

BUSINESS AND SCHOOLING REFORM

What can we learn from experience
in the United States?



October 2009

This is a summary of a CDE publication entitled *Business and Schooling Reform: What can we learn from experience in the United States?*, which reflects the proceedings of a workshop held in Washington, DC, in December 2008. The full-length report is available from CDE.

IN DECEMBER 2008 CDE hosted a workshop on the role of business in schooling reform in the United States. Held in Washington, DC, it was addressed by business leaders, corporate representatives, members of business organisations, and representatives of think-tanks and non-profit organisations involved in education reform. These representatives and experts engaged with a small group of South Africans.

South African business spends a great deal of time and money on education projects. While this generous and valuable contribution has resulted in many excellent projects, it has not



improved the education system as a whole. Compared to government expenditure on education, the resources commanded by companies and foundations are minuscule. The country needs good ideas to help focus the allocation of private funding, so that it has the best chance of positively influencing the education system.

The purpose of this workshop was to establish what the South African business sector could learn from the United States and the experience of companies and business funded approaches to system-wide reform.

The South African schooling system is struggling. Learners perform very badly in international tests in mathematics, science, and functional literacy, and lag years behind intended outcomes. The system is also wasteful, because many who enter it drop out, or fail to find jobs. Developing countries that are poorer than South Africa and with lower expenditure as a share of GDP on education perform substantially better, which clearly signals the poor return on South Africa's massive social investment.

The South African education system is large and complex. More than 12 million learners are enrolled at more than 30 000 schools in some 70 school districts in nine provinces. The system is populated by some 385 000 educators. There are huge differences within and among provinces, districts, and schools. All of South Africa's socioeconomic inequality is reflected in the diverse backgrounds of learners. While teachers are distributed far more equally than 15 years ago, many schools have seen little or no improvement in infrastructure over the same period. Also, time on task is still much worse in schools that cater for learners from disadvantaged backgrounds.

KEY INSIGHTS

The United States is a very large country which also has an enormous and complicated educational system. It also falls short of producing the volume of skilled people needed to ensure that the country remains globally competitive. Businesses in the United States have attempted to address the challenges posed by their system. Key insights and ideas derived from the American experiences are as follows:

A drop in the ocean

Private sector entities in the United States spend a great deal of money on educational initiatives, but this is still less than half of one percent of all public expenditure. Therefore, the most effective way to spend private dollars is to try to influence the future spending of public dollars. South African private funding, which is also tiny compared to state funding, should heed this insight.

Advocacy by business leaders makes a large impact

The impact of business leaders (individually and collectively) advocating reform can significantly exceed the value of a project grant. CEOs of major corporations have excellent access to the media, and their public statements on education and involvement in reform-oriented non-profit organisations and specialist commissions can powerfully influence reform.



The value of research

Finding out what works in education is much cheaper than making it work. Moreover, identifying the obstacles to the effective use of public money can contribute greatly to its better future use. Because the challenges presented by the education system are persistent and chronic, any intervention needs to be strategically planned and systemically implemented. For these and other reasons, supporting appropriate research can be a very effective way to influence policy.

Investing in non-profit organisations can sometimes be better than investing directly

Private donors often prefer supporting specific initiatives in particular schools or systems. However, it is often better to invest in the work of appropriate non-profit organisations with an educational focus, including research-oriented advocacy organisations, rather than directly undertaking free-standing projects.

Think systemically, and act collectively for the longer term

A large, complicated system such as a national educational system will not respond well to local, short-term, and poorly co-ordinated interventions. Reform initiatives need to engage with the system at all levels, and in a coherent, co-ordinated, and consistent way. Once appropriate priorities have been identified, companies and foundations should work together to maximise the impact of their efforts.

Buying something can be less helpful than figuring out why the state did not

Many of the items supplied by companies and foundations, including technology and staff development, could be purchased with public money, but are not, for political and bureaucratic reasons. Identifying the obstacles and facilitating their removal can be more effective than covering the shortfall in a few specific cases.

Replicating and scaling up good initiatives

Companies need to focus less on experimental projects and new ideas and more on taking proven ideas to more sites, and using their examples as models when advocating policy change. It is often better for business to help government take proven ideas to scale, because, regardless of how much business spends, government will always spend far more.

Reform is not easy

Education policy and reform are potentially controversial, and corporate leaders are often reluctant to be seen to be publicly criticising education systems, schools, or the teaching profession. Working for systemic change often takes longer than many businesses can wait, and it is difficult to show outcomes attributable in a fiscal quarter or year. The process tends to be intensive, and the outcomes uncertain. This confirms the value of working with and supporting independent organisations dedicated to promote systemic change in education, and establishing networks of business leaders interested in education reform to facilitate mutual support and learning.



KEY STRATEGIES

Some key strategies for increasing the efficacy of corporate investment in education are:

- **Leveraging assets and expertise:** Businesses can make an impact beyond the infusion of money by sharing its skills and expertise.
- **Establishing focused goals, and measuring results:** Good independent data enables improvement and accountability for results.
- **Work to facilitate better teaching:** This can include helping improve processes for recruiting and rewarding teachers, as well as developing existing and new teachers.
- **Focused support for well-chosen innovations** that take on risks which public funding would probably avoid, and which, if successful, could be scaled up.

INTERESTING EXAMPLES

Among many examples of initiatives by the American business sector from which private interests in South Africa might learn, two stand out:

Achieve Inc is a national initiative founded in 1997 by 50 state governors and business leaders to improve public education. It is funded by major companies, governed in public-private collaboration, and sells some services to individual states. It does ground-breaking work in benchmarking, setting standards, and facilitating greater accountability. It also helps to align educational standards with market needs, and provides high-quality supplementary teaching materials for key subjects, including mathematics.

The National Maths and Science Initiative (NMSI) was set up with a large grant from Exxon-Mobil. The NMSI takes tried and tested initiatives to scale, with the aim of improving maths and science results from kindergarten through to university level. Among the projects it supports are programmes for higher-level instruction to talented high school learners, and teacher preparation programmes. The CEO of the NMSI has identified institutional barriers to scaling up successful programmes as the main obstacle to improved educational performance, and has partly blamed private sector preference for endless individual projects for encouraging this. The NMSI is committed to avoiding this mistake.

CONCLUSION

The generosity of South African companies which are willing to spend significant amounts of after-tax money on improving education needs to be recognised. However, how that money is spent needs to be recalibrated in the light of our own experiences, and the lessons we can learn from elsewhere on adopting a more strategic approach to schooling reform.

Non-state money is a precious resource. It needs to be used in the most effective way possible to improve the South African schooling system, so that much larger numbers of students get a decent education and can go on to have individually rewarding careers that will contribute to their communities as well as to the national economy. South Africa's success depends on this happening as fast as possible.



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