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## Levelling the educational playing field

Although seldom talked about in South Africa, inequality in educational opportunity has more damaging and longer lasting consequences for more people than any other type. However, more and more parents are voting with their children's feet: they are removing them from poor township schools and putting them into good suburban state schools or private schools. The latter include growing numbers of low-fee schools, some of them run as businesses. This quiet, grass-roots, revolution is taking place in many other countries as well, even though teaching unions, education officials, education academics, and development bureaucrats are often bitterly opposed to breaking down state monopolies in schooling.

More parental choice and greater school autonomy are critical to improving education in South Africa. Schools should have to compete for pupils or shut up shop. The state's role is to keep paying for education, but to reduce its role in actually providing it. One way of bringing this about is for the state to give vouchers to parents to enable them to buy education for their children from the school of their choice. Ideally, as societies become richer, more parents should be able to pay for their children's education in the way that better-off parents already do. Until that day dawns, vouchers are a means of giving poorer parents greater choice.

**D**uring her budget vote in Parliament earlier this year, the minister of basic education said that in the next five years she would make aggressive interventions to fix education. This means that a six-year-old boy or girl whose parents enrol him or her in one of the country's 20 000 dysfunctional schools in January next year will be 11 years old before the minister has fulfilled her promise – if

she fulfils it. That's the bad news, especially for a child who cannot delay growing up until the minister has fixed his school. The good news is that more and more parents are not prepared to wait that long. Instead, they are sending their children to private or fee-paying state schools. These parents, we can be sure, include many politicians.

South African parents are in fact part of a global movement – a bottom-up, grass-roots, revolution in school education stretching from Arizona through shantytowns outside La-

**South African parents are part of a global, bottom-up, grass-roots, revolution in school education stretching from Arizona through shantytowns outside Lagos to the slums of Hyderabad.**

gos to the slums of Hyderabad. The movement is driven by dissatisfaction with government schools. A key component is educational entrepreneurship – schools run as businesses in countries that include not only Sweden and South Africa, but also Kenya and China and Pakistan.

The growing movement towards private education is being led by some of the poorest people on the planet. Their efforts are often deprecated or resisted by teacher trade unions, bureaucrats, politicians, academics, and development agencies. Teacher unions see private education as a threat to their power. That, of course,

is one of the beauties of it. The other reactionary forces either cannot believe that markets might actually work for the poor, or they say poor people are incapable of making sensible choices about education. One of the greatest reactionaries was Senator Edward Kennedy, whose Democratic Party depends heavily on union support. So he blocked attempts by the second President Bush to introduce vouchers to empower poor parents to choose where to send their children to school. Here was a rich man denying to poor people the choice he and his family always took for granted for themselves.

Education needs to be liberated from the current almost universal top-down bureaucratic centralised model of state control in favour of a decentralised model. Schools in such a model would be run by boards accountable not to officials, but to parents. South Africa already has at least 3 500 such schools. We need more.

One way to inspire more is for the state to give all parents bursaries in the form of vouchers to buy education for their children from the provider of their choice, whether a private school, or a school run as a business, or a former model C, or an ordinary government school. Schools now often being run to suit the South African Democratic Teachers' Union (Sadtu) would become schools run for the benefit of pupils.

Before we go further about South Africa, let's take a look at what's happening elsewhere. There are several variations, but the common theme is schools run by their own boards (or individual owners). Sometimes these boards are accountable to officials, but often they are accountable to parents. Teachers are accountable to the boards and therefore ultimately to parents. The schools may be private or owned by the government. They may be run for profit or otherwise.

**The state should give all parents bursaries in the form of vouchers to buy education for their children from the provider of their choice, whether a private school or a government school.**

Some are financed by parents entirely, some also get state subsidies, and some are financed by vouchers. But in all cases parents rather than officials or zoning regulations choose their children's schools. And parental demand for better opportunities for their children is at the heart of the growth of these educational alternatives. And at the heart of school success is that the principal or proprietor has real authority, including the crucial power to hire and fire teachers.

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**International perspective**

In the US, private schools now account for 11% of total school enrolment (4.4 million pupils). The growth of homeschooling, charter schools, and voucher systems arises from parental dissatisfaction with the declining outcomes of government schooling.

Homeschooling was once illegal in many American states, but it is now legal in all 50 and caters for nearly 2% of American schoolchildren. Another key American trend is charter schools – where private boards run government schools under contract. Charter schools started in Minnesota in 1991, and there are now 5 400 of them in more than 40 states catering for more than 1.8 million pupils. A study using data from 99% of such schools found that they did better than government schools, had more rigorous curricula and better discipline, and that poor and Hispanic students performed particularly well. But for union and political opposition, there would almost certainly be a great many more such schools in the US.

Charter schools – usually called contract schools – are also to be found in Argentina, Australia, Canada, China, France, Japan, Nicaragua, Peru, Venezuela, Pakistan, Qatar, Singapore, and Tanzania. Some are run by a Latin American Jesuit group called Faith & Joy. A World Bank study identified 20 countries with contract schools. The Centre for Development and Enterprise (CDE) has proposed establishing them in South Africa.

In the UK the equivalent of charter schools are academies. In the last few years most English state secondaries have opted to become academies run by their own boards of trustees free of control by local authorities. Nearly 200 new free schools, with even more autonomy, have also been established in council estates where failed schools were the norm. These reforms were designed to give all parents the choice usually available only to wealthier ones. Initiated by Tony Blair's Labour government, they were until recently being energetically driven by Michael Gove. Unfortunately, he was sacked in old-Etonian Prime Minister David Cameron's cabinet reshuffle on 15 July 2014.

More ubiquitous than contract schools are private schools in poor countries. A particular expert on them is James Tooley, professor of education policy at the University of Newcastle upon Tyne. He found them in Nigeria, Ghana, Kenya, India, and China. Local officials invariably denied that any such schools existed, arguing that private schools were exclusively for the rich. Tooley was able to find them only with the help of people in slums and shantytowns. Most were as rudimentary as the shacks in which their students, parents, and teachers lived. But they were cheaper than government schools, had lower pupil-teacher ratios, were staffed by keener

**Charter schools in the US do better than government schools, and have more rigorous curricula and better discipline. Poor and Hispanic students perform particularly well.**

teachers, and produced better results. Many survived visits by hostile inspectors only by bribing them – perhaps one of the reasons a great many choose not to seek official registration.

Almost all the schools were run by people calling themselves proprietors and they were unashamedly run as businesses. This made them accountable to their customers – their students' parents. Many took in orphans and other very poor children free of charge. This gave their proprietors status in the community.

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In Makoka, one of the biggest slums in Lagos, Tooley found 32 private schools catering for 70% of the children. In Lagos state, 75% of all children were in 355 private schools. In Ga, a largely rural district surrounding Accra in Ghana, he found that 65% of students were in 582 private schools. One of them, Supreme Academy, was charging \$30 a year. A teacher who'd studied automotive engineering and couldn't get a job anywhere else earned \$33 a month. Parents were willing to pay for these schools because the proprietor was tough. If the teachers didn't show up, the parents would complain and they would be sacked.

The proprietor of Sunrise Preparatory School in Ghana kept Tooley waiting for 20 minutes while she was talking to somebody else. He got angry and went to tell her that he was leaving, but before he could speak, she said, "I'm sorry, but this is a parent." She said it in such a way as to make it clear that no further explanation was required. The parents to whom she was accountable were far more important than foreign visitors, even rare white professors.

In Kibera outside Nairobi, said to be the largest slum in Africa, Tooley found 76 private primary and secondary schools, many run by women. Teachers in government schools earned 3 to 5 times as much as those in the private schools, but the pupil-teacher ratio in government schools was 61 to 1, as opposed to 21 to 1 in the private schools. Fees were 5% to 8% of the local minimum wage. Last year these private schools run as businesses were charging \$40 a year in fees, but government schools twice that.

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In China, he was told, the People's Republic is providing everyone with schools, so it is a logical impossibility for private schools to exist. (Plenty of them of course did exist before the communists nationalised them.) Tooley visited Gansu province, half of whose population was below the poverty line of \$125 a year. There were government schools flying European Union or Japanese flags, but for villagers on mountain tops they were too far away for children to walk to each day. In these villages Tooley found 586 private schools catering for 60 000 children. One was the Xu Wan Jia Private Primary School, probably the most remote private school in the world. It charged \$20 a year whereas the nearest government school charged \$24. The school taught lower grades only, paying teachers with diplomas \$25 a month.

In surprise visits, Tooley found that teachers were doing more teaching than was the case in the government schools – in Delhi for example, only 38% of teachers in

government schools were actually teaching when he arrived, against 70% in private schools. Teachers were generally better qualified and paid in government than in private schools – though the latter employed thousands of school and college graduates who couldn't get other jobs.

Tooley and his teams conducted various tests on 24 000 children in these and other schools. In Delhi the mean maths score in private schools was 18 percentage points higher than in the

**In some countries the state provides bursaries in the form of vouchers to parents to enable them to buy education for their children. The state keeps paying for education but others provide it.**

government schools; in English, it was 35 percentage points higher; and in Hindi 22 percentage points higher – though in Hyderabad in Urdu the scores were a bit lower in the private than in the government schools.

Other countries whose private schools showed better scholastic achievement, greater cost efficiency, more order and discipline, and higher later earnings for graduates include Indonesia, the Philippines, Thailand, Vietnam, the Dominican Republic, and Chile. Even in Germany there is now growing demand for private schooling as a result of dissatisfaction with government schooling.

Most private schools around the world are fully or heavily funded by parents. In poor countries they are usually run as businesses. In some countries the state provides bursaries in the form of vouchers to parents to enable them to buy education for their children. The essential principle is that the state keeps paying for education but others provide it.

Vouchers go back a long way. A voucher system was launched in the Netherlands in 1917. Sweden has operated a voucher system since 1993, enabling pupils to choose schools operated for profit – although parents are not allowed to top up the amount provided by the state. In Denmark parents can top up the vouchers. The Czech Republic introduced vouchers for private schools after the fall of communism. Vouchers operate also in Chile, Colombia, Bangladesh, Guatemala, and the state of Punjab in Pakistan. The Punjab Education Foundation reaches a million pupils in more than 1 000 schools. Pakistan itself has 50 000 private schools, catering for a third of all students. Some of these operate in areas controlled by the Taliban where girls are forbidden education.

Vouchers are especially popular in the US among black parents, who see them as a means of buying their way out of bad government schools in the inner cities and putting their children into better schools in the suburbs. Studies in New York, Washington DC, and various other American cities found that black schoolchildren with vouchers did better than those without. Another benefit was that vouchers reduced racial segregation by enabling students from segregated black neighbourhoods to cross government school boundaries and so help desegregate the better suburban schools they chose.

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To recap then, there is a growing demand in both rich and poor countries for private schooling. To meet that demand there is a growing supply of such schooling.

## **A growing demand for private schooling amounts to a silent revolution across the globe against the prevailing orthodoxy that the state is invariably the world's best teacher.**

This amounts to a silent revolution across the globe against the prevailing orthodoxy – dating back only to the 19th century – that the state is invariably the world's best teacher. This silent revolution is occurring in South Africa too.

### **South Africa** *Success and failure*

We have no equivalents of contract or charter schools, but we do have a very great asset in the form of former "model C" schools. There were originally about 3 000 of these. They were previously only for whites, but are now

40% black. They belong to the state but are run by boards or governing bodies with extensive parental involvement and commitment. They are in great demand. Gillian Godsell, one of their leading lights, points out that they offer a "thoroughly middle-class education" to some of the poorest pupils. Poorer families do not pay fees at these schools but are subsidised by others. Last year they collected more than R12 billion in fees, enabling them to employ 37 000 teachers over and above those provided by the state.

Success also embraces some of the schools previously established for the coloured and Indian minorities. But there are also some excellent schools among those that were formerly exclusively for Africans – such as Mbilwi in Limpopo. A study for the Presidency in 2008 noted that 34 African schools were among the top performers in producing higher-grade maths passes, while another 573 were "moderately performing".

All of these successes in the state sector must be celebrated, protected from unwarranted interference, and emulated.

The problem is that 88% of African state schools are poor performers. Says the study for the Presidency: "The Achilles heel of the South African education and training system is the inability of the majority of primary schools to provide adequate reading, writing, and arithmetic skills to some 80% of the country's learners. The inadequate preparation of primary school learners, in turn, is the direct cause of the poor progress of students in high schools, further education and training (FET) colleges, and the higher education sector."

### *Alternatives to poor township schools*

One alternative to poor (black) township schools is that children commute to schools in the formerly exclusively white but now increasingly multiracial suburbs. "Busing" was imposed in the US to bring about schooling desegregation. In South Africa we have voluntary and often costly busing simply to get a better education than is available in most township schools. Research cited in a paper by Julia de Kadt and others suggests that the largest single group of commuters in South Africa is schoolchildren. According to Statistics South Africa, 1.3 million children (9% of last year's pupil enrolment) travel more than an hour from home to school every day.

But why should so many children have to commute for decent education? Why cannot it be made available where they live? Why cannot township schools, many of which are

**Around 88% of African state schools are poor performers, which fail to provide adequate reading, writing, and arithmetic skills to some 80% of the country's learners.**

under-utilised, be made good enough to attract suburban children? Desegregation could then work both ways.

**An alternative to poor township schools is private schools, whether in townships or anywhere else. The challenge is to empower more parents to send their children to better schools. Vouchers are a means of doing this.**

The other alternative to poor township schools is private schools, whether in townships or anywhere else. And the challenge is to empower more parents to send their children to better schools. Vouchers are a means of doing this. As George Bush said before Kennedy blocked him, "When schools do not teach, and will not change, parents and students must have other meaningful options."

#### *The growth of private schooling*

Whether as alternatives to township schools or for other reasons, private schools – officially known as "independent" schools – are growing in number. According to the Department of Basic Education, private schools have increased from 971 in 2000 to 1 584 in 2013. However, official figures also show

that there are now 3 500 registered such schools. No doubt there are many more that are not registered. Private schools now cater for at least 514 000 pupils, almost double the number of 10 years ago. Although these now account for only 4% of all pupils, the proportion of pupils who are in government schools has shrunk from 97% to 94%. The number of government schools has dropped by nearly 10%.

According to the Independent Schools Association of South Africa (Isasa), most private schools are not for profit, and many of them are mid- and low-fee schools that receive subsidies from the state. Isasa also said that official figures showed that 73% of their enrolment was black. Of the organisation's 730 member schools, 265 charge below R28 000 a year, 125 below R15 000, and 64 below R10 500. This last category of Isasa schools charges fees a bit lower than the estimated average per capita expenditure on school education by the state of around R12 000 a year. Vouchers worth this amount would enable many more parents to buy private education.

More and more low-fee private schools are being established. Spark Schools have two campuses in Johannesburg's northern suburbs and are opening two more, one in Doornfontein. Some parents have moved from Soweto to get closer to the schools. Other children commute, costing their parents more in transport than in school fees, which are currently R14 550 a year at some of the schools. Other recent initiatives include Nova schools in the Western Cape.

But there are also low-fee schools in poorer areas. Some years ago the Centre for Development and Enterprise studied six areas where on average 50% of the population lived in poverty. It found that more than 30% of the schools in those areas were private, many of them having been started by what CDE called "innovative black entrepreneurs".

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Cheaper schools run by listed companies are also growing apace. Curro, which aims at the mid-income market, says it could easily have 100 schools (including creches) open by 2020. One of its Meridian schools charges fees of R13 566 a year for Grade R and R16 068

for Grades 8 to 10. Advtech, the other, older, listed company, is planning to move into the low-fee area in the next few years. One market analyst says there is now rampant demand for quality low-cost private education.

The Public Investment Corporation and Old Mutual Investment Group have invested in Curro, but also in the Basa Educational Investment Trust, a black-owned school chain that has

**The Basa Educational Investment Trust, a black-owned school chain, currently caters for 5 000 pupils in private schools in the Diepsloot shack settlement, Protea Glen in Soweto, and the Johannesburg inner city.**

been going since 1992 and which currently caters for 5 000 pupils in private schools in the Diepsloot shack settlement north of Johannesburg, the Protea Glen township in Soweto, and the Johannesburg inner city.

**Arguments and counter-arguments**

Kader Asmal, one time education minister, objected that vouchers would cause better schools to be oversubscribed and that once a school was full your voucher would be worthless. Not so. Unfulfilled demand would be a signal to build more schools. Another one-time education minister, Naledi Pandor, said that vouchers would allow the better off to jump the queue, while leaving those left behind worse off. But those left

behind would also have vouchers enabling them to move elsewhere if their schools did not improve enough to retain them.

The vital proviso, of course, is that failing schools must face the risk of having to retrench teachers and close down, instead of being kept going by government life-support.

Studies in the US showed that competition from charters and/or voucher schools led to better results in government schools faced with the threat of losing all their students and having to close.

A variant of Ms Pandor's view is that giving parents the choice of pulling their children out of state schools is to "give up" on such schools. But it is hard to see why children should be denied the opportunity to exit poor state schools while the government at leisurely pace toys with fixing them. To deny children choice is to keep them hostage in poor schools, handicapping many of them for life.

Ignatius Jacobs, a one-time member of the executive committee (MEC) for education in Gauteng, said that "if the state were to provide a voucher system it would be a lot easier for parents to use it to send their children to schools that they regard as better". That, of course, is the objective of a voucher system. Mr Jacobs thinks this is a dangerous choice to leave to parents alone. But evidence here and elsewhere shows that parents make rational choices, including the choice of paying for better education even when free education is also on offer.

**Competition from charters and/or voucher schools leads to better results in government schools faced with the threat of losing all their students and having to close.**

Some people object that vouchers might be spent in schools run as businesses. A recent article in the *New York Times* by a California professor proclaimed that "teaching is not a business". But he failed to argue why running a school should not be. There is supposedly something wrong in allowing a market to operate in education or allowing anyone to make a profit out of it. Education, it is stated, should not be a "commodity". But there is no reason why that should

not be one of the options. The profit motive attracts investors willing to take risks. Curro, for example, has recently raised R600 million from investors to build new schools. Advtech will spend R3 billion in the next ten years. In any event, choice settles the matter. Parents who felt it wrong to put their children in profit-seeking schools would be free to send them elsewhere.

**What South Africa needs to fix the broken parts of the schooling system is to empower parents with vouchers worth some R12 000 per pupil.**

recipients of grants want to buy.

Yet another argument that has been put forward against voucher-empowered choice is that it would enhance segregation. As we have seen, however, evidence in the US suggests the reverse. In South Africa the most segregated schools are the poorest ones. Using their own – or bursary – money, black parents have already helped to desegregate formerly whites-only model C and private schools. Vouchers would enable more to do so.

The *New York Times* article argued that firing teachers undermined morale, and that merit pay invited rivalries among them. But there is no reason why bad teachers should be regarded as some sort of royal game, or that good ones should not be rewarded by higher pay.

**Policy options**

What South Africa needs then to do to fix the broken parts of the schooling system is to empower parents with vouchers so that they can make choices. Much of the money the state now spends paying teachers and running schools – about R180 billion this year – would be redirected to parents in the form of vouchers worth some R12 000 per pupil. They would be distributed in the form of smartcards on proof of ID of parents and children via filling stations, national retail chains, cellphone outlets, or any other existing national networks. They would enable parents to buy schooling wherever they chose.

At the moment only a few parents can do this, shopping around for the best education for their children as between private schools, fee-paying state schools, and schools run as businesses – as between St John’s, or Parktown Girls’ High, or Crawford and many others. Vouchers would enable everyone to shop around. They would be a big step towards equality of opportunity and broad-based empowerment.

The growing demand for private education – backed by money – would cause more and more private schools to be set up. Some of these could be for profit, some not. What would happen to all the state schools? The good ones – roughly a fifth, it would appear – would retain their pupils. After all, some of them are among our best schools. That proportion would, however, increase as others were forced to up their game or close. The really bad ones would shut down. Their buildings could then be put up for auction. Curro, or Spark, or other private schooling organisations would be able to buy these, refurbish them, and open up new schools.

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South Africa would then have a stronger but still diverse and variegated schooling system, from traditional expensive private schools right down to much cheaper ones. We would have profits and nonprofits, religious and secular, charters and state. The essence of this system would be choice for all parents, and a great many more schools run in the interests of schoolchildren. Competition for voucher-bearing customers would force up standards.

This is what Milton Friedman anticipated when he first mooted the voucher system in 1955. Experience has proved him correct. A study a few years ago of 250 000 students in

**The essence would be choice for all parents, and a great many more schools run in the interests of schoolchildren. Competition for voucher-bearing customers would also force up standards.**

39 advanced and emerging economies found that the greater the degree of school choice the better the scholastic achievement, especially when charter, voucher, or private schools competed head-on with government schools. A review of 40 studies in the US bore out these wider results.

When he put forward his plan, Professor Friedman relied on evidence from thousands of industries worldwide. This showed that competitive market systems produced and distributed goods and services of high quality at lower costs than governments did. He did not see why the outcome would be any different in the provision of educational services. He was particularly impressed by studies showing a very high literacy rate in England before the advent of

compulsory education financed by the state. Friedman also argued that the poor benefit the most from free markets. This is because they cannot afford many goods and services until competition pushes costs down and quality up. Better education at lower prices could be achieved only via competition.

### **Conclusion**

While the great majority of poor government schools continue to flounder, yet another generation of mainly black South African children stand to lose out on the opportunities available to others. A comprehensive system of vouchers would do more than anything else to liberate these "born frees".

- John Kane-Berman

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