



# HIDDEN ASSETS

## South Africa's low-fee private schools

This is an executive summary of **CDE In Depth no 10**, *Hidden Assets: South Africa's low-fee private schools* (August 2010). The full-length publication is available from CDE, and can also be downloaded from [www.cde.org.za](http://www.cde.org.za).

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OVER THE PAST two years, CDE has conducted ground-breaking research into a highly significant development in South African education, namely the growth of low-fee private schools catering for poorer sectors of the population.

Private schooling for the poor is a global phenomenon which is gaining massive momentum in developing societies such as India, Pakistan, Chile, Ghana, and Colombia. However, its emergence in South Africa has been insufficiently recognised.

While still on a smaller scale than in other developing societies, this is an important development, with far-reaching implications. How big is this sector? How fast is it growing? Can it provide meaningful numbers of learners in poorer communities with a good education? Can it help to relieve the enormous challenges facing the public schooling system? And should the public do more to recognise this sector and encourage its growth?

### **CDE's research**

Several other studies of low-fee private schools have been conducted in recent years; however, all have been based on indirect research methods, and largely unreliable data. By contrast, CDE conducted intensive field research – 'getting our boots dirty' – in six carefully selected areas in three provinces, providing a spread of urban, peri-urban and rural settlements.

In the process, it followed the methods developed by Prof James Tooley of the University of Newcastle, who has done pioneering research on private schooling for the poor in many developing societies. Prof Tooley advised CDE on this project, and accompanied researchers to some areas.

First, we undertook intensive, ground-level surveys in our six selected areas, mapping all public and private schools. The areas selected were the inner city precinct of Braamfontein and the township of Daveyton in Gauteng; the densely settled area of Giyani and the more rural area of Malamulele in Limpopo; and the town of Butterworth and the rural areas of Cofimvaba / Tsomo in the Eastern Cape.

We then visited all the private schools we found in those areas, interviewed principals and teachers, and recorded our own observations in the schools that agreed to participate.

Next, we tested Grade Six learners in a sample of the private schools and compared their performance to those of Grade Six learners in public schools in the same areas.

Lastly, we conducted interviews and focus group sessions with the parents of children attending schools in three of the survey areas. Supplementary research was conducted in Bushbuckridge and in several city centres.

### **Some indicative stories**

Our research turned into an extraordinary journey of discovery. We found 117 private schools in abandoned factories, shopping centres, shacks, and high-rise buildings. We found a chain of private primary schools operating in the Johannesburg city centre, Soweto, and Diepsloot,



accommodating thousands of learners. The founders are planning to open high schools in Soweto and Diepsloot as well.

We found a private school – one of a rural chain – in Limpopo where learners were reviewing maths in the late afternoon, and another where teachers were working together to plan the next day's maths class. We discovered a large private school in an abandoned office building in an administrative centre of the old Lebowa homeland, and another in an abandoned factory in Butterworth in the Eastern Cape.

We discovered that schools were generally valued by parents, many of whom were involved in school governance, accountable to those parents, staffed by dedicated teachers who often work for low salaries; and are run by principals and owners who are determined to provide the quality of schooling sought by local people.

### **Major findings**

While public schools were in the majority, low-fee private schools comprised more than 30 per cent of our total sample – far more than the Department of Education's national estimate for 2008 of 4,3 per cent. In some inner city areas, private schools far outnumbered public schools. Even more surprising was the even split between public and private schools in Butterworth – a town in a relatively remote rural area – and the presence of private schools in very remote areas in Limpopo and the Eastern Cape. Almost a quarter of the private schools were unregistered, and therefore technically illegal.

In the period 1994 to 2009, more private schools were established in our research areas than public schools, and registrations accelerated rapidly and consistently throughout this period. If this trend continues, the low-fee private schooling sector will continue to grow rapidly.

Classes in public schools were bigger than those in private schools, and the learner-teacher ratio was also far higher. Private schools had fewer facilities than public schools. As in other countries, they tend to concentrate on the essentials of teaching that will provide the pass rates they need to attract more learners.

Salaries of teachers in private schools were far lower than those in public schools. Also, teachers in public schools tended to be better qualified than those in private schools.

However, levels of absenteeism were far lower in private schools than in public schools. In fact, no teachers were absent at any of the unregistered private schools forming part of our survey.

On average, public schools charged R104 per month over ten months, and private schools R682 per month. Private fees varied considerably. The average for public schools were derived from fee-paying schools. If non-fee-paying schools are included, the resulting average drops to about R50.

Fees are higher than in other developing societies. As a result, these schools are not utilised by the poorest of the poor; rather, many parents are working people (police officials, civil ser-



vants, and teachers in public schools) who have chosen low-fee private schools as the next best option to the far more expensive former Model C schools for providing their children with a better education than they would receive in basic public schools.

### **The quality of low-fee private schooling**

In order to test the quality of education in private schools, CDE administered an official test (made available by the Department of Education) to Grade Six learners in private schools, and compared their performance to those of Grade Six learners in public schools in the same area. The latter tests were administered by public schools and teachers themselves, and the results have to be treated with caution. However, they suggest that private schools are no worse than public schools, and significantly better in some areas.

When the test results in private schools were compared with those of an earlier government test in public schools, (the National Systemic Evaluation of 2005), learners in private schools were more than 12 per cent higher on average than those of learners in public schools.

### **Parents' views**

CDE interviewed and conducted focus groups with parents in Malamulele, Daveyton, and Butterworth. The main reason cited by parents for sending their children to private schools was that they achieved better results than public schools. Many said that the money they paid in fees made private schools more accountable to parents. Classes were smaller, educators were well prepared, and followed up on learners' performance. The use of English as a medium of instruction was a vital factor. Teachers were dedicated, and took an interest in the welfare of their learners. By contrast, teachers in public schools were often perceived as poorly trained, unmotivated, and lazy.

### **The regulatory environment**

Private schools are required to register with a provincial department of education, and comply with various regulations. Registered private schools are entitled to a public subsidy ranging from 15 to 60 per cent of the average cost per child in an ordinary public school in the relevant province. By contrast, unregistered private schools are technically illegal and cannot receive a subsidy.

Conditions for registration are laid down by the provinces, not the national department of education. They vary from province to province, and are applied by officials many of whom are often uninformed about the nature of private schools. Schools often face long and unreasonable delays in obtaining registration. Some schools have been waiting for years to be registered, others live in fear of losing their registration, or of being shut down.



## Preliminary conclusions

CDE's research points to the following preliminary conclusions:

- There are more low-fee private schools than is commonly believed, and they occur throughout the country, often in unexpected places.
- They vary in quality, but the fact that they are under pressure to attract customers mean that they regard performance as a key priority, and constantly strive to improve.
- Most of the schools we visited were founded by entrepreneurs who were responding to a clear demand for better schools.
- Many people – including some government officials – regard private schools as fly-by-night institutions run by unscrupulous operators who are trying to fleece gullible parents. However, rather than being dupes, it appears as if parents are acting rationally to access better schooling for their children. The schools themselves had mostly been in existence for a number of years and had grown 'taller and fatter' as their growing reputations made them increasingly popular.

## Implications for education policy

Our findings raise important questions about current education policy.

- **Should free schooling be a policy priority?** The government has committed itself to introducing free schooling in some 60 per cent of public schools in the country. However, our study indicates that paying for schooling plays a significant role in making principals and teachers more accountable to parents.
- **Can competition between public and private schools improve the quality of schooling in a given area?** If dissatisfied parents have the option of removing their children and enrolling them in low-fee private schools, this could act as a powerful motor for improving the quality of schooling. Principals and teachers at public schools will be under pressure to improve their performance if money followed parents and learners to their choice of school.
- **What really leads to improved teacher performance?** Teachers at public schools currently enjoy a high level of security, unrelated to their performance. However, our findings indicate that sanctions for poor performance and rewards for achievement play a major role in motivating teachers.

A more competitive environment providing schooling options at all fee levels can only benefit the national quest for improved education. The main aim of future policy reforms should therefore be to build up an enabling environment in which quality schooling is expanded, regardless of whether the providers are public, private, or a combination of both.



### The way forward

This is the most significant study yet undertaken of low-fee private schools in South Africa. It cannot serve as the definitive word on how many low-fee private schools there are in the country, the quality of education provided by all such schools, or how they compare with public schools. However, it does indicate that they are significantly enhancing educational options for members of some poorer communities. Therefore, the potential of this sector to enhance education in the country as a whole needs to be explored.

South Africa needs to conduct nationwide research on the full extent of this phenomenon. We need to gather more data on a national scale, and delve more deeply into local dynamics surrounding private schools in different regions.

All the reports we received from principals across the country, as well as school associations in the private sector, indicate that the regulatory regime needs to be reassessed. We need more information about alternative regulatory models in other developing countries, and more detailed knowledge of where the regulatory problems are located and how they can be overcome. We need to find the best regulatory framework in which both private and public schools will thrive and improve.

In the next phase of this project, CDE will examine international attempts to create an enabling environment for low-fee private schooling.

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