" (Education Next, Fall 2005), and noted that:

"Governments should guarantee access to education for all their people...However, this does not mean that the state has to be the sole provider of education. As well as working to expand public provision, we will seek to harness the accountability and responsiveness of the private sector to help drive up standards and get more children into school...We stand ready to work with the public, not-for-profit and private sectors. We will consider funding insurance schemes, bursaries, or targeted vouchers for the poorest children to attend a school of their choice." (Conservative Party Policy Paper, 'One World Conservatism', July 2009).

As Conservatives we would naturally take a pragmatic approach to doing 'what works' in education, but Professor Tooley's work provided the evidence upon which we could situate our proposed policy; and it had also opened up a space in public debate which meant that a policy approach recognising diversity of education supply in developing countries would be accepted.

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When we arrived in Government and I took office as Secretary of State for International Development we implemented these policies. As a result, between 2010 and 2012 Professor Tooley's research could be said to have helped provide a foundation for a number of specific UK Government interventions, including an initiative to roll-out vouchers for hundreds of thousands of poor girls to attend low-fee schools in the Punjab in Pakistan, and the creating of the Girls Education Challenge Fund which seeks to stimulate non-state providers (especially new private sector actors) to get up to a million girls into school in the hardest places. Further, in turn these experiences help inform the positions that the UK Government takes in public policy debates, up to and including considerations on what will replace the Millennium Development Goals in 2015 which the Prime Minister is co-chairing for the UN Secretary General.

Professor Tooley's work has, therefore, had a significant impact on Conservative Party and UK Government policy on education in developing countries, and in turn has both helped improve the situation on the ground for large numbers of poor children and influenced UK and international thinking on how to make 'education for all' a reality.

With kind regards  
Yours faithfully,  
Rt Hon Andrew Mitchell

Rt Hon Andrew Mitchell MP

**PEARSON PLC**

80 Strand

London WC2R 0RL

5 November 2013

To Whom it May Concern,

**Re: Professor James Tooley**

James Tooley is one of Britain's leading education academics, based at Newcastle University, and with a distinguished career of research, writing and action based on his research. I have known him for over 30 years.

Quite early in his academic career James set out to plough a furrow almost entirely unploughed by others. He decided to examine the phenomenon of low cost private schools in the developing world and their impact on education performance in those countries. What he found as a result of painstaking field work in places such as Nigeria, Ghana and India was that low cost private schools were more prevalent than anyone – even local – thought; they were growing rapidly in numbers and generally outperforming government schools usually at lower per pupil costs. He has replicated these findings again and again in numerous locations.

This shaped his career from then on. Rather than these findings being welcomed, they led James into major controversy and sometimes into personal attacks on his integrity. His findings, however robust, were simply unfashionable in academic and development specialist circles at that time and in some quarters remain so.

James showed great courage in continuing to make his case under these pressures and also continued to produce the evidence. He also took action to set up demonstration projects, first in Hyderabad, India and then more recently in Ghana. He has been willing to invest himself in these projects.

In the last two to five years his case has been increasingly heard. His wonderful book, *The Beautiful Tree*, won prizes and helped spread the case. There are now increasing numbers in governments and development circles able to recognize what James – and parents across the developing world – recognized years ago, which is that low cost private schools are part of the solution to the enhancing educational opportunity in the developing world.

I know of few if any other academics who have been so effectively countercultural to the point of ultimately winning the argument, on the basis of original and constantly repeated evidence, effective advocacy and persistence. It should be said that James's personal characteristics, of unflinching good humour and thoughtfulness alongside integrity, have underpinned this success.

Yours faithfully,



Sir Michael Barber  
Chief Education Advisor  
Pearson PLC

Our Ref:

Your Ref:

Date:

BEING SHORT NOTE BY AFED PRESIDENT MRS. DADA IFEJOLA ESTHER TO THE NATIONAL EXECUTIVE ON THE ROLE OF INTERNATIONAL RESEARCH WORKS ON LOW COST PRIVATE SCHOOLS LED BY PROF. JAMES TOOLEY 18/4/13

Great AFEDIANS

We are pleased to inform you that Lagos government has announced that all children attending AFED Schools will be able to take a state examination. (An official letter has been sent to us on this). This progress has been a result of all the we've put in over the last years. The Government has explicitly <sup>said</sup> that the research of Prof. James Tooley made them realize that the low cost private schools were making an important contribution to providing education for all. They have said that Prof. Tooley research led them to a change of heart. (Remember Prof. Tooley was the lead speaker at the Lagos State 2<sup>nd</sup> education submit where he really show cased the laudable effect of low cost Private Education providers, that made the former Deputy Governor Princess Sarah Sosan, said "Thank you sir, you have come to tell us the blatant truth").

And this is one of major reasons why they are changing the policy towards AFED and its low cost private school members.

We too in AFED have been very proud to be associated with the research and life works of Prof. James Tooley as he seeks to deepen the world's understanding of the crucial role play by low cost private schools in development. Most of you would have read his books "The

Beautiful Tree” and “Backing the wrong horse” either in hard copy or online. These are all fact finding books cutting across the globe (Ghana, Nigeria, China, India etc) pointing to the positive impact of low Education providers. Through Tooley researches, we have been vindicated and so we can now sit upright to further improve on what we do. As you are aware currently, the Lagos State Government is undergoing pilot study on grading of schools and based on the research work of Prof. Tooley, AFED Schools had been fully incorporated into the programme.

In a nutshell, dear colleagues, AFED today, through the research work of Prof. James Tooley, has become “Bride” to the Lagos State Ministry of Education, because it forms the largest stakeholder in the Education sector. What else, than to say kudos to the great researcher – Prof. James Tooley of Newcastle University Upon Tyne U.K.

Long Live AFED

Long live Lagos State

“Eko o ni baje o”



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To whom it may concern:

James Tooley's influence on me has literally been **life changing**. I initially heard of Mr. Tooley's research on Affordable Private Schools (APS) in 2006, around the time he won the prestigious FT/IFC prize. I came to Hyderabad, India, to meet me in April 2007. Following these meetings, and visits to schools, since then I have focused on following my "APS calling". I credit the influence of Mr. Tooley's research for the impact that Gray Matters Capital has made in the sector.

The ground-breaking research of Mr Tooley and the E.G. West Centre changed the entire focus of our visions, ambition and work. We used Tooley's and his colleagues' articles directly as part of our pitch to our Board of Directors. Tooley was directly behind our choice of Hyderabad for the headquarters of our company, as his research had revealed a vibrant market for APS in the slums of that city. The loan strategy for the Indian School Finance Company (ISFC) was based directly on the model Tooley had developed with the Educare Trust. Tooley moreover provided the credibility for us to be able to recruit David Kyle, former Citi Bank President (Portugal) and former COO Acumen Fund as CEO of the ISFC.

Indeed, the entire vision of Gray Matters Capital has tightened to the Affordable Private Schools sector: The only way to effect the development changes we desire is through Affordable Private Schools (APS), and we discovered APS through James Tooley. The size of capital is increasing to an irreversible transfer of \$140,000,000 with plans to build up the "investability" of the Indian Schools Finance Company (ISFC), the enterprise making loans to Affordable Private Schools, tablets for APS students, and APS student loans.

I am even planning to move to India for part of the year to dedicate my work entirely in the APS sector. My oldest daughter, inspired by James Tooley's influence on me, has committed to working in education in South Africa for two years for the African Leadership Academy.

Sincerely,

Bob Pattillo, Founder, Gray Matters Capital





Department  
for International  
Development



**Lynne Featherstone MP**  
**Parliamentary Under-Secretary of State**

Chris Heaton-Harris MP  
House of Commons  
London  
SW1A 0AA

16 April 2013

*Dear Chris*

Thank you for forwarding a copy of your letter of 14 December about the All Party Parliamentary Group (APPG) event on Global Education for All. I am sorry to say that we have no trace of receipt in the Department of the original.

I am pleased to hear that this event was well attended and contributed to the important debate around achieving the goals of Education for All. We welcome continued discussions with you, the APPG, and the Global Campaign for Education around these issues and will keep you informed of any opportunities that may arise.

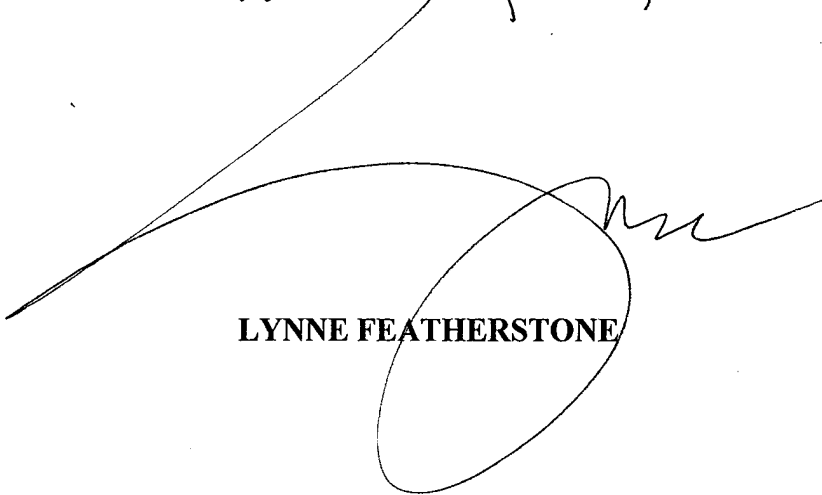
As referenced in your letter, DFID is working with low-fee private schools in various ways in India, Kenya, Nigeria and Pakistan. We are dealing with the realities on the ground, and as such, our programmes vary by country, but all share the aim of generating robust evidence on this topic.

An example of this is in India, where the Department has completed an impact evaluation of Gyan Shala, a low-fee non-state education provider. This evaluation demonstrated that Gyan Shala reached the most disadvantaged, delivered better learning outcomes and delivered higher levels of teacher and student attendance at lower cost than government. Details of this are available at:  
[www.sciencedirect.com/science/article/pii/S0738059312001198](http://www.sciencedirect.com/science/article/pii/S0738059312001198).

The Punjab Education Foundation (PEF) in Pakistan is an example of an innovative partnership involving the low-fee private schools sector that has generated significant cost-savings. An impact evaluation of this approach is currently being designed, which will provide data on the performance of different delivery options. At the moment, PEF supports 1.3 million children, and plans to expand to reach many more.

In Kenya, DFID is preparing research into the constraints on low-fee private schools and mechanisms to enable the private sector to meet the needs of poor people in urban slums. The results of this work will inform DFID's future investments in the low-fee non-state sector. In Nigeria, we are conducting research into school choice in Lagos, the better to understand what factors influence the growth of the low-fee sector. In addition, we are designing a programme to improve the enabling environment for all schools, to improve the quality of learning for all.

Many thanks for your continued interest in this issue and for your work as Vice-Chair of the APPG on Global Education for All.



**LYNNE FEATHERSTONE**

November 16, 2012

To whom it may concern,

Prof. James Tooley and the E.G. West Centre conducted careful and compelling research bringing to light that there are hundreds of thousands of low-cost private schools in Africa and Asia.

In 2006, the Sir John Templeton Foundation convened a conference entitled “Entrepreneurial Approaches to Improve Primary Education for the Global Poor”. Prof. Tooley was the keynote speaker.

Prof. Tooley explained how local entrepreneurs, often poor people, had started humble schools that even the parents of very poor children could afford. His research showed that students attending these schools achieved significantly higher scores on English and math tests than students in government schools.

I asked Prof. Tooley to fly to Australia in 2007 to speak with the executive directors of the 45 operating entities of Opportunity International, an organization of which I was the president and CEO. Opportunity had approximately 1,000,000 active loan clients in 28 countries, and with 10,000 staff. Based on the important presentation made by Prof. Tooley, I directed our operating organizations in Africa and Asia to start making loans to low-cost private schools.

In 2008 and 2009, Opportunity provided financing to approximately 150 schools in Africa allowing them to build more classrooms. Prof. Tooley personally assisted us on-site in introducing teacher training, education technology and 21st-century pedagogies in these schools.

I saw firsthand the dramatic impact that financing and assistance for improving student outcomes had at the schools. I came to the conclusion that providing such assistance to low-cost private schools is the greatest opportunity for profound and long-lasting transformation in the developing world. I decided to leave Opportunity International to found Edify.org, a humanitarian organization devoted solely to working with affordable private schools. During 2010–2012, Edify has made loans to over 600 schools in the Dominican Republic, Ghana and Rwanda. This has directly impacted over 130,000 children. Prof. Tooley was instrumental in the founding and rapid growth of Edify.

Edify has a goal to finance 4,000 schools by 2017. This will impact over 1 million children. The leadership team at Edify has rapidly scaled other organizations. The first was a high technology company, and the second was Opportunity International that grew from 375,000 impoverished people being served to 1.5 million people in 7 years.

Prof. James Tooley and the E.G. West Centre are directly responsible for Edify and Opportunity International providing loans and other education resources to low-cost private schools between 2008 and 2012. Neither organization would be in this field without the invaluable research and direct assistance of Prof. Tooley and the Centre.

Prof. Tooley directly inspired my life's work. As a result, I believe that, over the next 20 years, 20 million impoverished children will receive a much better education than otherwise would have been possible.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Christopher A. Crane', with a long horizontal flourish extending to the right.

Christopher A. Crane  
President and CEO  
edify.org

## **The Impact of James Tooley’s Research and Publications on the Programs of the IDP Foundation, Inc.**

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**By Irene Pritzker**

President, IDP Foundation, Inc.

The IDP Foundation, Inc. was formed in 2008 and after becoming familiar with the work of James Tooley, we decided to focus our efforts on the existing low cost private school sector that is so prevalent throughout the developing world.

It was clear from his research that despite the enormous amount of funding that has been channeled into education in the developing world, the impact of that funding has definitely not achieved “**education for all**,” and nor is it ever likely to unless there is more accountability, less corruption, and more transparency demanded of governments by funders.

As a result of the failure and/or inability of governments to deliver adequate basic education to all children there is a continuing proliferation of very poor privately owned schools serving tens of millions of children throughout the developing world. This is a response to clear market demand by parents, despite the fact that they are living at the bottom of the economic pyramid. The world’s poorest people do not unfortunately see education as a “universal human right” but as a commodity for which they are going to have to, and indeed choose to pay.

Because of present funding policies by the governments and other multilateral funders, these schools, remain disenfranchised and marginalized and thus are denied access to effective teaching and learning materials.

I met with James Tooley on several occasions to discuss the low cost private school sector and have continued that association as he has continued to review our progress. Based on James Tooley’s observations, it was interesting to us as a Foundation, that although the existence of these schools is well documented, virtually nothing has or is being done to strategically address their needs and/or inclusion in the overall education policies of most developing countries.

### **The IDP Rising Schools**

After extensive market research on these schools and their needs, the IDP Foundation has invested some 6 million USD in Ghana in program development, research and grant money to see if it was possible to empower these school owners so that they could be counted in the overall education policies of a country.

The program, aptly named the IDP Rising School Program targets existing schools. 105 schools were chosen (with a combined enrollment of 27,000 children) in 4 of the 10 regions in Ghana in a pilot program to see if we could prove the following hypothesis:

We argued that if a bundle of financial literacy and school management training was delivered to these school owners, then it would be possible to provide them with a monetary loan so they could improve their schools, organize themselves into a network and lobby for inclusion. We also argued that if there was a high level of loan repayment there would be a positive return on investment for the financial institution through loan interest, increased business as well as social credit. We felt this would encourage other financial institutions in other countries and regions to copy this model since the model had been proven to be successful.

Providing capital to these existing schools in a sustainable program and tracking them in an organized and scalable way does not appear to have been done for such a impoverished sector before. It required a huge amount of risk capital and intense work on the part of many people to see exactly how well this might work and how well the model might stand up to academic scrutiny by both educationalists and economists.

We more than proved the concept we set out to prove, are now scaling up in Ghana to add 1200 more existing schools over the next 4 years. We have shown that there is a huge return on investment to a financial institution, and a great improvement in the schools in terms of improved infrastructure and increased enrollment, and the number of days a child can spend in school. We have also shown that once networked, the school owners will form their own lobbying association to advocate for their schools and pressure elected officials at the local level to include their schools with support for teaching and learning materials.

Because the program has gained such international attention, we are hopeful that we can change policy to get governments to include these schools in their overall budgets. The achievement of this goal may take some time, but if successful, will have a global impact of enormous proportions.

James Tooley is also a great proponent of moving away from aid-based programs in education, and we also know that it is necessary to create a sustainable program that is not continuously aid-dependent in order to have long lasting and dependable success. This we have done, and in the process, proved the viability of a previously untapped large worldwide credit market

The inspiration for all this work was as a result of the findings and writings of James Tooley and his resulting disenchantment with present education delivery systems in the developing world. He feels that the answer lies in the private sector, and we have been much influenced by his philosophy.

I am increasingly asked to speak about the IDP Rising Schools program globally, and have garnered the interest of many U.N. agencies, multilateral and bilateral funders and corporations who are interested in our work.

In addition we are slowly changing the attitudes of government officials in Ghana who now finally recognize the existence of these schools, and as a result of our research and documentation, also now know a lot about them. The government has asked us to draft terms of reference for a public private partnership between themselves and the school owners.

There is no question that the program we have developed and tested with these existing schools has far reaching implications to positively affect the lives of many children globally.

Without the research, writings and guidance of James Tooley we would not have even been aware of the global magnitude of this existing low cost private school sector, much less in a position to develop a program to address its needs. As such he has had an enormous impact on the work of the IDP Foundation, Inc.

### **The Omega Schools**

Although the IDP Foundation, Inc., has chosen to focus on existing schools, we are greatly inspired by his development of the Omega Schools – a for profit chain school model, also begun in Ghana. This is arguably one of the finest chain-school models in existence combining affordability for the poor with excellent and comprehensive teaching and learning programs and a positive return on investment for equity partners.

# COMMENTS & PRAISE



“James Tooley is one of Britain’s leading education academics, based at Newcastle University, and with a distinguished career of research, writing and action based on his research. . . . What he found as a result of painstaking field work in places such as Nigeria, Ghana and India was that low cost private schools were more prevalent than anyone—even local’ though; they were growing rapidly in numbers and generally outperforming government schools usually at lower per pupil costs. He has replicated these findings again and again in numerous locations. . . . I know of few if any other academics who have been so effectively countercultural to the point of ultimately winning the argument, on the basis of original and constantly repeated evidence, effective advocacy and persistence. It should be said that James’s personal characteristics, of unfailing good humour and thoughtfulness alongside integrity, have underpinned this success.”  
—**Sir Michael Barber**, Managing Partner and Chief Education Officer, Pearson PLC, London, England

“James Tooley of the University of Newcastle has pioneered the study of cheap private schools in poor countries. He has also set some up. His research, published in 2009 in a book called *The Beautiful Tree*, often surprised local officials who were unaware such schools existed. Mr. Tooley describes classes in the front rooms of people’s houses, often as an extension of basic child care. Most are run for profit—though even these may offer free places for orphans and other needy children. But the private sector faces problems from bossy bureaucrats, especially in India. It is illegal there to operate a school for profit, so schools that charge fees must act as charities first and businesses second. . . . Some state courts have ruled that private-school teachers must have the same high pay as state ones, and have mandated budget-busting facilities such as large playgrounds and libraries. . . . But it remains a striking fact that some of the poorest people in the world make big sacrifices to pay for education, and get good value for their money. That is a tribute to diligence and entrepreneurship, just as the failure of the public schools highlights sloth and greed.”  
—*The Economist*

“James Tooley’s influence on me has literally been life changing. . . . The ground-breaking research of Mr. Tooley and the E.G. West Centre changed the entire focus of our visions,



ambition and work. . . . Indeed, the entire vision of Gray Matters Capital has tightened to the Affordable Private Schools sector: The only way to effect the development changes we desire is through Affordable Private Schools (APS), and we discovered APS through James Tooley. The size of capital is increasing to an irreversible transfer of \$140,000,000 with plans to build up the “investability” of the Indian Schools Finance Company (ISFC), the enterprise making loans to Affordability Private Schools, tablets for APS students, and APS student loans.”

—**Bob Pattillo**, Founder and President, Gray Matters Capital, Hyderabad, India

“We are pleased to inform you the Lagos government has announced that all children attending AFED Schools will be able to take a state examination. . . . This progress has been a result of all that we’ve put in over the last years. The Government has explicitly said that the research of Prof. James Tooley made them realize that the low cost private schools were making an important contribution to providing education for all. They have said that Prof. Tooley research led them to a change of heart. (Remember Prof. Tooley was the lead speaker at the Lagos State 2<sup>nd</sup> education summit where he really show cased the laudable effect of low cost Private Education providers, that made the former Deputy Governor Princess Sarah Sosan, said ‘Thank you sir, you have come to tell us the blatant truth.’ . . . We too in AFED have been very proud to be associated with the research and life works of Prof. James Tooley as he seeks to deepen the world’s understanding of the crucial role play by low cost private schools in development. . . . What else, than to say kudos to the great researcher—Prof. James Tooley.”

—**Dada Ifejola Esther**, President, Association for Formidable Educational Development, Lagos, Nigeria

“Professor Tooley’s work on private education in developing countries had a profound impact on the Conservative Party’s policy on education in international development which my tem and I formulated in Opposition and then implemented in Government. . . . Professor Tooley’s work provided the evidence upon which we could situate our proposed policy; and it had also opened up a space in public debate which meant that a policy approach recognizing diversity of education supply in developing countries would be accepted. When we arrived in Government and I took office as Secretary of State for International Development we implemented these policies. As a result, between 2010 and 2012 Professor Tooley’s research could be said to have helped provide a foundation for a number of specific UK Government interventions, including an initiative to roll-out vouchers for hundreds of thousands of poor girls to attend low-fee schools in the Punjab in Pakistan, and the creating of the Girls Education Challenge Fund which seeks to simulate non-state providers (especially new private sector actors) to get up to a million girls into school in the hardest places. Further, in turn these experiences help inform the positions that the UK Government takes in public policy debates, up to and including considerations on what will replace the Millennium Development Goals in 20-15 which the Prime Minister is co-chairing for the UN Secretary General. Professor Tooley’s work has, therefore, has a significant impact on Conservative Party and UK Government policy on education in developing countries, and in turn has both helped improve the situation on the ground for large numbers of poor children and influenced UK and international thinking on how to make ‘education for all’ a reality.”

—**Andrew J. B. Mitchell, MP**, Chief Whip, House of Commons; Parliamentary Secretary of the Treasury; former Secretary of State for International Development; United Kingdom

“The IDP Foundation was formed in 2008 and after becoming familiar with the work of James Tooley, we decided to focus our efforts on the existing, low cost, private school sector that is so prevalent throughout the developing world. It was clear from his research that despite the enormous amount of funding that has been channeled into education in the developing world, the impact of that funding has definitely not achieved ‘education for all,’ and nor is it ever likely to

unless there is more accountability, less corruption, and more transparency demanded of governments by funders. As a result of the failure and/or inability of governments to deliver adequate basic education to all children there is a proliferation (and increasing at an exponential rate) of very poor privately owned schools serving tens of millions of children throughout the developing world. This has been the case for decades. Based on James Tooley's observations, it was interesting to us as a Foundation, that although the existence of these schools is well documented, virtually nothing has or is being done to strategically address their needs and/or inclusion in the overall education policies of most developing countries. . . . The inspiration for all this work was the result of the findings and writings of James Tooley and his resulting disenchantment with present education delivery systems in the developing world."

—**Irene Pritker**, President and Chief Executive Officer, IDP Foundation, Chicago, IL

"Tooley performs all three of the functions of policy entrepreneur. He has identified particular educational needs and offers innovative means to satisfy them; he is willing to take financial and emotional risks in pursuing change . . . and has been able to assemble and coordinate networks of individuals and organisations, local and transnational, with the capabilities and resources needed to achieve change. . . . He gets things done!"

—**Stephen Ball**, Honorary Research Fellow, Department of Education, Oxford University

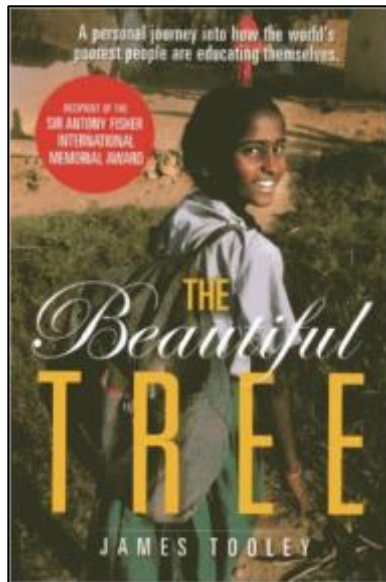
"Tooley's and the E.G. West Centre's research persuaded the president/CEO of a major microfinance organisation first to introduce a loan programme for low-cost private schools, and then to leave the organisation to set up a new and large loan fund for the sector, which will reach 20 million impoverished children."

—**Christopher A. Crane**, Founder, President and Chief Executive Officer, Edify, San Diego, CA

"DFID is working with low-fee private schools in various ways in India, Kenya, Nigeria and Pakistan. We are dealing with the realities on the ground, and as such, our programmes vary by country, but all share the aim of generating robust evidence on this topic. An example of this is in India, where the Department has completed an impact evaluation of Gyan Shala, a low-fee non-state education provider. This evaluation demonstrated that Gyan Shala reached the most disadvantaged, delivered better learning outcomes and delivered higher levels of teacher and student attendance at lower cost than government. The Punjab Education Foundation (PEF) in Pakistan is an example of an innovative partnership involving the low-fee private schools sector that has generated significant cost-savings . . . At the moment, PEF supports 1.3 million children, and plans to expand to reach many more."

—**Baroness Lynne C. Featherstone, P.C.**, House of Lords; former Parliamentary Under-Secretary of State for International Development; former Under-Secretary for Equalities; former Member of Parliament; United Kingdom

## Comments on *The Beautiful Tree*



“Surprising . . .engaging . . . a moving account of how poor parents struggle against great odds to provide a rich educational experience to their children.”

—**Publishers Weekly**

“This is a great book—iconoclastic, refreshing, well-written, and careful. Today’s detective work reveals a major undiscovered planet: Private schools for the poor.”

—**William R. Easterly**, Co-Director, Development Research Institute, New York University; author, *The White Man’s Burden: How the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good* and *The Elusive Quest for Growth: Economists’ Adventures and Misadventures in the Tropics*

“This is an insightful, empathetic testament to the motivation and ability of the most underprivileged people on Earth to lift each other—and a condemning chronicle of the wrong-headed,

wasteful ways that many governments and aid agencies have used to ‘help’ them.”

—**Clayton M. Christensen**, Kim B. Clark Professor of Business Administration, Harvard Business School; author, *How Will You Measure Your Life?* and *The Innovator’s Prescription: A Disruptive Solution for Health Care*

“With this important and passionate book, James Tooley has joined the late Milton Friedman as a name to be reckoned with in support of ‘market solutions’ for providing quality education to poor children.”

—**Hernando de Soto**, President, Institute for Liberty and Democracy; author, *The Other Path: The Economic Answer to Terrorism* and *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*

“James Tooley, the eminent British scholar who introduced the Western world to the thousands of ‘six dollar a month’ private schools that serve millions of poor families in the third world, has penned an important book that recounts his own discovery of these schools, why they’re important, and what lessons might be drawn from them.”

—**EducationNext**

“It is written with verve, humour and suspense. . . . Tooley is charming, jolly and generous, and nobody who knows him doubts his sincerity and his genuine enthusiasm for . . . ‘low-cost private schools.’ Nor would anyone now seriously dispute the existence of such schools or even their frequent superiority to neighbouring state schools. . . . Tooley believes that countries such as Britain should learn from India, Ghana, Kenya and others. We, too, could have low-cost private schools if they were run commercially. . . ‘I want to see private schools emerge and then the state just move aside from education.’ . . . I like Tooley but, if I were a highly qualified teacher working in a publicly funded school, particularly in Newcastle (“a good place to start a low-cost private school,” he says), I would be afraid of him. Very afraid.”

—**The Guardian**

“On the whole education is not a good news story in many nations in the West. Falling standards, social engineering, non-educational agendas (obesity, climate change etc), lack of student

motivation and poor levels of attainment. . . . The list of bad news headlines is far longer, and more familiar, than those few examples of good news that are high-lighted in the media. Despite of increases in spending and endless processions of new initiatives and ideas, the fact remains that education, in countries such as the UK at least, is seen largely as being in crisis. One would think that the picture in developing countries would be worse. With lower levels of investment, patchy provision and poor infrastructure, the environment should be set for a decidedly bad news story. However, the story that emerges from James Tooley's *The Beautiful Tree* is anything is anything but bad—it is surprisingly positive and, dare one say it, optimistic. What is more it reveals, perhaps, the heart that is lacking in what is increasingly a sterile education debate in the more advanced economies. . . . This book is a pleasure to read, and at a time when pessimism is de rigueur in the media, it is good to find something that is actually optimistic. This is a book that is filled with hope, and one cannot be feel moved by the struggle of poor parents and their children doing their best to get into education for all the right reasons. Who knows, perhaps there is something that even we in the more advanced economies can learn from the examples outlined here. At the very least we can try and understand that education is something that is good in itself, rather than as something imposed on unwilling kids by a state that seems more interested in moulding model citizens than anything else.”

—*London Review of Books*

“*The Beautiful Tree* is a book about what’s right with the world. Amazingly, what is right with the world is found in the slums of Nigeria, India, Kenya, China, and Zimbabwe. The poor educating themselves without government assistance is the name of the game. . . . If you want a book that will teach you the power of educational entrepreneurship and the determination of the poor to better themselves and their children, then *The Beautiful Tree* is waiting for you. There is so much to learn from this book, if we will but allow the poor to teach us.”

—*Publius*

“How can we ensure that even the world’s poorest children have a chance to go to school? University of New Castle professor James Tooley offers a surprising answer in his new book, *The Beautiful Tree*. He presents a story of different kind of heroism—one that is emerging from within the developing world. From the slums of India to the shantytowns of Africa to the remote mountain villages of China, Tooley discovers that the world’s poorest people are creating their own schools to give their children a brighter future. . . . Professor Tooley’s pioneering research has turned the development community’s conventional wisdom on its head with a message of personal empowerment. Instead of being dependent on foreign aid and public schools, the world’s poorest people are educating their children on their own dime. Tooley argues that the policy and international-aid community should focus efforts on supporting the private sector—including offering micro-loans to school providers and sponsoring charity scholarships for the neediest students. While the natural audiences for this book are researchers and development workers, *The Beautiful Tree* is written to appeal to a mainstream reader. . . . *The Beautiful Tree* deserves a wide audience and should be required reading for everyone involved in the struggle to ensure universal education for the world’s poor.”

—*National Review*

“James Tooley’s 2008 book *The Beautiful Tree* profiled several private schools successfully serving the poor in Africa, India, and China. His new book, *From Village School to Global Brand*, follows a similar theme but focuses exclusively on private schools created by the SABIS International Schools Network and its efforts to deliver quality schooling worldwide, particularly to the poor. Drawing from interviews with key figures in SABIS’s history, observations of SABIS schools, and archival research, Tooley explains what SABIS is, how it evolved from a

school in Lebanon to a successful international brand, and how it has achieved extraordinary results despite much resistance to its for-profit status. . . . For SABIS, earning profits doesn't distract from the mission of providing good education but allows the company to grow in this mission in ways that would otherwise be difficult. . . . Like Tooley's previous book *Beautiful Tree*, this book will surely aid discussions about whether or how private (let alone for-profit) schools can successfully serve the poor and vulnerable."

—*The Independent Review*

"James Tooley's *The Beautiful Tree: A Personal Journey into How the World's Poorest People are Educating Themselves* is an inspiring account of how poor people are 'doing it for themselves' by opting out of government schools that are mere 'attendance centers.'"

—**Jonathan J. Bean**, Professor of History, Southern Illinois University; Member, Illinois State Advisory Panel, U.S. Commission on Civil Rights



# VIDEOS



[“The extraordinary grassroots revolution of low-cost private schools”](#) (TEDx, Newcastle University upon Tyre)

[“The profit motive in education”](#) (Institute of Economic Affairs, London)

[“Meet the Mentor—James Tooley”](#) (Global Education & Skills Forum, Dubai)

[“James Tooley on Education”](#) (PovertyCure)

[“In the Green Room: Prof. James Tooley”](#) (Heritage Foundation)

[“Low Fee Private Schools”](#) (PERIGlobal)

[“From Aid to Enterprise”](#) (Acton Institute)

[“James Tooley habla del lucro en Seminario de Educación de LyD”](#) (Libertad y Desarrollo Chile)

[“James Tooley on Private Schools for the Poor and \*The Beautiful Tree\*”](#) (EconTalk)

[“James Tooley on \*The Beautiful Tree\*”](#) (*Just Books*, NDTV)

[“The Beautiful Tree”](#) (Cato Institute)

[“1: Discovering the low-cost private school.”](#) Clive Crook (*Financial Times* and *National Journal*) interviews James Tooley (John Templeton Foundation)

[“2: From Hyderabad to Gansu.”](#) Clive Crook (*Financial Times* and *National Journal*) interviews James Tooley (John Templeton Foundation)

[“3: Denial in the development community.”](#) Clive Crook (*Financial Times* and *National Journal*) interviews James Tooley (John Templeton Foundation)

[“4: Private success and public failure.”](#) Clive Crook (*Financial Times* and *National Journal*) interviews James Tooley (John Templeton Foundation)

[“5: Exploiting the poor?”](#) Clive Crook (*Financial Times* and *National Journal*) interviews James Tooley (John Templeton Foundation)

[“6: Education and choice.”](#) Clive Crook (*Financial Times* and *National Journal*) interviews James Tooley (John Templeton Foundation)

[“Free market solutions in education: The case of low-cost private schools”](#) (Adam Smith Forum, Moscow)

[“The Beautiful Tree”](#) (Liberafi, Helsinki)

[“James Tooley at the Helsinki Book Fair”](#) (Liberafi, Helsinki)

[“James Tooley, Bala Rangaraju & Geraldo Martinez on Affordable Private Schools”](#) (Centre for Civil Society, New Delhi)

[“Köyhien yksityiskoulut kehittyvissä maissa”](#) (Oppimaa)

[“Imagining INDIA with Nandan Nilkani Part 2 \(CNBC TV18\)”](#) (Pratham Education Foundation)

[“1: The phenomenon of low cost schools.”](#) Sir Michael Barber interviews James Tooley (Pearson, PLC)

[“2: The phenomenon of low cost schools.”](#) Sir Michael Barber interviews James Tooley (Pearson, PLC)

[“3: The phenomenon of low cost schools.”](#) Sir Michael Barber interviews James Tooley (Pearson, PLC)

[“How Private Schools Are Educating the World's Poor”](#) (Tom Woods TV)

[“Frugal Innovation in Education: The Case of Chains of Low-Cost Private Schools—IX Intl. Seminar”](#) (Open University of Catalonia, Barcelona)

[“Microschools in Nigeria”](#) (Opportunity International)

[“1: Responsibility: Pearson Affordable Learning Debate”](#) (Pearson PLC)

[“2: Choice: Pearson Affordable Learning Debate”](#) (Pearson PLC)

[“3: Teacher Training: Pearson Affordable Learning Debate”](#) (Pearson PLC)

[“4: Growth: Pearson Affordable Learning Debate”](#) (Pearson PLC)

[“5: Equity: Pearson Affordable Learning Debate”](#) (Pearson PLC)

[“International Education: A view on what it means for developed and developing countries”](#)  
(Cambridge Assessment)

[“The Ultimate Resource—Victoria's Chance”](#) (Free to Choose Network)

[“Excellence in Action 2009—Allies in the International Education Arms Race”](#) James Tooley with Jeb Bush (former Governor of Florida), Peje Emilsson (Founder and Chairman, Kunskapsskolan Education, Sweden), Julia Gillard (Deputy Prime Minister and Minister for Education, Minister for Employment and Workplace Relations, and Minister for Social Inclusion, Australia) (Foundation for Excellence in Education)

[“Private Schools in Slums”](#) (*Stossel*, Fox Business Channel)

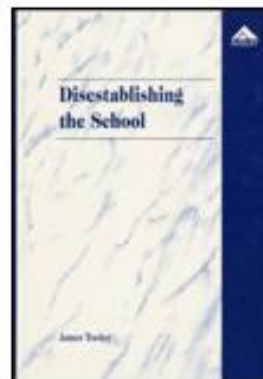
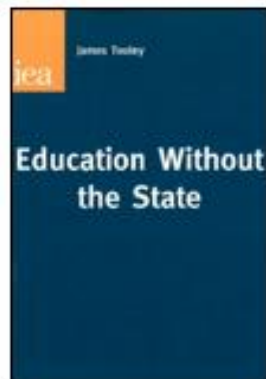
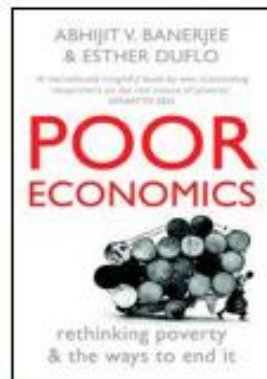
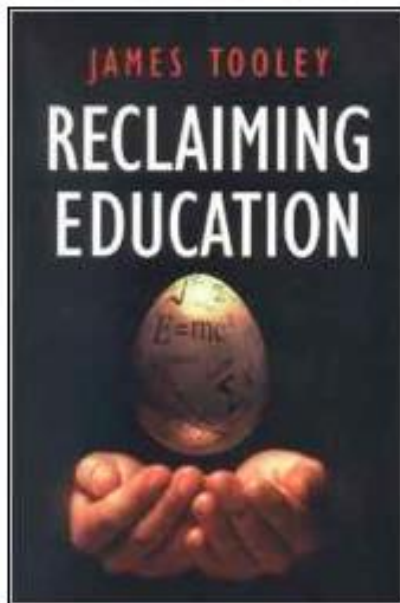
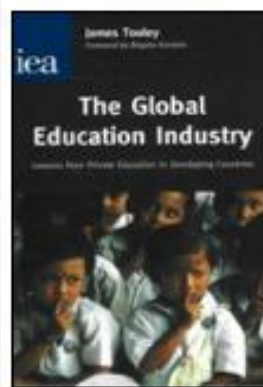
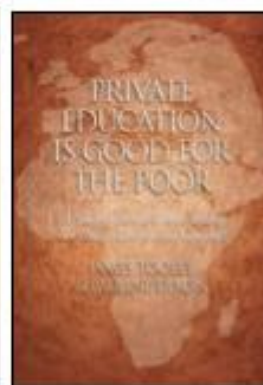
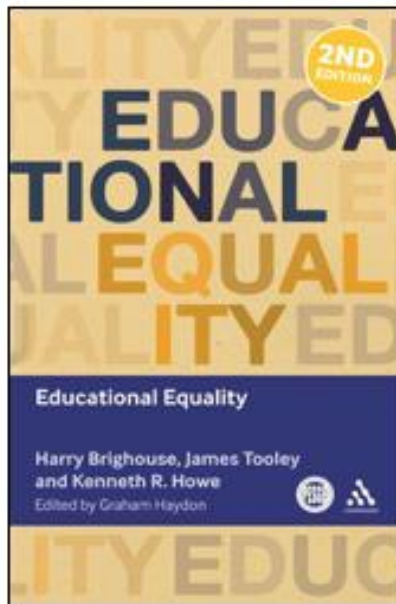
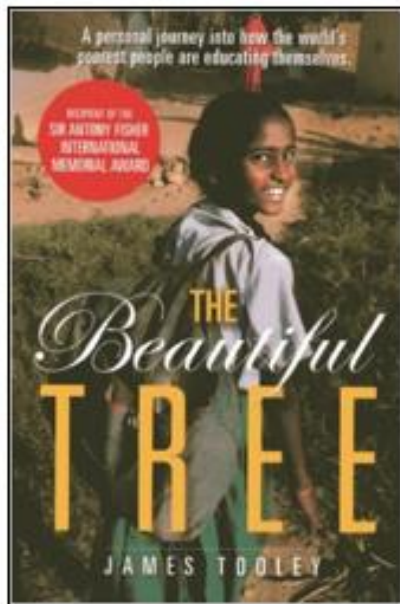
[“¿Cómo se están educando los pobres del mundo?”](#) (Fundacion Rafael del Pino, Madrid)





# PUBLICATION & ARTICLE SAMPLES

\*Includes front pages of sample scholarly articles



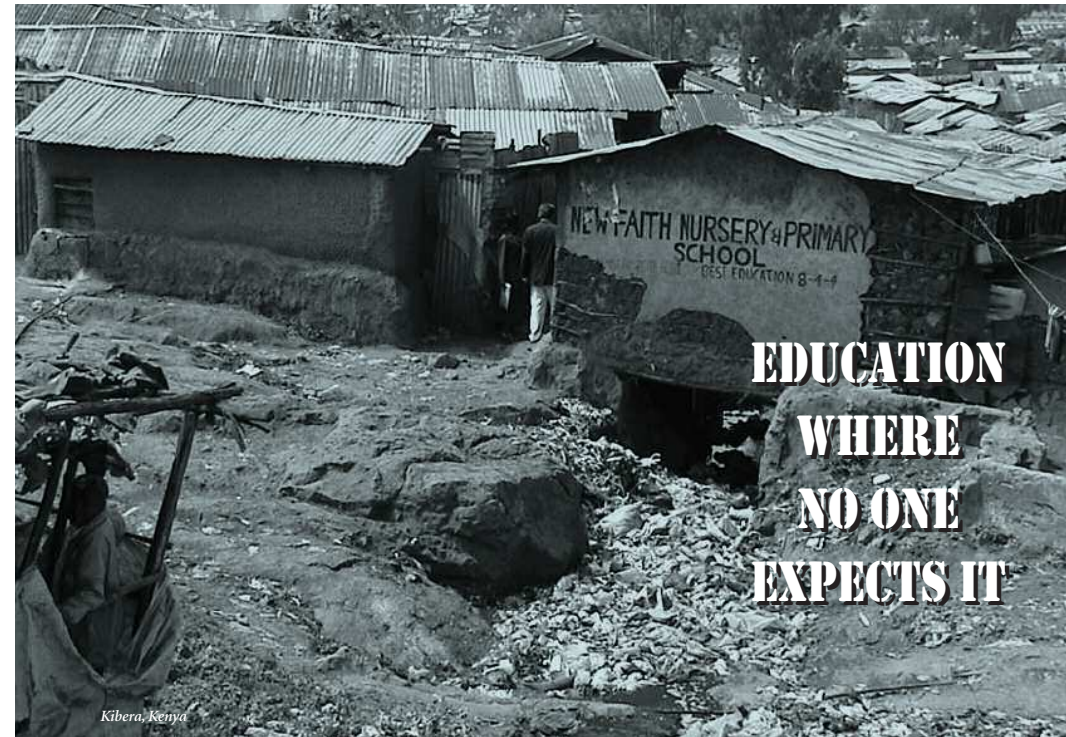
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# Private Schools for the Poor

STORY &  
PHOTOGRAPHY  
BY  
JAMES TOOLEY



Ahanta West, Ghana



Kibera, Kenya

**EDUCATION  
WHERE  
NO ONE  
EXPECTS IT**

**The accepted wisdom** is that private schools serve the privileged; everyone else, especially the poor, requires public school. The poor, so this logic goes, need government assistance if they are to get a good education, which helps explain why, in the United States, many school choice enthusiasts believe that the only way the poor can get the education they deserve is through vouchers or charter schools, proxies for those *better* private or independent schools, paid for with public funds.

But if we reflect on these beliefs in a foreign context and observe low-income families in underprivileged and developing countries, we find these assumptions lacking: the poor have found remarkably innovative ways of helping themselves, educationally, and in some of the most destitute places on Earth have managed to nurture a large and growing industry of private schools for themselves.

For the past two years I have overseen research on such schools in India, China, and sub-Saharan Africa. The project,

funded by the John Templeton Foundation, was inspired by a serendipitous discovery of mine while I was engaged in some consulting work for the International Finance Corporation, the private finance arm of the World Bank. Taking time off from evaluating an elite private school in Hyderabad, India, I stumbled on a crowd of private schools in slums behind the Charminar, the 16th-century tourist attraction in the central city. It was something that I had never imagined, and I immediately began to wonder whether

private schools serving the poor could be found in other countries. That question eventually took me to five countries—Ghana, Nigeria, Kenya, India, and China—and to dozens of different rural and urban locales, all incredibly poor. Since the data gathered from Lagos, Nigeria, and Delhi, India, are not yet fully analyzed, this article reports on findings only from Gansu Province, China; Ga, Ghana; Hyderabad, India; and Kibera, Kenya. These are in vastly different settings, but my research teams and I found large num-



Badagry, Nigeria

bers of private schools for low-income families, many of which showed measurable achievement advantage over government schools serving equally disadvantaged students.

**MYTH ONE: Private Education for the Poor Does Not Exist**

Undertaking this research was disheartening at first. In each country I visited, officials from national governments and international agencies that donate funds for the expansion of state-

In each venue, however, I struck out on my own and visited slums and villages and there found what I was looking for: private schools for the poor, usually in large numbers, if sometimes hidden from view. In the slums of Hyderabad, India, a typical private school would be in a converted house, in a small alleyway behind bustling and noisy streets, or above a shop. Classrooms are dark, by Western standards, with no doors hung in the doorways, and noise from the streets outside easily entering through the barred but unglazed windows. Walls are painted white, but discolored by pollution,

**THE ACCEPTED WISDOM IS THAT PRIVATE SCHOOLS SERVE ELSE, ESPECIALLY THE POOR, REQUIRES PUBLIC SCHOOL.**

run education denied that private education for the poor even existed. In China senior officials told me that what I was describing was “logically impossible” because “China has achieved universal public education and universal means for the poor as well as the rich.” At other times, in other places, I met with polite, if embarrassed, apologies that always went something like, “Sorry, in our country, private schools are for the privileged, not the poor.”

heat, and the general wear-and-tear of the children; no pictures or work is hung on them. Children will usually be in a school uniform and sitting at rough wooden desks. Generally, there are about 25 students in a class, a decent teacher-to-student ratio, but the tiny rooms always seem crowded. Often the top floor of the building will have various construction work going on to extend the number of classrooms.

**feature**  
PRIVATE TOOLEY

The school proprietor will usually live in a couple of rooms at the back of the building.

In rural Ghana, a typical private school might consist of an open-air structure, often no more than a tin roof supported by wooden poles, on a small plot of land. To find these schools you’ll have to wander down meandering narrow paths, away from the main thoroughfares, asking villagers as you go. If you ask simply for the “school,” they’ll send you back to the public school, usually an impressive brick building on the main road. You’ll have to persist and say you want the “small” school to get directions.

In the slums of Nairobi, Kenya, private schools are made from the same materials as every other building: corrugated iron sheets or mud walls, with windows and doors cut out to allow light to enter. Floors are usually mud, roofs sometimes thatched. Children will not be in uniform and will usually be sitting on homemade wooden benches. In the dry season, the wind will blow dust through the cracks in the walls; in the rainy season, the playground will become a pond, and the classroom floors mud baths. Teaching continues, however, through most of these intemperate interruptions.

In order to conduct research in five countries from my base in Newcastle, England, I recruited teams of researchers from reputable local universities and nongovernmental organizations (NGOs). While fielding the research crews, I visited dozens of likely study sites, always in low-income areas, and always found private schools for the poor. I also visited government offices to gain permission to conduct the research. In the end, all of the chosen countries, apart from China, were rated by the Oxfam Education Report as countries where education needs were not being met by government systems. Though China is ranked relatively high on the Oxfam index, we wanted to include it in our study because of the dramatic political and economic changes there in the past several decades. (Because of the threat of SARS, however, our first research team spent a long period in quarantine and thus our research there is not yet complete.) Other countries were chosen for a mixture of practical and substantive reasons.

**THE PRIVILEGED; EVERYONE**

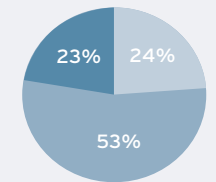
I was particularly interested in Kenya, where free elementary education had just been introduced to much acclaim. How would this affect private schools for the poor, should they exist? I had conducted research earlier in Hyderabad, India, was familiar with the terrain, and had many contacts in government and the private sector, so it seemed sensible to continue the project there. And because of a chance meeting with the

**Under the Radar**

A substantial percentage of students in both Hyderabad, India, and Ga, Ghana, attends private schools that are unrecognized by their respective governments. This means that “official” figures, which include only enrollment data for recognized private and government schools, dramatically understate the true number of students attending schools in these regions.

(Figure 1)

**Percentage of Students Enrolled by School Type Hyderabad, India**

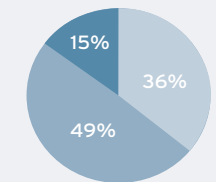


Legend: Government (light blue), Private recognized (medium blue), Private unrecognized (dark blue)

SOURCE: Author’s calculations based on original research and local government figures.

(Figure 2)

**Percentage of Students Enrolled by School Type Ga, Ghana**



Legend: Government (light blue), Private recognized (medium blue), Private unrecognized (dark blue)

SOURCE: Author’s calculations based on original research and local government figures.

Ghanaian minister of education at a conference in Italy, we were invited to that western African nation.

Many difficulties emerged that I had not taken account of as the project progressed. Heavy rains prevented the research teams from moving around in both Ghana and Nigeria for weeks at a time; intense heat delayed work for days in Hyderabad; early snowfalls hampered movement in the mountains of China. But above all, a major difficulty was getting the extended research teams to take seriously the notion that we really were interested in the low-key, unobtrusive private schools that apparently were easily dismissed. In each of the settings, on unannounced quality control visits, I found unrecognized private schools that had not been reported by the teams.

### Hyderabad, India

Visit the ultramodern high-rise development of “High Tech City” and you’ll see why Hyderabad dubs itself “Cyberabad,” proud of its position at the forefront of India’s technological revolution. But cross the river Musi and enter the Old City, with once magnificent buildings dating to the 16th century and earlier, and you’ll see the congested India, with narrow streets weaving their way through crowded markets and densely populated slums. For our survey, we canvassed three zones in the Old City (Bandlaguda, Bhadurpura, and Charminar), with a population of about 800,000 (about 22 percent of all of Hyderabad), covering an area of some 19 square miles. We included only schools that were found in “slums,” as

determined by the latest available census and Hyderabad municipal guides, areas that lacked amenities such as indoor plumbing, running water, electricity, and paved roads.

In these areas alone our team found 918 schools: 35 percent were government run; 23 percent were private schools that had official recognition by the government (“recognized”); and, incredibly, 37 percent slipped under the government radar (“unrecognized”). The last group is, in effect, a black market in education, operating entirely without both state funding and regulation. (The remaining 5 percent were private schools that received a 100 percent state subsidy for teachers’ salaries, making them public schools in all but name.) In terms of total student enrollment in the slum areas of the three zones, with 918 schools, 76 percent of all schoolchildren attended either recognized or unrecognized private schools, with roughly the same percentage of children in the unrecognized private schools as in government schools (see Figure 1).

What is clear from our research is that these private schools are not mom-and-pop day-care centers or living-room home schools. The average unrecognized school had about 8 teachers and 170 children, two-thirds in rented buildings of the type described above. The average recognized school was larger and usually situated in a more comfortable building, with 18 teachers and about 490 children. Another key difference between the recognized and unrecognized schools is that the former have stood the test of time in the education market: 40 percent of unrecognized schools were less than 5 years old, while only 5 percent of recognized schools were this new. Finally, tuition in these schools is very low, averaging about \$2.12 per month in recognized private schools at 1st grade and \$1.51 in unrecognized schools.

While these fees seem extremely low, they must be

### IN CHINA ... THREE POOREST

measured against the average income of each person in the student’s household who is working for pay. For students in unrecognized schools, this was about \$23 per month,

compared with about \$30 per month for students in recognized schools and \$17 for government schools. Since the official minimum wage in Hyderabad is \$46 per month, it is clear that the families in the private schools we observed are poor. Fees amount to about 7 percent of average monthly earnings in a typical household using a private unrecognized school. For the poorest children, the schools provide scholarships or subsidized places: 7 percent of children paid no tuition and 11 percent paid reduced fees. In effect, the poor are subsidizing the poorest.

### Ga, Ghana

The Ga district of southern Ghana, which surrounds the country’s capital city of Accra, is classified by the Ghana Statistical Service as a low-income, urban periphery, and rural area. With a population of about 500,000, Ga includes poor fishing villages along the coast, subsistence farms inland, and large dormitory towns for workers serving the industries and businesses of Accra itself.

Most of the district lacks basic social amenities such as potable water, sewage systems, electricity, and paved roads. In Ga’s towns and villages our researchers found a total of 799 schools, 25 percent of which were government, 52 percent recognized private, and 23 percent unrecognized private. In total, 33,134 children were found in unrecognized private schools, or about 15 percent of children enrolled in school (see Figure 2).

### THE MAJORITY OF THE PRIVATE SCHOOLS FOUND WERE IN THE REGIONS OF GANSU, WHERE AVERAGE NET INCOME PER YEAR RANGES FROM \$125 TO \$166.

The average monthly fee for an unrecognized private school in Ga is about \$4 for the early elementary grades, about \$7 in recognized schools. With a minimum wage of about \$33 per month in the area, monthly fees in the private unrecognized schools are thus about 12 percent of the average monthly earnings of an adult earner. However, many of

the poorest schools allow a daily fee to be paid so that, for instance, a poor fisherman could send his daughter to school on the days he had funds and allow her to make up for the days she missed. Such flexibility is not possible in the public schools, where full payment of the “levies” is required before the term starts. (Fees for “public” schools are common in many countries throughout the Third World, especially at high-



run by individual proprietors; most of the rest are owned and managed by charitable organizations. Sometimes, as is common in other African countries, such schools rent church buildings or use Christian-related names, but only in a few cases are the schools run by churches. Often it is the school that subsidizes the church rather than the other way around!

### Gansu, China

With 25.3 million people spread out over an area the size of Texas, Gansu province is a remote and mountainous region situated on the upper and middle reaches of the Yellow River in northwest China. It has an average elevation of over 3,000 feet and 75 percent of its population is rural, with illiteracy rates among people aged 15 or older at nearly 20 percent for men and 40 percent for women. Roughly half of its counties, with 62 percent of the population, are considered “impoverished.”

Figures from the Provincial Education Bureau show only 44 private schools in the whole province, all of which are for privileged city dwellers. Given the paucity of information on private schools, I asked my research teams to survey each major town in each of the counties designated as impoverished (more than 40 of them) and to visit as many of the outlying villages accessible to them as they could. In the early stages I wasn’t worried about getting precise estimates of the numbers of schools or the proportion of children in them, but rather wanted to see if such schools even existed.

In the major towns and the larger villages, all of them crowded and bustling, there is always a public school, usually a fine two-story building that sports a plaque marking it as a recipient of some kind of foreign aid. But researchers had to abandon their cars and either walk or hitch a ride on one of the ubiquitous and noisy three-wheeled farm vehicles to travel up the steeper mountain paths to clusters of houses in smaller villages to find the private schools. And there, nestled on mountain ridges, were stone or brick houses converted to schools, with the proprietor or headmaster living with his family in one or two of its rooms. Occasionally, the school had been built, by the villagers, to be used as a school. Over and over again, researchers followed these trails high into the arid mountains and, in the end, discovered a total of 696 private schools, 593 of them serving some 61,000 children in the most remote villages.

Not surprisingly, the vast majority of Gansu’s private schools were set up by individuals, or the villages themselves, because government schools are simply too far away or hard to get to. Significantly, the majority of the private schools found were in the three poorest regions of Gansu, where average net income per year ranges from \$125 to \$166. These private schools are serving some of the poorest people on the planet. But surprisingly, the schools, which depend on tuition, are also cheaper than government schools. Average fees for a first-year, elementary-school student are about \$7.60 per semester, compared

with about \$8.00 in the public schools, not an insignificant difference to someone living on \$125 per year.

### Kibera, Kenya

In Kenya we conducted our censuses in three urban slums of Nairobi (Kibera, Mukuru, and Kawangware), where, according to Kenyan government officials, there were no private schools. The picture in each was similar; here I describe the findings for Kibera only.

The largest slum in all of sub-Saharan Africa, Kibera has, according to various estimates, anywhere from 500,000 to 800,000 people crowded into an area of about 630 acres, smaller than Manhattan’s Central Park. Mud-walled, corrugated iron-roofed settlements huddle along the old Uganda Railway for several miles and crowd along steep narrow mud tracks until Kibera reaches the posh suburbs. In Nairobi’s two rainy seasons, the mud tracks become mud baths. In this setting, we found 76 private elementary and high schools, enrolling more than 12,000 students. The schools are typically run by local entrepreneurs, a third of whom are women who have seen the possibility of making a living from running a school. Again, many of the schools offered free places to the poorest, including orphans.

When I first visited Kibera, many private-school proprietors were feeling the effects of so-called Free Primary Education (FPE), introduced by the Kenyan government in January 2003 with great fanfare and a \$55 million grant from the World Bank. In fact, when asked by ABC anchorman Peter Jennings which one living person he would most like to meet, former president Bill Clinton told a prime-time television audience that it was President Mwai Kibaki of Kenya, “Because he has abolished school fees,” which “would affect more lives than any president had done or would ever do by the end of this year.” Indeed, official sources estimated that an extra 1.3 million children would be enrolled in public schools after the introduction of FPE: all of them children, it was said, not previously enrolled in school.

The reality may be very different.

Private-school owners in Kibera alone reported a total enrollment decline of some 6,500 after Free Primary Education was initiated; some schools closed altogether. We estimated that about 4,500 children had been enrolled in 25 schools that we confirmed had closed as a result of FPE. At the same time five government primary schools on the periphery of Kibera that served the slums reported a total increase of only about 3,300 children during this period. That is, since the introduction of free elementary education, there appeared to have been a net decline in attendance of nearly 8,000 children from one slum alone! Clearly, these figures are based on the reported decline

**“EDUCATION  
“WHAT  
WE LOVE THE**



Mahboobnagar, India

by school owners and may be exaggerated. But they also suggest the possibility that government and international intervention had the effect of crowding out private enterprise.

### MYTH TWO: Private Education for the Poor Is Low Quality

It is a common assumption among development experts that private schools for the poor are worse than public schools. This is not to say that they have a particularly high view of public education. Indeed, the World Bank’s *World Development Report 2004: Making Services Work for Poor People* calls public education a “government failure,” with “services so defective that their opportunity costs outweigh their benefits for most poor people.” Yet this just makes the experts’ dismissal of private schools for the poor all the more inexplicable.

The *Oxfam Education Report* published in 2000 is typical. While the author acknowledges the existence of high-

quality private providers, he contends that these are elite, well-resourced schools that are inaccessible to the poor. As far as private schools for the poor are concerned, these are of “inferior quality”; indeed, they “offer a low-quality service” that is so bad it will “restrict children’s future opportunities.” This claim of low-quality private provision for the poor has also been taken up by British prime minister Tony Blair’s Commission

for Africa, which recently reported that although “Non-state sectors ... have historically provided much education in Africa,” many of these private schools “aiming at those [families] who cannot afford the fees common in state schools ... are without adequate state regulation and are of a low quality.”

However, these development experts have little hard evidence for their assertions about private-school quality. They instead point out that private schools employ untrained teachers who are paid much less than their government counterparts and that buildings and facilities are grossly inadequate. Both of these observations are largely true. But does that mean that private schools are inferior, particu-

larly against the weight of parental preferences to the contrary? One Ghanaian school owner challenged me when I observed that her school building was little more than a corrugated iron roof on rickety poles and that the government school, just a few hundred yards away, was a smart new school building. “Education is not about buildings,” she scolded. “What matters is what is in the teacher’s heart. In our hearts, we love the children and do our best for them.” She left it open, when probed, what the teachers in the government school felt in their hearts toward the poor children.

### Facilities and Resources

The issue of the relative quality of private and public schools was at the core of our research, and we relied on both data on school resources and day-to-day operations and on student achievement scores. Our researchers first called unannounced at schools and asked for a tour, noted what teachers were

**IS NOT ABOUT BUILDINGS,” SHE SCOLDED.  
MATTERS IS WHAT IS IN THE TEACHER’S HEART. IN OUR HEARTS,  
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doing, made an inventory of facilities, and administered detailed questionnaires.

Certainly, in some countries the facilities in the private schools were markedly inferior to those in the public schools. In China, where the researchers were asked to locate a public school in the village nearest to where they had found a private school, often many miles away, private-school facilities were



Nairobi, Kenya

In Hyderabad, however, on every input, including the provision of blackboards, playgrounds, desks, drinking water, toilets, and separate toilets for boys and girls, both types of private schools, recognized and unrecognized, were superior to the government schools. While only 78 percent of the government schools had blackboards in every classroom, the figures were 96 percent and 94 percent for private recognized and unrecognized schools, respectively. In only half the government schools were toilets provided for children, compared with 100 percent and 96 percent of the recognized and unrecognized private schools.

Finally, in Ghana, the picture is mixed. For instance, 95 percent of government schools in Ga had playgrounds, compared with 66 percent and 82 percent of private unrecognized and recognized schools, respectively. Desks were provided in 97 percent of government schools, but only in 61 percent of private unrecognized; recognized private schools provided them in 92 percent of cases. However, only 54 percent of government schools provided drinking water to children compared with 63 percent of private unrecognized and 87 percent of private recognized schools. And 63 percent of government schools provided toilets, compared with 91 percent of recognized but only

59 percent of unrecognized private schools. A library was provided in 8 percent of government, 7 percent of private unrecognized schools, but 27 percent of private recognized schools. At least one computer for the use of children was provided in only 3 percent of government schools, but in 12 percent of private unrecognized and 37 percent of private recognized.

When it came to the key question of whether or not teaching was going on in the classrooms, both types of private schools were superior to the public schools, except in China, where there was no statistically significant difference between the two school types: 92 percent of teachers in private schools were teaching when our researchers arrived, compared with 89 percent in the public schools. When researchers called unannounced on the classrooms in Hyderabad, 98 percent of

teachers were teaching in the private recognized schools, compared with 91 percent in the unrecognized and 75 percent in the government schools. Teacher absenteeism was also highest in the government schools. In Ga, 57 percent of teachers were teaching in government schools, compared with 66 percent and 75 percent in unrecognized and recognized private schools, respectively. And in Kibera, even though the number of government schools is too small to make statistical comparisons meaningful, 74 percent of teachers were teaching in private schools when our researchers visited them, and only one teacher was absent.

It was also the case that private and public schools in China had more or less the same pupil-teacher ratio, about 25:1. In Hyderabad, private schools, including the unrecognized ones, had significant advantages over the government schools: the average pupil-teacher ratio was 42:1 in government schools compared with only 22:1 in the unrecognized and 27:1 in the recognized private schools. In Ga the pupil-teacher ratio was superior in private schools, with a ratio of 29:1 in government, compared with 21:1 and 20:1 in unrecognized and recognized private schools, respectively.

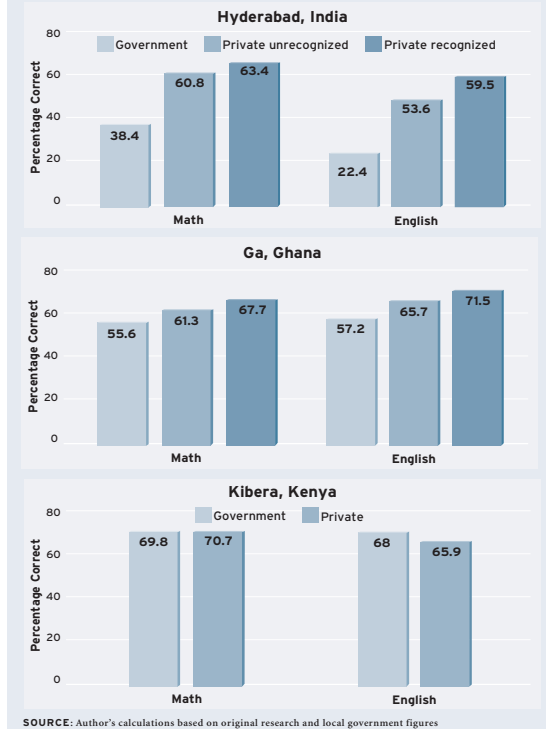
### Student Achievement

To compare the achievement of students in public and private schools in each location where we conducted research, we first grouped schools by size and management type: government, private unrecognized, and private recognized in Ga and Hyderabad; government and private in Kibera, where the private schools are all of a similar type. (China is not discussed here because research there is continuing.) As noted above, in Ga and Hyderabad we were comparing public and private schools that were located in similar, low-income areas, while in Kibera, private schools served only slum children, and public schools served middle-class children as well as slum children. But this makes the comparisons in Kenya even more dramatic. Although serving the most disadvantaged population in the region, Kibera's private schools outperformed the public schools in our study, after controlling for background variables.

We tested a total of roughly 3,000 students in each setting in English and mathematics; in state languages in India and Kenya; religious and moral education in Ghana; and social studies in Nigeria. All children were also given IQ tests, as were their teachers. Finally, questionnaires were distributed to children, their parents, teachers, and school managers, seeking information on family backgrounds.

### A Private Success (Figure 3)

As indicated by the test scores of 5th graders, private-school students are outperforming their government-school peers in Ga, Ghana, and Hyderabad, India. In Kenya, the two groups are scoring at about the same level.



Our analysis of these data is still in progress. However, in all cases analyzed so far—Ga, Hyderabad, and Kibera—students in private schools achieved at or above the levels achieved by their counterparts in government schools in both English and mathematics (see Figure 3).

Moreover, the private-school advantage only increases with consideration of the differences in an unusually rich array of characteristics of the students, their families' economic status, and the resources available at their schools. In Hyderabad, students attending recognized and unrecognized private schools outperformed their peers in government schools by a full standard deviation in both English and math (after accounting for differences in their observable characteristics). In Ghana, the adjusted private-school advantage was between

## IN HYDERABAD, THE PROVISION OF BLACKBOARDS, PLAYGROUNDS, DESKS, DRINKING WATER, TOILETS, AND SEPARATE TOILETS FOR BOYS AND GIRLS IN PRIVATE SCHOOLS WERE SUPERIOR TO THE GOVERNMENT SCHOOLS.



0.2 and 0.3 standard deviations in both subjects. Finally, in Kenya, where the raw test scores showed students in private and public schools performing at similar levels, the fact that private schools served a far more disadvantaged population resulted in a gap of 0.1 standard deviations in English and 0.2 standard deviations in math (after accounting for differences in student characteristics). The adjusted differences between the performance of public and private sectors in each setting were highly statistically significant.

In short, it is not the case that private schools serving low-income families are inferior to those provided by the state. In all cases analyzed, even the unrecognized schools, those that are dismissed by the development experts as being obviously of poor quality seem to outperform their public counterparts.

### Lessons for America

So the accepted wisdom appears to be wrong. Though elite private schools do exist in impoverished regions of the world, private schools are not only for the privileged classes. From a wide range of settings, from deepest rural China, through the slums of urban India and Kenya, to the urban periphery areas of Ghana, private education is serving huge numbers of children. Indeed, in those areas where we were able to adequately compare public and private provision, a large majority of schoolchildren are in private school, a significant number of them in unrecognized schools and not on the state's radar at all.

Ironically, perhaps, the accepted wisdom does seem to be right on one point: private *is* better than public. Of course, no one suspected that private slum schools would be better. Yet our research suggests that children in these schools outperform similar students in government schools in key school subjects. And this is true even of the unrecognized private schools, schools that development experts dismiss, if they acknowledge their existence at all, as being of poor quality.

Clearly the evidence presented here may have implications for the continuing policy discussions over how to achieve universal education worldwide and for American development policy, especially programs of the United

States Agency for International Development (USAID) and the World Bank. William Easterly, in his *Elusive Quest for Growth* (see also "Barren Land," Fall 2002), notes the ineffectiveness of past investments in public schools by the international agencies and developing country governments, pointing out: "Administrative targets for universal primary education do not in themselves create the incentives for investing in the future that matter for growth," that is, in quality education. If the World Bank and USAID could find ways to invest in private schools, then genuine education improvement could result. Strategies to be considered include offering loans to help schools improve their infrastructure or worthwhile teacher training, or creating partial vouchers to help even more of the poor gain access to the private schools that are ready to take them on.

But does the evidence have any implications for the school choice debate in America itself? The evidence from developing countries might challenge the claim, made by school choice opponents, that the poor in America cannot make sensible and informed choices if school choice is offered to them. It may also stimulate debate about whether public intervention crowds out private initiative, a question raised by the findings from Kenya. If a public school is failing in the ghettos of New York or Los Angeles, we should not assume that the only way in which the disadvantaged can be helped is through some kind of public intervention. In fact, we have already embarked on programs that support private initiative, with government support, with vouchers and charter schools. The findings here suggest this alternative approach may be the preferable one.

Above all, the evidence should inspire those who are working for school choice in America: stories of parents' overcoming all the odds to ensure the best for the children in Africa and Asia, stories of education entrepreneurs' creating schools out of nothing, in the middle of nowhere. If India can, why can't we?

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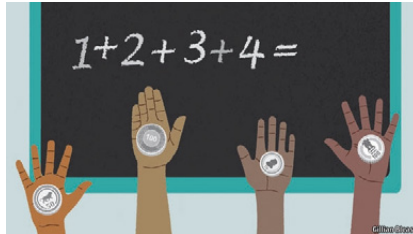
## Private schools for the poor

# Rich pickings

### Bad state education means more fee-paying schools in poor countries

Mar 17th 2012 | MUMBAI | From the print edition

IT IS Republic Day in Mumbai, and an elderly nun addresses 1,000 silent schoolgirls gathered in the playground of Mary Immaculate Girls' School. If the writers of India's constitution could see the state of the country today they would weep, she cries, but this school offers hope. Local parents in the tatty surrounding district agree. They will do almost anything to



get their children into the oversubscribed school, even though it charges its primary pupils \$180 a year when the state school across the road is free. From the Mumbai slums to Nigerian shanty towns and Kenyan mountain villages, tens of millions of poor children are opting out of the state sector, and their number is burgeoning.

Despite a rapid rise in attendance since 2000, 72m school-age children across the world are still not in school, half of them in sub-Saharan Africa and a quarter in South and West Asia. The United Nations reckons it would cost \$16 billion a year to get the remaining stragglers into class by 2015—one of its big development goals. Yet a free education is something that many parents will pay to avoid.

In India, for example, between a quarter and a third of pupils attend private schools, according to the OECD, a Paris-based think-tank (and others have private tutors). In cities the proportion is more like 85%, reckons Geeta Kingdon, who conducts research in Mumbai and elsewhere for the Institute of Education in London.

A government decision in 2007 to make primary schooling compulsory and free boosted private-school numbers. Many parents became disenchanted with state-school teachers who failed to show up or taught badly—by, for example, failing to correct errors. Surveys by Pratham, a Mumbai-based charity, suggest that standards in state schools slipped as the system expanded, whereas in the private sector they have held up.

In China, too, low-fee private schools have emerged, but less because the state schools are

bad than because migrants lose the right to a free state education for their offspring. In Beijing alone some 500,000 migrant children cannot get into a state school. Many are taught in unlicensed private schools which, unlike their Indian equivalents, tend to be down-at-heel compared with state provision.

### Desk job

In African countries such as Ghana, Nigeria and Uganda teaching is all too often a sinecure, not a vocation. Governments have built many new schools, but cannot dismiss even the worst teachers. Poor instruction by teachers who physically beat their pupils is rife. In private schools the parents are choosy customers. They care more about the quality of instruction than the snazziness of the premises.

James Tooley of the University of Newcastle has pioneered the study of cheap private schools in poor countries. He has also set some up. His research, published in 2009 in a book called “The Beautiful Tree”, often surprised local officials who were unaware such schools existed. Mr Tooley describes classes in the front rooms of people's houses, often as an extension of basic child care. Most are run for profit—though even these may offer free places for orphans and other needy children.

But the private sector faces problems from bossy bureaucrats, especially in India. It is illegal there to operate a school for profit, so schools that charge fees must act as charities first and businesses second. The Right to Education Act, which came into effect in 2010, compels all independent schools to register with the government on pain of closure (surveys suggest that only about half bother to do so). The same law also compels private schools to take a quarter of their students from poor families. Many have resisted, not least because the subsidies that were supposed to pay for the places have not been forthcoming. Some state courts have ruled that private-school teachers must have the same high pay as state ones, and have mandated budget-busting facilities such as large playgrounds and libraries.

Big aid organisations and charities have long been sceptical of the private schools, arguing that they increase inequality and undermine state provision. Tove Wang of Save the Children, a charity, doubts if private schools, however plentiful, can ever cater for the very poorest. She points to research indicating that poor parents go private only when state schools are dire; if the publicly financed ones improved, she argues, they would be more popular.

But it remains a striking fact that some of the poorest people in the world make big sacrifices to pay for education, and get good value for their money. That is a tribute to diligence and entrepreneurship, just as the failure of the public schools highlights sloth and greed.

From the print edition: International





# Private Education

## What the Poor Can Teach Us

James Tooley

The burgeoning private education sector in India holds some surprising lessons for both developing and developed countries alike.

A common assumption about the private sector in education is that it caters only for the elite, and that its promotion would only serve to exacerbate inequality. On the contrary, recent research points in the opposite direction. If we want to help some of the most disadvantaged groups in society, then encouraging deeper private sector involvement is likely to be the best way forward.

This piece outlines three developments in India, all of which involve the private education sector meeting the needs of the poor in distinct ways. But India is not unique in this respect. Similar projects are happening all over the developing world.<sup>1</sup>

### Government schools for the poor

To explore what to many would be a counterintuitive proposition—that private education can help the poor—let's begin by investigating the lot of some of the world's poorest people, the poor who live in the slums and villages of India. First, how do *government* schools serve these people? To find out, the Indian government sponsored the 1999 PROBE report—the *Public Report on Basic Education in India*—which paints a bleak picture indeed of the 'malfunctioning' of government schools for the poor.<sup>2</sup> When researchers called unannounced on their random sample of schools, only in 53% was there any 'teaching activity' going on (p. 47). In fully 33%, the headteacher was absent. Alarmingly, the team noted that the deterioration of teaching standards was not to do with disempowered teachers, but instead could be ascribed to 'plain negligence'. They noted 'several cases of irresponsible teachers keeping a school

closed . . . for months at a time', many cases of drunk teachers, and headteachers who asked children to do domestic chores, 'including looking after the baby' (p. 63). Significantly, the low level of teaching activity occurred even in those schools with relatively good infrastructure, teaching aids and pupil-teacher ratios.

Is there any alternative to these schools? Surely no-one else can do better than government, given the resources available? As it happens, the PROBE report pointed to the *private* schools that were serving the poor and conceded—rather reluctantly—that such problems were *not* found in these schools. In the great majority of private schools—again visited unannounced and at random—there 'was feverish classroom activity' (p. 102). Private schools, they said, were successful because they were more *accountable*: 'the teachers are accountable to the manager (who can fire them), and, through him or her, to the parents (who can withdraw their children).' Such accountability was not present in the government schools, and 'this contrast is perceived with crystal clarity by the vast majority of parents' (p. 64).

### Private schools for the poor

To many, the existence of these private schools for the poor will be a surprise. They were to me too, until I

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## The philanthropic enterprise: reassessing the means and ends of philanthropy

# IS THERE A CONFLICT BETWEEN COMMERCIAL GAIN AND CONCERN FOR THE POOR? EVIDENCE FROM PRIVATE SCHOOLS FOR THE POOR IN INDIA AND NIGERIA

James Tooley and Pauline Dixon

*In many developing countries, private unaided schools are serving the poor in large numbers. Some commentators view their presence as undesirable – in particular assuming that there is a conflict between 'commercial gain' and 'concern for the poor'. We show one way in which there is no conflict – the private unaided schools offer free or concessionary places to the poorest of the poor. Using data from a random sample of schools in Hyderabad, India, and a smaller sample in Makoko, Nigeria, we show that such places range from 10–20% of all places offered.*

### Introduction

It is often assumed that private education caters only to the elite or middle classes, and that the presence of 'commercial gain' is inherently in conflict with 'concern for the poor'. However, there is a growing body of research that suggests this is not the case, but that private schools *servicing the poor* are emerging in a range of developing countries (Aggarwal, 2000; Alderman *et al.*, 1996; Drèze and Gazdar, 1997; Drèze and Sen, 2002; Kingdon, 1994; Nambissan, 2003; The Probe Team, 1999; Watkins, 2000). Importantly, our own work (Tooley, 2001; Tooley and Dixon, 2003) has not only shown the existence of these schools but the fact that the great majority studied are run on a commercial basis, making a viable financial surplus.

We are now conducting further research in five countries in Africa and Asia—Ghana, Nigeria, Kenya, India and China—exploring in depth this issue of the relative quality of private and state schools for the poor. The results are currently being analysed. But if it were to be shown that the private schools are serving the poor better than their state counterparts, in terms, say, of achievement, school inputs, parental and

student satisfaction and cost-effectiveness, then of course there may be an easy answer to the question raised in the title of the paper: for there would be no obvious conflict between 'commercial gain' and 'concern for the poor'. However, this paper focuses on an alternative way in which the private schools might show 'concern for the poor': through their own philanthropic provision of free or subsidised places. Our earlier, small-scale research suggested that nearly 15% of all places in 14 case study schools in Hyderabad, India, were free or subsidised, and hence that in this way the school owners *additionally* showed concern for the poor communities in which they worked. It is this suggestion that has provoked a somewhat baffled criticism from at least one commentator, Dr Pauline Rose of the Institute of Development Studies at the University of Sussex, who writes:

'The expansion of *low-quality* private schools also raises questions of motivation of private providers in providing schools for the poor. While Tooley (2001) claims that headteachers of private schools interviewed in Andhra Pradesh, India which were run on commercial business principles, claimed to be

## PRIVATE EDUCATION AND 'EDUCATION FOR ALL'

James Tooley

*Government schools cannot provide quality education for all. If the goal of education for all is to be achieved, the private sector must be encouraged and not squeezed out. Development agencies need to wake up to this because large-scale government education leads to failure on a large scale that can cause serious harm to the poor.*

### Introduction

Something very interesting is happening across a range of developing countries. In a recent article in India's *Business Standard*, for instance, Professor Deepak Lal writes:

'Earlier this year, I had motored from Delhi through West UP [Uttar Pradesh] to Ramgarh. I had not been in this area for many years. Apart from the usual signs of prosperity – brick houses, the ubiquitous liquor shops and *tandoori chicken dhabas* – I was surprised to find that all along the road there were signs for local English speaking private schools.'

(*Business Standard*, 26 November 2003)

But it is not just in these more prosperous Indian villages that educational entrepreneurs are responding to the demand for private schools. Commentators are now noting the phenomenon of private schools serving *poor* families. *The Oxfam Education Report*, looking at evidence from India and other developing countries, notes that '... the notion that private schools are servicing the needs of a small minority of wealthy parents is misplaced', and that 'a lower cost private sector has emerged to meet the demands of poor households' (Watkins, 2000, pp. 229–230). The Probe Team (1999), researching education in villages in four northern Indian states, reports that, 'even among poor families and disadvantaged communities, one finds parents who make great sacrifices to send some or all of their children to private schools, so disillusioned are they with government schools' (Probe Team, 1999, p. 103). In the private schools surveyed in the rural villages in this research, one-fifth of the children came from families where casual labour was one of the main occupations for the family and over half of the children were designated 'scheduled caste' (SC) or 'other backward caste' (OBC) (Probe Team, 1999,

found that private unrecognised schools 'are operating practically in every locality of the urban centres as well as in rural areas' often located adjacent to a government school (Aggarwal, 2000, p. 20). (In India, the 'recognised' and 'unrecognised' classification points to whether or not the school has been deemed to meet government regulations conferring recognition status.) He estimates that in Haryana almost 50% of children attending primary schools are enrolled in the private sector, many of whom are from low-income families (p. 26).

### The spread of private schools for the poor: a worldwide phenomenon

My own research (publications in press) suggests that this phenomenon is common across the developing world. In India, for instance, *official* figures from the District of Hyderabad, the capital of the state of Andhra Pradesh, show for 2001–02, 61% of all students in private unaided schools. Officials admitted that these figures were likely to underestimate the true number in private schools, because of the large number of unrecognised private unaided schools, and also because of corrupt over-reporting of the numbers in government and aided schools. My research team embarked on a census of the 'notified' slum areas in three zones of the city, and found that over half of the private schools were unrecognised, and hence not appearing in government statistics. Even taking the word of government schools on their enrolment rates, we found that nearly two-thirds of poor parents in these slums were sending their children to private unaided schools, and that a similar proportion of teachers were in the private unaided sector.

Similarly, in Kenya, we sent researchers into Africa's third largest slum, Kibera, Nairobi. The Ministry of Education had suggested to me that there

## LOW COST PRIVATE SCHOOLS AS PART OF THE SOLUTION FOR EDUCATION FOR ALL

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### Abstract

Empirical research in Asia, Africa and Latin America strongly suggests that low cost private schools are part of the solution and definitely not part of the problem in global efforts to provide quality education for all. Education bureaucrats may be right to point out that there are still problems with access and equity, as well as the quality of provision. Yet, compared to public sector schools, low cost private school seem to address the needs of the poor more effectively and exceed in performance by almost every measure. Even though the problems associated with low-cost private schools are real they are not insurmountable. This article discusses various policy instruments that helped to increase the incentives of low-cost private schools to improve teaching quality, student performance, responsiveness to local needs and reputation in the private sector and academia.

### Introduction

An education revolution is sweeping the developing world. In the slums and shanty towns of Asia and Africa poor people are abandoning public (government) schools. They're appalled by their low standards. Instead, they're sending their children to low cost private schools. The existence of these schools is becoming increasingly recognized. However, this development is not greeted with universal enthusiasm by development agencies and governments. For instance, the latest "Education for All" (EFA) Global Monitoring Report 2009 (UNESCO 2008) has a special section on low cost private schools. But rather than seeing the growth of the schools as recognition of the way the poor can respond to challenges, the stress is on their rise as a "symptom of state failure" [1]. The report does acknowledge the ubiquity of these low cost private schools: 'Even a cursory observation of education provision in slums from Hyderabad to Nairobi demonstrates that private provision in some developing countries is no longer the sole preserve of the rich. Private primary schools charging modest fees and operating as small businesses, often with neither

regulation nor support from government, are changing the education landscape ... a growing marketplace in education provision is appearing by default" [2]. However, "Unplanned growth in private schooling for the poor in some parts of the world is symptomatic of an underlying malaise: underperformance, or outright failure, of public providers" [3].

Why is the emergence of these low cost private schools - set up and run by entrepreneurs from the poor communities themselves - seen as second-rate to the more desirable option of having "a publicly financed and operated education system that offers the option of good-quality, free education to all citizens"? [4] There are two main reasons given in the report:

First, quality: the report agrees that much of the research shows that "children enrolled in low-fee private schools perform better, on average, than those in government schools, once adjustments are made for socio-economic status and other variables" [5]. However, they note that some government schools might do better than private schools, and, most significantly, "The only reason the private schools look so good is that the poorly performing public schools are so disastrous" [6]. In other words, the private schools may be better than the government schools, but they are still of very low quality. Moreover, many of the poor don't have access to government schools at all - so to speak of their *choice* of private school is a misplaced description of what is actually the case. In Kenya, for instance, there are no government schools in the slums. There may be government schools on the periphery of the slums, but these require official residency titles for enrolment. Most slum dwellers lack "legal property status", so "their children are excluded." [7]. And household surveys reveal parents complaining about the quality of the low cost private schools, "with staff shortages, congested classrooms and lack of teaching materials identified as common problems" [8].

The second major objection concerns access and equity. While it is acknowledged that the fees charged in the low-



Education

Survival is not compulsory

James Tooley

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After being pleasantly surprised by some of the content of the latest education green paper (for instance, a change in the law to allow education companies to enter the market and the use of the word diversity in every other sentence) I was disappointed to find that only 46% of comprehensive schools will be given the privilege of becoming a specialist school. My initial reaction was to think of Hayek's description of socialism as 'not half right, but all wrong.' I fear that Mr Blunkett's compromise will still leave our education system 'all wrong.'

Currently, I am privileged to be in India researching the amazing growth of private schools for the poor and the rise of global education companies. Here are two lessons from India to help politicians and policy pundits gauge just how radical any party's proposals are, and how likely they will be to make any difference to our appalling education system.

*Lesson number one: If state education isn't working: exit.*

In India the state system of schools is scandalously letting the poor down. So do the poor in India sit idly and listlessly, dispossessed and disenfranchised – adjectives used by the liberal elite to describe the poor in the UK – acquiescent in their government's failure? No, some of the most disadvantaged people on this planet vote with their feet, exit the public schools and move their children to private schools, set up by educational entrepreneurs to cater for their needs.

The entrepreneurial spirit within these schools is extremely impressive. They are all run on commercial principles, not dependent on hand-outs from state or philanthropy. The great majority of the schools offer a significant number of free places – up to 20% – for the poorest students, allocated on the basis of claims of need checked informally in the community. Among some of the most disadvantaged people on this planet, the poor help subsidise the poorest, bound together in their shared status as refugees from a failing state system.

Research, incidentally, shows that these private schools are much better than the state schools. The private schools are successful because they are more *accountable*: 'the teachers are accountable to the manager (who can fire them), and, through him or her, to the parents (who can withdraw their children).' The private schools are not only achieving higher grades at maths and reading, but doing so at half the cost of the state schools.

So what is the first lesson from India? What is lacking

intervention. No, in the UK there is an entrepreneurial deficit, and a crushing dependency culture. And that cannot be mended by politicians, who by their activities can crowd out any last traces of enterprise.

*Lesson number two: The delivery of education is an industry, not an office of government.*

The Indian software engineering revolution is a remarkable phenomenon. What explains this phenomenal success story? Some might point to innate Indian mathematical superiority, cheap labour and, at a push, Indian government investment in elite IT institutions. But there are plenty of other places with the same combination of cheap labour and government investment in elitist institutions, which come nowhere near the success of India. The overlooked factor for success lies in entrepreneurship and innovation in the Indian education and training market.

Since its inception in 1982, the Indian company NIIT has become one of the most outstanding and innovative education companies in the world. Its headquarters borders the slum area of Kalkaji, where there are many children of all ages who do not attend school. In a previous column (vol. 20 no. 4), I described the 'Internet kiosk' which Research Director Dr Mitra constructed and which largely illiterate children quickly learned to use. Language, technical skills and education, it seemed, are not serious barriers to accessing the Internet, provided that simple resources can be made available.

The lessons for the UK seem self-evident. The Blair government is keen to ensure that every person in a disadvantaged community is able to become ICT literate, and has made available £252 million to establish around 700 ICT Learning Centres across England. £230 million has been made available for teacher training in ICT, funded by the New Opportunities Fund. But again: it is all government activity. And perhaps again, it is crowding out private entrepreneurs. Why is there no British equivalent of NIIT, franchising its expertise in every town in the country, its brand-name as recognised as Gap or Coca-Cola? Why is there no NIIT developing new and exciting ways of reaching the most disadvantaged in our society? Perhaps there would be, if only the government would stop thinking that it has to do everything.

It is the Indian entrepreneurial spirit in education that we should heed here – although as Dr Deming



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## Big Questions and *Poor Economics*: Banerjee and Duflo on Schooling in Developing Countries

James Tooley<sup>1</sup>

[LINK TO ABSTRACT](#)

### Can we avoid development's "big questions"?

In their widely acclaimed 2011 book *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*, MIT professors Abhijit Banerjee and Esther Duflo argue that too many experts, like Jeffrey Sachs on the left and William Easterly on the right, get "fixated on the 'big questions'" such as "How much faith should we place in free markets?" and "Does foreign aid have a role to play?" (Banerjee and Duflo 2011, 3). Instead, we should move away from this blinkered left-right debate about development and focus on real problems like "how best to fight diarrhea or dengue" (3). With evidence now available, including datasets from 18 poor countries and data from randomized controlled trials (RCTs), "it is possible to make very significant progress" fighting global poverty "through the accumulation of a set of small steps, each well thought out, carefully tested, and judiciously implemented" (15).

*Poor Economics* covers most of the topics you'd expect in a development expert's portfolio, including food, health, family planning, microfinance and microcredit. Each of the areas is contextualised with stories of the realities of lives of the poor, with evidence adduced to support or dismiss particular policy proposals. All of the chapters are interesting and challenging, but in this article I

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## A Case Study of Private Schools in Kibera: An Update

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Pauline Dixon and James Tooley

### Abstract

This article provides an update on our earlier paper on the introduction by the Kenyan government in 2003 of free primary education (FPE), and its impact on low-fee private schools. First, published papers that have used our contribution as a springboard for discussion are critically reviewed. The argument and supporting evidence that the poor are not making preferred choices for low-fee private schools, but are in fact 'crowded out' of government schools, are explored. It is suggested that this argument depends upon the assumption of poor quality in the low-fee private schools – lower quality than is found in government schools. This assumption is found not to be tenable, on the basis of evidence given, especially concerning pupil–teacher ratios (PTRs) and other input indicators. Second, an update is given on the data collected in 2003. Longitudinal evidence gathered in 2007, 4 years after our original data were collected, points to a dramatic increase in the number of private schools serving the slum of Kibera, Nairobi. In total 116 private schools now operate in the slum, with private school enrolment showing an increase of 130 per cent. On the important indicator of PTRs, these have increased by nearly 50 per cent in the government schools, giving an average of 88:1, compared to 28:1 in the low-fee private schools. The longitudinal findings and critical literature review are combined to suggest that low-fee private schools should be seen as partners in education for all; various ways in which international organisations are responding to the challenge of improving quality in, and extending access to, low-fee private schools are reviewed.

### Keywords

Low fee private schools, education for all, free primary education (FPE), Kenya, longitudinal study

### Introduction

This article serves as an 'update' to our recent contribution to this journal (Tooley et al., 2008) in two major ways. First, explicitly using our earlier article as a springboard for discussion, several papers have been published concerning low-fee private education and free primary education

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## ARTICLES

### School Choice and Academic Performance: Some Evidence From Developing Countries

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There is widespread concern about differences in the quality of state-run and private schooling. The concerns are especially severe in the numerous developing countries where much of the population has left state-provided schooling for private schooling, including many private schools not recognized by the government. The fees charged by the private schools serving the poor are quite low and they seem to yield better results, but many analysts dispute and insist that private sector quality is unacceptable, and that the only route to universal access to quality schooling is increased investment in state-run provision. Because those claims and counterclaims have seen little scientifically rigorous evidence to support them, this article analyzes data from schools serving the very poor in randomly selected schools in Lagos, Nigeria; Delhi, India; and Hyderabad, India to compare the performance of unrecognized private schools, state-recognized private schools, and zero-tuition, state-run schools. The authors' econometric analysis, which controls for socioeconomic factors and selection bias, shows that

## The relative quality and cost-effectiveness of private and public schools for low-income families: a case study in a developing country

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The “mushrooming” of private schools for low-income families has been widely noted in the literature; however, very little is known about the quality of these schools. This research explored the relative quality of private unaided (recognised and unrecognised) and government schools in low-income areas of Hyderabad, India. A preliminary census to locate unrecognised private schools – not on official lists – was conducted. Data were collected on achievement and background variables for 3,910 pupils from a stratified random sample of schools. Using multilevel modelling shows that pupils in private unrecognised and recognised schools, when controlled for age, pupil’s IQ, and class average IQ, achieve higher scores in mathematics and English than equivalent pupils in government schools. There is no significant difference between private and government schools in pupil achievement in Urdu. The achievement advantage for private schools did not arise because of greater resources available, at least in terms of per pupil teacher salaries.

**Keywords:** private education; government education; education for all; development

### Introduction and literature review

Recent international development literature points to the existence of a low-cost private education sector serving low-income families in developing countries. A survey in eight states in India found “a growing private sector in school education” (Mehrotra & Panchamukhi, 2006, p. 422). Indeed, in many less economically developed countries there has been a “dramatic growth of private schools” (Walford & Srivastava, 2007, p. 8). One such example is in the Northern Areas of Pakistan, where there has been a “rapid expansion” (Harlech-Jones, Baig, Sajid, & ur-Rahman, 2005). The *Oxfam Education Report* notes: “... the notion that private schools are servicing the needs of a small minority of wealthy parents is misplaced ... a lower cost private sector has emerged to meet the demands of poor households” (Watkins, 2000, pp. 229–230). The Probe Team (1999), researching villages in four north Indian states, reports that “even among poor families and disadvantaged communities, one finds parents who make great sacrifices

## Impact of Free Primary Education in Kenya

*A Case Study of Private Schools in Kibera*

James Tooley, Pauline Dixon and James Stanfield

### ABSTRACT

Free primary education (FPE) is widely assumed to be required to ensure that the poor gain enrolment. After the introduction of FPE (from January 2003) in Kenyan schools, huge increases in enrolment were officially reported. However, our research, conducted 10 months after the introduction of FPE in and around the informal settlement of Kibera, Nairobi, suggests a less beneficial outcome. Although enrolment had increased in government primary schools, this needs to be balanced against a much larger reported decrease in enrolment in private schools in the informal settlement—the research found 76 private schools, enrolling 12,132 students, which are not on the official list of schools. Moreover, focus groups with parents reported dissatisfaction with government schools, and satisfaction with private schools, since FPE. The findings point to an alternative route to ensuring ‘education for all’, by embracing, rather than ignoring, the role currently played by the private sector.

**KEYWORDS** *crowding-out, education for all, millennium development goals*

### Introduction

It is widely accepted that free public education (FPE) is required to meet the needs of the poor. In Dakar, 2000, governments and agencies committed themselves to ensuring that by 2015 all children ‘have access to and complete free and compulsory primary education of good quality’ (World Education Forum, 2000: para. 7). Although the related Millennium Development Goal (MDG) adopted by the United Nations General Assembly does not mention *free* education (it only commits governments to ensuring that children ‘complete a full course of primary schooling’ [United Nations General Assembly, 2001, Goal 2, Target 3]), commentary on it suggests that this is now a widely agreed part of its aims. For instance, the UN Millennium Project argues that ‘Eliminating school ... fees’ is the way forward to meet the MDG goals (United Nations Development Programme, 2005: 26). Oxfam International (2005: 72) agrees: ‘The case for abolishing user fees for primary education is largely accepted’.

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## Could for-profit private education benefit the poor? Some *a priori* considerations arising from case study research in India

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A low-cost private education sector is acknowledged to be serving the poor in developing countries, including India. However, it is widely accepted that this sector cannot provide a route towards 'education for all'. This conclusion is explored in the light of case study evidence from low-income areas of Hyderabad, India. Private education may be beneficial to the poor—especially in terms of greater accountability to parents leading to higher levels of teacher commitment. Moreover, *de facto*, although not *de jure*, for-profit education exists in low-income areas, with levels of profit such as to attract entrepreneurs into the market, and hence may be beneficial to the poor by expanding their choices. Objections to a role for private, for-profit education are explored. These include justifications for state education, including arguments for equity, externalities, the human right of education and the argument of history, none of which appear conclusive as objections.

### Introduction

In India, the Unni Krishnan Supreme Court Decision ruled against for-profit education:

commercialisation of education cannot and should not be permitted ... from the standpoint of interest of general public, commercialisation is positively harmful ... (SC 2243, para 163, in Rao, 2001)

The Indian Constitution protects the rights of citizens to 'practise any profession, or to carry on any occupation, trade or business' (Bakshi, 2002, p. 34). However, the Supreme Court argued that education 'can neither be a trade or business', within the meaning of the Constitution, since, 'Trade or business normally connotes an activity carried on with a profit motive'. But:

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**Abstract** – A census and survey of schools in the district of Ga, Ghana, explored the nature and extent of private education, and compared inputs to public and private schooling. Three quarters of all schools found were private, with almost as many unregistered private as government schools. Several important differences between registered and unregistered private schools were noted, including age, fee levels charged, teacher salaries and class size. A range of inputs, such as teacher activity, availability of desks, chairs, libraries, toilets and drinking water, were used to compare inputs to government, unregistered and registered private schools. Some conclusions are explored about the potential role for the private sector in helping meet "education for all" targets.

**Résumé** – ÉDUCATION PRIVÉE ET PUBLIQUE AU GHANA: RECENSEMENT ET ÉVALUATION COMPARATIVE Lors d'un recensement et d'une évaluation des écoles dans le district de Ga au Ghana, on a sondé la nature et l'ampleur de l'éducation privée et comparé les données dans l'éducation privée et publique. Parmi toutes les écoles recensées, les trois quarts d'entre elles étaient privées, avec presque autant d'écoles privées enregistrées et non enregistrées que d'écoles gouvernementales. On a noté plusieurs différences importantes entre les écoles privées enregistrées et non enregistrées, comprenant l'âge, les niveaux de frais facturés, les salaires des professeurs et la taille des classes. Un assortiment de données, telles que l'activité des professeurs, la disponibilité de bureaux, de chaises, de bibliothèques, de toilettes et d'eau potable a été utilisé afin de comparer les données des écoles gouvernementales avec celles des écoles privées non enregistrées et enregistrées. Certaines de ces conclusions ont été examinées à propos du rôle potentiel du secteur privé pour aider à satisfaire aux objectifs de "l'éducation pour tous".

**Zusammenfassung** – PRIVATE UND ÖFFENTLICHE SCHULBILDUNG IN GHANA: ZÄHLUNG UND VERGLEICHENDE UMFRAGE In einer Untersuchung zur Art und Anzahl von Schulen im Distrikt Ga in Ghana wurde der Umfang privater Bildung erforscht und es wurde der Umfang der Investitionen in öffentliche und private Beschulung miteinander in Vergleich gesetzt. Dreiviertel aller aufgefundenen Schulen waren privat. Es gab fast genauso viele unregistrierte Privatschulen wie staatliche Schulen. Es liessen sich verschiedene bedeutende Unterschiede zwischen registrierten und unregistrierten Privatschulen feststellen, die sich auf Fragen des Alters, der Schulgebühren, der Lehrergehälter und der Klassengröße bezogen. Zur Vergleichsliste der Investitionen in staatliche, registrierte und unregistrierte Privatschulen zählten Eingaben wie Lehrerraktivität und die Verfügbarkeit von Schreibtischen, Stühlen, Büchereien, Toiletten und Trinkwasser. Abschliessend wurde das Potential des privaten Sektors bei der Unterstützung des Ziels "Bildung für alle" untersucht.



## Private schooling for low-income families: A census and comparative survey in East Delhi, India

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### Abstract

A census and survey of schools in the slums of East Delhi, India, explored the nature and extent of private education serving low-income families, and compared inputs to public and private schooling. Around two-thirds of all schools were private unaided, with more unrecognised private than government schools. Teaching activity was found to be considerably higher in private unaided than government schools, although teacher absenteeism was lowest in government schools. Most inputs showed either comparable levels of provision in government and private unaided schools, or superiority in private unaided schools. Possible implications are explored, concerning targeted vouchers, increased regulation and self-regulation.

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Keywords: Comparative education; Development; Educational policy; Private education

### 1. Introduction

The existence of a low-cost private education sector serving low-income families in developing countries is widely reported in the international development literature. The *Oxfam Education Report* reports '... the notion that private schools are servicing the needs of a small minority of wealthy parents is misplaced ... a lower cost private sector has emerged to meet the demands of poor households' (Watkins, 2000, pp. 229–230). The Probe Team (1999) researching villages in four north Indian states reports that 'even among poor families and disadvantaged communities, one finds parents who make great sacrifices to send some or all of their children to private schools, so disillusioned are

they with government schools' (p. 103). Drèze and Sen (2002) estimated that, even by 1994, some 30% of all 6–14 year olds in rural areas were enrolled in private schools, while 80% or more of this age group attend private schools in urban areas, including low-income families (p. 172). Reporting on evidence from Haryana, Uttar Pradesh and Rajasthan, De et al. (2002) note that 'private schools have been expanding rapidly in recent years' and that these 'now include a large number of primary schools which charge low fees', in urban as well as rural areas (p. 148). Alderman et al. (2001, 2003) report on similar findings from Pakistan. For the poor in Calcutta (Kolkata) there has been a 'mushrooming of privately managed unregulated ... primary schools' (Nambissan, 2003, p. 52). Research in Haryana, India found that private *unrecognised* schools 'are operating practically in every locality of the urban centres as well as in rural

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## Private schools and the millennium development goal of universal primary education: a census and comparative survey in Hyderabad, India

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Development literature suggests that private schools serving the poor are not part of the solution to meeting the Millennium Development Goal (MDG) of universal primary education. The study conducted a census and survey of schools in notified slums of Hyderabad, India, to contribute to the sparse literature on the nature and extent of private schools for the poor. Of 918 schools found, 60% were found to be private unaided (PUA), enrolling about 65% of total enrolment. On a range of indicators, including pupil–teacher ratio, teaching activity, teacher absenteeism, and classroom and school inputs such as blackboards, desks, chairs, toilets and drinking water, PUA (including unrecognised) schools were found to be superior to government schools. Objections to a role for private schools in meeting the MDG target are explored and challenged.

### 1. Introduction

Does private education have a role in meeting the United Nations Millennium Development Goal (MDG) of universal primary education by 2015? Many assume that private education is concerned only with serving the privileged, so is irrelevant to concerns about extending access to the poor. However, the existence of a burgeoning private education sector *servicing the poor* is now acknowledged in the development literature: the *Oxfam Education Report* states, '... the notion that private schools are servicing the needs of a small minority of wealthy parents is misplaced ... a lower cost private sector has emerged to meet the demands of poor households' (Watkins, 2000, pp. 229–230). Some of this evidence points to India, the focus of this paper: The

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# 'De facto' privatisation of education and the poor: implications of a study from sub-Saharan Africa and India

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

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

## Introduction: 'de facto' privatisation

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

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

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## An inspector calls: the regulation of 'budget' private schools in Hyderabad, Andhra Pradesh, India

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### Abstract

Research explored the regulatory regime, both 'on paper' and 'in practice', for private unaided schools serving low-income families ('budget' private schools), in Hyderabad, Andhra Pradesh, India. Interviews were conducted with school managers, teachers, parents, and senior government officials and politicians. A Supreme Court Judgement rules out profit-making in the schools, although, in practice, interviewees said this was widely ignored. At the state level, extensive regulations govern all aspects of a school's work. In practice, government officials reported, however, that only four regulations need to be met, but none of the recognised schools met more than two of these. In practice, there may be too few inspectors and a culture of bribery and corruption. A possible way forward is described, of private self-regulation, based on findings concerning parental accountability.

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Keywords: Private education; Regulation; Corruption; School choice; Low-income families; Developing countries; India

### 1. Introduction and background

One of the objectives of research funded by the non-profit British education services company, Centre for British Teachers (CfBT), was to explore the regulatory regime under which private unaided schools<sup>1</sup> serving low-income families operate. The

project focused on the twin cities of Hyderabad and Secunderabad (designated throughout this paper, as locally, as 'Hyderabad'), capital of Andhra Pradesh, India, selected because earlier contacts had revealed the presence of such schools. Exploring the regulatory environment was important, because the project aim was to outline ways in which external agencies could assist with

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<sup>1</sup>In India, schools can be categorised as falling under three management types (Kingdon, 1996; Bashir, 1997)—government, private aided, and private unaided. Government schools are generally owned and funded by the State and managed by

(footnote continued)

government employees. Private aided schools, although run by private management, are largely funded by the state, typically through a 100% grant for teacher salaries. Private unaided schools are run by private management and receive no aid from the State.



## Classroom interaction in private schools serving low-income families in Hyderabad, India

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*This paper reports on a study of classroom interaction and discourse in privately-funded schools serving low-income families in Hyderabad, India. In common with other developing countries, India has seen a proliferation of such schools and yet little systematic study has been made of them. One hundred and thirty eight lessons were analysed using a computerised systematic observation system; a further 20 lessons were video recorded and analysed using discourse analysis. The findings reveal patterns of classroom interaction and discourse similar to those reported in earlier studies of Indian government primary schools. Teacher-led recitation, rote and repetition dominated the classroom discourse with little attention being paid to securing pupil understanding. The wider implications of the findings for improving the quality of classroom discourse in Indian primary schools are considered together with the need for further research into how the wider social order is influencing pedagogic practices.*

Classroom interaction, observation, discourse, primary school, private education, India

### INTRODUCTION

As the second most populous country in the world after China, covering a geographical area that is 24 times the size of England, India is a country of many contrasts. While over 70 per cent of the population still live in rural communities, densely populated conurbations such as Bombay, Calcutta and Delhi have grown up, as well as hi-tech cities such as Bangalore and Hyderabad. Within a hi-tech city like Hyderabad, a large, educated middle class has grown. There are, however, large numbers of people living in slum areas in the city of Hyderabad. A major feature of these areas has been the growth of private unaided schools (those run completely with private funds) in which English is the official medium of instruction (private aided schools also exist: these are privately managed but receive a grant from the government). Although private schools for the poor are politically contentious, their growth throughout India, as in other developing countries, has been phenomenal and yet there has been little systematic study of them. Official figures obtained from the District Education Office of Hyderabad show that 61 per cent of students are enrolled in the private unaided sector (67 per cent at upper primary level – the focus of this research). There are also three times as many teachers in the private unaided sector as in

## Management of Private-aided Higher Education in Karnataka, India

*Lessons from an Enduring Public-Private Partnership*

James Tooley

### ABSTRACT

The Grant-in-Aid (GIA) higher education sector in Karnataka, India, is examined as an example of a well-established public-private partnership (PPP). Interviews with senior officials in the Government of Karnataka, and in two contrasting Regions, centred around Gulbarga and Mysore, together with visits to GIA and private-unaided (PUA) colleges were undertaken. The study showed how devolved financial management led to problems of potential misuse of subsidy and to substantial inefficiencies. The regulation of the sector is explored, revealing inconsistencies between theory and practice, and unforeseen consequences in terms of a lack of teacher accountability and low investment. Considerations concerning equity are outlined, noting how GIA proponents who argued that it was effective in helping the poor might not be on strong grounds. Finally, implications are discussed for PPPs more generally.

**KEYWORDS** *development, education policy, private-public partnership, privatization*

### Introduction and Background

Higher education in India consists of 259 university-level institutions, managed from the centre by the University Grants Commission (UGC), the majority of which are affiliating institutions, with more than 10,750 affiliated colleges (Stella, 2002). The universities regulate these colleges by sanctioning courses, examinations and awarding degrees. About 70 per cent of colleges are privately managed, and the majority of those established before 1987, and many afterwards, get 95 per cent or more of their funding from state governments under the system of Grant-in-Aid (GIA). This sector should be of particular interest to those concerned with education policy in developing countries, as it is an example of an enduring public-private partnership (PPP), although it has been curiously neglected in recent discussions: the private sector establishes and runs GIA colleges; the public sector regulates these and

## Private and public schooling in low-income areas of Lagos State, Nigeria: A census and comparative survey

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### Abstract

A census and survey of schools in selected poor areas of Lagos State explored the nature and extent of private education, and compared inputs to public and private schooling. Of all schools (71%) were found to be private, with more unregistered private than government and registered private schools. It was estimated that 33% of school children were enrolled in private unregistered schools, and 75% in private schools in general. Teaching activity was found to be considerably higher in private than government schools, and teacher absenteeism was lowest in private schools. Most school inputs showed either comparable levels of provision in government and private schools, or superiority in private schools.

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*Keywords:* Comparative education; Development; Educational policy; Private education

### 1. Introduction and background

The presence of low-cost private schools serving low-income families in developing countries is widely acknowledged. The *Oxfam Education Report* suggests that for developing countries in general, ‘... the notion that private schools are servicing the needs of a small minority of wealthy parents is misplaced ... a lower cost private sector has emerged to meet the demands of poor households’ (Watkins, 2000, pp. 229–230). Concerning sub-Saharan Africa, in Uganda and Malawi, for instance, private schools have

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## The Regulation of Private Schools Serving Low-Income Families in Andhra Pradesh, India

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**Abstract.** This paper sets out some findings of a research project carried out in private unaided schools in low-income areas of Hyderabad, India. The part of the research project documented here was designed to examine the question: ‘Is the regulatory regime conducive to entrepreneurial action and market discovery’ with particular reference to the low-income schools in Hyderabad. This paper is narrowly focused, setting out the results of pattern matching empirical data with the Austrian economic concepts of entrepreneurship, rivalry, and market discovery. The research discovered that two regulatory regimes exist, one that is set out ‘on paper’ in the Education Acts and associated rules, and another that operates ‘in practice’. That is, there is a combination of regulations ‘on paper’ and regulations existing in an ‘extra-legal’ sector. Generally it was found that the regulations ‘in practice’ are consistent with market principles. Conversely the regulations set out ‘on paper’ are not conducive to entrepreneurial innovation and market discovery. Recommendations for potential policy initiatives include the possibility of legitimising the ‘extra-legal’ sector by introducing self-regulation possibly via self-evaluation systems for the private unaided schools.

**Key Words:** competition, entrepreneurship, profit, regulation, private schools, low-income families, developing countries, India

**JEL classification:** B53, I22, I28, I38, K23.

### 1. Introduction

This paper sets out some of the findings of a research project carried out from November 2001 to December 2002, in private unaided schools serving low-income families in the metropolitan twin cities of Hyderabad and Secunderabad, in the state of Andhra Pradesh, India (the twin cities are referred to locally, and therefore throughout this paper, as “Hyderabad”). The original project’s aim was to identify ways to assist with capacity building and improvement in private schools aimed at low-income families in India. This brief included an examination of the regulatory environment, its impact on the private schools and its potential reform. The specific focus of this paper is the extent to which this regulatory environment is conducive to entrepreneurial action and market discovery.

There are three different school management types in India—government, private aided (“Grant-in-Aid” schools), and private unaided schools. Government schools are run by