

# The Privatisation Trap

A Policy Review of

Education Privatisation

in the Asia Pacific Region



Asia South Pacific Association  
for Basic and Adult Education  
Learning Beyond Boundaries



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ASIA SOUTH PACIFIC  
ASSOCIATION  
FOR BASIC AND ADULT  
EDUCATION  
**(ASPBAE)**

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**A Policy Review of Education Privatisation in the Asia Pacific Region**

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National Coalition for Education (NCE India)

National Campaign for Education (NCE-Nepal)

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“All for Education!” National Civil Society Coalition (AFE Mongolia)

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The Asia South Pacific Association for Basic and Adult Education (ASPBAE) is a regional association of more than 200 organisations and individuals working towards promoting quality education for all and transformative and liberating, life-long adult education and learning. It strives to forge and sustain an Asia-Pacific movement dedicated to mobilising and supporting community and people's organisations, national education coalitions, teachers' associations, campaign networks, and other civil society groups and institutions in holding governments and the international donor community accountable in meeting education targets and commitments. Through its work, ASPBAE lobbies with governments to ensure the right of all to education, to uphold education as an empowering tool to combating poverty and all forms of exclusion and discrimination, to enable active and meaningful participation in governance, and to build a culture of peace and international understanding. ASPBAE is a network of organizations and individuals involved in formal and non-formal adult education, working with and through NGOs, community organizations, government agencies, universities, trade unions, indigenous people, women's organizations, the media, and other institutions of civil society across the Asia Pacific. ASPBAE publications form an integral part of ASPBAE's information, education, and advocacy activities and efforts, and seek to support sharing and learning among education stakeholders, advocates, practitioners, analysts, and policymakers. The reader is therefore encouraged to write to ASPBAE if they wish to use the material contained herein for reproduction, adaptation, and translation and to provide feedback that could help in further improving these publications.

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## ■ Table of Contents

Acknowledgements  
Acronyms  
Introduction

### Part I

#### **Education Privatisation in the Asia Pacific Region: Trends and Policy Review**

Private School Enrolment Trend in Asia Pacific  
Policy Scan: Public Private Partnership (PPP) in Education  
    India  
    Nepal  
    Pakistan  
    Indonesia  
    Philippines  
Resource Gap in Education  
Financial Institutions: The Privatisation Push  
ADB Engagements in Select Asian Countries  
    Pakistan  
    Bangladesh  
    Mongolia  
    Indonesia  
    Philippines

### Part II

#### **Country Case Studies**

India Country Case Study: A Study on Low Fee Private Schools  
Nepal Country Case Study: Impact of Government Financing to Private Schools  
Pakistan Country Case Study: Public- Private Participation and Public Education in Pakistan  
Indonesia Country Case Study: School Operational Assistance (Bantuan Operasional Sekolah-BOS) Contribution towards Poor Students at Private Schools in East Jakarta  
Philippines Country Case Study: A Study on the Senior High School (SHS) Voucher Scheme: Will it promote Equitable Access to Education?  
  
Concluding Statement  
Bibliography

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**The ASPBAE Policy Team**

December 2016

## ■ Acronyms

<b>ACDP</b>	Analytical and Capacity Development Partnership	<b>FGD</b>	Focus Group Discussion
<b>ADB</b>	Asian Development Bank	<b>FSSP</b>	Female Secondary School Stipend Project (Bangladesh)
<b>ALS</b>	Alternative Learning System (Philippines)	<b>GASTPE</b>	Government Assistance to Students and Teachers in Private Education (Philippines)
<b>ASPBAE</b>	Asia South Pacific Association for Basic and Adult Education	<b>IFC</b>	International Finance Corporation
<b>BAPPENAS</b>	Badan Perencanaan Pembangunan Nasional/ National Development Planning Agency (Indonesia)	<b>IPDF</b>	Infrastructure Project Development Facility (Pakistan)
<b>BID</b>	Bureau of Infrastructure Development (Pakistan)	<b>IRR</b>	Implementing Rules and Regulations (Philippines)
<b>BOT</b>	Build-Operate-Transfer (Philippines)	<b>LFPs</b>	Low fee private schools (India)
<b>BOOT</b>	Build, Own, Operate and Transfer Act of 2006 (Nepal)	<b>MoE</b>	Ministry of Education (Nepal)
<b>BOS</b>	Bantuan Operasional Sekolah/ School Operational Assistance (Indonesia)	<b>NEDA</b>	National Economic and Development Authority (Philippines)
<b>BOSDA</b>	Bantuan Operasional Sekolah Daerah/ Local School Operational Assistance (Indonesia)	<b>PEF</b>	Punjab Education Foundation (Pakistan)
<b>CAMPE</b>	Campaign for Popular Education (Bangladesh)	<b>PERI</b>	Privatisation in Education Research Initiative (Philippines)
<b>DEA</b>	Department of Economic Affairs (India)	<b>PPP</b>	Public- Private Partnership
<b>DMCs</b>	Developing Member Countries	<b>PPPAC</b>	Public- Private Partnership Appraisal Committee (India)
<b>ECCD</b>	Early Childhood Care and Development (Philippines)	<b>PRODED</b>	Program for Decentralized Educational Development
<b>EGASTPE</b>	Expanded Government Assistance to Students and Teachers in Private Education (Philippines)	<b>PSIP</b>	PPP for School Infrastructure Project (Philippines)
<b>EISDP</b>	Education Improvement Sector Development Program (Philippines)	<b>RBL</b>	Results-Based Loan (Philippines)
<b>E-NET</b>	Civil Society Network for Education Reforms or Education Network Philippines	<b>RTE</b>	Right to Education Act (India)
<b>ESC</b>	Education Service Contracting (Philippines)	<b>SABER</b>	Systems Approach for Better Education Results
<b>ESDP</b>	Education Sector Development Project (Mongolia)	<b>SEDP</b>	Secondary Education Development Project (Bangladesh)
<b>ESRP</b>	Education Sector Reform Project (Mongolia)	<b>SEF</b>	Sindh Education Foundation (Pakistan)
<b>FAPE</b>	Fund for Assistance to Private Education	<b>SESIP</b>	Secondary Education Sector Improvement Project (Bangladesh)
<b>FAS</b>	Foundation-Assisted Schools (Pakistan)	<b>SHS</b>	Senior High School (Philippines)
		<b>SIEF</b>	Strategic Impact Evaluation Fund
		<b>SMC</b>	School Management Committee (Bangladesh)
		<b>TEDP</b>	Third Education Development Project (Mongolia)
		<b>TET</b>	Teachers' Eligibility Test
		<b>TVET</b>	Technical and Vocational Education and Training
		<b>WB</b>	World Bank



## ■ Introduction

Education has made remarkable progress since the Dakar World Education Forum in April 2000. Yet, despite the progress, an estimated 58 million children were still out of school in 2014. Millions more fail to learn adequately in school. At least 250 million children were not able to read, write, or count well enough. In fact, there were still 781 million illiterate adults, nearly two-thirds of whom were women. Unfortunately, the stark reality is that the world failed to achieve the goals of Education for All (EFA) by 2015. Only a third of the countries achieved all the EFA goals while only half of the countries achieved universal primary education.

Most alarming is that inequality in education has further widened. Children from the poorest household quintile are four times more likely to be out of school and five times more likely not to complete primary education than children from the richest quintile. Equity remains a serious concern given the persisting disparity in education performance and outcomes across income classes, ethnicity and geographical regions, with the poorest and most vulnerable groups left out in the march toward education for all. The resources invested in education and the political will to move forward fell short of the ambition articulated in the Millennium Development Goals (MDG) and the EFA.

Financing is a critical concern in education. Countries are not investing enough in education and donors reneged on the financing commitment made in Dakar, Senegal in 2000. Privatisation of education is rising at an alarming pace, and promoted without sufficient evidence of benefits, and with indications to the contrary. All of these have massive impacts, especially on the poor and marginalized. They widen inequality and weaken the public education system.

Privatisation in education is a growing global phenomenon that threatens the right to education in many countries in the Asia-Pacific region. ASPBAE is deeply concerned about this privatisation and commercialisation trend that saw the broadening role of the private sector in policymaking, school management, financing, and delivery of education services. An increasing body of research is examining the impact of these developments on human rights and social justice. There is evidence to show that privatisation exacerbates inequality in education, widens gender disparity, and undermines the public education system.

The adoption of the *Sustainable Development Goals* (SDG) by the United Nations (UN) General Assembly in September 2015 provided renewed hope and optimism to end poverty, protect the planet, and ensure equity and prosperity for all. Education stakeholders welcomed the new education agenda contained in SDG 4 which commits to “Ensure equitable and inclusive quality education and promote lifelong learning for all by 2030”. SDG 4 is further elaborated with the adoption of the *Education 2030 Framework for Action* during the 38<sup>th</sup> UNESCO General Conference in November 2015.

The new education agenda adopts a clear rights-based, humanistic, and universal approach and articulates a more ambitious set of targets that includes a commitment to ensure 12 years of publicly funded, free, equitable, and quality primary and secondary education, 9 years of which will be compulsory. It offers a strong commitment to equity, inclusion and quality with a clear recognition that the fundamental responsibility for implementing the agenda lies with governments.

The new education agenda also calls for an increase in public funding for education which requires widening the tax base, preventing tax evasion, and increasing the share of the national budget allocated to education. Nonetheless, financing remains a key challenge in the SDG period. The ambitious goal and targets in education have not been matched by equally ambitious financing targets and strategies. The narratives on innovative financing and partnership may provide excuses for greater privatisation and commercialisation of education. It is for these reasons that civil society needs to remain vigilant and continue lobbying for explicit financing commitments to address the resource gap and to adopt financing strategies that promote equity and the right to education, and strengthen the public education system.

ASPBAE continues its advocacy to secure increased and better financing for the new education agenda, ensuring stronger public education systems and opposing the privatisation push in education. In this campaign, ASPBAE works with national education coalitions in the Asia-Pacific region and with partner organisations within and beyond the region. It is against this backdrop that ASPBAE pursues its research initiatives on privatisation and Public Private Partnership (PPP) in the education sector.

In 2013, ASPBAE, in cooperation with the Open Society Foundations (OSF) and with partner education coalitions in several countries across the region, embarked on a programme to build the capacities of civil society organisations (CSO) to undertake research, gather evidence, and build consensus among education stakeholders on privatisation issues and their impact on the right to education. Research and capacity building activities were undertaken at both regional and national levels, specifically in India, Nepal, Pakistan, Cambodia, Indonesia, Philippines, and Mongolia.

This book presents the main findings of the five country studies on education privatisation and PPP: low fee private schools in India; education voucher system in the Philippines and Indonesia; and PPP initiatives in Nepal and Pakistan. The book will also provide an overview of the privatisation trend in the Asia-Pacific region and a mapping of policies on education PPPs in the region as promoted by governments, multilateral development banks, and donors. The results of these studies were earlier presented in national forums, policy dialogues, and high-level meetings, and in regional conferences and international advocacy events. The discussions and feedback received during these events helped in finalizing the results of the regional policy scan and country case studies.

# Education Privatisation in the Asia Pacific Region Trends and Policy Review

### Private School Enrolment Trend in Asia Pacific

Private sector engagement in the education sector increased consistently in the last 25 years since the World Education Forum in Jomtien in 1990 when the first EFA was agreed upon by the global community. This period witnessed the broadening role of the private sector in policymaking, school management, financing, and delivery of education services. The privatisation of education in the Asia-Pacific region is manifested most clearly in the dramatic rise of enrolment in for-profit private schools, the expansion of and growing preference for Public-Private Partnerships (PPP) in education, the proliferation of low fee private schools in several countries across the region, particularly in South Asia, and the emergence of corporate chain schools in developing countries.

**Rapid Increase in Private School Enrolment.** Globally, private sector share of enrolment at the primary level increased steadily through the years from an average of 10.00% of total enrolment in 1999 to 13.40% by 2014 (UIS, 2015). The increase was significant, especially in the Arab Region, the Caribbean, East Asia and the Pacific. At the secondary level, private sector share in student enrolment rose from an average of 19.08% to 24.84% of total enrolment during the same period. The increase had been fairly rapid particularly in South Asia. Private school enrolment is highest at the pre-primary level, which accounted for about 42.03% of total enrolment in 2014.

Overall, the enrolment in private schools ranked highest in the regions of South and West Asia, Latin America and the Caribbean, and Sub-Saharan Africa. On the other hand, private school enrolments were the least in former socialist states in Central Asia, and Central and Eastern Europe.

Table 1.1 **Percentage of Enrolment in Education in Private Institutions**  
(Pre-primary, primary, secondary; 1999, 2014)

Regions	Pre-Primary (%)		Primary (%)		Secondary (%)	
	1999	2014	1999	2014	1999	2014
World	28.70	42.03	10.00	13.40	19.08	24.84
Arab States	69.45	46.86	5.60	9.00	6.67	8.26
Central and Eastern Europe	3.09	4.25	0.70	2.20	ND	3.59
Central Asia	1.44	4.90	0.20	1.20	1.39	3.30
East Asia and the Pacific	28.06	53.75	4.50	8.70	ND	17.10
Latin America and the Caribbean	23.32	26.74	14.00	19.30	18.00	19.63
North America and Western Europe	30.83	36.55	12.00	10.80	13.03	18.21
South and West Asia	46.40	54.22	18.40	ND	41.80	47.40
Sub-Saharan Africa	36.78	41.11	10.30	11.60	ND	20.72

Source: UIS Data Center

In the Asia-Pacific region, private school enrolment varied widely across countries and sub-regions by level of education, from pre-primary to secondary. Enrolment in private educational institutions registered significantly in countries such as Indonesia, Timor Leste, Brunei Darussalam, Philippines, Thailand, Macao SAR (PRC), Hong Kong SAR (PRC), Bangladesh, and Pakistan. For the developed countries such as the Republic of Korea, Australia, and New Zealand, private enrolment has been registered high in secondary and pre-primary education, respectively. According to the EFA Global Monitoring Report, about a third of 6 to 18 year olds attend private schools in South Asia (Dahal and Nguyen, 2014 as cited in UNESCO, 2015, p. 93).

Enrolment in primary education in private institutions had expanded rapidly in the last five years in Cambodia, Malaysia, Lao PDR, Indonesia, Philippines, Sri Lanka, and Pakistan. In comparison, enrolment in public schools registered low or even negative growth rates during the same period.

Table 1.2 **Growth in Primary Education Enrolment in Public and Private Schools**  
*Three- to Five-Year Period*

Country	Period	PUBLIC	PRIVATE
Cambodia	(2008-2012)	-7%	77%
Malaysia	(2007-2011)	-6%	39%
Lao PDR	(2008-2012)	-3%	35%
Indonesia	(2008-2012)	3%	12%
Philippines	(2005-2009)	4%	12%
Sri Lanka	(2010-2012)	4%	12%
Pakistan	(2009-2012)	-6%	7%

Source: UNESCO Institute for Statistics, <http://data.uis.unesco.org/>

Data available for a 10-year period starting 2000 also shows that, apart from the countries listed above, Mongolia, Nepal, Singapore, Vietnam, and Thailand registered phenomenal growth in private school enrolment (UNESCO Institute for Statistics).

**Private School Enrolment Trend in Specific Countries.** In **India**, low fee private schools (LFPSS) mushroomed across the country in the last two decades, accounting for the significant share of school enrolment. These schools are usually small, privately owned and managed, operating for profit, and charging the lowest possible fees to attract a huge market. They have become the new option for acquiring education for many of the poor in India.

While UNESCO has only limited data available for India, it is clear that the private sector dominates the pre-primary level with a share of almost 80% in 2013. Private sector share at the secondary level in 2013 is also significant with about half of total enrolment.

Table 1.3 **Private School Enrolment in India**

Level of Education	1999	2012	2013	2014	2015
Pre-Primary	..	..	79.34	76.53	..
Primary	..	..	..	34.96	..
Secondary	..	..	47.99	..	..

Source: UNESCO Institute for Statistics, <http://data.uis.unesco.org/>

This data is consistent with studies that assessed the extent of privatisation of education in India. Kingdon (2007), for example, notes that enrolment in private schools across urban and rural areas increased significantly in the past 20 years for all levels of basic education – primary, middle, and secondary. In more recent years, official enrolment statistics compiled by the DISE indicate that 36.9% of primary level students were enrolled in private schools from 2013 to 2014.

Table 1.4 **Enrolment in Government and Private Schools in India by Class Level**  
(School Years 2012-2013 and 2013-2014)

Classes	Government schools		Private Schools	
	2012-2013	2013-2014	2012-2013	2013-2014
I-V	86,491,505	83,121,238	44,481,644	45,665,198
VI-VII	38,567,724	38,839,642	25,265,429	25,566,596
Total	125,059,229 64.2%	121,960,880 35.8%	69,747,073 63.1%	71,231,794 36.9%

With the increased share of private schools in total enrolment, the share of government schools has been dropping – from 78.2 % in 2009-10 to 75.5% in 2013 to 2014. The 2012 Annual Status of Education Report, an independent education monitoring publication, shows that the percentage of 6 to 14 year olds enrolled in private schools rose from 18.7% in 2006 to 28.3% in 2012. If this trend continues, half of children in the rural areas of India will be enrolled in private schools by 2018 (ASER, 2013, p. 47).

**Pakistan** has one of the most privatised educational systems in the Asia-Pacific region. UNESCO statistics reports that the average private pre-primary school enrolment in 2014 was about 34.16%. The primary level enrolment in the private sector steadily increased from 33.68% in 2012 to 37.30% by 2014. Furthermore, the average private school enrolment at the secondary level rose from 31.12% in 2012 to 34.72% two years later.

Table 1.5 Private School Enrolment in Pakistan

Level of Education	1999	2012	2013	2014	2015
Pre-Primary	..	..	..	34.16	37.46
Primary	..	33.68	34.69	37.30	38.19
Secondary	..	31.12	31.07	34.72	35.83

Source: UNESCO Institute for Statistics, <http://data.uis.unesco.org/>

Official government statistics notes that the number of private educational institutions in Pakistan has more than doubled to 87,659 since the Dakar World Education Conference in 2000. These account for 31% of all educational institutions in 2015, compared to just 19% fifteen years earlier. In school year 2014-15, there were 44,435,753 students and learners enrolled in various categories of educational institutions with the public sector accommodating 63% of all enrollees, while the private sector took in 37% (National Education Management Information System, Academy of Education Planning and Management, Ministry of Federal Education and Professional Training, & Government of Pakistan, 2016, p. 13).

In **Nepal**, private school enrolment continued to increase in recent years. UNESCO has enrolment statistics only for pre-primary and primary levels. The private school enrolment in the pre-primary level in Nepal from years 2012 to 2014 registered significant increases, from 16.87% to 25.76%. At the primary level, private school enrolment showed only slight increases – from 14.03% in 2012 to 15.4% in 2014.

Table 1.6 Private School Enrolment in Nepal

Level of Education	1999	2012	2013	2014	2015
Pre-Primary	..	16.87	24.04	25.76	35.40
Primary	..	14.03	15.10	15.40	15.45
Secondary	..	..	..	..	..

Source: UNESCO Institute for Statistics, <http://data.uis.unesco.org/>

The UNESCO statistics is basically the same as the official government data, which shows the total enrolment in government primary schools at 84.1%, with private schools accounting for the rest or about 15.9% of total enrolment. These statistics, however, are considered underestimated because of the large number of unregistered private schools which are not accounted for in the official government statistics. For instance, the data from the 2010/2011 Living Standard Survey (LSS) show that 27% of Nepali children attend private schools. The same survey also remarks that the overall statistics presented by the government masks high disparities between urban areas, where 56% in average, and up to 80% of children are enrolled in private schools and rural areas, where 20% of children attend private educational institutions (Central

Bureau of Statistics, National Planning Commission Secretariat, & Government of Nepal, 2011).

In the **Philippines**, the share of the private sector in school enrolment shows a slight decline in recent years, but remains to be significant. According to the UNESCO statistics, private school enrolment is highest at the pre-primary level, which accounted for about 47.14% in 1999 of total enrolment for the year. In the same year, the primary level had about 7.52%, which increased to 8.32% in the year 2013. Available data culled by UNESCO indicate a decreasing share of private school enrolment at the secondary level – from 26.34% in 1999 to 19.36% in 2013.

Table 1.7 **Private School Enrolment in Philippines**

Level of Education	1999	2012	2013	2014	2015
Pre-Primary	47.15	..	..	..	..
Primary	7.52	..	8.32	..	..
Secondary	26.34	..	19.36	..	..

Source: UNESCO Institute for Statistics, <http://data.uis.unesco.org/>

Official government statistics validates the UNESCO data. The data from UNESCO Institute of Statistics mainly shows the same trends– that the private school enrolment at the elementary level is fairly constant over the years since 1999, but dropped at the secondary level (See Table 1.7). Private school enrolment is expected to increase due to the introduction of the voucher programme, which provides subsidies to students opting to enrol in private schools to complete senior high school education.

Table 1.8 **Enrolment Share in Philippine schools by level of education**  
(School Years 1999-2000, 2009-2010, and 2012-2013)

School Year	Pre-School (Pre-Primary)		Elementary (Primary)		Secondary	
	Public	Private	Public	Private	Public	Private
1999-2000	51.47%	48.52%	92.75%	7.25%	75.53%	24.47%
2009-2010	71.39%	28.61%	91.85%	8.15%	80.16%	19.84%
2012-2013	80.10%	19.9%	91.6%	8.4%	80.02%	19.98%

Source: Philippine Statistics Authority, [http://www.nscb.gov.ph/secstat/d\\_educ.asp](http://www.nscb.gov.ph/secstat/d_educ.asp)

## Government PPP Policy Scan

**Growth of PPPs in Education.** The increased enrolment in private schools is partly triggered by the emergence and subsequent expansion of PPP in education. The more popular forms of education PPPs implemented in the Asia-Pacific region are the voucher programmes, education contracting, and school infrastructure initiatives.

The *voucher programmes* are a form of financing mechanism in which government funding follows the demand (parents/students) usually in the form of certificates that can be used to enrol a child in a school of choice, often a private school.

*Education Service Contracting* is a scheme involving public subsidies for each student enrolled in eligible private schools. An authorised non-state body chooses participating schools based on certain certification criteria and negotiates an implementation contract with the private provider.

School infrastructure initiatives are long-term contracts with the private sector for designing, financing, constructing, and operating public school infrastructure, usually under a build-operate-transfer arrangement.

The expansion of PPPs in education was, in part, an attempt to achieve a fine balance between the state and the market in delivering essential services within the context of a shifting global economic order. Such partnership was further seen as a corrective measure to having too much state intervention on one hand, and giving the market free rein, on the other hand, which exposed the essential services sectors to market failures.

Several governments in Asia Pacific have actively encouraged private sector involvement in education as a policy option to address the financing gap in education. They believe that it is important to strengthen partnership with the private sector to improve the delivery of education services. They encourage the private sector to participate in the different levels of education, including early childhood education, primary, vocational, non-formal education, and literacy programmes. A key strategy adopted by several governments in the region is creating partnership with the private sector to improve higher education.

## India

India has been cited as a world leader in Public Private Partnership (PPP). Partnership projects have grown considerably over the past 30 years. These were implemented specifically in the infrastructure sector, given the country's accommodating partnership framework and public sector capacity at central and state levels. The Government of India, through its Ministry of Human Resource Development, has issued a concept note for the launching of the "Public Private Partnership" in the year 2012. The government perceives PPPs as having a "substantive role" in harnessing private sector investment and operational efficiencies in the provision of public assets and services. Furthermore, they have declared a paradigm shift from *provider* to *enabler*. Thus, PPPs are allowed to further expand across sectors, beyond energy and transportation infrastructure. The Department of Economic Affairs (DEA) acknowledges the need to strengthen the national-level regulatory framework and streamline PPP procedures, so a draft national PPP policy undergoing extensive consultation process is produced. Several states have adopted their respective PPP policies, as reported by The Economist Intelligence Unit (2015).

The Draft PPP Rules (2012) issued for discussion by the Ministry of Finance defined PPP as:

An arrangement between a government/statutory entity/government owned entity on one side and a private sector entity on the other, for the provision of public assets and/or public services, through investments being made and/or management being undertaken by the private sector entity, for a specified period of time, where there is well defined allocation of risk between the private sector and the public entity and the private entity receives performance linked payments that conform (or are benchmarked) to specified and pre-determined performance standards, measurable by the public entity or its representative.(p. 5)



The Draft National PPP Policy sets out the broad principles and framework for pursuing a project on PPP basis. The Policy not only aims to assist the central and state government agencies, but also private investors seeking PPP opportunities in undertaking PPP projects through streamlined processes and principles. In addition, it aims to ensure that a value-for-money rationale is adopted with optimal risk allocation in project structuring. The policy calls for appropriate governance structures to facilitate competitiveness, fairness, and transparency in procurement. The Cabinet Committee on Economic Affairs has already created the PPP Appraisal Committee (PPPAC), chaired by the Secretary of the Department of Economic Affairs to facilitate the identification, review, and monitoring of the PPP projects. A toolkit and a database have likewise been developed to guide relevant agencies and interested private entities in pursuing PPP projects (Department of Economic Affairs, 2011).

In the Twelfth Five Year Plan (2012-2017) released in 2013 by the Planning Commission, the increased role of the private sector has been strongly articulated. In Volume III, Social Sectors, a substantive portion is dedicated to articulating strategies to be implemented in the education sector, with private players taking a big part in the over-all strategy and in all levels of education - elementary, secondary, higher education, vocational, adult, life-long learning, and teachers development.

In the formulation of the Twelfth Five Year Plan (2012-17), India's Planning Commission set up a working group on Private Sector Participation, including PPP in School Education under the Department of School Education and Literacy, and the Ministry of Human Resource Development. Among its important tasks are the examination of the various dimensions of public private partnership in school, vocational, and teacher education, the identification and framing of viable PPP models in education sector, and the formulation policies for PPP in the sector. The working group envisaged the active involvement of the private sector in education and proposed an overall "PPP framework for enhanced access to inclusive quality School Education" (Department of School Education and Literacy, 2011).

The Government of India is convinced that there is an urgent need to ease the bureaucratic controls through professional regulations, along with private-public partnership, to ensure more efficient response to infrastructure projects and essential services. This was supported by a World Bank Research study in five developing countries which found that students in private schools outperformed students in public schools on various achievements, at lower unit costs. Based on these findings, the government is encouraged to find solutions to the budget crises in the country by inviting private providers in three areas: (1) Infrastructural development, (2) Support services, and (3) Educational service.

The grant-in-aid schools have been a long-standing PPP model implemented on a mass scale in India's education. Aided schools are privately managed and operated educational institutions which receive substantial funding from the government. It has been noted, however, that the accountability of aided private school remains weak and students enrolled in these schools perform no better than those in government schools. Apart from aided private schools, there are other types of PPPs in education existing in India such as the following: the design, construction, and maintenance of school buildings and facilities; the management of public schools with the existing staff and facilities (private education management companies that run existing public schools); the provision of books, uniforms, school supplies and materials; non-

educational services such as catering, transport, cleaning, printing, administrative services, security, electricity, and other services; computer education, including ICT hardware and software support; and sports programme (Department of School Education and Literacy, 2011).

## Nepal

Public Private Partnership (PPP) is a fairly recent development in Nepal, with the concept of partnership with the private sector only introduced in 1997. As in most countries, PPP was first implemented in Nepal in the infrastructure sector under the build operated transfer scheme, specifically under the Ninth Five Year Plan (1997-2002). This encouraged private investment under a partnership agreement to support urban infrastructure development (Shrestha, n.d.).

In 2006, the Government of Nepal adopted the “Act on Private Financing in Building and Operation of Infrastructures” also known as the Build, Own, Operate and Transfer (BOOT) Act of 2006, which provides the legal policy framework for partnership with the private sector. The Act articulated the need to involve the private sector for “reliable, cost-effective, and easily available” services and facilities. It also created the Project Coordination Committee to facilitate the identification and implementation of priority projects.

Several PPP projects had been implemented at local level, but significant progress has yet to be achieved at the national level. It is for this reason that the government sees the need to enact a suitable law to replace the existing BOOT Act of 2006 to create a more encouraging policy environment for the private sector (Acharya, 2015). A policy document has been prepared by the government, which spells out a clearer framework and road map for the further development of PPP projects covering infrastructure and public services sectors, including health and education. The new policy framework proposes the establishment of the National PPP Policy Committee and an independent PPP Centre to hasten the implementation of projects under partnership arrangements (Srivastava and Shakya, 2012).

In education, the Nepali Government started a partnership with the private sector in 1985 when it enacted a law that allowed private investment in educational institutions. The role of private sectors was strongly articulated since the Eighth Five Year Plan (1992-96), which aimed at promoting private sectors, local communities, and NGOs for the development and expansion of education. The Ninth Five Year Plan (1997-2001) encouraged further community and private sector participation in education, while the Tenth Five Year Plan (2002-2006) facilitated greater private sector involvement in education to make the sector more competitive and accessible. Additionally, the Three-Year Plan (2007-2009) expressed a clear policy on PPP, specifically in encouraging partnership with the private sector in secondary education and in cost sharing in technical and vocational education and higher education (Shrestha, n.d.).

The School Sector Reform Plan (2009-2015) was more explicit in seeking partnership with community, NGO, civil society organisations, and private sector in the implementation of the reform agenda in education. In basic and secondary education, the plan categorically mentioned a need for collaboration between the local community and private providers to ensure the provision of secondary schools in appropriate locations. The cost of secondary education will be shared among central

and local governments, local community, parents, and the private providers (Ministry of Education and Sports, 2008).

In 2011 to 2012, the government adopted the Institutional School Partnership and Support Guideline which was further amended in 2014-2015, with the objective of promoting quality education by improving school management, by clarifying the responsibilities of school authorities and stakeholders, and by implementing public private partnership programme in education. A Central Level Coordination Committee, under the chairmanship of the Secretary of the Ministry of Education (MoE), was set up to develop the partnership framework, formulate the implementing programme, and monitor the activities of PPP schools (Ministry of Education, 2009).

## Pakistan

Pakistan has some of the largest Public-Private Partnership (PPP) projects in education in the Asia-Pacific region. The country's government considers the PPP as an "anchor" for its education sector reform action plan. Successive governments have actively implemented various PPP projects based on policy measures. These measures aimed to strengthen the partnership with the private sector in the areas of infrastructure development, health services, and education provisioning.

The Pakistan Policy on Public Private Partnerships (2010) explicitly states that, "the Government of Pakistan is committed to establishing a clear financial, legal and administrative framework and also eliminating undesirable obstacles confronting private investments in infrastructure facilities and in order to facilitate public private partnerships" (p. 2). Moreover, the Parliament passed the PPP Act in year 2010, which is currently under revision to clearly include public services, such as health and education, within the coverage of the law. The Pakistani government has been quite consistent with its policy to encourage the participation of private sectors in education. In 1992, Education Foundations were established in provinces at the federal level to promote the involvement of the private sector in the provision of education, with the provision of various incentives.

The Pakistani government defines PPP as "the financing, development, operation, and maintenance of infrastructure by the private-sector which would otherwise have been provided by the public sector". Instead of the public sector procuring a capital asset and providing a public service, the private sector creates the asset through a dedicated stand-alone business (usually designed, financed, built, maintained, and operated by the private sector) and then delivers a service to the public sector entity/consumer in return for payment that is linked to performance" ("Pakistan Policy on Public Private Partnerships," 2010, pp. 2-3).

Efforts towards strengthening the legal framework started in 2006, with the establishment of the Infrastructure Project Development Facility (IPDF) tasked to develop a comprehensive policy on PPP and oversee its implementation. Adopted in 2007 and revised in 2010, the PPP policy, in combination with laws on concessions and other forms of investment, provides a sufficient regulatory framework for PPP projects. The IPDF is in the process of drafting a PPP bill to align the legal framework to international best practice. The bill will address key legal provisions and offer legal protection to all stakeholders in PPP contracts.

The Pakistan Vision 2025 (2015), a Medium Term Development Plan approved by the National Economic Council in May 2014, explains that the government will promote PPP through a comprehensive policy regime establishing, among others, a Bureau of Infrastructure Development (BID), the Pakistan Business and Economic Council, and improving capacity of existing institutions like the Board of Investment, Privatisation Commission, and Infrastructure Development Project Facility. The concept of “Public and Private Partnership Handshake” will be developed, in which government sector facilitates and private sector delivers with accountability in the areas of infrastructure, education, and health (“Pakistan 2025,” 2015, p. 72).

The education policy of Pakistan, National Education Policy (2009), identifies PPP as an important strategy in the development of the sector.

Governments (federal, provincial, area) shall explore ways to increase the contribution of the private sector, which at present contributes only 16% of the total educational resources; For promoting Public-Private-Partnership in the education sector, particularly in the case of disadvantaged children, a percentage of the education budget as grant in aid (to be decided by each Province) shall be allocated to philanthropic, non-profit educational institutions. p. 20

There are various models of PPP that have been experimented in Pakistan mainly under two semi-government organisations, namely the Punjab Education Foundation (PEF) and the Sindh Education Foundation (SEF). The PEF was established under the Punjab Education Foundation Act of 1991 and has been restructured under the Punjab Education Foundation Act-XII of 2004 for the promotion of education, especially encouraging and supporting the efforts of the private sector in providing education to the poor, through public private partnership (“Punjab Education Foundation,” n.d.). The SEF was established in 1992 as a semi-autonomous organisation. The formation of Public Private Partnerships is SEF’s core mandate and has become an instrumental concept and approach throughout the organisation’s programs (“Sindh Education Foundation,” n.d.).

At least five popular PPP models exist in Pakistan which differ in terms of financing, management, and operation of schools. These are the 1) Adopt a School where a philanthropic organisation or an individual adopts a government school and supports improvement in its infrastructure and the quality of education; 2) Vouchers handed over to students utilised as fees to enrol in private school; 3) Foundation Assisted schools which are low fee private schools that are assisted by the foundation on a per child subsidy basis; 4) Supporting low fee private schools newly opened by entrepreneurs through the support of foundation; and 5) Supporting intermediary organisations including civil society organisations registered as a Company that support intermediary organisations to provide education to disadvantaged children to study in low fee private schools.

The PEF has a total of 3,312 schools and 1,459,085 students covered under its Foundation Assisted School programme; 1,371 schools and 301,356 students assisted under the Education Voucher Scheme; and 1,366 schools and 133,249 students benefited from the New School Program (“Punjab Education Foundation,” n.d.). The SEF programmes have expanded to reach over 350,000 beneficiaries through

a network of more than 2,000 schools and educational centers in the underserved areas of the province (“Sindh Education Foundation,” n.d.).

## Indonesia

Indonesia’s legal and regulatory framework for PPP has continued to evolve towards a comprehensive framework since the enactment of a concession regulation in 2005. The “Presidential Regulation Concerning Government Cooperation with Business Entities in the Supply of Infrastructure” is the first concrete step by the Indonesian government to establish a regulatory framework for PPPs. To strengthen the framework, successive Presidential regulations (PR) were made as amendments to the Concession Law in 2010, 2011, and 2013.

In 2010, the National Development Planning Agency (BAPPENAS) updated the Ministerial Regulation on PPP Operational Guidelines with Ministerial Regulation 3/2012 to reflect the evolution of the legal framework and to improve the PPP preparation process. The new regulation synchronises the processes in the PPP project cycle, with the requirements of environmental assessment, land acquisition, resettlement plan, government support, and government guarantee. Furthermore, the Government has issued BAPPENAS Ministerial Regulation 6/2012 to establish the procedures for registering project proposals (National Development Planning Agency, 2013).

The 2010–2014 National Medium Term Development Plan (RPJM 2010–2014) has reiterated the government’s determination to use the PPP approach as one of the keys to financing the country’s economic development to accelerate the provision of infrastructure.

The Presidential Regulation No. 38 of 2015 on Cooperation between the Government and Enterprises in Infrastructure Procurement marks the most recent major change to the PPP framework. Issued in March 2015, it widens the scope for PPPs to include new types of projects (e.g. public housing, hospitals, and schools), increases the possibilities for developers to make unsolicited proposals, and expands the options for procuring a project by direct appointment rather than competitive tender (Global Business Guide, 2015).

In education, there are specific policies encouraging non-state provision of education services existing, other than the legal framework governing infrastructure projects. The Indonesian Ministry of National Education encourages non-state providers – including for-profit, non-profit, and community-based organisations – to expand the provision of early childhood education. The school operational grant programme (Bantuan Operasional Sekolah, or BOS) and the local school grants (Bantuan Operasional Sekolah Daerah, or BOSDA) are examples of PPP in education.

The BOS programme, Indonesia’s most significant policy reform in education finance, was introduced in 2005 as a measure to relieve the parents of the financial burden of sending their children to school, in compliance with the government’s free basic education policy. The BOS programme transfers block grants to public and private schools with the objective of providing free basic quality education from grades one to grade nine to underprivileged students. It helps reduce the financial burden of education on the parents, especially those who belong in poor households, as well

as schools particularly those in the poor and more remote areas where resources for education are lacking. A report by World Bank (2015) states that the school grant covered approximately 43 million primary and junior secondary school students.

The BOSDA programme, also known as local school grants, supplements the subsidy provided by the national government under the BOS scheme. It fills the gap between the BOS grant and the actual school operating costs. The BOSDA programme is an effort to address inequality in school financing and achieve universal basic education in Indonesia (World Bank, 2012).

## Philippines

The Philippine government has implemented Public-Private Partnership (PPP) projects in infrastructure development since the early 1980s. They see PPP as a “cornerstone” strategy of the national development plan to accelerate the development of infrastructure and essential services. The Philippine government broadly defines PPP as “a contractual agreement between the Government and a private firm targeted towards financing, designing, implementing and operating infrastructure facilities and services that were traditionally provided by the public sector” (Public-Private Partnership Center, 2010).

PPP offers both monetary and non-monetary advantages for the public sector. It also addresses the limited funds for local infrastructure or development projects of the public sector, thus allowing the allocation of public funds for other priorities or needs. PPP is geared towards the improvement of the efficiency and project implementation processes in delivering services to the public. Not to mention that it also emphasizes value for money by focusing on reduced costs, better risk allocation, faster implementation, improved services, and possible generation of additional revenue.

The government asserts that the implementation of the PPP is a necessary and urgent measure to accelerate the infrastructure development of the country and sustain economic growth (Executive Order No. 8, 2010). Furthermore, it acknowledges the important role of the private sector as a partner in attaining the Philippines' national development objectives of inclusive growth and poverty reduction.

The country's Build-Operate-Transfer (BOT) law, one of the oldest in the Asia-Pacific region, was passed in 1990 as Republic Act (RA) 6957 “An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector, and For Other Purposes” and amended in 1994 through RA 7718. The law provided the legal framework for public-private partnership arrangements, which expanded its coverage starting 1994 to include non-traditional areas, such as information technology, housing, tourism, health, and education (“Sec. 2 (a) Definition of Terms,” n.d.).

RA 7718 specifically states:

*“It is the declared policy of the State to recognize the indispensable role of the private sector as the main engine for national growth and development and provide the most appropriate incentives to mobilize private resources for the purpose of financing the construction, operation and maintenance of infrastructure and development projects normally financed*

*and undertaken by the Government. Such incentives, aside from financial incentives provided by law, shall include providing a climate of minimum government regulations and procedures and specific government undertakings in support of the private sector” (“Sec. 1. Declaration of Policy,” n.d.).*

In the 2014 Infrascope Report by The Economist Intelligence Unit and the Asian Development Bank (2015), the Philippines recorded the most-improved regulatory and institutional frameworks and has moved up to join the developed group of countries category. According to the report (2015),

The Philippines is the most improved country in overall rankings and the regulatory framework category as a result of significant regulatory reform in recent years, new biddings and selection procedures, better dispute resolution mechanisms and a wider role for the national PPP Unit. Institutional roles have been further streamlined under the new PPP regime. (p. 17)

Recent efforts have further strengthened the PPP programme with the issuance of Presidential directives, specifically Executive Orders (EOs) 8 of 2010 and 136 of 2013, which reorganised and renamed the BOT Center to PPP Center. The PPP Center, attached to the National Economic and Development Authority (NEDA), is the main facilitating and monitoring agency for PPPs. New Implementing Rules and Regulations (IRR) for RA 7718 was issued in 2012 and legislative updates were under discussion during the final year of the 16<sup>th</sup> Congress.

In education, laws and programmes such as the Government Assistance to Students and Teachers in Private Education (GASTPE) law, Early Childhood Care and Development (ECCD) law, Governance of Basic Education Act, Alternative Learning System (ALS) Program, Adopt-a-School Program, and *Brigada Eskwela* Program all include provisions for government partnerships with the business sector, non-government organisations, private enterprises, privately run education institutions, church-based organisations, and community-based organisations in the financing and delivery of education.

Passed under Republic Act 6728 of 1989, the Education Service Contracting (ESC) under GASTPE is considered as one of the world’s largest and longest running PPP programmes in education. The programme was further expanded with the amendment adopted in 1998 as the Expanded GASTPE (EGASTPE) under Republic Act 8545. The ESC is a scheme involving public subsidies for each student enrolled in eligible private schools. Data from the Fund for Assistance to Private Education (FAPE), the private agency administering the programme, revealed that a significant number of students enrolled in eligible private schools are covered by the ESC programme, with the percent coverage also increasing over time – from 58.5% of total enrolment in 2011 to 72.1% in 2013.

In the Philippine Development Plan 2011-2016, engaging the private sector at the basic education level is clearly defined as a strategy. They further explain that,



In education, partnerships with the private sector, particularly with industry chambers, employers' associations, technical panels and other relevant bodies shall be strengthened. Such partnerships shall work on developing standards and curricula, monitoring indicators and providing relevant hands-on education and training that will help close gaps in access and quality across regions. The PPP and the national-local government collaboration shall be encouraged in addressing critical and basic education inputs. These include delivery of basic education services through instructional and other management services by qualified private providers in order to improve access, efficiency and student achievement and to promote educational fiscal reforms. (p. 262)

The Aquino administration has further expanded the GASTPE since 2010, by targeting one million private high school students every year through the ESC scheme, increasing government funding of GASTPE, and introducing the Senior High School (SHS) Voucher programme starting School Year 2016-2017. The SHS Voucher programme will develop the PPP initiative to give subsidies to incoming senior high school students eligible for enrolment in private schools. The Department of Education (DepEd) is targeting around 400,000 students or approximately 40% of the public Grade 10 completers to shift to non-DepEd schools every school year starting in 2016 to 2019.

A PPP for School Infrastructure Project (PSIP) is also ongoing. The PSIP under the "Availability PPP" scheme is a form of PPP wherein the public authority contracts a private sector entity to provide a public good, service or product at a constant capacity to the implementing agency for a given fee (capacity fee) and a separate charge for usage of the public good, product or service (usage fee). Fees or tariffs are regulated by the contract to provide for recovery of debt service, fixed costs of operation, and a return on equity ("Public Private Partnership Center," n.d.).

The DepEd and its private partners have completed Phase I of the PSIP. This phase was awarded in 2012 and delivered in December 2015. Phase I involved the design, financing, and construction of about 9,296 one-storey and two-storey classrooms in various sites in Region I, III, and IV-A. This is the first PPP project of DepEd. PSIP Phase II was started immediately after which involves the design, financing, and construction of 4,370 classrooms in one- to four-storey buildings, including furniture, fixtures, and toilets in 1,895 public schools in 6 regions (Regions I, II, III, X, CAR, and CARAGA). PSIP Phase III includes other projects in the pipeline currently at the earlier stages of project conceptualisation and development. Implementing agencies are currently assessing the project's level of priority, and whether it is to be undertaken using the PPP scheme ("Public Private Partnership Center," n.d.).

## **The Resource Gap in Education**

The privatisation trend, as manifested in rising private school shares in student enrolment and expansion of PPP initiatives in education, is accounted for partly by the consistent shortfalls in public expenditure for education in most countries in the region. This severe lack of resources left the Asia-Pacific region ill-prepared in dealing with rising school enrolment and worsening congestion in the public school system, not to mention the deteriorating quality of public education.



Global public expenditure on education increased from 4.5% in 1999 to 5.0% in 2012 as a share of national income. However, the education's share of total government spending decreased from 13.8% to 13.7% during the same period (UNESCO, 2015). Faster economic growth rates by most developing countries, along with an increased domestic resource mobilisation and higher levels of development aid, helped boost real spending on education in the last decade since 2000. Yet this level of expenditure still falls short of the UNESCO recommended education spending benchmark of 6% of GNP and 20% of total government expenditure. Many poor countries face major shortfalls in resources needed to cover the financing gap and meet the Education for All targets.

Education spending levels vary across regions and countries. The Asian sub-regions that spent the least on education in 2012 were Central Asia and East Asia, with the total spending of 3.4% and 3.0% of their GNP, respectively. South and West Asia showed higher spending level at 3.9% of GNP. Unfortunately, these figures reflect the weak commitment of governments in allocating at least 6% of its GNP to education. In terms of public spending on education as a percentage of its national budget, the same trend for the Asia-Pacific Region is observed with only 13.0% allocated for education in Central Asia, 12.6% in South and West Asia, and 17.5% in East Asia and the Pacific – three to seven points lower than the international benchmark of 20%.

State policies on deregulation and liberalisation of the education sector facilitated the rapid expansion of private sector activity in education, leading to the largely unregulated commercialisation of education in many countries across the region. These policies tend to weaken the public education system and threaten the fulfilment of the right to education. Such policies have been strongly influenced by external pressures, particularly from global financial institutions, to liberalise the entire economy, including public services in developing and transitional countries. Financial institutions active in the region have been instrumental in pushing for the expanded role of the private sector in education. These institutions have actively promoted the greater involvement of the private sector in the financing, provisioning, and management of education without sufficient evidence of benefits, and with indications to the contrary. By aggressively initiating and funding numerous PPP programmes in the education sector in different countries in Asia-Pacific, these financial institutions are, in a way, contributing to the programmes' negative impact and effects to the disadvantaged and the poor.

## **The Role of Financial Institutions**

The World Bank (WB), the International Finance Corporation (IFC) of the WB group, and the Asian Development Bank (ADB) have been the strongest proponents of privatisation of education in Asia-Pacific. They contend that private schools can be more efficient and flexible and can deliver better learning outcomes. They further assert that increased competition among public and private education institutions provides incentives to improve quality. These financial institutions had been instrumental in promoting 'greater private sector participation in education' through loan provisions, technical assistance, support to policy reforms, and through replication of what they see as 'successful' privatisation and PPP initiatives in developing countries.

**The WB Group.** While the World Bank, in recent years, has become more guarded in its policy statements on the issue of education privatisation, it has remained one of the most influential institutions supporting the privatisation drive in the Asia-Pacific region. In its latest strategy paper on Learning for All (ESS 2020), the Bank avoided its previous advocacy for private provision, and preferred to use terms such as non-state and partnership more than choice, competition, private provisioning, and public-private partnership. It simply noted the rapid growth of the private sector in education, as well as the need for governments to recognise their role in delivering education services. The World Bank has continued its active support for research and development initiatives that promote and strengthen private sector engagement in the education sector.

In the last five years, more robust research have been undertaken or commissioned by the Bank, in collaboration with private consulting firms and research institutions to come up with a range of knowledge products to promote greater private sector involvement in education. These studies have taken a bolder and more explicit position in support of privatisation and PPP in education, noting that the rigour and statistical soundness of the research methods employed resulted in more conclusive findings (Lewis and Patrinos, 2011). The current strategy paper (ESS2020) “supports the expansion of the knowledge base through data collection, impact evaluation, and the development of a system assessment and benchmarking tool for the private-education policy framework” (p. 42).

In line with this, the Bank launched the Systems Approach for Better Education Results (SABER) which serves as a comprehensive knowledge bank to support policy studies and reforms in the education sector. The project aims to “produce comparative data and knowledge on education policies and institutions, with the aim of helping countries systematically strengthen their education systems”. The quality of education policies against evidence-based global standards is evaluated by SABER, which uses new diagnostic tools and detailed policy data collected for the initiative.

In March 2012, the Bank also launched the Strategic Impact Evaluation Fund or SIEF, a multi-donor trust fund designed to support evaluations of development programmes including basic education delivery. The initiative aims to generate cross-country evidence designed to scale up key programmes towards improving education, health and nutrition specifically in low-income countries. The evaluations served to provide input to education sector plans and to put forward recommendations that are consistent with the policy agenda of the Bank.

Over the past decade, the Bank has released a series of knowledge products – published by the World Bank press and authored by staff – indicating that a good deal of Bank intellectual resources have been channelled into private sector engagement in education.

Of late, education specialists and researchers of the Bank have made stronger assertions on the impact of the private sector on education. They claimed that private education has an important and growing role in many countries and its expansion can bring many benefits to governments in achieving its education goals. It is also asserted that “the private sector can scale up and make a difference for 57 million children out of school and the 250 million who cannot read.” It encourages the public sector to establish a “regulatory environment that supports innovation, ensures accountability, empowers parents, and promotes diversity of supply” (Patrinos, 2014).

Along with its research and knowledge-building initiatives, the funding support of the World Bank to the education sector has increased over time, in terms of the number of projects supported, the amount of lending, and a share of total bank lending. Complementing this are the investments of the IFC in education projects with the private sector. These investments amounted to about US\$500 million in 46 education projects since 2001. Among the largest recipients of the Bank's financial support are the education foundations in Pakistan, specifically the Punjab Education Foundation (PEF) and the Sindh Education Foundation (SEF). Both foundations manage several PPP projects that have been generously supported by the Bank.

The IFC has likewise been active in sharing knowledge on education policies, financing, and investment opportunities. In April 2014, it convened the 6th Private International Education Conference with the theme “*Rethinking Education, Shaping the Future*”. Themes, such as Access and Affordability, Quality, Employability and 21st Century Skills, Globalization, The Role of Education Entrepreneurs, Big Data and Results Measurement, and Financing Education, were discussed during the conference that was attended by more than 360 education professionals, thought leaders, academics, entrepreneurs, innovators, and investors from almost 230 companies representing 55 countries worldwide.

**The Asian Development Bank.** The Asian Development Bank (ADB) commits to increase support to the education sector as reflected in its long-term strategic framework for 2008–2020 which cited Education as a core area of its operations and pledged support to all levels of education, from basic to post-secondary/tertiary (Asian Development Bank, 2010). In comparison to the World Bank, the ADB is more explicit in supporting the private sector engagement in education as articulated in its latest policy document. Strategy 2020 notes that “across all these areas, ADB will explore opportunities for new approaches and instruments involving public-private partnerships” (p. 20).

In 2010, ADB came out with the education sector operations plan which explains how ADB will assist its Developing Member Countries (DMCs) in the education sector. The plan identified the priorities of ADB, including the utilisation of “new and innovative models of service delivery and financing,” which refers to public-private partnerships in education. The plan further describes the ways in which ADB will assist DMCs and guide the PPPs and Private sector funding in education.

According to the Sector Operations Plan (2010), the ADB's strategies to assist DMCs in strengthening the private sector engagement are as follows:

- Help formulate policies that encourage alternative or non-traditional strategies for education service delivery
  - Help develop regulatory frameworks to guide PPPs and private funding in education
  - Design innovative PPPs and demonstration interventions that attract private investment
  - Incorporate PPPs into education sector plans, concretize procedures for setting up PPPs, identify the roles and responsibilities of PPP partners
  - Set monitorable performance targets for PPPs
  - Capacity development of partners to carry out roles and responsibilities
  - Explore new and innovative types of PPPs
- (pp. 14–15)

Table 1.9 Breakdown by Region of Total Education Projects, 2000- 2009 (USUS\$ millions)

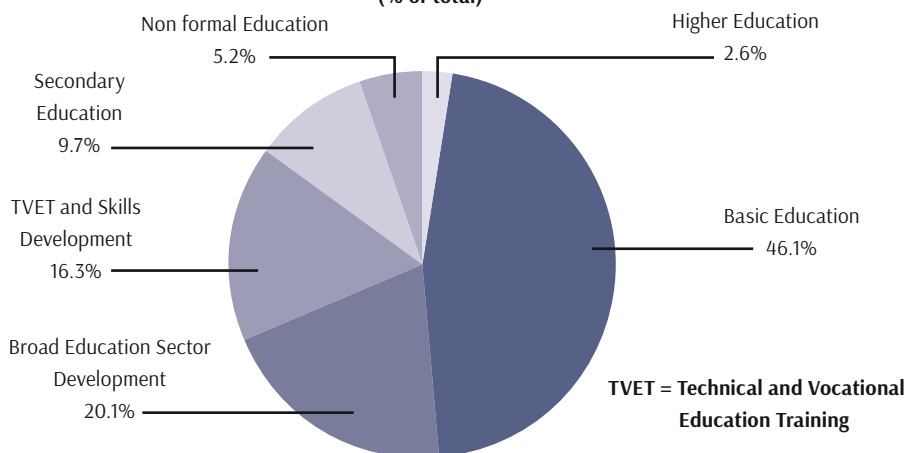
Year	Number of Projects	South Asia	Southeast Asia	Central and West Asia	East Asia	Pacific	Total
2000	8	50.00	224.87	57.00	-	13.83	345.70
2001	10	103.60	165.50	-	-	5.49	274.59
2002	12	54.00	61.20	187.50	14.00	1.84	318.54
2003	6	540.00	-	99.56	-	-	639.56
2004	14	141.90	100.00	85.48	-	1.97	329.35
2005	14	29.18	21.00	77.00	-	26.24	153.42
2006	10	147.00	133.56	-	13.00	-	293.56
2007	7	80.00	77.10	40.00	-	5.90	203.00
2008	6	66.50	80.00	-	10.00	-	156.50
2009	13	142.50	111.30	-	61.19	-	314.99
<b>Total</b>	<b>100</b>	<b>1,354.68</b>	<b>974.53</b>	<b>546.54</b>	<b>98.19</b>	<b>55.27</b>	<b>3,029.21</b>

- = none.

Source: ADB records. These figures include standalone education projects and education components in multisectoral programs.

ADB loans and grants to the education sector reached USUS\$3 billion for the period 2000 to 2009. In line with the ADB's strategy to mobilise more resources for education, it increased the funding to USUS\$1.5 billion for the years 2010 to 2012. Based on the list of education projects of ADB from 2000 to 2009, the top 3 recipients of ADB aid are Bangladesh (USUS\$389 M), followed by Indonesia (USUS\$180), and Mongolia (USUS\$110). From 2012 to 2014, ADB located USUS\$2.0 billion. For the ADB, these investments in education are crucial in building human capital and skilled labour towards competing in the global economy.

Figure 1.1 Allocation of Loan and Grant Assistance by Subsector, 2000-2009  
(% of total)



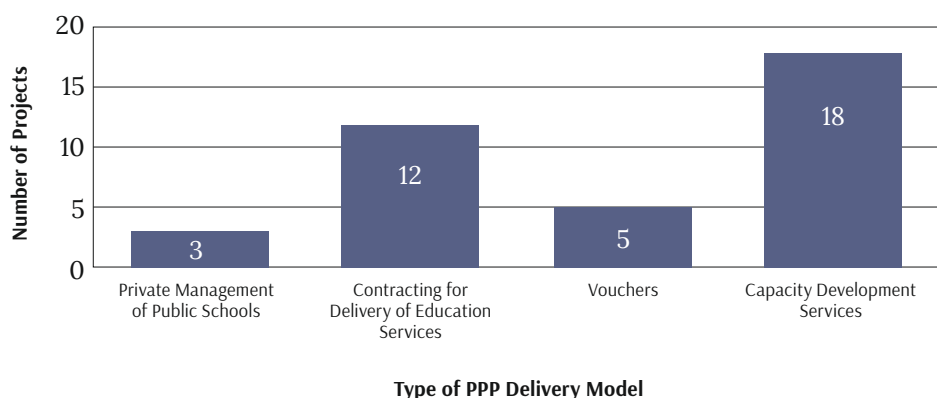
Source: Asian Development Bank. (2010.) Education by 2020: A Sector Operations Plan. Manila.

The ADB has long been involved with the private sector and the promotion of public-private partnerships in education. ADB's Education Sector Policy in 2003 already established its support to private sector education if it is deemed a more cost-effective alternative (source lending). To understand better how PPPs can be harnessed in education, ADB conducted a study of the PPPs it supported in the education sector for the fiscal years 2000 to 2009. The study covered 100 ADB approved loan and grant projects in the education sector amounting to US\$3,029.21million where 38 are projects with PPP components.

Over the past 15 years since 2000, PPP initiatives have widely spread across the region. ADB policy promoting PPPs in education indicates success, with the study covering 13 countries practicing one or more of the four PPPs identified by the study namely, private management of public schools, contracting for delivery of education services, vouchers and voucher-like initiatives, and capacity development services.

ADB has supported education projects with PPP components in Afghanistan, Bangladesh, Bhutan, Cambodia, Indonesia, Lao, Mongolia, Nepal, Pakistan, Philippines, Papua New Guinea, Sri Lanka, and Vietnam.

Figure 1.2 **Public-Private Partnerships in Education Projects, by Type of Activity, 2000-2009**



Source: ADB Database

Most of the PPP projects were concentrated in only two types of PPP contracts. Thus, the study noted the need to diversify. More importantly, a third of the PPP identified projects were implemented in only two countries, namely Bangladesh and Pakistan. The study concluded with six recommendations that support the need for diversity in PPP practice and for the pursuit of new and innovative models of PPP.

## ADB Engagements in Select Asian Countries

### Pakistan

The Asian Development Bank (ADB) remains to be one of Pakistan's largest development partners since the 1990s, having provided more than US\$25 billion in loans as well as more than US\$200 million in grants, as of Dec 31, 2014. This funding has included 316 loans to improve Pakistan's infrastructure and services and to support reforms to promote private sector development and participation through public-private partnerships (PPPs) ("Asian Development Bank;" "Pakistan and ADB"). In education, 31 projects have been supported with ADB funding focused on decentralisation and devolution programmes for a "more equitable, efficient, effective, and sustainable delivery of social services" and for strengthening skills and vocational training, upgrading of polytechnic institutions, and improving facilities to reorient education to meet market needs (Asian Development Bank, 2003).

From 2000 onwards, ADB-funded programmes intended to support decentralisation and devolution programmes in Punjab and Sindh provinces – areas in Pakistan where PPP projects were piloted and promoted with a view to widen the platform of social service provision and improving quality and efficiency. ADB sustained its assistance to Punjab and Sindh provinces to support the structuring of PPP projects towards promoting private sector investment through the Punjab and Sindh Educational Foundations. There were also other technical and vocational education projects supported by ADB in Balochistan and North-West Frontier Province. Several of ADB's funding for education projects in the province of Punjab had been coursed through the programmes carried out by the Punjab Education Foundation (PEF).

The Punjab Education Foundation (PEF/ Foundation) is an autonomous statutory body established under the Punjab Education Foundation Act of 1991 to encourage and promote gratis education in the poor strata through private sector operating on non-commercial / non-profit basis. PEF has been restructured for the promotion of education. It specifically encourages and supports the efforts of the private sector in providing education to the poor, through Public Private Partnership ("Punjab Education Foundation," 2012).

The PEF operates a number of PPP programmes, the largest of which is the Foundation-Assisted Schools (FAS) programme which gets the lion's share (90%) of the PEF development budget of around 14.4 billion PKR for the years 2015 to 2016 ("Punjab Education Foundation," n.d.; Asian Development Bank, 2010; and Malik, 2009).

Introduced by PEF in 2005 as a PPP mode, the FAS programme provides funding for education through the state while service delivery is handled by the private sector. The private schools selected through a competitive process enter into partnership with the PEF with specified terms and conditions. Malik (2012) explains that the PEF pays the tuition fee to the private schools based on per-child enrolled. The FAS programme has now been extended to all 36 districts of Punjab, having around 3000 partner schools and catering to around 1.3 million students ("Punjab Education Foundation," n.d.). The programme facilitated the rise of low-cost private schools availing of Government assistance. In Lahore District, for example, the number of private schools is 7800, whereas the number of public schools is 1392. Similarly, in other urban areas and large cities, the number of private schools is higher than Government schools (Malik, 2011).

## Bangladesh

Bangladesh has been a long-time partner of ADB, being one of largest recipient of support to the education sector through various programmes and projects implemented in all levels of education, both formal and non-formal. During the period 1973 to 2012, ADB approved 20 loans and 40 technical assistance projects for improving and upgrading the primary and secondary education system. ADB's assistance to the development of the education sector in Bangladesh accounts for 9.32% of total ADB assistance to Bangladesh, amounting to US\$1.28 billion. Education continues to be emphasised by both ADB and the government in the overall development partnership strategies (Asian Development Bank, 2013, p.30).

In 1994, the Government of Bangladesh, with technical and financial support from international actors, launched a national programme to support girls' access to secondary education known as the Female Secondary School Stipend Project (FSSP). ADB supported this programme through its Secondary Education Development Project (SEDP) and the Secondary Education Sector Improvement Project (SESIP) (Mahmud, 2003). ADB's support to FSSP covers 359 of Bangladesh *upazilas* (sub-districts) while World Bank support covers 122 *upazilas* (Asian Development Bank, 2013).

FSSP is a 'conditional cash transfer' programme as it involves transfer of public funds to 'eligible' female secondary school students on specific conditions. The FSSP's main feature is providing monthly stipends to female secondary students. According to Mahmud (2003), stipends were provided as long as the students meet the following conditions: i) maintain at least 75% attendance, ii) secure at least 45% marks in the annual examinations, and iii) remain unmarried.

FSSP has a privatisation and decentralisation dimension inasmuch as the secondary school system in Bangladesh is a public-private partnership. Secondary schools are overwhelmingly private, 95% of which are mostly managed by a community-based School Management Committee (SMC) with broad local power over school affairs. The SMC is not answerable to the government, although the government retains some control through the process of accrediting schools subject to the fulfilment of certain criteria for receiving subsidies, such as payment of subsidies for teacher's salaries and girl's tuition as part of the stipend programme (Mahmud, 2003).

Apart from the privatisation push, prominent personalities and institutions have criticised the programme for failing to reach girls in underserved areas and the poorest girls because the stipend is too low to cover all costs of sending a girl to school. There is also a significant data distortion made by participating private schools which overstated student enrolments to maximise tuition revenues. More importantly, the programme does not reflect a rights-based agendum and fails to include women's empowerment as a key success indicator (World Bank, 2003; Mahmud, 2003; Chowdhury, 2004; and Schurmann, 2009).

The Education Watch conducted by the Campaign for Popular Education (CAMPE) found that the programme is insufficient to keep children of poorer families enrolled in secondary schools, as shown by significant number of dropouts due to economic reasons. The programme also lacks qualitative information to explain why girls drop-out or stay enrolled. Despite the inadequacy of the stipend in covering the household costs for secondary education of girls, the high enlistment in the project may indicate a demand for female secondary education independent of the stipend programme. It may also indicate a widespread forging of enrolment numbers to secure higher school revenues ("CAMPE," n.d.).



## Mongolia

ADB has supported the Government of Mongolia in strengthening the education through its funding support for the development of the education sector. The ADB funded the First Education Sector Development Project (ESDP) in 1996, the Second Education Development Project (SEDP) in 2002, and the Third Education Development Project (TEDP) in 2006. These supported major sector reforms (organisation, management, financing) helped the Government to reorient the education system to the needs of the market economy (curriculum reforms, demand-driven vocational and technical education), and rehabilitated schools. In 2006, ADB granted assistance to finance the Education Sector Reform Project (ESRP) and help the Mongolian education system transition from 11 years to 12 years of basic education, and lower the school-entry age from seven to six years in line with international standards (Asian Development Bank, 2015).

The Bank's interventions in Mongolia's education sector in the years that followed emphasised the importance of supporting technical and vocational education and training and reforms in higher education to fill labour market gaps. All these interventions are aligned with ADB's Strategy 2020.

ADB's intervention to promote PPP delivery models in education in Mongolia is focused on 'Capacity Development Services'. These services include curriculum and pedagogical support, management and administrative training, textbook provision, teacher training, and support networks development, and professional partnerships and linkages (Asian Development Bank, 2010, p.4). ADB-funded projects at the pre-primary, primary, and secondary levels, especially at the time of the transition from 11 year to 12 year education system, largely contributed to the introduction of new curricula and new teaching-learning methodology and technology (Asian Development Bank, 2015).

The capacity development services as a type of PPP being implemented in education is consistent with the ADB's objective of building a stronger human resource base and institutional, legal, and regulatory framework for PPPs. ADB interventions have played an active role in the assessment of required improvements to the legal and regulatory environment, including improvements to Mongolia's 2010 Concession Law and the crafting of the Mongolian version of the PPP Manual launched in February 2014.

In early 2014, a concession list of projects was approved, in line with the provisions of the PPP Manual. The initial focus was on education and health PPPs. In February 2015, the first education PPP infrastructure projects in education were signed. The PPPs will cover 72 kindergarten and primary school complexes in Ulaanbaatar, 30 of which were to start construction in 2015, with the remaining 42 to start construction in 2016. The private partner will be responsible for financing, construction, maintenance, and the installation of most equipment (e.g., desks and chairs, information technology) and some support services (e.g., cleaning, security). The projects are typical examples of the build-transfer-lease type of infrastructure PPPs in the education sector (Asian Development Bank, 2012).

## Indonesia

In recent years, the Government of Indonesia has introduced key reforms to improve education performance with support from the ADB. These reforms included the decentralisation of basic education, a nine year compulsory education, and the school



operational assistance programme (LaRoque, 2015). The “Decentralized Basic Education Project”, supported by the Asian Development Bank (ADB) through a loan of US\$112.1 million, has the objective of improving the participation in and completion of nine years of basic education, particularly among the poor provinces covered by the project (Asian Development Bank, 2014). The ADB-supported decentralisation initiatives of the government were instrumental in influencing the introduction of the School Operational Assistance Program/BOS Program. This assistance programme has been acknowledged as Indonesia’s most significant policy reform in education finance that includes a component of partnership with private schools.

Since 2000, the Government of Indonesia has placed increasing emphasis on the development of technical and vocational education (TVET), both in secondary and higher education, with the objective of producing graduates responsive to the needs of the labour market and strengthening partnerships between the university and the industry. ADB has provided US\$80.5 million technical and loan assistance to strengthen vocational education and expand the capacity of the country’s vocational schools.

The ADB, along with the European Union and several others, supported the establishment of a policy reform institution, the Education Sector Analytical and Capacity Development Partnership (ACDP).

From 2010 to 2013, ADB supported the development of polytechnic education with a technical assistance amounting to US\$1.3 million and a grant loan of US\$75 million through the “Polytechnic Development Project”, which is aimed at establishing an institutional framework for private sector involvement, implementing training programmes and methods relevant to industry skills needs, and enabling the industry to support delivery and assessment of trainings (Asian Development Bank, 2012).

## Philippines

The Asian Development Bank (ADB) has a long-standing and pioneering engagement in the Philippine education sector that focused on decentralisation and public-private partnerships. In the 1980s, it co-funded with World Bank the US\$100 million Program for Decentralized Educational Development (PRODED) for elementary education to modify the curriculum and put emphasis on science, technology, math, reading, and writing. Starting in the year 1989, PRODED was carried over into the secondary education system, supporting the implementation of the free public secondary education policy, the privatisation of textbook printing, and the introduction of the Government Assistance to Students and Teachers in Private Education (GASTPE) programme among others. Under GASTPE, the Education Service Contracting (ESC) was introduced. It is a scheme involving public subsidies for each student enrolled in eligible private schools, and it is considered to be the largest and longest running PPP in education.

In the ADB’s Country Partnership Strategy 2011–2016, education is defined as among the key focus areas. ADB’s interventions in recent years have been focused on continuously lending funding support to TVET programme and supporting the government in its K to 12 programme, a shift to a new level of basic education consisting of 12 years with the introduction of grades 11 and 12 or the Senior High School (SHS). In 2011, ADB approved a US\$1.5 million technical assistance for the Education Improvement Sector Development Program (EISDP) that seeks to support the K to 12 reform agenda. The EISDP is designed to improve performance of secondary education, including increased role of the private

sector in education through the following: expanded ESC programme, classroom/school construction through infrastructure PPPs, private management of public schools, and other innovative delivery mechanisms.

According to ADB's Summary Sector Assessment for Education (2015), ADB's continuing support to Philippine education will enhance access to, quality of, and efficiency in education. Its core focus will be on (i) secondary education, particularly on the design and implementation of the K to 12 system; (ii) strengthening the contribution of post-basic education to inclusive growth and innovation; and (iii) helping the government expand and effectively implement service delivery and infrastructure PPPs.

ADB is the only development partner whose assistance is focused on the addition of two years of SHS. In December 2014, ADB approved a US\$300 million loan programme to support senior high school (SHS) through a results-based loan (RBL) programme, which is the fourth results-based lending programme approved by ADB, and the first in Southeast Asia and the Philippines. The programme will support four key results area, namely: developing the SHS programme in terms of curriculum, instructional materials and assessment tools; engaging and training of SHS teachers; delivering schools and other educational infrastructure through public-private partnership (PPP) modality; and establishing an SHS voucher programme that will help finance the tuition of students who will enrol in private SHSs (Asian Development Bank, 2014). Public Private Partnership arrangements, such as the voucher programmes, are envisioned to help ease the management and organisational pressures on DepEd of gearing up and mainstreaming SHS in the short time frame available before it is launched in 2016 or 2017.

The ADB's latest loan programme is expected to expand the privatisation of secondary education in the Philippines further. The SHS voucher programme is patterned after the ESC scheme where issues have been raised related to affordability and equity. In a study done in the year 2010, the World Bank recognises that while the ESC programme has grown tremendously in terms of both the number of grantees and the number of participating private schools over the years, it has not been able to reach out to the poorest of the poor, as was envisioned. World Bank findings ascertained that 1) most ESC grantees 'come from relatively well-off families'; 2) added or top up fees are unaffordable to the poor; 3) private schools also select better performing students to reflect well on their performance, already suggesting the segregation and discrimination impact of the programme on the basis of socio-economic status, differentiated capacities, and enforcement of private school criteria and top-up fees.

*"Another issue is related to equity. Since ESC grantees have to pay out of pocket for any difference between the ESC subsidy and the fees charged by their private school, the fact that most are able to do so suggests that they do not come from poor households." (p. 3)*

Similar findings in a study conducted by Education Network Philippines (E-Net Philippines) in 2012, published by the Privatisation in Education Research Initiative (PERI) in 2013, reinforce the assertion of segregation and discrimination. This confirms that the poorest of the poor are unable to participate in the programme. Respondents in Masbate, Compostela Valley, and Maguindanao state that additional fees, such as expenses for school projects, exert pressure on both the child and parents.

*The nature of the program has kept the poorest of the poor from participating, and it has also prevented those who have limited financial means from accessing scholarships. Parents must pay the differential between the ESC grant and the school tuition, books that are otherwise free in public schools and many miscellaneous costs related to student projects and contributions to schools. As reflected in the socioeconomic status of the grantees, there are current grantees who may not be necessarily poor. (p. 34)*

Despite the flaws already observed and experienced in the implementation of the ESC, the government is still intent on pursuing its expansion through the Voucher Programme for Senior High School. This scheme will further privatise the education system and discriminate against the poor due to top-up fees to cover the full cost of private education. Without covering the full cost of private schooling and without clear guarantees on admission, the programme systematically discriminates the poorer, the lower performing, and the rural-based students.

## ■ Summary Note

Overall, the ADB has consistently articulated a strong commitment to support and facilitate the expanded role of the private sector in education. It has provided substantial financial and technical assistance to support key education projects in the Asia Pacific Region, contributing nearly US\$3.5 billion since 1990 (UNICEF & Asian Development Bank, 2011). The Bank has been fairly successful in exerting its influence on developing member countries to take on the privatisation track to address the persisting gaps in education.

In recent years, PPP in education has become a favoured policy option of global financial institutions, donor countries, and governments in developing countries in the region. As discussed in the previous sections, governments look at PPPs in education as a viable cost-effective policy option to cover the resource gap in basic education. They believe that the private sector can significantly increase the level of financial resources committed to basic education and supplement the limited capacity of the public school system. They further contend that the partnership arrangements can also introduce efficiency and innovation in the country's educational system.

These assertions, however, need further investigation and validation. The evidence regarding the cost-effectiveness and efficiency of the private sector in delivering education remains weak. The EFA Global Monitoring Report (2015), for example, notes that, "There is almost no evidence that private schools offer innovative ways to improve the quality of education." The rigorous literature review conducted by UK's Department for International Development (2014) found that while private school pupils achieve better learning outcomes than public school pupils, it also qualified that "there is ambiguity about the size of the true private school effect". Moreover, numerous studies such as those commissioned by the Organisation for Economic Co-operation and Development (OECD) assert that once the socio-economic status is controlled, there is no difference in the learning outcomes of students in public and private schools (Organisation for Economic Co-operation and Development, 2011; Waslander, Pater, & Van der Weide, 2010).

Education financing and privatisation, including PPPs in education, are key development issues that must be addressed in the post-2015 period. There is ample evidence showing that privatisation exacerbates inequality in education access and leads to segregation. This is revealed and corroborated by the findings of the country case studies presented in the next part of this book. It is, therefore, important to conduct a more thorough assessment of PPP programmes and to come up with better policy options to strengthen equity and fulfil the right to education for all.

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## scaling-private-sector-education-three-lessons

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# Country Case Studies on Privatisation and Public Private Partnership in Education

## ■ Introduction

The increasing trend of privatisation of education in several countries across the Asia-Pacific region as presented in the first part of this book is a serious concern that must be studied more carefully to assess its impact on equity and the right to education. In response to such alarming developments, ASPBAE, in cooperation with national education coalitions, initiated country case studies on education privatisation. These studies focused mainly on low fee private schools and Public Private Partnership in education to deepen the understanding on key financing issues, particularly the rising commercialisation of education and its impact on the fulfilment of the right to education.

The country case studies are designed to strengthen the capacity of education advocates to engage governments, donors, and financial institutions by building evidence on the impact of education privatisation/PPP in specific countries. This research initiative is timely given the current debates around financing issues and the role of the private sector in the implementation of the Sustainable Development Goal 4 (SDG 4)/Education 2030. Five of the country studies are included in this publication: India, Nepal, Pakistan, Indonesia, and the Philippines.

The India case study aims to examine the compliance of low fee private schools to the rules codified in the Right of Children to Free and Compulsory Education Act of 2009 (RTE Act, 2009). The study also attempts to compare low fee private schools to government schools in terms of affordability, equity, teacher and student welfare,

learning environment, and learning outcome. The findings of the research provide significant insights on the impact of low fee private schools on the right to education.

In the case of Nepal, the study starts by providing a brief background of the privatisation trend in the country, including a discussion of policies governing the participation of private actors in the education sector. The study seeks to identify key education issues and privatisation trends in the country. It also aims to highlight the impact of privatisation on education access, equity, and inclusion given the critical development challenges faced by the country at this time.

The Pakistan case study presents a consolidated discussion around PPPs in education designed to strengthen the evidential basis of this debate within the country. The study seeks to identify key policy issues related to financing and privatisation of education, and to inspire other researchers to further study policy options to address the persisting gaps in education. In addition, it determines the various PPP schemes being implemented in the country and provides a context to help understand claims about the desirability and pitfalls of such PPP experiments in the education sector.

The Indonesian study on the School Operational Assistance (BOS) looks into the programme of the government that is intended to support underprivileged students and determines the contribution of BOS funds for poor students in private schools in East Jakarta. It specifically seeks to answer how BOS funds contribute to the education of poor students, how responsive the allocation of the funds is, and what role parents play in the implementation of the BOS programme.

The Philippine case study looks into the concept, rationale, and design of the voucher programme for senior high school students. The study investigates the viability and desirability of the programme given the prevailing challenges faced by the country's educational system. The study also aims to consult stakeholders on their views on the voucher scheme and to solicit their recommendations to ensure better financing options for the senior high school programme.

These case studies were presented and discussed in several national and regional policy forums organized by ASPBAE and the national coalitions as part of the engagements of civil society stakeholders in the post-2015 education agenda processes. The key findings of the studies were also presented in several international advocacy events to inform the ongoing debates on education financing, privatisation, and the role of private actors in education.

## **INDIA**

### **A Study on Low Fee Private Schools**

#### **I. Background**

The Indian Constitution contains a clear provision on free and compulsory education to all children in the country, irrespective of gender, caste, creed, religion, and geography. The Right of Children to Free and Compulsory Education Act passed by the Indian Parliament in 2009 is a law that requires the state governments and local bodies to ensure that every child gets education in a school in the neighbourhood. The Constitution Amendment Act included Article 21A in the Constitution which states that, *“The State shall provide free and compulsory education to all children of the age of six to fourteen years in such manner as the State may, by law, determine”*.

Over the last few decades, India has made substantial progress in achieving its elementary education goals. Yet there are certain sections of society that continue to remain significantly underserved. Despite the progress made, there remains a lot of ground to be covered for the establishment and functioning of a high-quality elementary education system. Primary research, with the input of various stakeholders in the education industry, indicates the serious gaps in achieving Education for All (EFA) by 2015. The 12<sup>th</sup> Five- Year plan period coincides with the period of implementation of the Right to Education Act (RTE) of 2009, which is considered as a landmark in the history of education in India. The Act aims to universalize elementary education and makes it a right of every child to receive free and compulsory education. With its clear-cut norms and types of schools, the RTE is an important instrument to improve education in terms of the four A's, namely available, accessible, acceptable, and adaptable.

Low fee private schools (LFPS) have gradually become the new option for public education in many developing countries, with India being among the highest growing markets for these types of private schools. Although defining low fee private schools is difficult, some scholars attempted to give various definitions. In an article for *The Guardian*, Shrivastava (2015) defines it as 'independent schools charging a maximum monthly tuition fee not exceeding the rate a daily wage labourer earned in a day', while Rose (2007) states that low fees private schools are 'private or non-state provision of education conducted by a wide variety of actors, which may include 'NGOs, faith-based organisations, communities, and commercially-oriented private entrepreneurs, each with different motives for their involvement in education' (p. 2). In other words, LFPS are privately owned and managed institutions, in which a fee is charged to make it accessible to certain groups of people. This type of private schools in India are the small schools that are started, owned, and ran by private individuals, or an entrepreneur, and funded only by the parental fee payments.

One reason why these schools are run at the lowest possible fee level is for them to appeal to a huge market, therefore being called as low fee private schools (Härmä, 2010). According to Shrivastava (2007), many people disguise their activities as done out of social service. But the schools they have built are in fact operating for profit, which is illegal according to the Unnikrishnan vs State of Andhra Pradesh, (Supreme Court of India, 1993) judgment. There are many schools, both in the urban and rural parts of the country, which are established with the sole motive to make profit out of the students' payments.

The RTE Act calls for free and compulsory education for children between ages 6 to 14 in government schools. It is thus important to check the affordability of low fee private schools in comparison to the free government schools. Hence, the present study explores the quality of low fee private schools within the framework of RTE Act, which shall have significant applications in the Indian education system, as well as for future researches in this area.

## II. Objectives

The research aims to study the adherence of the low fee private schools to the rules stated in the Right of Children to Free and Compulsory Education Act, 2009, and to compare low fee private schools to government schools in relation to the teaching and learning process, and the equity and affordability in the framework of RTE Act, 2009.

### III. Methodology

The study, conducted in 2015, collected data from 14 districts in seven states of India, namely Bihar, Delhi, Odisha, Uttar Pradesh, Rajasthan, Madhya Pradesh, and Maharashtra. The data from three districts could not be used for analysis due to some gaps. The seven states shown in Table 2.1 were chosen based on the premise that they had the largest number of out-of-school children in the northern part of India. Two districts from every state, and one block headquarters (urban) and one village in the same block (rural), were randomly selected. Hence, there are a total of eight low fee private schools in each district, of which four are from the urban and four from the rural area.

The study conducted interviews with the head teacher or manager of the school, the teachers, one child, and the child's parents from each school, covering a total of 88 low fee private schools, 88 teachers, 88 parents, and 88 children from the selected private schools. In addition, data were collected from randomly selected government schools from the same blocks and villages, covering a total of 44 government schools.

Some of the qualitative data were collected through observation, which were used to support the analysis. However, the children, parents, and teachers from the government schools were not interviewed. Thus, the secondary data of government schools from the District Information System for Education (DISE, 2014) report, published yearly by the National University of Education Planning and Administration (NUEPA), has been used for the analysis as well. This report, with its data compilation from every school in the country, is the largest source of data on elementary education in India.

The study also conducted 22 focus group discussions (FGD) with eight to ten participants composed of parents and their children from low fee private schools. These FGDs were held in each block and village. The participants shared the issues they encountered in private schools in terms of fees, salaries, corporal punishments, among others. The study collected both quantitative and qualitative data. It made use of spreadsheets for analyzing the quantitative data and a matrix for the qualitative data.

### IV. Findings

The RTE Act, under Sections 19 and 25, has set norms for the schools (both private and government), which states that recognition from the government will be awarded only when the schools fulfilled all the norms set in the Act. Schools which do not comply with the norms and are not registered will not be allowed to operate. The research investigated the extent to which low fee private schools comply with these set norms. The findings revealed several realities and problems pertaining to the operation of private schools.

#### A. Profile

Survey data from private schools revealed that 82 parents out of the 88 interviewed, who enrolled their children in the low fee private schools, are above the poverty threshold. Only 6 parents sending their children to private schools are daily wage labourers and are living below the poverty level. The data highlights that most of the children enrolled in LFPS come from economically better off families, whereas children from the weakest sections are excluded

Table 2.1 States and districts under study

S. No	States	Districts
1	Bihar	Patna, Rohtas
2	Uttar Pradesh	Meerut, Sonbhadra
3	Odisha	Khurda, Balsore
4	Rajasthan	Udaipur, Mewat
5	Madhya Pradesh	Khanwa, Bhopal
6	Delhi	Nazafgarh (South West Delhi), Janakpuri (West Delhi)
7	Maharashtra	Mumbai, Thane

and cannot access these so-called affordable schools. It was also found that 90% of the parents sending their children to private schools have educational attainments above secondary level. This could further be interpreted as a majority of the parents who send their children to low fee private schools come from better-off socio-economic background. This is also evident in the data which shows that less than one-fourth of the parents whose children go to private schools are daily wage labourers and less than 15% of the children live below the poverty line. There is also a correlation between the children's performance and the parents' educational attainment. Although the study did not focus on this particular aspect, data indicates that children who attend government schools are first generation learners, which considerably affect the performance of these children.

### B. Fees charged by schools

There were a number of parents who shared their concern about the enormous amount of fees charged by the schools. Direct, as well as hidden charges, is collected from parents, such as admission fees charges each year, mandatory buying of books and other stationeries from the schools themselves, and photographs and reports of school functions, and charging money for the celebration of different programmes.

Table 2.2 shows the fees charged by schools from parents. The data reveals that 20% of the schools charged less than one hundred rupees a month while another 17% charged between 100 to 200 Rs (\$1.64-3.28), with the highest percentage of schools charging fees between 200-300 Rs a month. Only 6% of schools charge fees between 400-500 (\$6.56-8.2) and 500-600 (\$8.2-9.82), respectively. However, the charges in the table show only the direct fees that parents have to pay monthly. On further inquiry, it was found that all the schools in urban areas charged admission fee every year amounting to 1000 to 2000 Rs (\$16.4-32.79).

Table 2.2  
Fee charged by schools

>100 (\$1.64)	20
100-200 (\$1.64-3.28)	17
200-300 (\$3.28-4.92)	37
300-400 (\$4.92-6.56)	11
400-500 (\$6.56-8.2)	6
500-600 (\$8.2-9.82),	6
600-700 (\$9.82-11.48)	3

During the discussion concerning school fees, the parents expressed that fees were affordable in the initial stages of schooling. But as each year passed, the fees continuously increased at a very high rate. The fees being charged have become too high that some parents have been considering enrolling their children in government schools. Examples of these fees include the bus charges and the admission fees for senior classes which doubled in a span of a few years. Furthermore, there are indirect costs that parents have to cover, such as the fees for school programmes and decoration for special events. Parents shell out Rs 100 (\$1.64) or more per child, regardless of whether or not the child is attending the events. They confided that schools demand small amounts frequently. When asked about the reasons behind these amounts, a parent replied that it is being used for the celebration of independence days or other occasions. The principal's autocratic behaviour makes it difficult for the parents to refuse to pay this amount.

Parents further shared that a high amount is charged for admission fees, such as examination fees and charges for the use of computer facilities. Examination fees are quite high and are charged before every examination, which is difficult for the parents to pay. Another interesting note is that there are rarely any classes that require the use of computer facilities. A teacher from the group even said that most of the children are hardly proficient in using the computer and that computer classes conducted twice or thrice a month only deal with the theory and not the actual use. Children are also required to purchase different notebooks from the school itself, which are usually much more expensive than those available elsewhere. It is, however, mandatory for children to purchase these supplies only from the schools. Likewise, parents are required to purchase books that are not being used in class but are still sold to the parents, such as story books and poetry books. The parents mentioned that they were not given any receipt, but only a list of books and prices on plain paper.

### *C. Admission Issue*

Section 12 (c) mandates a private school to reserve 25% of its seats for children coming from economically weaker sections (EWS) of society. According to the findings, most of the schools denied providing data on 25% reservation. More than 75% of the schools completely denied providing information regarding reserved seats for the EWS category, while a few schools did provide the data but there are high discrepancies and gaps in the provided data. In a few cases, it is evident from the data that the information provided is fabricated. Many principals or managers also admitted that, since they are not recognised by the government, they do not need to provide admissions to children from the EWS category. Few of the principals shared that they have not even applied for recognition. This is in contravention to Sections 18 (I) and 19, which require every school to obtain a certificate of recognition before being allowed to function and to follow the norms set in the act, respectively.

Section 13 (I) and (2) prohibit schools from collecting any capitation fee from parents and conducting any screening procedure for the child and the parents for admission. However, most of the schools charge admission fee every year from children when they are promoted to higher class. The admission fee is higher when a child wants to get transferred from one school to another. The data also shows that there were 10% of schools that asked for donations directly. RTE Act

also prohibits any kind of tests or interviews to be conducted for admission of children. But the research findings show that more than 50% of schools studied have conducted either written test or interviews for admission.

D. Gender Gap

The study found a significant gender gap in the number of children admitted in the private schools, with the percentage of the female children only one-third of the total number of children. Both the focus group discussions and the observations pointed out the gender gap in the private schools. Table 2.3 shows the percentage of male and female students admitted in the selected low fee private schools, indicating that the number of females is only half compared to the number of male enrollees. In comparison, corresponding male to female ratio in government schools is 1: 0.95. The prevalence of gender gaps is consistent with the findings of other relevant studies on low fee private schools.

Table 2.3 Enrolment in private school Students	
Sex	Percentage
Male	66.67
Female	33.33

One study is by McLoughlin (2013) who contends that gender inequality in private school enrolment may be a result of a selection bias towards the males. This means that low-resource households that cannot afford to send all their children to private schools usually choose to enrol boys over girls (p. 9). This is supported by De, Norhona, and Samson (2002) who stated that macro level data indicate that attending a private school is a ‘mark of social privilege,’ and that rural Schedule Caste females are unlikely to be enrolled in private schools (pp. 131-150). The present study also found that the gender gap was especially higher in rural areas than urban areas. These findings show that gender equity remains to be a serious issue in low fee private schools in India.

E. Corporal Punishment

Section 17 (I) of the RTE Act strictly prohibits corporal punishment. However, the present study found that more than 80% of the children shared that they have been punished by teachers in their schools. This was confirmed by the teachers, who stated that they do punish children as it is necessary for disciplining them. Table 2.4 shows a high percentage of students who have experienced punishment from their teachers for not completing their homework. This exhibits a culture that allows children to be punished in school, because even parents did not question it.

Table 2.4 Do you get punished for not completing homework?	
Yes	83.72
Sometimes	6.98
No	4.65
No response	4.65

The data shows that, on being asked about what they do not like about their teachers, 46% of the children say that they disliked being punished by them. The focus group discussions with the children shed light on the severity of this problem. One child answered that though she admires the teacher’s ability to teach well, she dislikes her principal for the reason that she beats a lot. Moreover, parents shared their experiences



about this concern, saying that they have witnessed some instances of beating. They confided that both the principal and the manager of the school punish the students severely, for example by pipes and rods for being unable to finish their homework or for being undisciplined.

### *F. Problems faced by teachers in Private Schools*

Large classes, temporary employment, no medical and pension allowance, lower salary, and autocratic behaviour of principals and school managers were found as major problems faced by teachers in private schools. For teachers to become eligible to teach in schools, they have to pass the Teachers' Eligibility Test (TET), as per Section 23 (I) of the RTE Act. However, it was found that 90% of the teachers have not passed TET. The present study found that the salary of the teachers is especially a concern as they are paid much lower than their counterpart in the government school, with more than 75% of the teachers being paid between Rps. 500-6000 (\$8.2-98.38). It was also revealed that teachers receive a larger sum of money (ranging from Rps. 25000-35000 or \$409.93-573.9) in their bank accounts, but only for compliance purposes as they have to return the amount to the school after withdrawing.

The focus group discussions confirmed this practice which indicates the exploitative situation faced by teachers in low fee private schools. Teachers narrated their experiences in working for private schools, saying that the temporary nature of employment is a huge problem. They also complain about not being paid when they go on vacation leave, no contracts are issued to them, and no employment certificate is given to vouch for the work experience for the duration of their employment in the schools. In addition, they are not provided with the salary slip. One teacher stated that she was denied an experience certificate by the principal, even after finishing the required two years of teaching experience. Salary is one major concern shared by a majority of the teachers during the group discussions. They also mentioned the absence of benefits, such as medical insurance and pension among others.

On the subject of the principals' autocratic behavior, more than 73% of the teachers reported it as highly problematic. They found the principals or managers as apathetic, or having no concern about the teachers' problems. In one instance, a teacher fractured her leg and could not use the stairs, so she requested that her class use the ground floor classrooms temporarily, to which the principal replied, "Should I send the class to your home?." Teachers have practically no voice in deciding what, how, and when to teach. Teachers must strictly follow the timetable on a daily basis as set by the principal. They are also given no space to interact more closely with the students.

The study also noted the work overload of teachers which hampers their performance in the classroom. One of the teachers stated that they have to correct more than 100 notebooks each day which adds three to four hours of work. They are not allowed to take any of the notebooks home so they are left with no other option but to stay and complete the checking in school.

### *G. Infrastructure in Low Fees Private Schools*

The head teachers or managers provided the data on the infrastructure of the schools. In most of the cases, the investigator was not allowed to enter the school so could only rely on the data shared by the head teacher or manager



of the selected school. Despite this, the researchers managed to collect data about the infrastructure through the focus group discussions with the children, parents, and teachers, who revealed more information concerning the school infrastructure. The study found through observation and discussion with the children and parents, most of the selected schools do not have the infrastructure prescribed under Section 19 and 25 of the RTE Act.

Only 45% of low fee private schools were found to have separate functional toilets for girls and boys. This is much lower compared to the public sector in which 80% of the 44 selected government schools were found to have separate functional toilets for girls and boys. Furthermore, 68% of the selected government schools have libraries, while only 24% of the private schools have libraries, mostly those located in the urban areas. In addition, a higher percentage of government schools have playground and ramp facilities compared to private schools. In summary, government schools have considerably better infrastructures when compared with low fee private schools.

## **V. Conclusion and Recommendations**

India prohibits the commercialisation of education. For this reason, educational institutions can only operate as non-profit organizations. It is, therefore, crucial to assess these institutions in order to check if they are officially registered and adhere to the RTE norms. This study sought to determine whether low fee private schools adhere to the rules stated in the RTE Act of 2009. It also aims to compare the performance of these private schools to the government schools within the framework of RTE Act.

Overall, this study revealed that low fee private schools do not adhere to the basic norms established by the RTE Act. As such, they cannot be registered officially which make them illegal should they continue to operate. None of the selected low fee private schools in this study adheres to all the norms as prescribed in the Act. The focus group discussions suggest that low fee private schools are not accessible to the most marginalized groups. Even relatively better off families find it difficult to meet the rising cost of private schooling. The likelihood of dropping is particularly high among children coming from the poorest quintile.

The study also found that government schools fare much better in comparison to low fee private schools in terms of teacher qualifications, infrastructure, affordability, and equity. Advocates of low fee private schools believe that the quality of private schools is better than the government schools. However, 90% of the teachers in low fee private schools are not trained professionally and lack the basic qualifications required for teaching. On the other hand, government school teachers are found to be trained and eligible based on prevailing regulations.

Finally, this study suggests the need to strengthen and adequately fund public education since this is the only way to achieve free, quality, and universal education in India. A strong public education system will have the capacity to educate every child, regardless of their social and economic status in society. The following recommendations are submitted for consideration in future research and advocacy undertakings:

1. Although the RTE Act has set the norms, there is still a need for a regulatory framework to guide the operation of private schools.
2. A school mapping should be undertaken by the government to identify and monitor all the schools that are functioning, whether registered or non-registered. The School Management Committee (SMC) could be tapped by the government for this purpose.
3. The schools which do not abide by the norms of RTE Act must be closed down. The admission of children must be taken care of by the local authorities and the SMC in a neighborhood school.

## NEPAL

### Impact of Government Financing to Private Schools

#### I. Background

The right to education is protected by the newly-adopted Constitution of Nepal of 2015. Article 31 of the Constitution guarantees the right to education, including that 'Every citizen shall have the right to compulsory and free basic education, and free education up to the secondary level.' The constitution also provides for the 'right to equality' in Article 18, which mandates that, 'there shall be no discrimination in the application of general laws on the grounds of origin, religion, race, caste, tribe, sex, physical conditions, disability, health condition, matrimonial status, pregnancy, economic condition, language or geographical region, or ideology or any other such grounds'.

#### A. *Evolution of Policies on Private Sector Involvement in Education*

Education is regulated by the Education Act, 2078 (1971), which has been amended seven times, with an eighth amendment forthcoming. The Government of Nepal started a formal partnership with the private sector since 1985, enacting a law to permit the opening of educational institutions with private investment, although there were some forms of partnership with the private education sector much earlier. Most of the schools established before the implementation of the Education Act of 1971 had a history of local community's contribution in the establishment and operation of the schools. Local communities contribute recurrent costs, and participate in school construction and rehabilitation activities with voluntary labor, land, materials, and financial resources.

The role of private sectors was strongly articulated since the Eighth Five Year Plan (1992-96) which aimed to promote private sectors, local communities, and NGOs' participation in the development and expansion of education. Since then, succeeding plans came out with several policy strategies to seek active private sector and community participation in education. The Ninth Plan (1997-2001) encouraged further community and private sector participation in education, while the Tenth Five Year Plan (2002-2006) facilitated greater private sector involvement in education to make the sector more competitive and accessible. The Three-Year Plan (2007-2009) articulated a clear policy on PPP, specifically in encouraging partnership with the private sector in secondary education and in cost-sharing in technical and vocational education, and higher education (Shrestha, n.d.).

The formal concept of Public Private Partnership (PPP) in Nepal is a fairly recent development, having been introduced only in 1997. As in most countries, PPP was first implemented in Nepal in the infrastructure sector under the build-

operate-transfer scheme, specifically under the Ninth Five year Plan (1997-2002), which encouraged private investment under a partnership agreement to support urban infrastructure development (Shrestha, n.d.). The Three-Year Plan (2007-2009) is very explicit in provisioning policies of PPP in Technical and Vocational Education, cost-sharing in higher education, and partnership in secondary education.

The School Sector Reform Plan (2009-2015) was more overt in seeking partnership with the community, NGO, civil society organizations, and private sector in the implementation the reform agenda in education. The Plan mentioned that it will develop a regulatory framework for the operation, and terms and conditions for partnership with private schools, as well as introduce cooperative schemes for the operation of private schools.

In 2011 to 2012, the government adopted the Institutional School Partnership and Support Guidelines, which was further developed in 2014 to 2015 with the objective of promoting quality education by improving school management, by clarifying the responsibilities of school authorities and stakeholders, and by implementing public private partnership programme in education. A Central Level Coordination Committee under the chairmanship of the Secretary of the Ministry of Education (MoE) was set up to develop the partnership framework, formulate the implementing programme, and monitor the activities of PPP schools (Ministry of Education, 2009).

The guidelines outlined specific support to private schools in the following areas:

- *Provision of Scholarship* for children especially those belonging to poor families, marginalized communities with the cost jointly covered by the school, or partnering organization with grants from the government.
- *Development of Physical Infrastructure* with the government providing up to 25% of the expenses required for the development of physical infrastructure of the school.
- *Teaching Learning Materials* with support from the government in the procurement of teaching learning materials.
- *Teachers Training* with the government supporting schools in providing long and short training programmes to its teachers.

The guideline has also given an authority to the Department of Education to deputize community school teachers to Private schools, as recommended by the Central Coordination Committee.

## **B. Privatisation Trend in Education**

According to the 2014 official statistics of the Ministry of Education (2014), community (public) schools represented 84.1% of all schools, and institutional (private) schools accounted for 15.9% of the total. This trend was stable in 2015, with 15.3% of children officially enrolled in private schools. A majority of those private schools are registered as companies and operate through user fees (Government of Nepal, 2015).

The number of private schools is however underestimated, due to the high number of unregistered private schools that are not accounted for in the official

statistics. For instance, the 2010/2011 Living Standards Survey shows that 27% of children attend private schools. Overall statistics also mask high disparities between urban areas, where 56% in average, and up to 80% of children are enrolled in private schools, and rural areas where 20% of children attend private schools (Central Bureau of Statistics et al., 2011).

In the last 20 years, the proportion of children enrolled in private schools has grown immensely, as indicated by both the official statistics and the Living Standards Survey. An article by Ghimire (2016) reported that, 'a significant rise in the numbers of private schools [while] the numbers of public schools have started decreasing they are either merged or being shut without enough number of students'. It added that, 'though there is no adequate research in place, the umbrella bodies of private schools claim that the private sector has made an investment of more than Rs120 billion in school-level education and it is increasing by 10% every year.'

The gap between the figures from the Living Standards Survey and official statistics also tends to increase over time, which suggests that a large part of the recently created private schools are unregistered, casting issues with regard to the regulation of private schools in the country.

The growth of private schools is due partly to the policies supporting private schools mentioned above, as well as to the failure of the public education system combined with a lack of monitoring and information on what constitutes education quality.

## **II. Key Findings: Impact of Privatisation on Access and Equity**

The proportion of children enrolled in private schools has grown tremendously in the last 20 years, particularly in key urban areas where the private sector accounts for as much as 80% of total enrolment. Private schools are virtually given a free hand in determining the school fees charged to students, notwithstanding the approving authority that is vested in the government. In reality, many private schools charge more than the State-determined fees due to poor monitoring and regulation by the State.

Official government statistics show that Nepal's share of the education budget is only 12.9% of the national budget and 4.1% of GDP (GoN, 2015). This is quite far from the international benchmark of at least 15% to 20% share of education in the national budget and 4% to 6% of GDP. The reconstruction process in the country requires even greater investment in education to build back better from the severe damage caused by the recent earthquake. Underspending in education is a key factor that fuels the privatisation drive.

As most studies have shown, the cost of private schooling is prohibitive for most of the poor in Nepal. In addition to tuition fees, households have to cover other expenses, such as transportation, lunch or uniforms, which are also considerably higher in private schools as compared to public schools. According to the Living Standards Survey 2011, household expenditure is eight times higher for attendance in private primary schools (Rs 11,164 per year) compared with public primary schools (Rs 1,332 per year). Only 6.4% of the poorest 20% are enrolled in private schools and colleges, while about 60% of the richest 20% of the population attend private schools and colleges.

There are, likewise, non-financial barriers that discriminate against children from low-income and other disadvantaged households from attending private schools by imposing discriminatory requirements. Private schools discriminate based on gender, occupation of parents, and descent. About 41% of children enrolled in private schools are Brahmin/Chhetri (the most advantaged ethnic group in Nepal), indicating a grossly disproportionate share compared to their population. In primary and secondary levels, 57% of all students are males with only 43% females. In comparison, there are more girls enrolled in public schools, with 52% of total enrolment.

The unregulated privatisation of education, including most of the PPP programmes implemented in Nepal, result in a highly segregated society based on socio-economic, gender, ethnicity, and location. Privatisation undermines the right to free and compulsory education, exacerbates inequity in education access, and weakens the public education system.

### III. Recommendations

On the basis of the findings of the study, the following key recommendations were presented for government action:

1. Implement an effective monitoring system and adopt stronger regulatory measures to ensure compliance by the private sector.
2. Stop the unrestricted imposition of school fees charged by private schools and ensure that no additional fees are charged by private schools receiving grants from the government.
3. Prevent discrimination in entry and selection of students by private schools on the basis of socio-economic background, gender, ethnicity, and location.
4. Promote class and ethnic diversity in all schools at all levels, in both public and private educational institutions.
5. Increase education budget according to the international benchmarks of at least 15-20% of the national budget and 4-6% of GDP.

## PAKISTAN

### Public Private Participation and Public Education in Pakistan

#### I. Overview

This research was carried out to investigate Public Private Participation (PPP) in education in Pakistan, particularly focusing on the provinces of Punjab and Sindh. The research looked at various aspects of PPP, such as its benefits, successes, characteristics, sustainability, lessons, and implications. The main objective of the study is to consolidate the discussions around PPP, strengthen the evidential basis of this debate in Pakistan, and inspire future researches on this issue. In addition, the study aims to provide background information from primary and secondary sources to help understand various claims of PPP in education in the country against available evidence.

The research used both qualitative and quantitative methods, gathering evidence from available literature, interviews, and data analysis. The study benefitted from available quantitative datasets, such as the *National Education Management Information System (NEMIS)* and the *Annual Status of Education Report (ASER)*, wherever they supplement the research findings. This was further supplemented

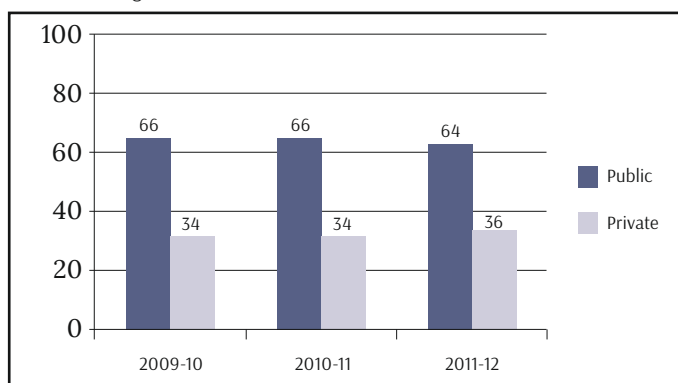
with interviews with key stakeholders belonging to civil society, educational foundations, government officials, and academic researchers. The research, while focused on various experiments of PPP in Pakistan, looked more closely at the model of Promoting Private Schooling in Rural Sindh (PPRS) being implemented by the Sindh Education Foundation (SEF). The findings of this study were shared in a seminar attended by development partners, civil society representatives, academicians, government officials, and international resource persons, and were further strengthened in the light of comments received from participants coming from various perspectives.

The scope of the research was limited to the provinces of Sindh and Punjab due to time and resource constraints. This limited the scope of the study, specifically in terms of the evidence gathering and data collection which inform the findings.

## II. Background: The Education Context in Pakistan

Private school enrolment in Pakistan has been increasing quite significantly over the past decade – from 25% of total enrolment in 1999-2000 to 36% by 2011-12. Enrolment in pre-primary to higher secondary/inter-colleges in 2011-12 totalled to 35,976,792 with 12,947,238 accounted for by private educational institutions. The number of private schools has, likewise, increased during the same period. Available data shows the ratio between private and public schools at 28 private to 72 public. The proportion of teachers in private schools is much higher with 48% of all teachers. This means a lower teacher-to-pupil ratio in private schools compared to public schools.

Figure 2.1 Trend of Public and Private Enrolment (%)



Source: Pakistan Education Statistics 2011-12, NEMIS

Official government statistics showed the dismal performance of Pakistan in most of the EFA Goals (See Table 2.5). Enrolment ratios in pre-primary and primary remain low in comparison to the global and national targets. Illiteracy rates among the youth and adults remain one of the highest in the Asia-Pacific region. There is also a persisting gender disparity in most education performance indicators.

Table 2.5 **Pakistan Key EFA Indicators (2013)**

	<b>Total</b>	<b>Male</b>	<b>Female</b>
Gross Enrolment Ratio (GER) in Early Childhood Education (Pre-Primary/ECE)	66.4%	70.3%	62.2%
Net Enrolment Ratio (NER) in Primary Education	68.5%	73.4%	63.2%
Youth Illiteracy Rate	28.4%	20.6%	36.6%
Total Adult Illiterate (%)	43.8%	31.5%	56.5%

*Source: Ministry of Education and Trainings & Standards for Higher Education, 2014*

Equity in education access is a serious issue in Pakistan. The bottom income quintiles (1<sup>st</sup> and 2<sup>nd</sup>) perform the lowest in key education indicators for both male and female, in both rural and urban areas. This means that as the household income drops, the chances of getting the children into school also drops. Enrolment ratios in rural areas are lower across all quintiles compared with urban areas. This means that rural children are worst off in terms of their chances of being in a school. Lastly, females, whether in urban or rural areas, are more disadvantaged than males, except the 4<sup>th</sup> and 5<sup>th</sup> quintiles in urban areas. This means females have lesser chances of being in school in rural areas and in lower income strata of urban areas (UNESCO Institute of Statistics, Data Center).

UNESCO statistical figures indicate consistently low education spending by the Pakistani Government, with expenditure levels never going beyond 1.8% of GDP throughout the decade of 2000s (UNESCO Institute of Statistics, Data Center). The National Education Policy 2009 recommended an allocation of 7% of GDP for education by year 2015. This is estimated to be around 35% of the total government expenditures and seems quite unlikely given the expenditure requirements for defence, debt servicing, and other sectors, such as power and irrigation. Most of the budget is used for regular expenses, while allocation for development is kept at the minimum, relying heavily on private donors and/or PPP initiatives.

The Pakistan government has been aggressively pursuing privatisation in various sectors, including infrastructure development, health, education, and other social services. It has established a privatisation commission to sell various government assets, such as airlines, steel mills, banks, railways, and other institutions that the government finds difficult running on a commercially profitable manner. In 2010, the Parliament passed the PPP Act which expanded the involvement of the private sector in infrastructure development and essential public services. The government is currently finalising its vision 2025 document that explicitly favours private sector participation in all fields and services, including education and health. The PPP Act 2010 has been undergoing revision with the participation of experts from various sectors. The major change that has been proposed relates to the inclusion of the services sector within the scope of the Act that focused more on infrastructure.

The Education Sector Reform (ESR) 2001-2006 contains different strategies and incentives to include the private sector and NGOs in educational provision. The National Education Policy (NEP) 2009 shows some sensitivity towards the parallel educational system – public, private, and madrasas – and its effects on society. It recognizes state responsibility in education, while emphasizing partnership with



private and NGO sectors to deliver such services. The policy also proposed the establishment of a regulatory authority to ensure accountability of the private sector.

As mentioned, teachers in private schools make up 48% of the total while the remaining 52% are found in public schools. Studies have shown that 57% of private expenditures go to teachers' salaries. A survey conducted in 2008 indicates that government teachers earn five times as high as teachers in the private sector with Rs 2125 (\$21.05) average monthly salary, as opposed to Rs 10575 (\$104.76) monthly for government teachers. This does not include other benefits that government teachers receive in house rent, transport, and special adjustment, along with allowances, which will inflate public school teachers' income by Rs 15000 (\$148.59) monthly. In the province of Sindh for instance, the disparity is larger with public teachers earning three to seven times more than private school teachers. There are indications that private schools will continue to grow as long as there is supply of low wage teachers (mainly females) willing to work under such conditions.

### III. Key Findings

There is still no shared and common understanding and definition of PPP in education among government officials, civil society representatives, and academicians in Pakistan. There are varied responses as to whether PPP is the same as privatisation. While a majority of the informants interviewed expressed the opinion that PPP is not privatisation, they agreed that it does have the potential to lead to privatisation. There is a need for the Pakistani government to clarify and define more clearly its position towards the private sector engagement and its contribution to education.

There are various models of PPP that are being implemented in Pakistan, mainly under the foundations such as the Punjab Education Foundation (PEF) and the Sindh Education Foundation (SEF), which are considered semi-government organizations. The study identified at least five models which differ mainly in terms of the finance, management, and operation of schools. These are:

1. **Adopt-a-School** - where a philanthropic organisation/individual adopts a government school to improve its infrastructure and quality of education.
2. **Vouchers** - provided to student to utilise as fee to enrol in a low fee private school.
3. **Foundation-Assisted Schools** - where low fee private schools receive financial assistance from educational foundations (such as the PEF) on per child subsidy basis.
4. **Supporting private entrepreneurs** - to open and operate low fee private schools with support from educational foundations (such as the SEF).
5. **Supporting intermediary organisation** - where financial support is extended to an intermediary organisation, including NGOs, to provide education to the disadvantaged children.

Most of the programmes implemented under these PPP models are donor driven, sponsored, and supported by international financial institutions and the biggest donor countries.

The PEF operates three major PPP initiatives: Foundation-Assisted Schools (FAS), New School Program (NSP), and Education Voucher Scheme (EVS). The FAS is considered as the flagship programme of PEF which provides financial support to private schools to



enrol children with a subsidy of Rs. 350 (\$3.47) per child at the elementary level and Rs. 400 (\$3.96) at the secondary level. According to the Pakistan Coalition for Education (PCE) (2015), the foundation supported a total of 5,742 private schools and 1,772,540 students. The SEF operates two major PPP initiatives: Promoting Private Schooling in Rural Sindh (PPRS) and Integrated Education Learning Program (IELP). SEF also supported 2,342 private schools with 372,540 students (p. 52). These data were gathered from the PEF and SEF official websites, as well as from personal interviews.

The PPP initiatives in Pakistan, generally perceived positively by the government, are being promoted with the support of bilateral and multilateral development agencies. Donors demonstrate a consistent commitment and exert considerable influence towards promoting the policy of PPP in education. Among the biggest and most influential donors include the United States Agency for International Development (USAID), the Department for International Development (DFID), the World Bank (WB), and the Asian Development Bank (ADB). The World Bank is the leading investor supporting PPP initiatives in Sindh and Punjab provinces through various models implemented by the SEF and PEF.

Donor preference for PPP in education is well articulated in their strategy papers, policy statements, and project documents. They have pushed for the inclusion of PPP as a key strategy in the education sector plans at central and provincial levels. The Education Sector Plans of both Sindh and Punjab provinces indicate PPP as a key strategy to achieve the government's objectives of improved access and governance of education. In Punjab, the PEF enjoys a prominent status in the Chief Minister's Roadmap to Education Reform.

The study reveals that the evidential basis of the effectiveness of PPP is still not clearly established, yet it is being aggressively promoted by the Pakistani government and donors. The government representatives who were interviewed concede that the research and evidence informing the debate on PPP in education remains weak.

The academic researchers and civil society representatives also shared that there is very little research work done on the theme of PPP and whatever data is available is less empirical. The evidence, where available, were mainly produced by researches sponsored by donor agencies who overwhelmingly encourage PPP interventions.

The interviewees shared various concerns related to PPP that included equity issues, government neglect, financial sustainability, donor influence, and orchestration of education policy, and a problematic assumption that private is essentially better in quality.

There are several studies that show that PPP programmes in education contribute towards improving access and learning outcomes, and narrowing the gender gap in education. The studies also illustrate that the PPP programmes were able to penetrate the far-flung areas and reach out to children from low socio-economic strata. Most of these studies, however, are sponsored and supported mainly by the World Bank and other donors (e.g. Barrera-Osorio et. al., 2011; Barrera-Osorio & Raju, 2011, LEAPS study).

Independent studies (Amjad & MacLeod, n. d.; Bano, 2008; and Khan & Amjad, 2013), on the other hand, explain that while access may have improved, equity remains a challenge. In fact, there is evidence to prove that inequity may have widened even more as a result of PPP and privatisation. A study done by Andrabi, Das, and Khwaja

(2005) stated that the private sector tends to open schools where they could find wealthier localities and where they can also find educated females close by who are willing to teach for lower salaries. If these two conditions are not met, the affordability of a private school will become challenging for poorer households.

In so far as education quality is concerned, there is no independent research that presents consistent and compelling evidence that private schools perform better than government schools. If at all, the difference is negligible. What is clearly shown by government assessment figures is that the overall quality of education in both the public and private sectors is generally low and far from desirable. Private schools in Pakistan are evidently not about to bail out the poor performance of government schools.

Studies, such as the research done by Amjad and MacLeod (n.d.), noted that the difference in performance between private and public education is attributed to factors other than schools. For example, private school children are more likely to take private tutors which accounts for their better performance in school. Similar findings were also observed in other countries.

It must be noted that the impact of PPP programmes is still minimal. The combined coverage of the two foundations, SEF and PEF, may look impressive but these may pale in comparison to the enormity of challenges faced by the education sector in Pakistan. UNICEF, for example, calculated the number of out of school pre-primary-age children in Pakistan at 6.6 million, and primary and lower-secondary age children in Pakistan at 9.4 million (UNICEF, 2014). PPP programmes, therefore, should not be seen as the panacea to solve the education deficits in Pakistan. At best, they can only supplement efforts to improve and strengthen the mainstream public education system.

The interviews conducted also pointed to the fact that PPP initiatives produce positive results at the primary level, but are not equally successful at the post-primary levels due to various factors, such as lack of specialist teachers, higher dropouts, and higher costs. Foundation representatives showed satisfaction in so far as improving access is concerned, but shared that improving learning outcome is still a huge challenge as shown by their internal assessment system. The interviewees shared that PPP experiments require a lot of attention and efforts during execution and necessitate adequate human resource to monitor, support, and evaluate the programme. Once the system is further scaled up and stretched beyond a certain point, it may develop the same faults that confront the public sector – inadequate funding, poor management, inefficiencies, and corruption.

Financing remains a critical issue. Further analysis of the education budget reveals that around 80–90% of educational expenditures during the period 2000–2009 have been made towards recurrent expenditures with very little spared for development (UNESCO Pakistan, 2011). Interestingly, a significant amount of donor support is available to fill in this development gap. According to a research done by Mujahid-Mukhtar (2011), it was estimated that in 2011, there were some 97 donor supported projects of varied sizes being implemented across the different provinces. Clearly, the Government of Pakistan is overly dependent on external assistance to address its education deficits.

Sustainability is a real concern once donor financing of PPP programmes is withdrawn or reduced at some point in the future. Currently, there is too much dependence

on donor financing which invites complacency on the part of the government as manifested in the consistently low spending for public education. Once subsidies to private schools are withdrawn, inequity in education access will be exacerbated since these schools will need to recover the cost entirely from fees paid by the students. Poor students will most likely drop out from school, affecting most especially poor girls from rural areas.

State policies in support of and preferential treatment for PPP programmes and low-cost private schools, along with generous donor financing of PPP initiatives, may have strengthened the private education system and push the privatisation drive in Pakistan. However, such policies and support have the effect of undermining and weakening the mainstream public school system, which suffers from low public and donor financing and government neglect. Government officials and politicians have time and again criticised the mainstream education department while appreciating the PPP experiments. Yet no questions have been raised as to why the public education system is badly managed, inadequately funded, and poorly performing.

## INDONESIA

### School Operational Assistance (Bantuan Operasional Sekolah-BOS) Contribution towards Poor Students at Private Schools in East Jakarta

#### I. Background

The quality of education in Indonesia is currently among the lowest in the ASEAN countries, ranking 121st, below Singapore, Brunei, Malaysia, Thailand, and the Philippines (UNDP, 2013). The rising cost of education exacts a heavy burden especially among the poor families who have to finance six years of primary education, followed by three years of junior secondary school, and three years of senior secondary school. The cost of education increases with higher levels of schooling. Hence, the school grants programme known as the Bantuan Operasional Sekolah (BOS) was launched in the year 2005 as a means to provide funding to elementary and secondary educational institutions for the implementation of the nine years of compulsory education programme. BOS is the main programme of the government that intends to address the financing problems of families who are not able to sustain the education of their children.

The programme's specific objectives include, (1) freeing all poor students at basic education level from the burden of school operational costs, in both public and private schools, (2) freeing all students of public primary schools and public junior high schools from school operational costs, except those of pre-international and international standard schools, and (3) relieving the burden of school operational costs on private school students (The National Team for the Acceleration of Poverty Reduction, n.d.). BOS is provided to all schools, both public and private, at the primary (SD) and secondary (SMP) levels, in all provinces in Indonesia. The BOS funds cover costs for textbooks and learning materials, computer devices, locally-hired teachers, and student activities. Therefore, the BOS programme is a financial support scheme of the government that seeks to improve access to and the quality of basic education for every child in Indonesia (World Bank, 2014). However, the BOS funds have not been used as they should.

The BOS programme transfers block grants to schools with the objective of providing free basic quality education from grade one to grade nine to underprivileged

students (International Labor Organization, n.d.). It helps reduce the financial burden of education on the parents, especially those who belong to poor households, as well as schools in the poor and more remote areas where budget for education is lacking. BOS was meant to offer school operating cost subsidies to all students in basic education with an expectation that schools will no longer pass their operating costs to students, especially those from poor households. Thus, the government seeks to achieve two things with the BOS programme in mind: to ensure an increased access to the 9-year basic education and attain quality education; and to ensure that no poor students shall drop out of school because of financial reason (e.g. not being able to buy uniforms, school supplies, etc.).

## II. Objectives

This study, conducted by the Network for Education Watch Indonesia, aims to determine the contribution of BOS funds to poor students in private schools in East Jakarta; ascertain accuracy of the allocation to poor students in private schools in East Jakarta; and to find out the role of parents in the implementation of the BOS programme in the private schools.

This research is not the first to focus on the BOS programme. It builds on previous studies on the same subject and looks at the contribution of the programme and the accuracy of its allocation scheme for the less privileged students in schools. Therefore, the study is significant as it fills in the gaps that previous studies have not addressed. It also gives recommendations for further research.

## III. Methodology

The study uses a multi-stage quota sampling method consisting of 150 poor students drawn from five Junior High Schools (SMP) in East Jakarta with 30 students from each school attending grades VII, VIII, and IX. Jakarta was chosen as the target of the study because the number of private junior high schools in East Jakarta is the largest when compared to other parts of the capital city. In addition, East Jakarta is an area with a relatively large poor population. Purposive sampling was used to select the particular district from the 10 districts of East Jakarta. The District of Cakung was eventually selected as the most representative district having the largest number of private school students who benefit from the BOS funds.

Table 2.6 Survey Methods and Instruments Used

Approach	Methods	Instruments
Qualitative	<ul style="list-style-type: none"> <li>• Desk study</li> <li>• In- depth interview</li> <li>• Focus Group Discussion (FGD)</li> </ul>	<ul style="list-style-type: none"> <li>• BOS Operating Guidelines, BOS regulations, previous research, published statistic data</li> <li>• Interview Guidelines</li> <li>• FGD Guidelines</li> </ul>
Quantitative	<ul style="list-style-type: none"> <li>• Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Questionnaire</li> </ul>

The study used a variety of data-gathering methods including survey, desk review, in-depth interviews, and focus group discussions (FGD). The questionnaire was addressed to the respondents who are students of private schools. The interviews

were conducted using a standard interview guide. The FGDs were conducted twice with different groups of participants. The first FGD involved 30 parents, while the second involved multiple parties, such as the head of the school, the teachers, and the representatives of the School Committee, the Department of Education, and non-government organizations.

#### IV. Study Findings

The respondents selected for this study are students from five private Junior High Schools in the District Cakung, in East Jakarta, namely MTS Al-Wathoniyah 10, SMP IMTAQ Darrurrahim, IT Nurul Ihsan, MTS Tsaqafah Addarain, and SMP Al Falah. The sample students consist of 81 female students (54%) and 69 male students (46%). Table 2.7 shows the distribution of the respondents based on their grade levels. The number of students per class is unequal because of the differences in the number of poor students from each school.

The study determined the economic status of the parents of the respondents and found that a majority of the parents (54%) were self-employed. The others were company workers (37%), retired (4%), and civil servants (1%). Based on the interview results, 10 parents stated that their average incomes do not go over one million per month, and that they were still renting their houses. In the five schools drawn from the District of Cakung, the average number of students is between 120 and 500. About 65% of these students were aware of the existence of the BOS funds, while the remaining 35% said that they did not know about the programme.

The students found out about the BOS funds mostly through the school's information dissemination initiatives, followed by the mass media (13%), and by the notification board (9%). This indicates that there has been transparency from the schools about the provision of the BOS funds.

The researchers obtained data on the 12 cost components in the management of BOS in schools: development of the library, the activities for hiring new learners, the learning and extra-curricular activities of the students, Deuteronomy and exam activities, procurement of consumable items, power subscriptions and services, helping learners, financing the BOS management, purchasing and maintaining the computer equipment, nursing schools, and the professional development of teachers.

The study showed that while private schools included in the survey received BOS funds to provide and maintain school facilities, equipment and textbooks, there were problems cited by the students on the availability of and access to such key school provisions. Majority of the students interviewed in this study (110 of 150 survey respondents or 73%) claimed that laboratory facilities were not available in their schools, while 15% said that LCD projectors were also not available. A few of the students (7%) said that textbooks were not available in their schools. Although

Table 2.7  
Distribution of Respondents by Grade Level

	Grade	Number
1	IX	57
2	VII	34
3	VIII	59
	Total	150

relatively small, it is still important to note that while these private schools continue to receive BOS funds, they fail to provide a key provision for their students.

Table 2.8 **Availability of Key Education Provisions**

	Available	Not Available	Total
Lab facilities	40 (27%)	110 (73%)	150
LCD Projector	128 (85%)	22 (15%)	150
Books	140 (93%)	10 (7%)	150

It is interesting to point out that while educational equipments were available, a significant number of students claimed that these were not accessible. About 91% of the survey respondents (137 or 150 students) said that they have never used a computer in their school. Similarly, while most schools have LCD projector, 78% of the respondents said they have never used the equipment.

Table 2.9 **Access to Key Education Provisions**

	Accessible	Not Accessible/Never used	Total
LCD Projector	33 (22%)	117 (78%)	150
Computer	13 (9%)	137 (91%)	150

The result of the study further revealed that the schools covered by the survey still impose various charges on students in order to cover school operational costs. About 80% of the respondents (120 of 150 students) claimed they have to pay the corresponding fees before they were allowed to take examinations or participate in testing activities. Majority (74 of 120 students) said they paid between Rp 60,000 and Rp 80,000 (\$5.04 - 6.72) while a few claimed to have paid over Rp 80,000 (\$6.72).

Majority of the students interviewed (84 or 56% of respondents) said they paid for their textbooks. The study also found out that there were schools that required new students to pay admission fees. Some 94 students (63%) claimed to have paid the required fees in order to be admitted. In addition, some schools charged fees to access the library as claimed by 14 respondents (9%), while 6 students (4%) said they paid for the use of computer facilities.

Table 2.10 **Fees Charged by Private Schools to their Students**

	Students/Parents Paid	Free/ No Payment	Total
Examination Fees	120 (80%)	30 (20%)	150
Admission Fees	94 (63%)	56 (37%)	150
Textbooks	84(56%)	66 (44%)	150
Library Fees	14 (9%)	136 (91%)	150
Computer Fees	6 (4%)	144 (96%)	150

Overall, several schools continue to require the payment of various fees related to the operational cost of the schools. Some 31% of the students shared that they have heard their parents complain about the payment of school fees. A few of the students (7%) mentioned that they could no longer continue their education because they cannot afford to pay the school cost and that they have to work to help their parents.

The study noted that parents have very little role in the management of the BOS funds. Some parents shared that they were not invited to attend meetings about the use of the BOS funds, or were not asked about their opinions on the allocation of the funds. Overall, parents and students have very little involvement in decision-making, planning, implementation, and evaluation of the BOS programme.

## **V. Conclusion and Recommendations**

The study concludes that the existence of the School Operational Assistance (BOS) funds helped ease the financial burden on private schools which were assisted in the provision of infrastructure, facilities, laboratories, libraries, textbooks, computer devices, and projectors among others. Despite benefiting from the financial grants from the government, most schools covered by the study still apply various charges on the students. The school management explained that the BOS funds are not sufficient to cover the entire operational needs of schools. At best, the funding subsidy can contribute only in helping private schools reduce the school charges, but not adequate to cover all the operational needs of the school.

The charges imposed by the private schools mentioned in the present study proved to be a financial burden to most parents, especially the lowest income earners. Parents have complained about the huge amounts they have to shell out to sustain the education of their children. The increase in the nominal amount of the BOS funds was hardly felt by the students because the increase was marginal and the funds were not properly allocated and utilised according to its intended purpose. The study further concludes that the fees paid and other contributions made of parents to private schools are considered significant as these covered the cost of consumable supplies, computer equipment, the development of school libraries, and extra-curricular activities, among others. The study also notes the delays in the release of the funds to the schools and that parents are not fully aware about the status of fund releases, its allocation, and management.

Finally, the BOS funds may have initially contributed to increasing access to education, especially among the poor. However, there are significant weaknesses in the programme. As mentioned, the funds remain insufficient. The implementation mechanism, and the allocation and management of the funds are not optimal. These are some of the urgent issues that ought to be addressed by the government. The BOS programme should be considered as a stop-gap measure to immediately address the educational needs of the poor. Over the long term, it is imperative for the government to increase the overall budget for education, strengthen the public education system, and to effectively reach out to the underprivileged Muslims and other disadvantaged groups in Indonesian society.



## PHILIPPINES

### A Study Paper on the Senior High School (SHS) Voucher Scheme: Will it Promote Equitable Access to Education?

#### I. Background

The Philippine education system is in the midst of undergoing critical reforms with the shift from an 11-year to a 13-year basic education cycle. The Enhanced Basic Education Curriculum, more commonly referred to as the K to 12 Program, was introduced during the commemoration of World Teacher's Day on October 5, 2010 as the new government's flagship programme in education under the administration of President Benigno Aquino III. The Enhanced Basic Education Act (Republic Act 10533) was signed into law in May 2013, which adds two years of Senior High School (SHS) into the basic education curriculum starting School Year (SY) 2016-2017.

The law, particularly the addition of two more years of basic education, drew varied reactions and eventually became the most controversial issue in the education sector throughout the administration of President Aquino. The government argued that the Philippines is being left behind as it is only one of two or three countries that have 10 years of basic education, excluding kindergarten. The intention is to enhance the education system, improve quality, and be at par with the international standard. When it comes to the topic of the K to 12 Program, parents and students will readily argue that it is only an added burden to go through another two years of bad quality schooling. The government must first address quality and access, and ensure adequate financing of education before expanding the poorly performing and badly managed basic education system.

An important component of the K to 12 programme is the SHS Voucher Scheme, which builds from the country's experience in Public-Private Partnership (PPP) in education and replicates what were perceived as "successful" experiments in other countries within and outside the Asian region. The financing component may not be as controversial as the programme itself. However, the proposed financing scheme is a critical strategic issue given the drive towards the privatisation and commercialisation of education in the country.

#### II. Objectives

The purpose of this research is to better understand the concept, rationale, and design of the proposed Voucher Scheme for Senior High School; assess the viability and desirability of the voucher programme as a PPP initiative given the context and prevailing challenges confronting the country's education system; and consult stakeholders on their views and recommendations concerning the proposed voucher scheme and the overall financing of the K to 12 programme.

The study specifically aims to evaluate the proposed voucher scheme in terms of improving access, equity, and quality of public education provision in the Philippines, and whether the financing programme will give greater freedom and choice in selecting the schools. In addition, the study presents an assessment of PPP initiatives that are similar to the voucher scheme, such as the Education Service Contracting Scheme (ESCS) under the Government Assistance to Students and Teachers in Private Education (GASTPE). It also looks into the experiences of other countries in which voucher or voucher-like programmes in education were implemented. Finally, the



paper endeavors to provide recommendation policies for the incoming government's and the legislature's consideration.

### **III. Methodology**

Besides relying significantly on the data culled from government reports, statistics, and documents, the study also gathered data from existing literature on the subject under study, including researches carried out by academics and research institutions. These were supplemented by interviews of key informants within and outside government. Focus group discussions (FGDs) were also conducted with different stakeholders, including parents, students, teachers, coalition members and partners, other non-government organisations, school administrators, and community leaders, to consult them on their views, sentiments, and recommendations concerning the voucher scheme for senior high school.

### **IV. The Context: Policy Mandate, Current Performance, and the Privatisation Drive**

The Philippine 1987 Constitution guarantees “the right of all citizens to quality education at all levels” and ensures “a system of free public education in the elementary and high school levels.” Substantive educational rights have also been guaranteed in subsequent laws passed which reiterate the constitutional right to free basic education among the school-age population and young adults, including alternative learning systems for out-of-school youth and adult learners. Moreover, the Constitution mandates the state “to assign the highest budget priority to education...” (Article XIV, Section 5 (5) of the Philippine Constitution).

The Governance of Basic Education Act of 2001 confirms the constitutional right to free basic education among the school-age population and young adults to provide them with the skills, knowledge, and values to become caring, self-reliant, productive, and patriotic citizens. According to the National Economic and Development Authority (2011), the policy follow-through on educational commitments has likewise been adopted, such as the Philippine Development Plan 2011-2016 which laid down “achieving universal coverage in basic education” as one of government’s social development priority strategies. The Philippine EFA 2015 National Plan of Action aimed to provide basic competencies to everyone to achieve functional literacy for all, including universal provision of out-of-school youth and adults in the provision of learning needs (National Education For All Committee, 2006).

Even with the presence of a strong legal and policy framework, the Philippine education remained weak and has, in fact, deteriorated over the years. The Philippine Education for All (EFA) Review 2015 Report acknowledged the significant gaps that must be addressed to fully achieve the EFA targets, with only 75% of the relevant age group completing basic education (Department of Education, 2015). According to the same report, millions of children drop out of school every year and only 75.3% survive to complete six years of primary education. Some 10% or 6.9 million Filipinos aged 10-64 years old were functionally illiterate in 2013 (Philippines Statistics Authority, 2013). Official statistics also noted that of the 100 children who started Grade 1 in 2004, only 68 survived to Grade 6 and only 47 reached year 4 (or Grade 10) in 2013.

The quality of basic education, particularly at the secondary level, has remained consistently low. The overall performance in the National Achievement Test shows that students are learning only half (54% in 2013) of what they should have acquired at the appropriate level of schooling.

The Philippines ranks high among the countries with the biggest number of out-of-school children. This is evident in the report of the Philippine Statistics Authority, which shows that there were 3.249 million children 5-17 years old who were not attending school in 2013. As seen in Table 2.11, it is the highest in the ASEAN region.

Table 2.11 **Children 5-17 Years Old Currently Not Attending School by Age Group, Philippines (2009-2013 - In Thousands)**

Age Group	2009	2010	2011	2012	2013
PHILIPPINES	4,344	4,153	3,660	3,500	3,249
5-9 years old	1,646	1,477	1,175	909	812
10-14 years old	771	763	649	688	628
15-17 years old	1,927	1,913	1,836	1,904	1,809

Source: Philippine Statistics Authority, 2013

Official statistics illustrate that there has been no significant reduction in drop-out rates among primary and secondary students in the last ten years, with drop-outs especially high in the poorest regions of the country. Poverty is a major factor contributing to high drop-out rates, while the consistent underfunding of public school system worsens the situation.

Table 2.12 **Public expenditure per pupil as a % of GDP per capita, 2008-2013**

Education spending has been growing in the last six years under the Aquino administration. However, despite the increase in the nominal spending, the expenditure level in relation to Gross Domestic Product (GDP) has remained consistently low at less than 3 %, way below the UNESCO benchmark of 6% of GDP. As shown in Table 2.12, the Philippines is one of the lowest education spenders in Asia and the least per pupil spender in the ASEAN region.

	Average	Primary	Secondary	Tertiary
Indonesia	15.6	11.9	10.7	24.2
Malaysia	32.6	17.1	19.9	60.9
Philippines	9.3	9.0	9.1	9.7
Singapore	17.2	11.2	17.0	23.4
Thailand	31.7	38.3	37.4	19.5
Viet Nam	32.6	25.3	N.A.	39.8

Source: UNESCO; Year of latest data available varies per country

What is distressing to note is that the budget allocation for programmes that are meant to accommodate the poor and disadvantaged groups, including the out-of-school, remains virtually unchanged at less than 1% of the total budget for basic education as reported by the Alternative Budget Initiative (ABI) and Social Watch Philippines based on data culled from the General Appropriations Act (GAA), and the education budget for 2014. In comparison, the allocation for subsidies to private schools under the Education Service Contracting (ESC) programme has increased significantly over the last two decades, indicating a clear bias towards privatisation (GAA, various years).

## V. The Privatisation Drive

The Philippine government has manifested a clear preference for Public-Private Partnership (PPP) which may potentially lead to further privatisation of education in the country. The current administration under President Aquino looks at PPP as a “cornerstone” development strategy and has come up with clear legal provisions and plans promoting the private sector involvement in education as indicated in Executive Order No. 8, s. 2010.

### A. *Education Service Contracting*

The last two decades witnessed a significant growth in the coverage of the Education Service Contracting (ESC), a PPP scheme in education mandated by law that provides public subsidies for students enrolled in eligible private schools. The scheme allows private schools to charge top-up fees to cover the difference between the subsidy and the fees charged by the schools. Considered as one of the world’s largest and longest running PPP in education, the ESC programme was further expanded beginning 2010, targeting one million student grantees annually with corresponding increases in subsidies and budget allocation.

The World Bank review of the ESC shows that the programme fails to reach the poor as was envisaged. According to a report by Jimenez, Hofman, Velez, and Patrinos (2011), most ESC grantees come from relatively well-off families due to the top-up fees that are way beyond the capacity of the poor to pay. Private schools also tend to select better-performing students to reflect well on their academic standing. A good number of the private schools are also located in the urban and semi-urban areas, which are inaccessible to students from the rural areas. These findings already suggest the segregation and discriminatory impact of the programme on the basis of several factors, namely the socio-economic status, ability to shoulder the top-up fees, location, differentiated capacities in school performance, and enforcement of private school criteria. In effect, the poorest are ultimately left out in low performing and poorly financed public schools.

### B. *Affordable Private Education Centers (APEC)*

Another step taken by the government which favours the private sector is the agreement signed in 2013 that allowed the operation of the Affordable Private Education Centers (APEC), a chain of commercial schools established as a joint venture between Pearson PLC Corporation, the largest global education conglomerate, and the Ayala Group, one of the largest corporations in the Philippines.

These schools operate in cramped spaces in rented commercial buildings with poor ventilation, without the required facilities and campuses in violation of existing regulations governing private schools. Yet, the government opted to accommodate the operation of these schools with limited restriction by relaxing a number of regulations. According to Riep (2015), APEC and its corporate shareholders plan on capitalising on an overburdened and under-resourced system by selling ‘for profit education services at nominally low fees’ but on a massive scale through the voucher system.

## VI. The Senior High School (SHS) Voucher Programme

A core agenda of the 10-point basic education reforms, implemented under the Aquino administration, includes the expansion of the basic education cycle, the reintroduction of technical and vocational education and training in secondary schools, and the expansion of government assistance to private schools. With the passage of the Enhanced Basic Education Act in May 2013, the basic education system was expanded from 10 to 12 years, plus one year of compulsory kindergarten. According to the government, the addition of two years of senior high school, alongside the reforms to the grade 7 to 10 curriculum, is intended to make the Philippine basic education system more comparable internationally and to create more domestically and globally competitive SHS graduates. The SHS programme is intended to provide secondary school graduates with better preparation for the workplace and for higher levels of learning (ADB, n.d.).

Even without the benefit of a thorough evaluation of the impact of PPP initiatives in the education sector, particularly the ESC programme, the government in 2013 introduced a scheme similar to ESC to cover senior high school students through a voucher scheme. The programme was expected to further expand the PPP initiative to provide subsidies to incoming senior high school students eligible for enrolment in private schools starting SY 2016-2017 (DepEd Order no. 11, s. 2015).

The DepEd projects an estimated 1.6 million Grade 11 students will move on from the public junior high schools with DepEd schools preparing to accommodate 1.1 million students, while some 500,000 public junior high school graduates were expected to enrol in non-DepEd schools. The SHS voucher scheme was introduced to ensure that the expansion of private sector in education will be able to accommodate the expected half a million incoming grade 11 students who will enrol in the private senior high schools.

In March 2013, the Asian Development Bank (ADB), through its funded Education Improvement Sector Development Program (EISDP), proposed a targeted voucher scheme to primarily support the senior high school programme. In September 2013, DepEd announced the introduction of a voucher system that would allow grade 10 graduates from public and private junior high schools to enrol in SHS offered by private high schools, private and public Higher Education Institutions (HEIs), and Technical and Vocational Institutions (TVIs). In March 2015, DepEd officially released its Policy Brief on the SHS Voucher Program, and in April of the same year, DepEd issued Department Order (DO) No. 11, series of 2015, which provided the detailed guidelines for the implementation of the SHS Voucher Programme.

The DepEd explained that the voucher programme will allow the government to maximise the available capacities in non-DepEd schools and reduce institutional pressures on the public school system. Moreover, the programme envisions a system that provides parents greater choice, particularly to those who do not have the financial means to support the education of their children on their own.

To account for variation in the cost of public provision across municipalities and cities and in urban and rural areas, the value of the voucher will be based on the income class of a locality. The average voucher value will approximate the cost of public education and calibrated relative to the cost of junior high school. There will be 3 tiers – the National Capital Region (NCR) at P22, 500 (\$506.86) per grantee; the

Highly Urbanized Cities (HUCs) outside NCR at P20,000 (\$450.54) per grantee; and the non-HUCs at P17,500 (\$394.22) per grantee (DepEd Order no. 11, s. 2015). The voucher subsidy is not released in cash to the students but is redeemed by the non-DepEd SHS through direct billing to DepEd similar to the ESC programme.

DepEd estimates that around 400,000 students or approximately 40% of the public Grade 10 completers will shift to non-DepEd schools in SHS every school year starting in the year 2016. However, it is also recognised that although vouchers are automatically given to all public school Grade 10 completers and ESC recipients, it is not expected that all of them will avail of the voucher programme. DepEd recognises that student and family preferences will be influenced by the availability of non-DepEd schools in their area, as well as their willingness and capacity to pay tuition top-ups or their preference for local DepEd schools.

## **VII. ADB Loan to Finance the Voucher Programme**

The Asian Development Bank (ADB) has been one of the biggest and oldest financing partners of the Philippines in basic education. With the country's shift to an expanded basic education cycle comes the intervention of ADB with the K to 12 programme. In 2011, a technical assistance amounting to \$1.5 million was approved for the Education Improvement Sector Development Program (EISDP) that seeks to support the transition to a 12-year education cycle. The EISDP was expected to deliver improved performance of the secondary and senior secondary education sectors, including the implementation of programmes to increase the role of the private sector in education through innovative delivery mechanisms, such as school building construction by way of infrastructure PPPs and private management of public schools (Asian Development Bank, 2011).

As a continuation of the EISDP, the ADB approved a loan package amounting to \$300 million in December 2014 for the implementation of the Senior High School Support Program (SHSSP). This programme focuses on supporting the additional two years of senior high school during the transition period covering 2014 to 2019, which includes the financing of the SHS voucher programme. A Results-Based Lending (RBL) Framework will be used where disbursement is directly linked to the achievement of the programme results in selected components within the government's overall SHS programme.

## **VIII. Stakeholders' Perception and Sentiments on the SHS Voucher Programme**

As part of the research project, a series of focused group discussions (FGDs) were conducted, involving education stakeholders such as parents, students, teachers, private and public school administrators, and community leaders, to document their perception, sentiments, and recommendations concerning the voucher programme. The following points were culled from the FGDs:

- Education stakeholders knew very little about the voucher programme and the overall strategy of the government to finance the SHS programme. While many are aware about the ESC and GASTPE programmes, very few are able to connect this with PPP initiatives in education. Most of them claimed that they were not consulted or given any information about the voucher programme.

- Based on very limited information, some stakeholders perceived the programme simply as a 'scholarship grant' to be extended to eligible students and, thus, is regarded positively, especially by parents and students. A student scholar in the Philippine context is considered highly because it carries with it the notion of academic excellence and the privilege of getting education for free. Very few are aware that education is a right and provided for free as mandated by the Constitution and by international law.
- When the guidelines on the voucher programme is presented to stakeholders, questions were raised on whether the programme has universal coverage, whether parents are free to choose whatever school they prefer, and whether the programme is completely free or affordable. Some expressed satisfaction with the fact that the voucher value is much higher than the prevailing ESC grants. However, most are unaware of how much the added cost will be and whether there will be top-up or additional fees.
- Some maintain that the programme design will marginalise the poor because it will not be affordable, what with high top up fees and miscellaneous charges.
- Many expressed their concern that the programme is unable to cover the out-of-school children and youth, which may likely increase as the SHS programme is implemented.
- A few contended that the voucher scheme may lead to further privatisation of education, with the transfer of government responsibility to the private sector and with government funds managed by private individuals. Thus, the issue of accountability for the use of public funds was raised.
- Some FGD participants raised problems in the selection process of the qualified student beneficiaries and eligible schools.
- Among the teacher groups, there is consensus that the voucher programme will further diminish funds that should have been allocated for the hiring of public school teachers and the construction of new schools and additional classrooms, thereby, endangering the upgrading and improvement of the public school system.

## IX. Analysis and Policy Considerations

Issues have been raised concerning the sensitivity of the proposed voucher programme to access, equity, quality, and the fulfilment of the right to education. The following points may help in assessing the desirability of the programme based on these criteria.

*On Access and Affordability.* The voucher programme does not provide full subsidy to students opting to enrol in private schools. Instead, the students are given a flat rate that corresponds to the average school fees in the location category. In its Policy Brief issued in March 2015, the DepEd clarified that parents will have to shoulder the top-up fees or the balance of the school fees charged by private schools which are not covered by the subsidy.

Based on the income level and spending pattern of Filipino families (see 2012 Family Income and Expenditure), it is clear that the top-up fees required under the SHS voucher programme complicate the matter further because they are hardly affordable to most poor families.

The average school fees in most regions of the country are above the proposed subsidy levels. Thus, a majority of the grantees will have to cover the amounts in

excess of the subsidies. Even in regions where the average school fees correspond to the proposed subsidies, the poorer grantees will be forced to choose the lower fee-charging private schools or opt to shoulder the amounts in excess of the subsidies. The second option may be less likely given the financial limitations of poor families.

A large section of the poor is residing in rural communities, while private schools are mostly located in urban or semi-urban areas. This will entail added cost for transportation and meals which are added barriers for poor families to send their children to SHS even with the subsidies. Finally, there is no subsidy offered to cover the cost of books, supplies, uniforms, projects, and school activities. These are usually more expensive in private schools compared to public schools. By focusing on the voucher scheme's implementation, the high costs of these factors have been overlooked and have not been considered in the design of the proposed voucher programme.

Overall, the proposed voucher programme should have covered the full cost of tuition fees charged by eligible private schools. The programme is meant to require these schools to accept the subsidies provided to grantees without charging the additional amount to cover the full cost of tuition fees. Further, it is maintained that the programme should have considered the other cost of schooling to ensure that children from poor families are able to continue on and complete SHS.

A. *On Coverage.* The voucher programme does not cover the out- of- school children, most of whom come from poor families and marginalized groups in both urban and rural areas. DepEd performance statistics notes that only about half of children reached grade 10, with the other half dropping out before completing junior high school. Furthermore, the Philippine Statistics Authority estimates the number of out-of-school children at 3.2 million in 2013. Over half of them or 1.8 million were in the 15-17 age demographic, which corresponds to the age range of senior high school students. It is quite apparent that the voucher programme missed out on the huge number of out-of-school children who dropped out of the formal school system due to poverty, child labour, discrimination, and domestic responsibilities. Thus, if the intention of the voucher programme is to provide opportunities for the poor to pursue and complete senior high school, then this programme will hardly fulfil its objective because a huge majority of the children belonging to poor families have failed to complete or even reach junior high school.

B. *On Parental Choice.* The voucher programme envisions a system that provides parents with greater choice on their preferred school for their children, particularly among those who have limited financial means. With the voucher subsidy, parents are given direct purchasing power to choose schools which best meet their needs. A closer analysis of the programme in terms of its affordability and coverage would indicate that there is hardly any choice given to poor parents and students, primarily due to top-up fees that are unaffordable to most of the poor and non-financial barriers, such as discriminatory admission policies and accessibility of private schools.

Most private schools, as in the case of the ESC programme, are more inclined to select better performing and well-off students to build a better profiling which would make the schools seem more marketable and attractive to parents. Where there is cream skinning and where schools have the final say on their admission policy, the parents are actually disempowered to make choices while private education providers broaden their selection options.



C. *On Equity*. The voucher programme may actually exacerbate inequity in education as only the relatively well-off students are able to choose the best schools and track in both the public and private sectors. Without covering the full cost of private schooling, without clear guarantees and transparency on its admission policies, and without extending coverage to the out-of-school children, the programme systematically discriminates against the poorer, the lower performing, and the rural-based students.

D. *The Privatisation Push*. The policies and actions taken by the government in recent years show a deliberate push towards privatisation of education. The lack of clear and adequate regulatory framework allowed the growing involvement of private actors in education with limited government restrictions. The newly approved voucher programme aims to enrol 40% of incoming senior high school students in eligible private schools. The private education industry has become one of the most lucrative industries in the Philippines in terms of revenue to cost ratio- ranking second based on the 2010 government survey of industries. According to the 2010 annual survey on Philippine Business and Industry (2013), the high revenue margin is true for all levels of education, with secondary education having the highest revenue to cost ratio.

The introduction of voucher programme for senior high school also encouraged the emergence of low-cost private schools and corporate chain schools, but without the necessary regulatory framework. The accommodation given by the government for the operation of APEC schools indicates a clear bias towards the unregulated commercialisation of basic education. Riep (2015) explains that these schools were permitted to operate as a number of government regulations on school buildings, facilities, and premises were relaxed.

Given the country's education performance and financing situation, the policies recently adopted by the government, and the actual experiences with education privatisation, particularly PPP initiatives such as the ESC and the SHS Voucher Programme, it is evident that the government-supported growth and expanding role of private actors in education does not result in an improved access to and better quality education. On the contrary, such policies and programmes lead to further commercialisation of education services and exacerbate inequity and segregation in the society.

E. *Impact on the Public Education System*. As more funds are being transferred from the public to the private sector, the public school system is further weakened and its role in delivering quality education significantly diminished. Privatisation of education services undermines the right to free quality education, produces social inequalities, undercuts the working conditions of teachers, and erodes democratic decision-making and public accountability in education. The proliferation of private, for-profit basic education must be addressed urgently in order to safeguard education as a human right and a public good. The voucher programme, in particular, will entail transfer of resources from public to mostly private SHS participating schools. This may have an impact on the public education system, especially in terms of budgeting, thereby, eroding the promise of free quality education for all citizens as guaranteed by the Philippine Constitution.



There is an urgent need to immediately conduct a transparent review of the ESC under GASTPE, the SHS Voucher Program, and the operation of the APEC schools. It is also crucial that all necessary measures are taken, including the amendment of relevant laws and policies governing private education providers if warranted, to ensure equal access and equity, and the fulfillment of the right to education without any discrimination. In relation to the voucher programme, it is imperative that the relevant provisions to eliminate top-up fees are amended, that the equitable access without discrimination on the basis of economic status, ethnicity, religion, gender, location, and academic standing is guaranteed, and that the programme prioritizes the most excluded, including Indigenous Peoples, Muslims, persons with disabilities, the out-of-school, and those living in disaster, conflict, and hard-to-reach areas.

## ■ Summary and Conclusion

The trend towards the increasing privatisation of education is evident from the country case studies. This is manifested most clearly in the rapid growth of private school enrolment, the proliferation of low fee private schools, and the increasing number and coverage of PPP programmes in education. The case studies attest that privatisation has been the result of government neglect of public schools, lack of regulation and monitoring of private schools, and deliberate government policies which encouraged greater private sector involvement in education. At the same time, there is a strong push coming from external actors – the financial institutions, the World Bank, and the Asian Development Bank, in particular, donor countries, and business corporations.

Government financing of education remains a critical issue in all five countries found to be underinvesting in public education. In Nepal and Pakistan, there is a noted decrease in the number of government schools due to closures and mergers as a result of insufficient funding. In India, the lack of effective monitoring resulted in the unrestricted proliferation of unregistered low fee private schools.

Serious gaps persist in the financing, provisioning, and performance of the public education system, which provided greater opening for the private sector to come in. The governments in these countries further believe that the private sector is needed in order to fill up the financing gap, improve efficiency, and address the deteriorating quality of public education.

Private schools are not affordable to the poorest, as confirmed by the findings of the country case studies. Even in the case of Indonesia's private faith-based schools, poor parents experienced difficulties in covering the various fees charged by the schools. The data highlights the fact that most of the children enrolled, even in so-called low fee private schools, come from economically better off families. This is true in the case of the Philippines as well, where grantees come from relatively well-off families because the poor are not able to afford the top up fees imposed by private schools that receive government subsidies under the education contracting system.

The cost of private schooling becomes particularly prohibitive if other school expenses are factored in. This is particularly problematic in Nepal where parents have to shoulder the cost of transportation, admission, examinations, school supplies, and uniforms, in addition to the prescribed tuition. Private schools require students to

purchase supplies, textbooks, and uniforms, which are considerably more expensive compared to similar items available in the market. In India, Pakistan, and Indonesia, parents complain about hidden charges collected by the school such as admission fees, examination fees, and mandatory contributions to school events. In all five countries, private schools are given a free hand in determining the school fees, with little restrictions and poor monitoring on the part of the government.

Privatisation advocates argue that private schools provide parents with a choice on where to enrol their children. The country case studies, however, show that parental choice is a myth since most private schools, including low-fee private schools, are hardly affordable for the poor. There are also non-financial barriers that discriminate against children from low-income, lower caste, and other socially excluded groups from attending private schools. In Nepal, India, and Pakistan, private schools discriminate based on gender, occupation of parents, and descent. In the Philippines, private schools select better performing students to improve their academic standing and marketability. In India, private schools do not follow the provision of the RTE Act that reserves 25% of school seats to the poorer students. Moreover, a significant percentage of private schools continue to conduct admission tests and interviews in violation of the RTE Act which prohibits such practices to avoid discrimination.

The claim that private schools are cost effective compared to government schools can be attributed largely to the much lower salaries paid to teachers in the private sector. In Pakistan, private school teachers earn only a fifth of the salaries received by teachers in the public sector. In India, teachers receive only one-eighth of the salaries received by their counterparts in the public sector. In the Philippines, private school teachers usually earn only half of the salaries of their counterparts in the public sector. Apart from low salaries, teachers in the private sector also confront the problems of job insecurity, absence of medical and pension benefits, large class sizes, and autocratic principals and school managers.

There are hardly laws that regulate the operations of private schools, and where they exist, these are not strictly enforced. Private schools in the countries covered by the studies operate with very few restrictions, which give private providers a lot of space to conduct their business with little interference from the government. In India, for example, many private schools operate without the required registration. They are able to operate because of poor monitoring and enforcement of existing regulations. In Indonesia, private schools charged various fees even if they receive grants from the government precisely to cover the cost of operating the school. In the Philippines, the government relaxed a number of regulations to allow corporate-run schools to open without the required campuses and other school amenities.

In recent years, PPPs in education have become a preferred option by governments, financial institutions, and donors to address the financing gap and allow for greater private sector involvement in education provisioning and management. Such preference is well articulated in official policies, strategy papers, and programmes. The ADB, for example, had pushed for the inclusion of PPP as a key strategy in the education sector plans of national and provincial governments. Education contracting to the private sector, voucher programmes, and state subsidies to private schools are some of the common PPPs implemented in the five countries and in most other countries in the Asia-Pacific region. Affordability, discrimination, inequity, and sustainability are the most common issues raised and found in the five countries. For

instance, in Pakistan, sustainability is a real concern once donor financing of PPP programmes is withdrawn or reduced at some point in the future. Currently, there is too much dependence on donor financing for these PPP programmes.

Privatisation, including PPPs in education, undermine and weaken the public education system. This is a common finding of the country case studies. In Pakistan, PPP programmes may have strengthened the private education system. However, such policies and support have weakened the mainstream public school system, which suffers from low public and donor financing, and from government neglect. In the Philippines, PPP programmes have increased enrolment in private schools. Moreover, the generous subsidies provided by the government have strengthened private schools but at the expense of the public sector, which suffers from consistently low funding and neglect. In India, Nepal, and Pakistan, the private schools run as parallel systems to the government schools. The increased enrolment share and significant roles played by private actors in education are threatening to supplant the public education system in these countries. In Indonesia, the inadequacy of public funds for education is limiting the access of children and youth to government schools, driving them to attend poor quality private schools and eventually, to drop out of school.

As mentioned earlier, private schools and most PPP programmes in education discriminate against the poor and marginalised groups. The case studies done in India, Pakistan, and Nepal found significant gender gaps among students admitted to and attending private schools. The gap is especially high in rural areas where girls have limited opportunities to enrol in private schools due to accessibility and higher cost. The India case study found that government schools fare much better in comparison to low fee private schools in terms of affordability and equity. In Pakistan, while access may have improved, equity remains a challenge. In fact, inequity in school access may have widened even more as a result of PPPs and privatisation of education. Similar findings were also observed in the case of the Philippines, where most private schools are located in the urban and semi-urban areas which are inaccessible to students from the rural areas. Cases of segregation are also taking place with the poorer, the lower performing, and the rural-based students, who are discriminated and left out in low performing and poorly financed public schools.

The consistently low financing of public education, the unregulated privatisation of education, and the expansion of PPP programmes, have exacerbated inequity in education access and resulted to segregation on the basis of gender, economic status, ethnicity, location, and descent. Privatisation undermines and weakens the public education system, and infringes on the right to education that is mandated by international law and guaranteed by the constitutions of the countries covered in this study. Urgent actions must be done in order to address and reverse the further privatisation and commercialisation of education.

## ■ Recommendations

Public expenditure on education must be progressively increased to address the persisting gaps in basic education, including literacy and adult learning. Despite the promises made in Dakar, education expenditure in most countries in the Asia-Pacific region has consistently fallen short of the recommended international benchmark. Underspending in education impacts most especially on the poor and the most excluded groups. It widens disparity in access and pushes the privatisation drive in education.

Decisive action must be taken to increase funding for public education to at least 6% of the Gross Domestic Product (GDP) and 20% of total public expenditure. Governments must improve domestic financing by widening the tax base primarily through ending harmful tax incentives usually accorded to multinational companies and preventing tax evasion practices of big business enterprises. It is imperative that financing prioritise the poorest and most disadvantaged children, youth, and adults. Governments must further take measures to ensure that funds for education are not lost through corruption and wastage.

Donors must increase aid to basic education to at least 10% of total ODA and ensure coherence and harmonisation, in line with aid effectiveness guidelines and education sector priorities of recipient states. The international community must guarantee that the financing requirements to achieve all the SDG 4/Education 2030 targets are promptly addressed.

The push towards the privatisation of education must be carefully examined to strengthen the evidence and substantiate the advocacy around this issue. It is also crucial for advocates and academic researchers to pursue further studies and expand the literature on the adverse impact of privatisation and PPPs in education to inform policymakers, government implementers, donors, and the general public.

Governments must adopt clear, effective, and comprehensive regulatory measures defining the role of private providers in the provisioning of educational services that are consistent with international law and the respective national legal framework. Private actors in education should supplement and support the public education system. They should not undermine and supplant public education. Regulatory measures must be implemented thoroughly in order to strengthen public education and ensure that education is free, accessible, inclusive, and of good quality.

An effective monitoring system must be set in place and implemented accordingly to ensure that the private sector complies with existing regulations, standards, and reportorial requirements. The unregulated and unrestricted imposition of school fees by private schools must be stopped. Fees, however small, create added burden on the poor and, thus, exacerbate inequalities in societies. State funding of private educational institutions must be reviewed carefully and stopped if found to be violating relevant international and national laws. Instead, state funding should prioritise on strengthening the public education system and in ensuring free, inclusive and quality basic education for all.

Ways to end the discrimination against the disadvantaged and marginalised groups must be addressed immediately. Discrimination in entry and selection of students on the basis of socio-economic background, gender, ethnicity, descent, and location must be prevented. Instead, class and ethnic diversity in all schools at all levels, both in public and private schools, must be welcomed and promoted. The implementation of PPPs in education requires considerable government attention, design, monitoring, and regulation to ensure that such programmes are non-discriminatory and do not infringe on the right to education.

There is a need for a thorough and transparent review of policies and implementation of PPP programmes given the problems encountered by most countries implementing such partnership programmes. Appropriate actions must be taken, including ending

PPP programmes that infringe on the right to education, and those that undermine the public school system and found to be disadvantageous. Policies related to private education providers must be revised or discarded if warranted, to ensure the fulfilment of the right to education for all without any discrimination.

Innovative financing strategies, including partnerships, must be oriented towards ensuring equity, promoting the right to education, and strengthening the public education system. Multi-stakeholder partnerships and business involvement in education must be transparent and regulated, with sufficient accountability mechanisms, to ensure consistency with the new education agenda. Governments must institute measures to curb the proliferation of the largely unregulated fee-charging private schools that target poor families and communities.

Finally, governments must undertake all necessary measures to prioritise the rollout of the Sustainable Development Goals at the national level, including the creation of participatory and transparent mechanisms to monitor progress in the implementation of the new education agenda. Governments must mobilise adequate public funds to ensure universal, free, equitable and inclusive quality education for all without leaving anyone behind.

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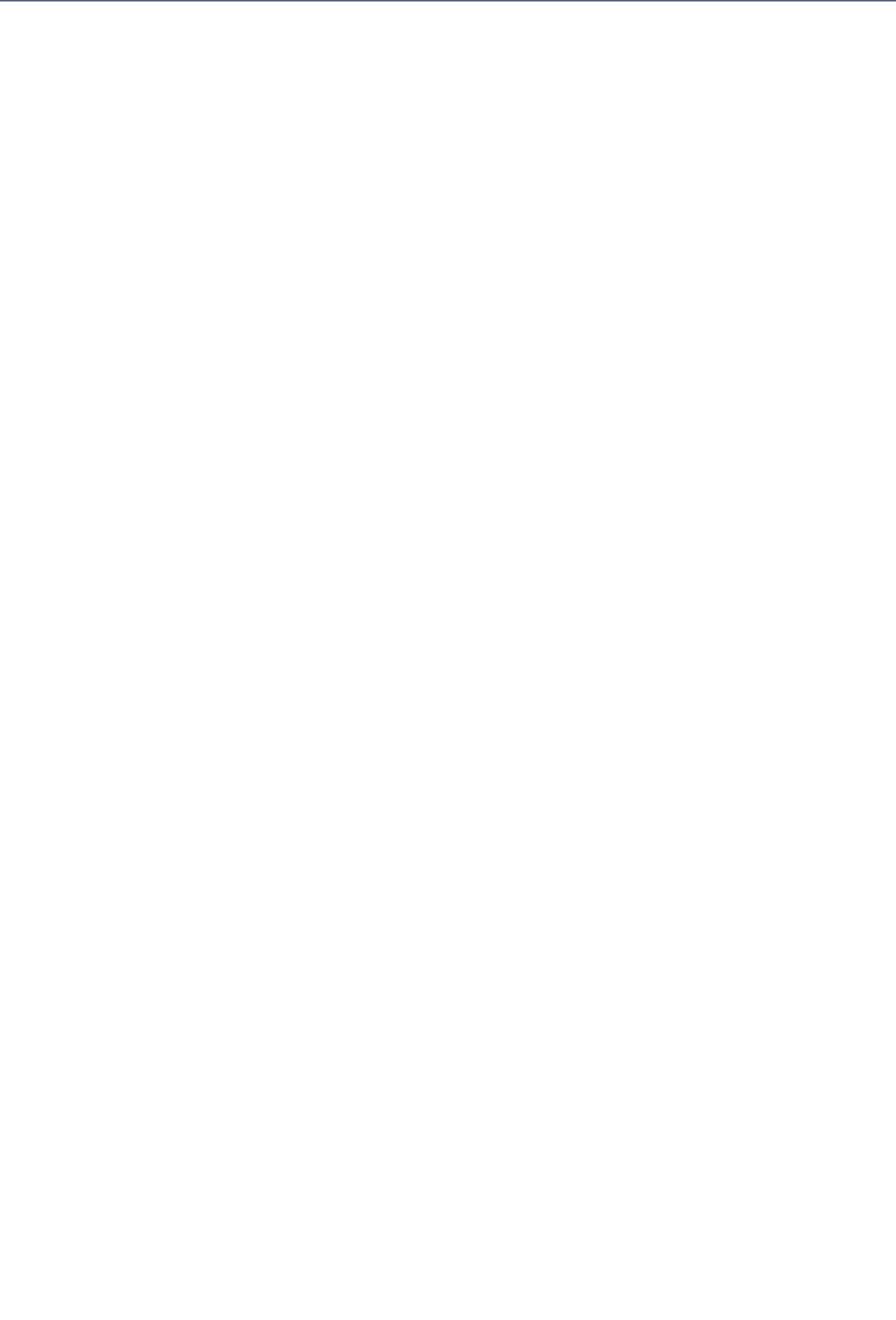
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