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Informing South African Policy

PROMOTING SCHOOL CHOICE FOR THE POOR



Practical ideas from international experience

A conversation among experts

CDE Workshop

The Centre for Development and Enterprise is one of South Africa's leading development think tanks, focussing on vital national development issues and their relationship to economic growth and democratic consolidation. Through examining South African realities and international experience, CDE formulates practical policy proposals for addressing major social and economic challenges. It has a special interest in the role of business and markets in development.

Series editor: Ann Bernstein

This publication summarises the proceedings of a workshop and subsequent interactions around the regulatory environment for schooling. A longer version is available from CDE at www.cde.org.za. This summary was written by Stefan Schirmer, Jeff McCarthy and Ann Bernstein. CDE would like to thank Jane Hofmeyr and Sandile Ndaba for their valuable contributions and advice.

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INTERNATIONAL SPEAKERS



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Norman LaRocque is an education specialist with the South East Asia Department of the Asian Development Bank. He is based in Manila, the Philippines. Until recently he was a public policy consultant and advisor to the Education Forum, based in Wellington, New Zealand. Norman's research interests include all levels of education, with a focus on the regulation of education, private education, education finance and public-private partnerships. He has worked in more than 20 countries in Asia and the Pacific, Africa and the Middle East.



Michael Latham

Michael Latham is the principal international consultant at CfBT Education Trust, a UK charity that delivers educational services in more than 40 countries across the world. He has worked in Asia, Africa and the USA/Caribbean in an operational and business development capacity. He has presented papers and conducted training in this field on behalf of the United Nations Institute for Training and Research, the Institute for Development Studies, the World Bank Institute and Harvard University. He is currently based in Hyderabad, India



Parth Shah

Dr. Parth Shah is president of the Centre for Civil Society, an independent, non-profit, research and educational think tank in New Delhi, India. He taught economics at the University of Michigan before returning to India to start the Centre for Civil Society. In India his research has focussed on private initiatives in and reforms of the education system.

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Background

In many countries the private sector plays an increasingly important role in the provision of education services and quality schooling. According to UNESCO statistics, between 1991 and 2003, private school enrolment grew far more quickly than public school enrolment worldwide. For example, internationally, the average growth in private primary education has been 58 per cent, compared with a 10 per cent growth in the public primary school sector. Interestingly, private primary education grew most in Africa, by 113 per cent, as opposed to 52 per cent for public education. This is a faster growth rate than the Arab states, where private education increased by 109 per cent, and South-East Asia where the growth was 76 per cent.²

In developing countries most of this expansion has been in private schools for the poor, which make schooling accessible for disadvantaged communities and marginalised groups.

‘To what extent does the growth in private schooling cater for poor people in South Africa?’ This was the question that motivated the Centre for Development and Enterprise (CDE) to undertake research into the growth of private education in 2010. The research revealed that low-fee, private schools exist in surprisingly large numbers in and around townships and in remote rural areas. These schools range from formal institutions that look like their publicly-funded counterparts to backyard shacks or inner city schools in high rise buildings. (See Hidden Assets: South Africa’s low-fee private schools, CDE In Depth, Number 10, August 2010.)

ACRONYMS

ANA:	Annual National Assessments
DBE:	Department of Basic Education
ISASA:	Independent Schools Association of Southern Africa
NAISA:	National Alliance of Independent Schools Associations
NNSSF:	National Norms and Standards for School Funding
PED:	Provincial Education Department
PPP:	Public Private Partnership
SASA:	South African Schools Act
UNESCO:	United Nations Educational Scientific and Cultural Organisation

SOUTH AFRICA'S LOW-FEE SCHOOLS – CDE'S RESEARCH FINDINGS

CDE conducted intensive field research in six carefully selected areas in three provinces, providing a spread of urban, peri-urban and rural settlements.³ The areas selected were the inner city precinct of Braamfontein and the township of Daveyton in Gauteng; the densely settled area of Giyani and the more rural area of Malamulele in Limpopo; and the town of Butterworth and the rural areas of Cofimvaba /Tsomo in the Eastern Cape.

First, we conducted intensive, ground-level surveys in each of these areas, mapping all public and private schools. We then visited all the private schools we found in those areas, interviewed principals and teachers, and recorded our own observations in those schools that agreed to participate.

Next, we tested Grade Six learners in a sample of the private schools and compared their performance to those of Grade Six learners in public schools in the same areas. Lastly, we conducted interviews and focus group sessions with the parents of children attending schools in three of the survey areas. Supplementary research was conducted in the densely settled peri-urban area of Bushbuckridge and in several city centres.

We found a total of 117 private schools in abandoned factories, shopping centres, shacks, and high-rise buildings. These schools were generally valued by parents; accountable to those parents; staffed by dedicated teachers who often work for low salaries; and run by principals and owners who are determined to provide the quality of schooling sought by local people.

In the period 1994 to 2009, more private schools were established in these areas than public schools. If this trend continues, the low-fee private schooling sector will expand very rapidly over the next few years.

- On average 30 per cent of the schools were private and about 15 per cent of learners were attending private schools.
- Classes in public schools were bigger than those in private schools, and the learner: teacher ratio was far higher.
- Private schools had fewer facilities than public schools. As in other countries, they tend to concentrate on the essentials of teaching that will provide the pass rates they need to attract more learners.
- Teacher salaries in private schools were far lower than those in public schools, with state teachers tending to be better qualified.
- Levels of teacher absenteeism were far lower in private schools than in public schools.
- On average, private schools recorded in our survey charged R680 a month over ten months, against no-fee public schools or the R104 per month charged by fee-paying public schools.

These low-fee private schools are generally not utilised by very poor people, but by small business owners and working parents (police, civil servants, nurses and – revealingly – teachers in public schools).

The results of our performance tests suggest that private schools are no worse than public schools, and significantly better in some respects.

CDE 2012

CDE's report generated great interest, both in government and the private sector. It confirmed that private schools in South Africa do not only serve the rich. Low-fee private schools are growing rapidly because they offer poor parents viable alternatives to poorly-performing state schools. Today low - and mid-fee schools dominate this sector.

The challenge for policy makers is how to build on this spontaneous, market-driven trend, so that access to quality education is expanded across the country to a wide range of income groups.

Most education systems are made up of a mixture of private and public providers. Public schools have played and will continue to play the key role in ensuring that all South African learners have access to schooling. At the same time, the evidence suggests that it is in everyone's interest that the private schooling sector continues to expand, offering alternative access to better quality schooling which has always been there for the rich, to as many South Africans as possible.

In order to deliver on the promise of its Constitution and to equip itself to face its economic challenges, the country has a vital interest in improving the quality of education generally and especially for poorer South Africans. It should not matter whether the school is public or private as long as it is delivering quality education. South Africa's goal should be to ensure that private schools provide the best education possible, while also putting competitive pressure on the public system to raise the quality of schooling.

In this area, CDE proposes that public policy should aim for three complementary outcomes:

- Increasing the number of high-quality private schools to which poor children have access
- Widening the education choices for parents and learners in all communities
- Ensuring that the regulatory environment is enabling and creates a level playing field, in which both public and private schools can constantly strive to improve.

Achieving these three positive outcomes will require further investigation and experimentation. In doing so, South Africa can learn from other developing countries which have grappled with these issues for many years. Their experience provides us with useful ideas that are worthy of consideration.

International experience has shown that the regulatory environment can either facilitate or inhibit the development of innovative, low-cost private schools and as such it is crucial to the contribution they can make to broadening access to quality education. Accordingly, in late 2010, CDE convened a workshop aimed at investigating the implications of public policy for low-fee, private schools in South Africa and what could be learnt from other countries. The workshop centred on presentations by three international education experts who have worked in many developing countries, including India, Pakistan, the Philippines, Kenya and Uganda. They are Michael Latham of the CfBT Education Trust, currently based in Hyderabad, India; Norman LaRocque of the Asian Development Bank, based in Manila Philippines; and Parth Shah, president of the Centre for Civil Society, based in Delhi, India.

Their presentations were placed within the context of the South African regulatory environment in which low-fee private schools are currently operating. Information on this situation was provided by: Jane Hofmeyr, Executive Director of the Independent Schools Association of Southern Africa (ISASA); Henry Bennett, a legal expert in the education field; and Sandile Ndaba, Chairman of the National Alliance of Independent School Associations (NAISA) and Director of Policy and Government Relations

International experience has shown that the regulatory environment can either facilitate or inhibit the development of innovative, low-cost private schools

at ISASA. Ralph Mehl of the Financial Planning Directorate of the Department of Basic Education also made a valuable contribution.

This document highlights insights from the workshop on the current regulatory environment in South Africa and the difficulties this presents for low-fee private schools. It summarises the international presentations and outlines some practical suggestions for creating a more enabling environment for private schools. The report concludes with CDE's view of the way forward.

The Current Regulatory Environment

Private schools striving for quality will proliferate if the regulatory environment is enabling. In South Africa today, the environment has many positive regulatory elements.

As a constitutional democracy, South Africa has enshrined the democratic right of parental choice of education in the Constitution of the Republic of South Africa (1996). Private schools have their right of establishment protected in Section 29(3), which states that:

“Everyone has the right to establish and maintain at their own expense, private educational institutions that:

- a) do not discriminate on the basis of race;*
- b) are registered with the state;*
- c) maintain standards that are not inferior to standards at comparable public educational institutions.”*

The South African Schools Act (SASA) of 1996 recognises two categories of schools: public and independent (private). Public schools are state-controlled and private schools are privately governed. Private schools are divided into those that are not-for-profit, the vast majority of private schools in South Africa, and the minority that are for-profit.

All private schools must be registered with their Provincial Education Departments (PEDs) to operate legally. In order to obtain registration they must meet a range of criteria set by the PEDs. SASA enables PEDs to grant a subsidy to a registered independent school, in terms of the National Norms and Standards for School Funding (NNSF) determined by the Minister of Basic Education.⁴ As a result, PEDs provide a per-learner subsidy to low - and mid-fee registered private schools that are not-for-profit. In practise this meant in 2011 that no private school charging more than R28 000 per annum could qualify for a state subsidy.

The Income Tax Act (1962) and Municipal Property Rates Act (2004) provide tax exemption for not-for-profit, registered Public Benefit Organisations (PBOs), as well as reduced property rates. Private schools are eligible for these benefits.

Despite this generally positive foundation there are, nonetheless, some problems with the current system. The presentations and evidence presented to the workshop by Jane Hofmeyr, Henry Bennett and Sandile Ndaba indicate that private schools have to deal with considerable red tape in order

Within a generally beneficial context there are, nonetheless, problems with the current system

to qualify for the subsidy. For example, according to the National Norms and Standards for School Funding (NNSSF):

- “An independent school may be considered for subsidy if it*
- a) is registered by the PED;*
 - b) has made an application to the PED in the prescribed manner;*
 - c) has been operational for one full school year;*
 - d) is a registered non-profit organisation in terms of the non-profit organisations Act, Act No. 71 of 1997;*
 - e) is managed successfully according to a management checklist determined by the PED;*
 - f) agrees to unannounced inspection visits by officials of the PED or person duly authorized by the PED; and*
 - g) has not been established in direct competition with a nearby uncrowded public school of equivalent quality.⁵*

In addition to the conditions in the previous paragraph, the following ones apply to the secondary school phase. A secondary school may be considered for subsidy if:

- a) its final grade 12 pass rate is equal to or higher than the provincial average grade 12 pass rate for public schools in the prior year;*
- b) not more than 20% of Grade 11 learners are repeaters who took Grade 11 in the same school during the previous year;*
- c) not more than 20% of Grade 12 learners are repeaters who took Grade 12 in the same school during the previous year;*
- d) it does not engage in practices that are calculated to artificially increase the school's Grade 12 pass rate; and*
- e) learners are retained not more than once in the phase comprising of grades 7 to 9⁶.*

There are signs that the policy environment in general is becoming disabling for private schools, especially low-fee ones

Hofmeyr, Bennett and Ndaba all report that many low-fee, private schools find it difficult to comply with all the legislation and regulations. These involve detailed annual reporting, adherence to a management check-list and submission of audited financial statements if they receive a state subsidy, as well as the achievement of the specified learner results and meeting the standards relating to their teachers, buildings and facilities. Private schools have far more quality checks than public schools: apart from the registration and subsidy requirements they undergo inspections and annual monitoring by Umalusi, the statutory quality assurance body for general and further education, to obtain accreditation. In addition they have to meet the conditions of their founding statutes such as the Companies Act.

All three experts further argue that the generally supportive foundational legislation has been eroded by ill-considered secondary legislation. New legislation is passed, or existing legislation is amended, that is not primarily focused on education, but directly or indirectly affects private schools. This ever-expanding web of legislation from all sectors of government, threatens the two pillars of private schools' survival: enough independent 'space' to follow their different missions and sufficient resources to be viable.

Poor implementation at lower levels of government compounds the problems. Many education officials, especially at district level, are not familiar with the legislation under which independent schools exist and treat them like public schools. In practice they often re-interpret national legislation. In addition, the understandable determination of the national Department of Basic Education (DBE) to

improve the quality of public education often results in private schools being scooped up in the general net of standardisation and their independence is threatened.

There are increasing reports of significant delays in paying out the subsidy and frequent, often unexplained, subsidy cuts that affect schools negatively. The evidence indicates that many provincial education departments are struggling to implement a complex system effectively and consistently.

There are signs, therefore, that the policy environment in general is becoming disabling for private schools, especially low-fee ones. If this is the case across the country, the private school sector will not be able to play its optimal role, and opportunities for public private partnerships (PPPs) in the best interests of skills development in the country will continue to be limited.

The World Bank has classified countries' involvement in education PPPs on a continuum, which ranges from no private sector involvement at all, to the integral stage of full partnership, where state vouchers, loans and scholarships are available to learners going to private educational institutions. In the middle of this continuum, South Africa has only an 'emerging' PPP environment and there are still many options it can explore to expand PPPs and utilise the resources of markets and private players for improving education and training in communities around the country.

Government should care far less about how schools achieve their results and far more about whether they generate good results

Ideas for South Africa from other countries

Drawing on their developing country experiences, the international speakers provided valuable insights into aspects of an effective regulatory environment and important innovations. This is a major topic that requires further research. However, a number of useful ideas emerged that will, it is hoped, stimulate the debate in South Africa, and help to move us closer to where we want to be.

Promoting the Expansion of Quality Private Schools

A general principle of effective governance is to make regulations as clear and simple as possible, especially for provincial and district officials whose task it is to implement them. However, as the implementation of the national norms and standards by the provinces has shown, the PEDs often ignore core provisions. This may require the DBE to strengthen its monitoring role and hold the PEDs accountable for complying with these norms. In order to promote a more enabling regulatory environment, the DBE could move to introduce a simpler set of national norms that would provide uniform rules and guidelines for the registration, subsidisation and monitoring of private schools. This should mitigate the extent to which provinces produce their own differing regulations and impose a variety of interpretations of these on private schools.

The research suggests that government should care far less about how schools achieve their results and far more about whether they generate good results. A way of facilitating this has emerged in India, where an open school system has existed for 20 years. It allows learners to study anywhere they choose, including at home, and write a certificate examination at the end of Class 3, Class 5, Class 8, Class 10 and Class 12. These examinations are valid across the country and allow learners who pass to move

forward. This is proving to be an effective way of assessing the outputs of all schools against a common standard.

A more supportive regulatory framework could be introduced which would provide space and support for private school teachers and schools to meet certain standards. Such a framework should be more flexible about legal recognition than our current legislation. It could provide a probationary period and provisional registration in which private schools that are not yet able to meet all the compliance requirements are given time to become compliant. Such a framework will create room for schools to develop and improve in a phased way into high quality institutions. A similar principle could be applied to un-or under-qualified teachers in order to give them the space and the encouragement to achieve the required accreditation.

An international trend worth noting is the movement towards more choice and delegated authority for quality assurance. Rather than governments attempting to do everything, some countries have established boards responsible for accrediting the accreditors. This is the case in the Philippines, which has an Accreditation Federation comprising different school accreditation boards. Each of these boards has to meet certain standards, after which they are allowed to accredit the schools under their jurisdiction.

Creating a facilitating environment for private schooling in the developing world requires the development of partnerships between the public and private sectors. Some countries have created special agencies to manage private schools and the flow of funds from the government to privately-run public schools. These agencies are frequently empowered to enforce qualifying criteria and regulations.

The Punjab Education Foundation in Pakistan is a prominent example of this practice. It was established by government under the Punjab Education Foundation Act of 1991 as an autonomous, statutory body to encourage and promote private, not-for-profit schooling. While government is represented on its board, the majority of members and the chair are from the private sector. The Foundation runs a range of government-funded programmes, including a voucher scheme, teacher training programmes and the Foundation Assisted Schools Programmes. Under this programme schools in poor rural and urban areas are paid 350 rupees (R56) a month from government funds for each student they enrol. This tends to be less than the average expenditure on a state-school child, but typically more than the school fees of the average low-fee, private school. The schools may not charge tuition fees and have to meet steadily increasing achievement benchmarks, which the Foundation monitors. Schools which fail to improve their performance are barred from continuing in the programme. The programme has expanded rapidly, from 54 schools accommodating 20 000 pupils in late 2005, to 1 157 schools with 500 000 students in early 2008.

In India, a pilot scheme to encourage the expansion of private schools through an education subsidy given directly to the parents is being tested. Launched in 2007 by the Delhi-based Centre for Civil Society (CCS), the project set out to demonstrate that such a subsidy programme could be run effectively and would generate tangible benefits. In 68 different local wards 408 students initially received the subsidy, which could be used at any school of the parent's choice. An independent assessment conducted after the first year found that:

- Voucher children performed better than non-voucher children in English, mathematics and Hindi at private as well as public schools

Parents who benefitted from the voucher scheme became more involved in their children's schooling

- Parents who benefitted from the voucher scheme became much more involved in their children's schooling than previously. After receiving the voucher, almost 80 per cent of parents asked their children on a regular basis if the teacher came to the school, if he taught or not, and if he gave a homework assignment or not.
- More parents began to attend parent-teacher meetings.
- Parents who received the subsidy also began to spend more money than before on their children's education.

Pressurising schools to perform

To ensure that school choice exerts pressure on public and private schools to improve their performance, parents need credible information about the schools they are considering. One way to achieve this is to require all schools (public and private) to publish their results from the previous year and make these accessible to local parents. In this respect South Africa's introduction of the Annual National Assessments (ANAs), which were written in 2011 by all learners in grades 3 and 6, are to be welcomed. Public schools are required to give parents their children's results.

Another way to promote choice is to create an easily-administered assessment system that involves parents in the assessment process. These mechanisms should apply to both public and private schools, but, in order for them to compete on an equal footing, the rules for both types of schools should be broadly similar. School performance should be evaluated in terms of a suitable set of standards. It makes little sense to have overly stringent requirements for private schools while public schools are hardly evaluated at all. In addition, public schools need greater freedom to respond to competition from other schools. They should be able to attract the best teachers. Principals should have the authority to manage the schools as they see fit, and public schools which fail to produce results and attract learners should run the risk of losing staff posts and being shut down.

The most important issue in promoting quality education is accountability. This must apply to both public and private schools. It is in the public interest that private schools should meet reasonable registration conditions, and those qualifying for subsidies must be held accountable for the public funds they receive.

However, good results do not always seem to be dependent on state registration and certification: many low-fee, private schools have unqualified teachers, but achieve better results than equivalent, local public schools.⁷ As fee-payers, parents monitor the schools more closely and hold them accountable for delivery. Principals and teachers are always aware that parents will take their children to another school if they do not produce satisfactory results. What is lacking in the public sector throughout the developing world is accountability of schools to parents, who should be demanding quality schooling from principals and teachers. The public system needs to learn from the direct accountability in private schools and ensure greater direct accountability for quality schooling.

What is lacking in the public sector throughout the developing world is accountability of schools to parents

Supporting and Investing in Private Schools

Low-fee, private schools are highly responsive to parents' demands for quality education, and are often very good at producing decent results with limited resources. Nevertheless, because their fees are so

low, they struggle to obtain enough income to hire qualified teachers and provide the infrastructure and resources required for high-quality schooling. There are a number of ways in which government, private philanthropists, corporations, financial institutions and education specialists can help low-fee, private schools to overcome these resource constraints. Examples of such assistance have emerged in India:

- A private foundation has offered continuous professional development services from centres located near clusters of private schools. Teachers are given opportunities for ongoing professional development through cluster-based training aimed at improving pedagogical skills.
- Another organisation has facilitated the employment of graduates from the best local universities at market salaries and then offered them to low-fee, private schools on a rotational basis. The graduates spend time teaching specialised subjects at a number of schools in any given week.
- Private companies help set up ‘information technology classrooms’ in public and private schools. These large IT corporations provide the training, experience, hardware and software to facilitate the teaching of IT skills in a range of schools where this would otherwise not be possible.
- Education service providers have set up a close cooperative relationship with a large international bank to facilitate access to loans by private schools. The education experts from the service provider work with investment officers, undertaking due diligence on the schools. The schools have no land and no collateral, only an income flow dependent on the number of pupils they enrol. The quality of the education they offer is critical to maintaining or increasing their pupil enrolment. The education experts can usually tell from their education indicators if the schools’ quality is good and thus they are unlikely to default. Within this system, the large, international bank advanced half a million dollars and committed itself to signing up loans for 50 schools for the poor within two years. According to the bank, no school defaulted.
- Companies are entering the education business by establishing school chains. They are able to set up the administration systems efficiently for large numbers of schools. They develop a central curriculum and teaching and learning materials which they make available at a cheap unit cost to all the schools in the chain.

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Next Steps

The CDE workshop has helped to provide some insights into the basic features of a more appropriate and effective regulatory framework. More needs to be done to work out the details. Government, private players, parents and civil society organisations all have a role to play in helping to design and then implement the kind of dispensation that will promote the support and expansion of quality private schools and encourage public and private school excellence through competition.

Government

More decision-makers in government could engage with these ideas and collaborate with other stakeholders on their implementation. The Department of Basic Education and provincial departments of education could work with research institutions, the National Treasury and other relevant stakeholder

groups to design and conduct the necessary research, assess the impact of regulations and how they are being implemented, formulate effective policies, and devise the means to implement and monitor them.

Private sector

Companies, private financial institutions and education funders seeking to contribute to an improvement in the quality of education available to South Africa's poor could become more involved in the low-fee, private schooling arena. Financial assistance and expertise could be provided to help low-fee private schools establish themselves and expand. However, care needs to be taken that private interventions do not undermine the independence and current funding streams available to these schools.

Schools typically need access to finance to build more classrooms, increase their pupil enrolment, hire more teachers and pay them more competitive salaries. If they could do this, they would be able to increase their revenue stream in the long run. Banks are reluctant to lend to schools because they typically do not have the usual collateral that banks require to secure a loan. Consequently, as a 2009 survey for the International Finance Corporation found, the owners or principals of the schools could only gain access to a loan by giving personal surety such as their own home or insurance policies.⁸ Schools also require a longer time than normal lenders to reach a position where they can pay back a loan.

This provides an opportunity for private-sector organisations to establish a special loan facility at a favourable interest rate, and with a relatively lenient repayment schedule, which private schools could access with no or limited collateral, except for their income stream from student enrolment. And if private grant-making organisations could contribute a grant as a proportion of the total amount of capital required by the school, this would decrease the size of the loan, as well as the interest owed and make it easier for the school to pay it off. The school would be expected to maintain its quality and to keep or increase its enrolment in order to pay back the loan.

Private funders and experts could also explore and help to set up more efficient business models within the low-fee schooling sector. School chains appear to offer one possible way of organising private schools that allows for more cost-effective delivery and improved quality of schooling. However, the school-chain models employed in other countries may not always be appropriate for the South African context. This is an issue that needs to be explored further.

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Parents and community organisations

Parents and community organisations could become involved in effective advocacy. The country needs concerted and sustained pressure from all those interested in promoting school choice as a means of improving the quality of education available to the poor. This is the role that the Centre for Civil Society plays in India. The centre publishes a monthly magazine called 'Student First' and hosts a 'Student First' dialogue on its website. Their aim is to ensure that the issue of providing students and their parents with the freedom and the means to choose their own schools is at the forefront of policy debates in India.

Private foundations and companies can play an important role in supporting the development and strengthening of such advocacy and information mechanisms.

Concluding Remarks

Both local and international experience shows that the nature of the policy environment is critical for the expansion of the private school sector, especially for low-fee schools. In South Africa it is clear that the regulatory environment is becoming increasingly disabling, as the maze of policies and legislation grows and becomes ever more demanding. This results in significant barriers to registration, without which private schools cannot become legal, gain access to subsidies or be quality assured. Good, bad or indifferent, numerous unregistered private schools operate below the official radar screen.

Regulatory reform is never easy to initiate or implement, but the rewards for getting it right can be great. Creating a simpler and more equitable regulatory environment would allow more private schools to emerge and grow in response to parent and community demand. As a result, a growing number of private schools would provide access to un- and under-served learners, while still being held accountable for quality education by their users and appropriate state monitoring.

Regulatory reform is never easy to initiate or implement, but the rewards for getting it right can be great

Incentives are few for low-fee, private schools. Subsidies are difficult to obtain and can be summarily cut, delayed or simply disappear. The poorer the school and its community, the less access they have to loan or donor finance to fund expansion. Technical, financial and management expertise and teacher training are also costly. There is huge scope for donors and private-sector bodies to devise innovative means of providing easier loan finance to private schools and to support them with affordable, financial expertise and teacher training.

As international experience shows, public-private partnerships could be developed to manage and monitor subsidised low-fee, private schools. The Punjab Education Foundation is one example that points to the advantages of establishing a government funded privately-run, autonomous statutory body, which is focussed on the needs of private schools and derives its legitimacy from the success that the schools achieve in providing quality education to poor learners. Such an arrangement would free the government's education resources to tackle the most severe problems in the public schooling sector, while at the same time, providing private schools with consistent and efficient oversight. Increasing state funding for learners in low-fee, private schools, so that the schools could serve even poorer communities would be a cost-effective strategy to raise educational achievement and increase the skills levels which are critical for national development.

The low-fee, private schooling sector demonstrates that competition can be a positive force in promoting good education. When principals are motivated by competition to improve and expand their schools and teachers are rewarded for hard work and improvement, they are able to achieve a lot with very little. Creating a regulatory environment where such incentives influence a growing number of schools and teachers should be seen as an effective and not very costly way of improving the quality of our schooling.

NOTES

- 1) See CDE, Hidden Assets: South Africa's low fee private schools, CDE In Depth No. 10, August 2010.
- 2) Aga Khan Foundation (2008) Non-State Providers and Public Private-Community Partnerships in Education, Education for All Global Monitoring Report: UNESCO
- 3) See CDE, Hidden Assets: South Africa's low fee private schools, CDE In Depth No. 10 - August 2010.
- 4) South African Schools Act (SASA) no. 84 of 1996
- 5) National Norms and Standards for School Funding (1998) as amended in 2006, Pretoria, Department of Education, p.46
- 6) National Norms and Standards for School Funding (1998) as amended in 2008
- 7) See CDE, Hidden Assets: South Africa's low fee private schools, CDE In Depth No. 10, August 2010.
- 8) P. Musker & J. Du Toit, Market Survey of the Independent Education Sector in South Africa, Unpublished Report, IFC, 2009.



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