



CENTRE FOR DEVELOPMENT AND ENTERPRISE  
Informing South African Policy



# HIDDEN ASSETS

South Africa's  
low-fee private  
schools

CDE In Depth

Number 10 · August 2010

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



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**Series editor:** Ann Bernstein

This report was written by Prof Stefan Schirmer, assisted by Dr Sandy Johnston and Ann Bernstein. Research for this project was managed by Prof Stefan Schirmer and Dr Stephen Rule. Prof James Tooley inspired this project, and participated in and commented on the research. CDE benefited from advice from Dr Jane Hofmeyr, executive director of the Independent Schools Association of Southern Africa (ISASA). ISASA and the National Alliance of Independent Schools Associations (NAISA) provided institutional support and helpful suggestions.

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

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## EXECUTIVE SUMMARY

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.

Private schooling for the poor is a global phenomenon which is gaining massive momentum in many developing countries

Our research turned into an extraordinary journey of discovery. We found 117 private schools in abandoned factories, shopping centres, shacks, and high-rise buildings

### **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 servants, 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.

The main reason cited by parents for sending their children to private schools was that they achieved better results than public schools

This is the most significant study yet undertaken of low-fee private schools in South Africa

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.

### **Current education debates**

What implications do these findings have for education policy? We offer the following suggestions in the hope of stimulating further research and discussion. We are convinced that 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 be to build up an enabling environment in which quality schooling is expanding regardless of whether the providers are public, private, or a combination of both.

- **Free schooling as a policy priority.** This may be problematic as it will remove the leverage that parents gain from being customers of the school. Poor learners could rather be assisted on an individual basis.
- **The role of competition in enhancing the quality of schooling.** If dissatisfied parents had the option of removing their children from public schools and enrolling them in low-fee private schools, this could act as a powerful incentive to principals and teachers at the former schools to improve their performance if they faced the loss of their jobs and incomes.

- **What really leads to improved teacher performance?** Besides more and better training, teachers' performance could also be improved by strengthening the rewards for good performance, as well as the sanctions for poor performance.

### **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. We will then spell out our conclusions about the implications of the low-fee private schooling sector for South African schooling reform, and make some practical policy recommendations.

The potential of this sector to enhance education in the country as a whole needs to be explored



A private college offering classes from grade R to grade 12 in Braamfontein, Johannesburg.

# Introduction

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THE SOUTH African public schooling system fails to provide major sections of society – particularly poorer people – with an adequate education.

In other developing societies with struggling public schooling systems, the gap has been filled by an extraordinary phenomenon, namely the growth of private schooling for the poor.

In developing societies such as India, Pakistan, Chile, Ghana, and Colombia, private schools have proliferated to the point where in some countries the majority of learners attend private schools.

While this has largely gone unrecognised, private schools for the poor have also begun to emerge in South Africa and their numbers are growing rapidly.

This is an enormously important development, with far-reaching implications for our national education system. 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 the introduction of a choice for parents of learners in poorer communities stimulate public schools in those areas into improving their performance? What are the implications of this growing sector for education policy? Can it help to relieve the enormous challenges facing the public schooling system?

Over the past two years, CDE has conducted a major research project aimed at addressing these questions. In its first phase – reflected in this report – we investigated the extent of the low-fee private schooling sector in diverse communities, and whether or not it is providing learners from poorer families with better schooling than they would have received at public schools.

The research revealed that private schools exist in unexpected places, and in larger numbers than previously thought; that they are growing rapidly, and that they are playing an increasingly important role in providing poorer people with better education.

In the next phase of this project, CDE will examine international attempts to create an enabling environment for low-fee private schooling, and also analyse the current regulatory environment in South Africa. We will then spell out our conclusions about the implications of the low-fee private schooling sector for South African schooling reform, and make some practical policy recommendations based on our work.

## Structure of this report

We will begin with a brief review of the private schooling phenomenon in other developing societies. Next, we will outline the results of previous studies of the low-fee private schooling sector in South Africa.

Before reporting on our research, we will sketch its context by recounting some of the stories that emerged as we visited schools and spoke to principals, teachers, parents and learners in various parts of South Africa.

Private schools for the poor have also begun to emerge in South Africa, and their numbers are growing rapidly

Following this, we will set out our research methods in six carefully selected areas in the country, as well as some supplementary research, and report on the results. Finally, we will put forward some preliminary conclusions from our research, and begin to consider its broader implications.

Background research reports produced for this study, as well as more detailed accounts of our research methods and instruments, are listed in a series of appendices.

## An international phenomenon

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MANY EXPERTS routinely regard public or public schools as the only practical way of educating the poor.<sup>1</sup> In tandem with this, private schools are widely regarded as elite institutions catering only for the wealthy.

However, as noted earlier, low-fee private schools have proliferated in many developing societies in recent years, and private schools for the poor now exist in huge numbers in some of the poorest areas in the world.

According to a recent World Bank report, 'private participation in education has increased dramatically over the last two decades, serving all types of communities – from high-income to low-income families. ... Across the world, enrolment in private primary schools grew by 58 per cent between 1991 and 2004, while enrolment in public primary schools grew by only 10 per cent.'<sup>2</sup>

These figures are based on official statistics supplied by the governments of various countries around the world.<sup>3</sup> However, independent researchers using more direct methods have played a key role in highlighting the astonishing growth of private schools in poor areas around the world.

The British educationist Prof James Tooley has played a particularly prominent role in this process. Tooley and his research teams have pioneered intensive ground-level research processes in various developing countries in which they map and study all the schools in a given area, whether public or private.

In slum areas in three zones of the Old City of Hyderabad, India, Tooley and his researchers recorded 918 schools. Only 320 (35 per cent) were government schools; the remaining 65 per cent were private schools, and more than half of those (335 or 56 per cent) were unregistered and therefore unrecorded in official statistics.<sup>4</sup>

Similar trends were discovered in Africa. In Ghana, research in the low-income, peri-urban Ga District near Accra revealed 779 schools of which only 25 per cent were public schools, and 75 per cent were private registered and unregistered schools. Sixty four per cent of school children attended private schools in this extremely poor district.<sup>4</sup>

In the enormous slum of Kibera in Nairobi, Kenya, the great majority of primary school children attend private schools. In 2003, 76 private unregistered schools were found in the slum area. The majority of these schools served nursery and primary aged

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A private school in Malamulele in Limpopo.

children, with five schools catering for secondary levels only. Research conducted in the same area during 2008 revealed 116 private unregistered schools.<sup>5</sup>

Tooley's work has created a greater awareness of the emergence of private schools for the poor, and stimulated research by others. In Pakistan, World Bank researchers observed that:

A large fraction of rural Pakistani households no longer lives in a village with one or two public schools — half the population of rural Punjab, for instance, live in villages where parents routinely have 7-8 schools to choose from. This new educational landscape is best described as an active educational marketplace with multiple schools vying for learners whose parents are actively making educational decisions. ... Secular, co-educational and for-profit private schools have become a widespread presence in both urban and rural areas.<sup>6</sup>

In Pakistan, private schools have grown from 3 300 in 1983 to 47 000 in 2004.<sup>7</sup> According to Dr Fareeha Zafar of Punjab University, the government of Pakistan now 'recognises that while private schools usually pay lower salaries, their teaching standards are higher and teacher to pupil ratios are lower. The government is changing from being a provider to a facilitator and financer of education, and embracing a philosophy of public-private interaction.'<sup>8</sup>

In neighbouring India, the phenomenon of private schooling extends well beyond the boundaries of Hyderabad. Private unregistered schools 'are operating practically in every locality of the urban centres as well as in rural areas, and are often located adjacent to a public school.'<sup>9</sup> Official figures show that, in 2002, almost 40 per cent of children

The recent growth of private schooling in the urban areas of India has been nothing short of massive

in urban India were attending private registered primary schools.<sup>10</sup> If these figures were to include the private unregistered sector, researchers believe that the great majority of children in urban areas in India are attending private schools. As Geeta Kingdon (chair of education economics and international development at the London Institute of Education) puts it, 'the recent growth of private schooling in the urban areas of India has been nothing short of massive.'<sup>11</sup>

Similar trends have been described in Latin America. In Chile, learners attending public schools constituted 78 per cent of the total in 1981. This number fell to 58 per cent in 1991 and then to a mere 47 per cent in 2006. Learners attending private schools subsidised by the government increased correspondingly, from 12 per cent in 1981, to 32 per cent in 1991 and 45 per cent in 2006. The learners attending these private schools score – on average – higher than public school learners on standardised tests.<sup>12</sup>

Recent research in Aguablanca, a slum area in Cali, Colombia, showed that private schools teach the majority of pupils and significantly outnumber public schools. Researchers from the Stockholm School of Economics found 109 private schools (recognised and unrecognised), and only 19 government schools. The proportion of pupil enrolment was found to be 64 per cent in private schools, and 36 per cent in public

## RESEARCH BY THE CENTRE FOR DEVELOPMENT AND ENTERPRISE

### Examining schools in six areas

Using methods pioneered by the British researcher James Tooley, researchers located all the schools, both public and private, in six localities. These were situated in three provinces, and represented a spread of formal and informal settlements in urban as well as rural areas. They then visited all the private schools found in those areas, interviewed principals and teachers, and recorded their own observations in schools that agreed to participate.

Next, in order to assess the quality of education in low-fee private schools, they tested grade six learners in private schools and compared the results with tests conducted in public schools in the same areas.

Interviews and focus group sessions were conducted with the parents of children attending schools in three of our six survey areas, in order to probe their perceptions of private schools, and their reasons for sending their children to private rather than public schools. Most of this work was undertaken by the respected research team of Eric Schollar and Associates.

### Supplementary research

Supplementary research was conducted in the densely populated area of Bushbuckridge in northern Mpumalanga. Schools were mapped, and interviews conducted with principals and parents. Tooley participated in this study, and accompanied researchers on their field trips.

Researchers also visited several city centres to probe the proliferation of private schools in inner city areas. Lastly, they conducted a survey in Daveyton in order to probe the daily migration of township children to private schools in Benoni and beyond.

### Commissioned background papers

CDE also commissioned a background research paper on the political climate in respect of private schooling, and another on the regulatory environment for private schools in the country.

These and other studies for this project are listed in Appendix A.

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schools, demonstrating that private schools were much smaller than public schools. More girls were attending private schools in Aguablanca than boys, and more than half of the private schools were run by individual proprietors. Private schools were found to perform better on two indicators of quality: teacher activity, and pupil:teacher ratios.<sup>13</sup>

## The South African scenario

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SOME STUDIES about low-fee private schooling in South Africa have been conducted in recent years. They have largely been conducted at arm's length – via phone interviews or mail surveys – and have drawn on unreliable data.<sup>14</sup> The findings are encapsulated in the box 'Previous studies of private schooling in South Africa' on page 17.

By contrast, CDE adopted a hands-on method comprising an extensive search for private schools in a carefully selected spectrum of deprived areas, then spending time at the schools we found, talking to principals, teachers, pupils and parents (see box, p14). In the course of 2008/9, CDE researchers:

- Discovered 117 private schools in various, often remote, parts of the country;
- Found schools in abandoned factories, abandoned shopping centres, shacks, and high-rise buildings;
- Visited, sometimes more than once, 91 of these schools;
- Surveyed 193 public and private schools in an effort to gain insights into their nature and differences;
- Tested 771 private school learners to see how they performed in relation to pupils in public schools;
- Interviewed 171 parents to obtain their views on private schools.

In other words, we 'got our boots dirty' in unexplored places to obtain as realistic a picture of the low-fee schooling sector as possible, regardless of what the existing statistics suggest.<sup>20</sup>

CDE adopted a hands-on method comprising an extensive search for private schools in a carefully selected spectrum of deprived areas

## The shape and size of the schooling sector in South Africa

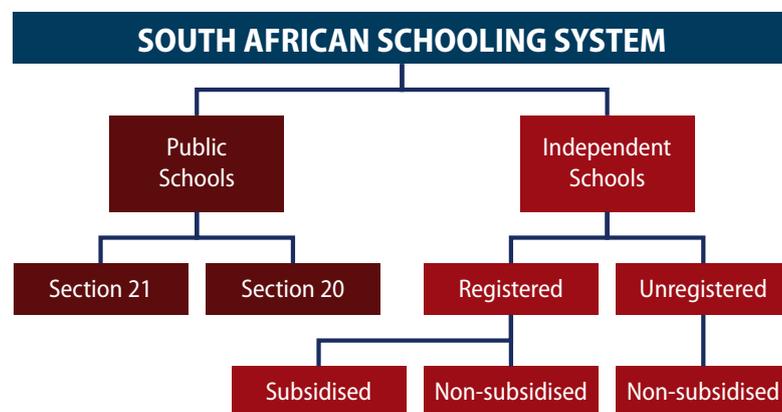
IN TERMS of education legislation, there are basically two types of schools in South Africa: public schools, which are controlled by the public; and independent schools, which are privately owned. The term 'private schools' is not officially recognised; however, in the public discourse and research literature, independent schools are often referred to as private schools. In line with international usage, this report will refer to independent schools as private schools.

Private schools are required to register with a provincial department of education, and comply with various government regulations. Nevertheless, they have greater freedom to introduce their own forms of governance, curricula, staffing policies, and teaching methods than government schools.<sup>21</sup> Registered low-fee and mid-fee private schools are entitled to a public subsidy, but not all registered schools receive or apply for this subsidy. There are therefore subsidised registered private schools, unsubsidised registered private schools and unsubsidised unregistered private schools.

Unregistered private schools – which either avoid, or have been denied, registration – are technically illegal. These schools are even more dependent on the support of fee-paying parents than registered schools as they do not receive any government subsidies.<sup>22</sup> While an accurate description would be longer and more complicated, former Model C schools are effectively former 'whites-only' public schools which were allowed to become more autonomous during the last years of the apartheid order. While the public continued to pay teachers' salaries, Model C schools raised extra funds from parents and other sources.

Today, all or almost all former Model C schools are Section 21 schools, which means that they still have greater financial and managerial autonomy, and charge higher fees. By contrast, most or all schools in former townships and informal settlements are

Private schools are required to register with a provincial department of education, and comply with various government regulations



Source: Independent Schools Association of Southern Africa.

Section 20 schools, which means that they are more strictly regulated, and charge lower fees. There are 5 145 former Model C Schools (constituting 20,8 per cent of all public schools), housing more than 2,4 million learners (20,5 per cent of learners at all public schools).<sup>23</sup>

According to official education statistics, South Africa has just under 25 000 public schools, accommodating almost 12 million learners; and about 1 100 registered independent (or private) schools (4,3 per cent of the total), accommodating some 366 000 learners (or about 3 per cent of the total). As argued elsewhere in this report, our

### PREVIOUS STUDIES OF PRIVATE SCHOOLING IN SOUTH AFRICA

J L du Toit, *Independent Schooling* (2003):

**Research method:** Questionnaires mailed to the 1 287 schools on the HSRC's database of registered independent schools, followed up with phone calls.

**Main finding:** Definite signs of growth in private schools serving poor South Africans between 1990 and 2000.<sup>15</sup>

P Rose, *Is the non-state education sector serving the needs of the poor?* (2002):

**Research method:** Secondary literature and general impressions.

**Main finding:** There could be up to 3 000 schools (three times the official number) that are unregistered, 'fly by night' schools in urban centres and informal settlements.<sup>16</sup>

K M Lewin and Y Sayed, *Non-Government Secondary Schooling in Sub-Saharan Africa. Exploring the Evidence in South Africa and Malawi* (2005):

**Research method:** Documentary reviews of existing literature and a few case studies. The case studies entailed visiting areas in Gauteng (especially Orange Farm outside Soweto) and telephone surveys of some of the schools.

**Main findings:** Provision at primary and secondary level is predominantly public. A large cluster of private schools was found in Orange Farm; however, this was exceptional as the supply of public school places had not kept pace with the growth of the settlement.<sup>17</sup>

J Hofmeyr and S Lee, *The new face of private schooling* (2004):

**Research methods:** Information from the membership database of 500 schools of the Independent Schools Association of Southern Africa (ISASA) and those of other national associations of independent schools, as well as insights derived from their knowledge of ISASA's low-fee member schools.

**Main findings:** Provincial departments, such as Gauteng, have admitted to serious database problems in its recording of independent schools. The increase in differentiated demand among lower-middle-class, working-class black families and informal sector entrepreneurs is fuelling the growth of new independent schools at the low-fee level. The regulatory environment for private schools is becoming increasingly disabling.<sup>18</sup>

P Musker & J du Toit, *Market Survey of the Independent Education Sector in South Africa* (2009):

**Research method:** Mail survey of independent schools in South Africa registered with the national Department of Education (DoE).

**Main finding:** The majority of independent schools (51.4 per cent) are simply responding to a need for schooling at the local level. This is particularly so for low-fee schools (60.5 per cent), many of which would be located in townships and rural areas where public schooling is often either absent or dysfunctional.<sup>19</sup>

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research has strengthened the view that the low-fee private schooling sector is far larger than these figures reflect.<sup>24</sup>

### Some indicative stories

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BEFORE DESCRIBING the systematic survey that forms the core of our research, and reporting on the results, we would like to tell some of the stories that emerged as we spoke to principals, teachers, parents and learners in various parts of the country. In the Johannesburg city centre, for example, we came across a school which we will refer to as the GASA Institute. (As noted elsewhere, all unregistered private schools are technically illegal. As a result, the names of all schools and their principals or proprietors have been changed.)

The Institute is the 'father' school of other GASA schools that have been established in response to the high demand for the type of education it provides. The school was founded in 1992 by Wilhelm P Sekoka and H M Ncube. While studying at Wits University, Sekoka became involved in the Student Teacher Education Project (STEP), which taught school children on Saturdays in an attempt to overcome the deficits of apartheid-era black education. After graduating, Sekoka met Ncube and said, 'let's do this again on Saturdays.' Their first Saturday school was attended by some 700 children. Parents then implored GASA to open on a daily basis. GASA was registered as an independent school in 1993, and now has 2 100 learners aged 6 to 19. In 1995 Sekoka and Ncube opened the Empowerment Commercial College, specialising in business studies. Situated next to GASA in Braamfontein, it now has 700 learners.

In 1999, parents whose children were bussed in from Protea Glen, a suburb of Soweto, asked if GASA could open a school there as well. As a result, Sekoka started a primary school called GASA Protea Glen, which currently has about 1 900 learners from Grade R to 7. Later, parents in Diepsloot, a newer township north west of Johannesburg, made a

We would like to tell some of the stories that emerged as we spoke to principals, teachers, parents and learners in various parts of the country

#### THE MEANING OF LOW-FEE

In 2009 the International Finance Corporation defined low-fee schools as those charging less than R635 per month over ten months;<sup>26</sup> middle-fee schools are those charging between R636 and R1 825 per month; and high-fee schools as those charging any amount above R1 825. According to the education section of the South Africa Info website, Edufacts, a 'good state-aided school' may cost between R600 and R1 500 per month.<sup>27</sup> Public schools recorded in our survey charged an average fee of R104 per month over ten months. When the free, 'no-fee' schools are included, the average drops to R50 per month.

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## Hidden assets: South Africa's low-fee private schools



A low-fee private school in the Johannesburg city centre. Note the compulsory sports fees.

similar request. GASA Diepsloot was opened in 2004, and now has 800 learners. Sekoka plans to open up high schools in both Protea Glen and Diepsloot. Since some parents are concerned about conditions in the city, Sekoka is also planning to start a boarding school on a recently acquired farm, 20 kilometres east of Johannesburg.

In 1993 the original GASA school employed 20 staff members; it now has 200. They are not paid as well as teachers at public schools, and do not get the same benefits. The fees at GASA are (over 10 months only): Grade R to 7: R300 per month; Grade 8 to 9: R450 per month; and Grade 10 to 12: R500 per month.<sup>25</sup>

To assess the expansion of GASA, CDE visited GASA Diepsloot, 25 kilometres north west of Johannesburg. The principal, Eunice Nkuzi, said learners' parents tended to be domestic workers, security guards, and others employed in the settlement. Most lived in Diepsloot itself, but some were based in the neighbouring suburbs of Randburg and Fourways, and even as far away as the established former black township of Alexandra. Children had to pay for transport, as there was no school bus. The school has 810 learners from Grade R to 7. Fees were R300 per month (over 10 months), for all grades.

According to Nkuzi, parents sent their children to her school rather than to much cheaper public schools because 'we teach only in English, and the education is better than in the public schools. Parents try to move their children here from public schools all the time. There are plenty of public schools to choose from.

'Ideally, the school should not have more than 40 children in a class, but we are forced by the situation [to have bigger classes]; sometimes we feel pity sending children away. We don't select children by ability, we take them as they are, because all children need to be given an opportunity.'<sup>28</sup>

'We teach only in English, and the education is better than in the public schools'

## Hidden assets: South Africa's low-fee private schools

This story indicates that in and around Johannesburg, the low-fee private schooling sector has existed for at least 15 years, and that demand for this kind of schooling is growing in townships such as Soweto, Diepsloot and Alexandra.

*The sector appears to be growing fast, driven largely by demand from parents.*

The story also reveals that as successful entrepreneurs establish a good reputation among parents, they are able to build up their schooling brands and start educational franchises. The good reputation of some of these brands allows private schools to overcome the problem of trust. Parents are wary of paying bigger fees to private schools if they are unsure whether the school will deliver the required results.<sup>29</sup> However, given the reputation of the GASA brand, parents are more confident about the quality of schooling, and therefore prepared to invest in their children's future.

CDE's hands-on approach provided us with many unexpected insights. For example, when CDE researchers visited a branch of the largely rural schooling chain Watson English Medium (WEM) in Limpopo late one afternoon, we found learners – still in their uniforms – reviewing the maths taught earlier that day.

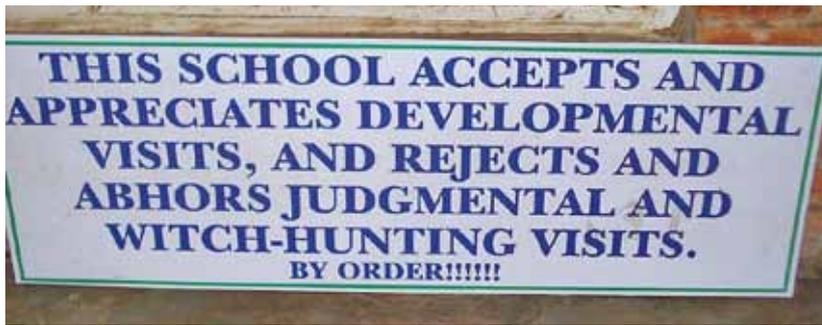
As successful entrepreneurs establish a good reputation among parents, they are able to build up their schooling brands and start educational franchises



Peer learning in Limpopo.

When we asked the oldest boy in the group, who identified himself as the head boy of the school, why his mother chose to pay about R600 per month in school fees when she could send him to a free public school, he replied that his mother believed the principal of the public school did not own the school, and therefore did not really care what happened at the school. By contrast, WEM schools had an owner who ensured that the school maintained good discipline and provided learners with a good education.

*Some parents believe owners of private schools are more likely to strive to maintain a reputation for providing quality education.*



Sign outside an unregistered school in Limpopo.

Later that day, CDE researchers discovered a private school in an abandoned office building in an administrative centre of the old Lebowa homeland. It bore the following sign, which revealed that some unregistered schools feel persecuted by officials and other 'outsiders':

Once we had identified ourselves as 'developmental visitors,' we were allowed to enter, and met two teachers who, at six o'clock at night, were working on setting a maths test for the next day. They did not seem to be qualified (we did not ask, for fear of being labelled as 'witch-hunters'), but were clearly highly motivated, and said they were determined to improve their understanding of the maths syllabus.

*In many private schools, teachers appear to be committed to the task and hard-working.*

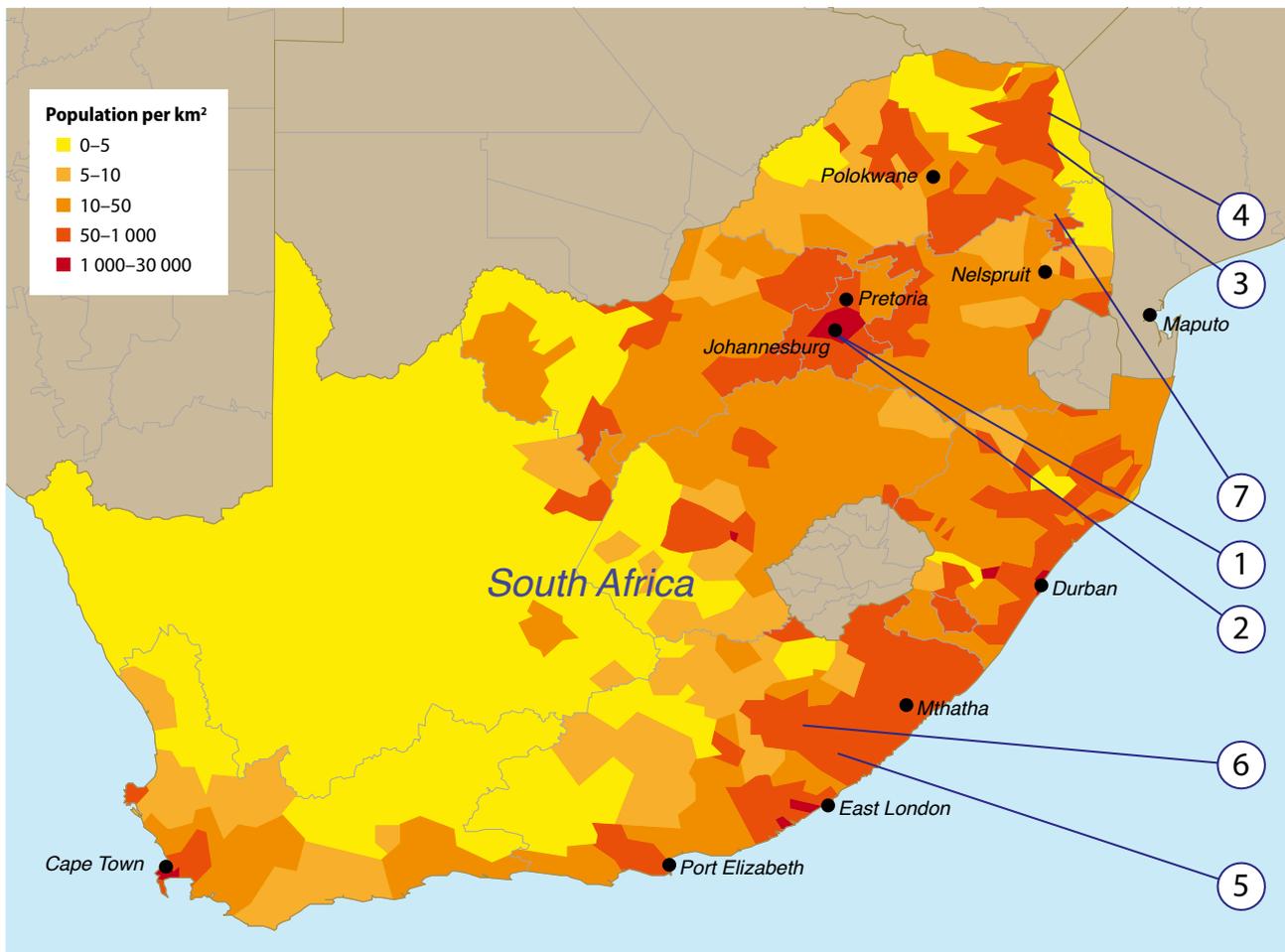


Advertising school values.

Many principals told us that, like GASA's Sekoka, they had founded their schools at the request of parents. We also discovered that low-fee private schools address what they perceive as the value system of local parents. As a result, they tend to stress good

Low-fee private schools address what they perceive as the value system of local parents

## Areas chosen for CDE's research



- 1 Braamfontein, an inner city area in Johannesburg, Gauteng.
- 2 Daveyton, a township outside the town of Benoni, Gauteng.
- 3 Giyani, an urban area in Limpopo.
- 4 Malamulele, a rural complex in Limpopo.
- 5 Butterworth, a large town in the Eastern Cape.
- 6 Cofimvaba/Tsomo, more remote villages in the Eastern Cape.
- 7 Bushbuckridge, a large densely settled area at the confluence of three former homelands.

teaching, the use of English as the language of instruction, and strict discipline. One school advertised its core principles in the following way:

*Many of the private schools we found tended to work closely with parents, whom the schools regarded as their customers.*

## Mapping schools in six areas

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HOWEVER INTERESTING and significant these stories may be, they do not prove that the low-fee private schooling sector is larger than is commonly believed, or that they are significantly better than many public schools. In order to explore these issues, we conducted a survey of public and private schools in six selected areas in the country.

Constructing a representative sample of schools would have been practically impossible, given the lack of clarity about what the ratio of private to public schools actually is. Instead, we undertook comprehensive street-by-street surveys in certain carefully selected areas.<sup>30</sup>

The areas selected fell in three of South Africa's nine provinces: the two poorest (Limpopo and Eastern Cape), and the most densely populated (Gauteng). In Gauteng, the areas selected were the inner city area of Braamfontein, and the township of Daveyton; in Limpopo, the densely settled area of Giyani and the more rural area of Malamulele; and in the Eastern Cape, the town of Butterworth and the rural area of Cofimvaba/Tsomo.

### Gauteng

The first initially selected area in Gauteng was the township of Daveyton on the East Rand, just outside the large town of Benoni. Daveyton was established in 1955 when some 24 000 Africans were resettled there by apartheid urban planners. According to the latest census, it now has over 150 000 inhabitants.<sup>31</sup> At its north-west entrance is a large informal settlement called Minanawe, which gave us an opportunity to explore the formation of low-fee private schools in a more deprived area.

In the municipal area of Benoni, which incorporates Daveyton, 29,8 per cent of Africans live in poverty (see Appendix B for a definition), and 33,5 per cent are unemployed. On average, individuals earn just over R30 000 a year, households just under R100 000 a year.<sup>32</sup>

In Daveyton, we found 15 public schools (primary and secondary) that agreed to participate in our survey, but no private schools. However, when we began to question people in the streets, many said they sent their children to private schools in Benoni, or, as they put it, 'in town'.

We undertook comprehensive street-by-street surveys in certain carefully selected areas

## Hidden assets: South Africa's low-fee private schools

Similarly, even in Minanawe, we did not find any schools, but saw many school children walking home or being transported in taxis and other vehicles. We subsequently conducted a dip-stick survey of 127 residents of Daveyton, 90 per cent of whom said that many families in the township sent their children to schools outside the township (see Appendix C for sampling technique). About 20 per cent said they knew of more than 20 families who were sending their children to schools in Benoni and beyond.<sup>33</sup>

As a result, we extended our survey to Benoni itself, and ended up with a register of 35 schools in Daveyton and Benoni, of which 11 were private schools. The latter included St Antony's School, located in the Benoni CBD, but attended almost exclusively by children from Daveyton.

St Antony's was started by a local educationist some 21 years ago because of 'demand from the community'. She had been running tutorial classes voluntarily on a Saturday, and parents asked her whether she could start a school. So she did, in a very run-down building near Benoni station.



Playing chess at a private school in Benoni.

After seven years the school moved into more comfortable premises, where it remains today, with Stockton as principal. It has some 600 learners, '90 per cent of whom are from the townships'. The fees range from R690 to R800 per month over 10 months. The school has achieved a 100 per cent matric pass rate for the past 11 years. As a result, it is in great demand, has to turn away 50 to 100 children each year for admission to Grade 8, and many in earlier grades as well. Stockton publicised that 'children don't want to go to township schools, they want to go to "town" schools'<sup>34</sup>. This sentiment was echoed by many of the Daveyton parents we interviewed subsequently.

The other Gauteng area we surveyed was Braamfontein, a high-rise urban district on the north western edge of the Johannesburg CBD, whose schools serve mostly commuters. Most of the schools we found in our survey were final phase schools (i.e. teaching grades 10 to 12). We subsequently visited other inner city areas such as Pretoria, Hillbrow,

The practice of commuting to inner-city private schools from the townships is common and well-established

and central Johannesburg, where we encountered the GASA school described earlier. In all we visited 15 private schools in these areas and found that they charged fees ranging from R250 to R750 per month for 10 months a year. All the principals we interviewed told us that many of their learners commuted from surrounding townships. Thus the practice of commuting to inner-city private schools from the townships is common and well-established, which helps to explain why there are relatively few private schools in townships with rail, bus and taxi linkages with inner city areas such Braamfontein, Hillbrow and Pretoria.

### Limpopo

Limpopo is a poor, predominantly rural province. The first area we surveyed was Giyani, a sprawling peri-urban area on the R81 between Polokwane, the provincial capital, and Thohoyandou. Giyani was the capital of the former homeland of Gazankulu, and Thohoyandou the capital of the former homeland of Venda. In this municipal area, over 50 per cent of Africans live in poverty, and almost 30 per cent of active work-seekers are unemployed.<sup>35</sup> On average, Africans in this area earn just under R20 000 a year, and African households just over R80 000 a year.<sup>36</sup> The broader area is predominantly agricultural, but the town has also become a retail and entertainment centre. The public sector provides a high proportion of jobs in the town and surrounding villages, but most people in the villages probably depend on social grants or remittances from family members in the cities. In Giyani we surveyed 43 schools, of which 14 were private.<sup>37</sup>

In Giyani we surveyed 43 schools, of which 14 were private



A private rural school expanding in Malamulele.

## Hidden assets: South Africa's low-fee private schools

Further down the R81 highway is the rural area of Malamulele, comprising a small administrative centre and numerous surrounding villages. Its population comprises around 100 000 people. The Malamulele Hospital and 17 feeder clinics service about 315 000 people. In the broader municipal area of which Malamulele forms a major part, some 55 per cent of Africans live in poverty, and just over 30 per cent are unemployed. On average, Africans in this area earn just under R18 000 a year, and African households just under R75 000 a year.<sup>38</sup>

### Eastern Cape

The Eastern Cape is a poor, predominantly rural province, marked by extensive rural settlements. Large parts of the province fell into the former homelands of Transkei and Ciskei.

In this province we again studied a predominantly urban area, Butterworth, and a more remote rural one, the combined villages of Cofimvaba and Tsomo. Butterworth is located on the N2 highway between East London and Umtata. It was a 'designated growth point' in the former homeland of Transkei, which means that it once contained a number of small, subsidised industrial establishments. Most of these (mostly furniture

The Eastern Cape is a poor, predominantly rural province, marked by extensive rural settlements



A private school in an abandoned factory in Butterworth.

factories and factories manufacturing other wood products) have closed down, and some of the abandoned buildings now house low-fee private schools.

Butterworth is one of the oldest towns in the Wild Coast Region, and has an urban population of about 50 000. As a result of the factory closures it has high levels of unemployment and serves a large rural hinterland with a population that generally depends on social grants and remittances from relatives working in urban areas.

In the Mnquma Local Municipality, which includes Butterworth, some 56 per cent of Africans live in poverty, and 45 per cent are unemployed. On average, Africans in this area earn R15 500 a year, and African households R60 000 a year.<sup>39</sup>

Cofimvaba and Tsomo are close to each other, about 65 kilometres inland on the R61 from Butterworth. They are much smaller than Butterworth, with estimated populations of 7 500 and 3 500 respectively. Both settlements are surrounded by many others, in which unemployment and poverty are rampant. The local economy is almost entirely based on the public sector and traditional agriculture, with small-scale retail and other commercial activity in the town centres.

Once again, many people rely on social grants and remittances from relatives in urban areas.

In the local municipality that covers Cofimvaba and Tsomo, 55 per cent of Africans live in poverty, and 53 per cent are unemployed. Africans earn an average of almost R15 000 a year, and African households just under R55 000 a year.<sup>40</sup>

In all the rural areas we surveyed, the transport systems, partly comprising public bus services but largely private minibus taxis, radiate out from towns to more remote areas. Most private schools are located either in the towns, or just outside them on the roads to and from the rural hinterland. Towns are serviced with electricity and piped water. They contain some public schools, but the vast majority are in the villages. While many villages now receive electricity, many – especially the more remote ones – still do not have piped water and other basic services.

## Mapping the schools

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AS NOTED earlier, CDE research teams staged an intensive search for schools in all the selected areas. We drove down all the streets, got out of the car where necessary, asked people in shops and in schools where additional schools were located, and then mapped all the schools we could find. The results appear in table 1.

While public schools were in the majority, low-fee private schools comprised more than 30 per cent of the total

**Table 1: Schools identified during initial mapping exercise**

	All schools	Public	Public as % of total	Private	Private as % of total
<b>Limpopo</b>					
Giyani	48	40	83.33	8	16.67
Malamulele	42	37	88.10	5	11.90
Sub-Total	90	77	85.56	13	14.44
<b>Gauteng</b>					
Daveyton/Benoni	67	51	76.12	16	23.88
Braamfontein	35	6	17.14	29	82.86
Sub-Total	102	57	55.88	45	44.12
<b>Eastern Cape</b>					
Butterworth	41	22	53.66	19	46.34
Cofimvaba/Tsomo	36	30	83.33	6	16.67
Sub-Total	77	52	67.53	25	32.47
<b>Total</b>	<b>269</b>	<b>186</b>	<b>69.14</b>	<b>83</b>	<b>30.86</b>

Note: Some of these schools declined to participate in the survey.

CDE 2010

Even more surprising is the presence of private schools even in the most remote rural areas in Limpopo and the Eastern Cape

While public schools were in the majority, low-fee private schools comprised more than 30 per cent of the total – far higher than the Department of Education’s national estimate for 2008 of 4,3 per cent.<sup>41</sup> While our survey was confined to six relatively small areas, the results do suggest that the official figures are much too low, thus confirming the doubts raised by others.<sup>42</sup>

In Braamfontein, private schools far outnumber public schools. A likely explanation is that the area attracts large numbers of commuter learners who either cannot get into public schools (often because they are too old), or are dissatisfied with public schools in the townships.

Even more surprising is the almost even split in Butterworth – a town in a relatively remote rural area – between the two types of schools, and the presence of private schools even in the most remote rural areas in Limpopo and the Eastern Cape.

It is also significant that almost a quarter of the private schools we mapped are unregistered, and therefore technically illegal.

The numbers of learners in the various schools are reflected in table 2.

**Table 2: Number of learners enrolled in public and private schools**

Name	Learners	Public	Private	Private as % of total
Giyani	22 456	20 516	1 940	8.6
Malamulele	21 754	18 862	2 892	13.3
Daveyton/Benoni	27 325	23 055	4 270	15.6
Braamfontein	4 832	3 804	1 028	21.3
Butterworth	13 297	10 089	3 208	24.1
Cofimvaba/Tsomo	10 919	9 695	1 224	11.2
<b>Total</b>	<b>100 583</b>	<b>86 021</b>	<b>14 562</b>	<b>14.5</b>

CDE 2010

The proportions are significantly wider in favour of public schools, largely because the private schools have significantly lower teacher/learner and learner/classroom ratios than public schools. However, these figures confirm the significant presence of private schools in all the areas included in our survey.

The tension between our findings and official statistics strongly underlines the need for further nationwide research of this increasingly important phenomenon.

## CDE's survey findings

AFTER OUR mapping exercise we conducted a survey among the 193 private and public schools that agreed to co-operate, aimed at obtaining information about when the school was founded, the teacher to learner ratio, what kinds of facilities the school offered, the gender breakdown of learners, fees, teachers' qualifications, teachers' salaries, whether the school was registered or unregistered. The findings are summarised below.

### Growth of the private schooling sector

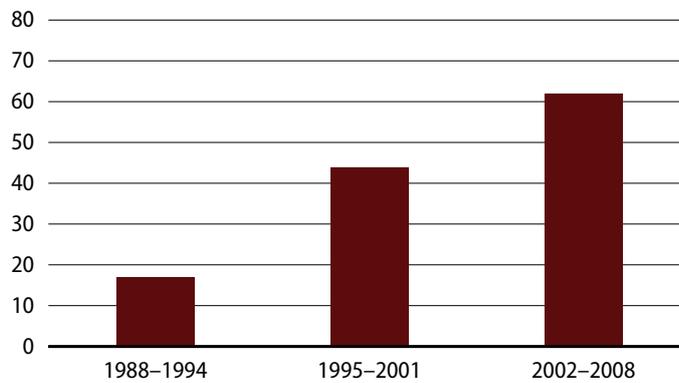
We found that in the period 1994 to 2009, more private schools (56 per cent of the total) were established than public schools. We then broke registrations up into phases, as private schools often establish one phase first and then add other grades – and eventually phases – as their learners move up in subsequent years. As the phases move from primary to high school, or vice versa, they have to register the new entity with the provincial education department. The four phases are the foundation phase (grades 1-3), the intermediate phase (grades 4-6), the senior phase (grades 7-9) and the further education and training phase (grades 10-12). A total of 123 phases were registered between 1988 and 2008. Seventeen, or 13,8 per cent of the total, were registered between 1988 and 1994. Forty-four, or 35,8 per cent, between 1995 and 2001, and 62, or 50,4 per cent,

In the period 1994 to 2009, more private schools (56 per cent of the total) were established than public schools

## Hidden assets: South Africa's low-fee private schools

between 2002 and 2008. If these trends continue, the low-fee private schooling sector will continue to grow rapidly in the future. The trend in the rate of expansion is clearly visible in figure 1.

**Figure 1: Registration of schooling phase by private schools in three periods, 1988-2008**



CDE 2010

Unregistered private schools have far fewer facilities than public and registered private schools

### Teacher:learner and learner:classroom ratios

Class sizes and teacher:learner ratios play a major role in the quality of education, and a key goal of our study was to compare these ratios in public and low-fee private schools. The results appear in table 3.

**Table 3: Learner:teacher and learner:classroom ratios**

	Giyani	Malamulele	Daveyton/Benoni	Braamfontein	Butterworth	Cofimvaba/Tsomo
<b>Learner:teacher ratios</b>						
Public	32.1	32.7	29.8	27.9	28.4	27.0
Private	16.6	24.1	17.7	11.6	18.9	21.5
Difference (l/t)	+15.5	+8.6	+12.1	+16.3	+9.5	+5.5
<b>Learner:classroom ratios</b>						
Public	41.3	48.4	33.0	28.2	48.0	34.9
Private	15.9	30.1	18.1	13.2	19.7	24.5
Difference (l/r)	+25.4	+18.3	+14.9	+15.0	+28.3	+10.4

CDE 2010

This table shows that, in all the areas surveyed, both ratios were far bigger in public schools than in private schools. This confirms what many parents told us in interviews, namely that they prefer private schools to public schools as class sizes are smaller and

teachers can give learners more attention (a more extensive discussion of our parent interviews is provided below).

## Facilities

Unregistered private schools have far fewer facilities than public and registered private schools. The facilities include storerooms, toilets, libraries, laboratories, running water and computers. As in many other countries, low-fee private schools have fewer resources than public schools and therefore concentrate on the essentials of providing the teaching that will provide the pass rates they need to attract more parents to their schools.

## Salaries and qualifications

In all the areas surveyed, the salaries of teachers in public schools were much higher than those of private schools, and also far higher in registered private schools than in unregistered private schools. On average, the highest category of salaries in all six areas were R18,188 per month in public schools, R7,610 per month in registered private schools, and R3,587 per month in unregistered private schools.

Teachers in public schools tend to be better qualified than those in private schools – on average, 96,7 per cent of teachers in public schools had a teaching diploma or higher, compared with 79,1 per cent in registered private schools, and 65,2 per cent in unregistered private schools.

## Absenteeism

In our survey and the snapshot of conditions that it provides, teachers in public schools are far more likely to be absent than those in private schools. In fact, no teachers were absent at any of the unregistered private schools forming part of our survey. Table 4 provides the comparisons between the three types of schools.

**Table 4: Teachers absent or not teaching by phase and type of school (% of teachers)**

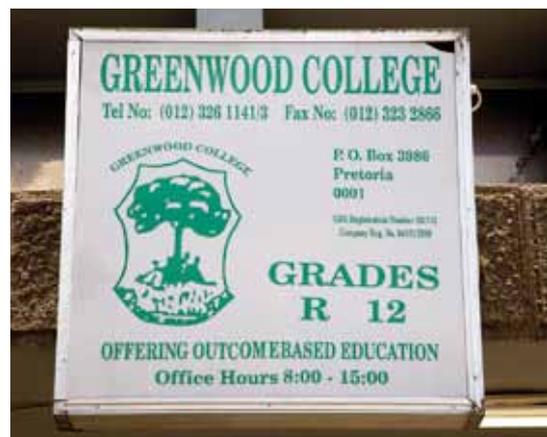
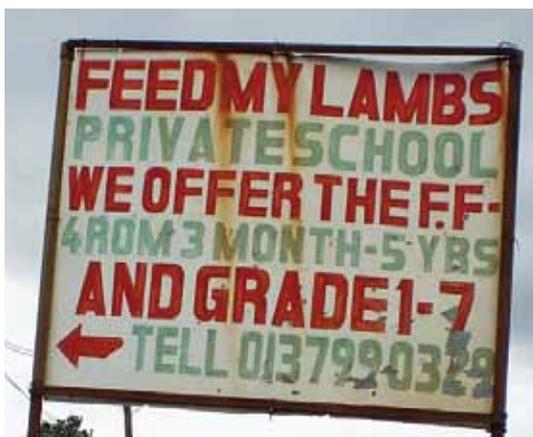
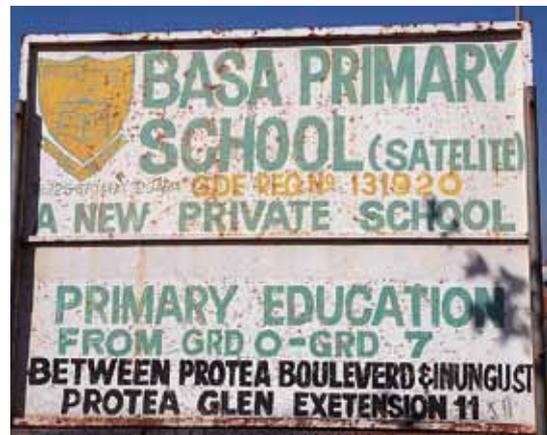
Type	Foundation Phase	Intermediate		FET
		Phase	Senior Phase	
Public	7.61	14.13	14.17	19.51
Registered	0	0	3.13	4.17
Unregistered	0	0	0	0

CDE 2010

Teachers in many public schools were engaged in non-educational activities in class (for example, reading the newspaper, eating, making cell phone calls, chatting to friends, etc.), but not in private schools, either registered or unregistered. Almost 20 per

Teachers in public schools are far more likely to be absent than those in private schools

Hidden assets: South Africa's low-fee private schools



Signs advertising low-fee private schools.

cent of FET teachers in public schools were not teaching in their classrooms on the days we visited their schools. By contrast, no teachers at unregistered private schools were absent or engaged in non-educational activities during our visits to their schools. This indicates that, in unregistered/unsubsidised schools in particular, teachers are under greater pressure to perform.

### Fees

On average, public schools that participated in our survey charged R104 per month over ten months, and the private schools R682 per month. Private fees varied significantly, however; for example, private schools in Cofimvaba/Tsomo charged R232 per month on average. The cheapest private school we found, which was not included in our survey, was the Ranasotho Combined School in Diepsloot, where, according to the principal, the fees were R400 a year for primary school learners, and R600 a year for high school learners.<sup>43</sup> It should also be noted that 50,7 per cent of public schools surveyed were non-fee-paying schools, and the figures above are derived from the 49,3 per cent that did charge tuition fees – if we had included the non-fee schools, the resulting average would have been much lower, at about R50.

## A profile of Bushbuckridge

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WE ALSO investigated the incidence of private schools in Bushbuckridge, a densely populated peri-urban former homeland area that falls mostly within Mpumalanga. While the received wisdom was that the area contained few private schools, CDE researchers saw signs advertising private schools, and decided to conduct a search. The area also seemed to be a good breeding ground for private schools as it is densely populated but far from a major formal urban area, and has many poor-quality public schools. The Minister of Education, Angie Motshekga, has described Bushbuckridge as the poorest performing education district in the country.<sup>44</sup>

CDE researchers traversed the area following leads from one school to the next, mapping those they found, and interviewing principals, learners and parents. Contrary to the generally accepted view, Bushbuckridge contains numerous private schools, suggesting that there may be many more such schools hidden in similar areas.

Bushbuckridge once constituted the eastern parts of the homelands of Lebowa and Gazankulu. Today the municipality comprises 135 settlements, divided into 34 wards and covering 198 000 hectares. The main towns are Mavilijan (Bushbuckridge), Acornhoek, Dwarsloop, Thulamahashe, Shatale, Mkhuhlu and Marite, while the rest of the area is made up of smaller villages. The Bushbuckridge municipality has a population of just fewer than 500 000 people. The area is characterised by high levels of poverty

Parents opting to send their children to these schools tended to be civil servants or teachers at public schools

and poor household income. No less than 85 per cent of potential work-seekers are unemployed.<sup>45</sup>

In the course of two research visits, CDE identified 17 private schools (see appendix D). The schools had energetic and enthusiastic founders or principals, often with university qualifications or experience of working at other private schools. Many schools started as crèches, or grew out of tutoring offered after school hours.<sup>46</sup>

Parents opting to send their children to these schools tended to be civil servants or teachers at public schools. Most of the schools were expanding, or had plans to expand. There were many indications that more people planned to open similar private schools soon.<sup>47</sup>

Many of the private schools were not registered with the Department of Education, but this was not for want of trying. Principals reported long delays in the application process, with negative consequences for their schools. For example, one principal complained that a long delay in registering his school had resulted in the number of learners dropping from 120 to 40. One of the stumbling blocks to registration reported by principals was meeting standards for suitable premises. Some of the schools that had gone through the arduous registration process found themselves 'unregistered' after provincial demarcation changes, and had to reapply, sometimes unsuccessfully.<sup>48</sup>

Private schools in this area usually start small, and then grow rapidly as demand for good quality education draws growing numbers of learners. Financing is a major concern; some principals publicised that they would expand if only they had the resources. Teachers tend to be paid significantly less than their counterparts in public schools, with most receiving between R1 000 and R2 000 per month. Due to financial constraints, many schools are unable to pay teachers their full salaries in some months. These factors make it difficult to retain qualified teachers. The schools generally employ foreign teachers, or a mix of local and foreign teachers. Their qualifications range from degrees to matric alone. Principals often boast about the excellent quality and dedication of their teachers, who, they point out, are not unionised and therefore 'do not go on strike'.<sup>49</sup>

These schools also prioritise the use of English as a medium of instruction, and its early introduction to learners. This stands in contrast to public schools where English is only introduced in grade 4. The focus on English and the good quality of the teachers seem to be key factors in attracting learners to these schools. Another attractive feature of the schools, according to those we interviewed, was the prevalence of smaller and more manageable classes, which enables teachers to offer learners higher levels of individual attention than in overcrowded classes in public schools. Discipline is also prioritised. Many of the schools interact with parents about their children's progress.<sup>50</sup>

The fees range from R92 to R500 per month, over ten months. Some schools allow a few learners who are unable to pay (due to being orphaned or their parents being unemployed) to attend for free. Our visits to the schools and interviews with principals, parents and learners suggest that, on the whole, private schools in Bushbuckridge provide comparatively good education and are responding to a demand for such a service from local parents. The schools manage to do this with little support, including seemingly uncooperative or hostile provincial education officials, and with very little money.<sup>51</sup>

Principals often boast about the excellent quality and dedication of their teachers, who, they point out, are not unionised and therefore 'do not go on strike'

## The quality of low-fee schooling

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WHEN INTERVIEWED about the private low-fee schooling sector, a senior Eastern Cape official remarked:

If a school charges R24 000 a year, it is not a school for the poor, but for the middle class. But if it charges, say, R500 per month, then show me one that is good. If you show me one, I will show you 100 public schools that are good. This concept of private education for the poor is dicey; it doesn't apply to us.<sup>52</sup>

We have demonstrated that there are many private schools charging R500 or less per month, but are they good or bad? To answer this question, we set out to test the quality of the education provided by private schools in relation to those of surrounding public schools, but this turned out to be a challenge.

Without the ability to test learners in public schools ourselves, we were forced to rely on data collected through the Department of Education's Foundations for Learning (FfL) Campaign, based on tests that were internally administered and scored by teachers in late 2008. The testing process was far from ideal, and the results must be treated

### OUR TESTING TRAVAILS

At the start of the project in 2008, CDE representatives met the then director-general of the national Department of Education, Duncan Hindle, and a number of senior education officials. We outlined the project's aims and methods, and a modus operandi was agreed. CDE would be allowed to visit public schools and interview principals, but not to test grade sixes in public schools. The officials argued that such tests were already being undertaken in public schools, and that more tests would be disruptive.

The department offered to provide CDE with the test which they intended to administer in public schools. We could run the same test in private schools, and compare our results with those from neighbouring public schools which the department would make available to us.

CDE agreed to this process, even though it meant that we would not be able to gather background information on learners in public schools. This would have been used to test whether anticipated differential results could be

ascribed to differences in the learners' socio-economic backgrounds rather than differences in the quality of schooling. Nevertheless, the comparative results would show whether the low-fee schools were giving parents value for money rather than 'ripping off the poor', as many officials, journalists and academics have claimed over the years.

Unfortunately, the process did not go as smoothly as we had hoped. There were delays in accessing the department's mathematics test. When the test was obtained it had two errors in it, but it was too late to rectify these as the test had already been administered in some public schools. After running our tests, and finalising our results, we waited for the government results. When we finally received them we discovered that the public schools had administered the tests themselves, with no independent oversight, which cast doubt on their veracity.

CDE 2010

## Hidden assets: South Africa's low-fee private schools

with caution. Nevertheless, the comparisons are interesting, and suggest that private schools are no worse than public schools, and significantly better in some areas.

Table 5 reflects the test scores – a positive (+) sign reflects the degree to which the mean score of the private schools exceeds that of the public schools, a negative sign (–) the opposite.

**Table 5: Results of learner performance tests in public and private schools (%)**

	Public	Private	Registered	Unregistered
Giyani	32.13	+7.50	+7.50	—
Malamulele	45.31	+1.40	+1.40	—
Benoni/Daveyton	41.19	+10.24	+10.24	—
Braamfontein	38.82	—	—	—
Butterworth	36.06	–6.11	–7.21	–0.21
Cofimvaba/Tsomo	44.27	–24.74	–25.03	–23.98
Whole sample	39.83	–0.01	+0.59	–8.02

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Another way to assess the quality of private schools is to take note of the choices made by parents

Scores at registered private schools were significantly higher than those at public schools in Giyani and Benoni/Daveyton, and marginally higher than those in public schools in Malamulele. On the other hand, they were marginally lower in Butterworth, and substantially lower in Tsomo/Cofimvaba. These figures have a strong effect on the overall sample, with the result that there is little difference between public and private schools at the whole sample level.<sup>53</sup>

The research team that evaluated these results, Eric Schollar and Associates, were not convinced that the results from the public schools were entirely reliable. To test this suspicion, they compared the private school results derived from the FfL tests with the results of a means test in public schools administered for the 2005 Grade 6 National Systemic Evaluation (NSE) of the National Department of Education. Unfortunately this study does not disaggregate learner scores to the study area level, but the tests were externally administered and scored, and therefore more likely to be reliable.<sup>54</sup> In this exercise, the scores of learners in private schools were more than 12 per cent higher on average than those of learners in public schools.<sup>55</sup>

This exercise also produced support for the suspicion that the public school results in the FfL tests were particularly inflated in the Eastern Cape. Rather than 6,1 per cent less, learners at private schools in Butterworth now scored 6 per cent more than those in public schools, and in Tsomo/Cofimvaba the differences were narrowed from -24 per cent to -3.8 per cent (see appendix E).

To compare the performance of high schools in our study areas, we were forced to rely on the matric results of 2008. The official results achieved by Grade 12 learners in the 2008 National Senior Certificate (NSC) were obtained from the Department of Education for every registered school in our six areas. The results are in the form of numbers of candidates achieving more than 60 per cent for mathematics, physical science and

English (either as home or second language). We compared results from former Model C schools, other public schools, and registered private schools.

In **mathematics**, almost half (48 per cent) of learners at former Model C schools achieved more than 60 per cent, followed by 24 per cent at registered private schools, and only 10 per cent at other public schools.

In **physical science**, almost one quarter of learners at Former Model C schools scored more than 60 per cent, followed by 11 per cent at private schools, and 3 per cent at other public schools.

In **English** (First Additional Language), 53 per cent of learners at Former Model C schools scored more than 60 per cent, followed by 29 per cent at private schools, and 13 per cent at public schools.

In **English** (Home Language), 58 per cent of learners at former Model C Schools achieved more than 60 per cent, followed by 33 per cent at private schools, and 16 per cent at other public schools.<sup>56</sup> (see Appendix F for the detailed results.)

### WHAT PARENTS SAID

Focus group sessions were conducted with the parents of children attending schools in three of our six survey areas – Daveyton, Malamulele, and Butterworth. Twelve parents (1 per learner) were recruited in each of the three localities. Each group met for about 90 minutes in a local school. Some of the more interesting opinions to emerge were:

- 'Educators in private schools prepare themselves before they go to class, and this makes them teach our kids thoroughly. They also follow up about learners' progress. If a learner's progress is poor, they follow up by calling a parent to the school to check if the child has a problem at home.'<sup>60</sup>
- 'The advantage is that the classes are very small, and the learners are able to get that academic support from the educators. It is easier for the teachers to get to know them on the first day because they are around ten or 12 in a class. And another thing, it's easy for them to assess the learners on a weekly basis. They would write tests, and give them feedback. The involvement of the parents is very good.'<sup>61</sup>
- 'Mostly public school teachers do not have discipline, there are very few schools where you will find that educators have the calling of teaching.'<sup>62</sup>
- 'Schools here in townships are falling apart; they are not well managed. As long as the situation is the same, our kids will never get the right education.'<sup>63</sup>
- 'In private schools there is discipline, there is a code of conduct. If an educator is to be absent from school, that educator has to sign and explain the reason for absentia.'<sup>64</sup>
- 'I took my child to a private school because he used to play while he was still at the public school knowing that the government will pay his school funds. He now works very hard knowing that we are paying a lot of money for his schooling.'<sup>65</sup>
- 'I knew of a colleague who took her child to a local private school. So I interviewed her to find out the reason why she took her child to the school. She told me that she wanted her child to have quality education. The school specialises in mathematics and sciences, which will be very important for the child's ability in the future to get bursaries to further her studies.'<sup>66</sup>

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A low-fee private school in the Johannesburg city centre.

Parents cited the use of English as the medium of instruction as a vital factor conferring advantages on private school learners

Another way to assess the quality of private schools is to take note of the choices made by parents. Although private schools do spring up to meet the needs of learners who find it difficult to access public schools, in almost all the areas we assessed (with Braamfontein being the major exception) there were many public schools which would cost parents far less than they were paying at private schools. Why would they do this, unless they believed, or had evidence, that the money they spent on private school fees would benefit their children? Mafu Rakometsi, former head of the Department of Education in the Free State, and now head of the standards certification body Umalusi, states that:

The quality of private schools will always be good – it has to be, because they have to make themselves schools of choice. They have to be better – otherwise, why would parents send their children there when they have schools where no fees are paid? They ought to be slightly ahead in terms of quality.<sup>57</sup>

To gain insights into how parents viewed private schools, CDE interviewed and conducted focus groups with parents in three of our study areas: Malamulele, Daveyton, and Butterworth. We found that the fundamental litmus test in assessing schools was the results they achieved. Asked, in the questionnaire, why they had chosen a particular school, 19 of 30 responded 'because it gets good results'. Participants in the focus groups placed a very high value on a good education, and expressed strong views about schools which they believed did or did not provide a good education. Other reasons given for sending their children to private schools included: 'educators are well-prepared'; 'they are strict about uniforms'; and 'they follow up on learners' performance'.<sup>58</sup> Parents also cited the use of English as the medium of instruction as a vital factor conferring advantages on private school learners. Many participants also mentioned dedicated private

school teachers, who took an interest in the welfare of the learners. By contrast, teachers in public schools were often depicted as poorly trained, unmotivated, lazy, and driven primarily by the prospect of their pay cheque at the end of the month.<sup>59</sup>

## Why is South Africa's private schooling sector smaller than those in other developing countries?

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IN SOUTH Africa private schooling has emerged as an important educational resource for poorer people. However, compared to some other developing countries, it is still relatively underdeveloped. Fees charged are relatively high compared to those in India and Pakistan, and tend to serve the needs of people who, although located in former townships and rural areas, are not the poorest of the poor. Instead, they are people who have jobs or are self-employed.

South African private schools seem to be responding to a demand from parents who cannot get access to former Model C schools (which are government-owned but usually charge more than R1 000 per month), but are disillusioned enough with other public schools to pay more for better schooling. This also allows them to influence the type and quality of the schooling their children receive. Many parents stated that the payment of fees made private schools more accountable to parents, and that this was a major advantage of private schools over public schools.<sup>67</sup>

A number of factors affect the low-fee private schooling sector in South Africa. We will briefly summarise some of these which work to restrict its size and rate of growth.

### The subsidy

Registered, not-for-profit private schools can receive a state subsidy which is provided by provincial departments of education on a sliding scale, depending on fee levels, ranging from 15 to 60 per cent of the average cost per child in an ordinary public school in that province.<sup>68</sup> The subsidy encourages the establishment of private schools, but also has negative effects:

- It makes schools dependent on bureaucratic approval and subjects them to an array of inspections, paperwork, and other bureaucratic procedures that may lead many potential educational entrepreneurs to conclude that the venture is not worth their while (see below for the range of regulations that schools have to comply with in order to obtain a subsidy).
- The subsidy could make school entrepreneurs less dependent on their own efforts to attract learners, and more dependent on a government hand-out. However, this is unlikely to have a very strong effect as private schools still depend on the fees they

South African private schools seem to be responding to a demand from parents who cannot get access to former Model C schools



A large low-fee private school – part of a chain of four schools in Gauteng – in Protea Glen, Soweto.

Private schools face a host of regulations which are applied by officials who are often uninformed about the nature of private schools

charge for their survival, and will not survive unless they attract and retain a substantial number of learners.

- Provincial departments of education are often inefficient, and therefore either fail to provide the subsidy, delay the provision of the subsidy, or make arbitrary cuts in the size of the subsidy.<sup>69</sup> These practices create a lot of uncertainty for the owners or managers of private schools, and make it difficult for them to budget effectively.

### The regulatory environment

We asked Sandile Ndaba, director: policy and government relations of the Independent Schools Association of Southern Africa (ISASA), to describe the current regulatory environment, and the challenges it creates for private schools.

According to his report, private schools face a host of regulations which are applied by officials who are often uninformed about the nature of private schools. This is despite a clause in the South African constitution protecting the right to establish private educational institutions. Some schools have been waiting for years to be registered, although they have sent in multiple applications with no success.<sup>70</sup> Other schools live in fear of losing their registration, or of being shut down. There are numerous cases of schools facing long and unreasonable delays in obtaining registration even though they may have complied with all the conditions.<sup>71</sup>

A private school may not operate legally unless it is registered with the department of education in the province in which it is situated. Conditions for registration are laid down by the provinces, and not the national department of education. The legislation stipulates that the conditions for registration must be developed in consultation with private schools. By 2009, not all provincial departments had promulgated conditions for registration. Some provinces had laid down conditions without consulting schools.<sup>72</sup>

The requirements for registration in the provinces are varied, but education departments commonly demand the submission of:

- the constitution of the school, including an account of its governance, ownership, funding and admission policy
- a floor and site plan
- proof of security of tenure in respect of the school building
- proof of a rezoning application, if applicable
- a certificate from the relevant health authorities confirming that the facilities at the school meet the minimum health requirements
- proof that the school will be financially viable for a least 12 months after registration
- proof or a commitment that the school will employ qualified educators who are registered with the South African Council of Educators (SACE).<sup>73</sup>

Heads of provincial departments of education are obliged to grant registration if schools comply with the conditions. Both for-profit as well as not-for-profit schools are eligible for registration, but for-profit schools are not eligible for a subsidy. When a school is granted registration, it must be given an Educational Management Information Systems (EMIS) number, which is proof of registration.

Besides this, the General and Further Education and Training Quality Assurance (GEFTQA) Amendment Act of 2008 established a quality assurance council, Umalusi, for all 'independent' (private) educational institutions in general and further education. Therefore, private schools may not operate legally if they are not accredited, or have begun to seek accreditation from Umalusi. These accreditation requirements do not, however, apply to public schools. At the same time, Umalusi has rolled out the accreditation process very slowly, and less than half of registered private schools have been accredited.<sup>74</sup> Some schools have been prejudiced by the fact that they have not yet been evaluated for full accreditation.

All private schools have to meet these requirements if they want to comply with the law. Many schools, of course, fail to comply and are therefore subject to closure if they are discovered by officialdom. Lack of capacity within provincial departments means that many schools go undetected, but many national and provincial officials interviewed for this study agreed that government should crack down on unregistered schools, which they regarded as unsafe, dirty, and delivering poor education.<sup>75</sup> As a result, they believed these schools were 'ripping off' ill-informed poor people. They also depicted them as 'fly-by-night', meaning that school owners tended to vanish with parents' money.

Closing down these 'fly-by-night schools' is the officials' major concern. As one stated: 'Some of these schools are dungeons. Our role as government should be to curb those that are masquerading as private schools that are not registered but are taking the opportunity to make a quick buck.'<sup>76</sup>

This legitimate concern about protecting parents against fraudulent practices often leads officials to overlook the valuable service that the majority of private schools pro-

Conditions for registration are laid down by the provinces, and not the national department of education

vide, to dismiss the private sector in general, and to regard public schooling as the only way of educating the poor.

While remaining illegal is possible for schools that escape detection, those which want to draw down the state subsidy have to be registered. They also have to prove that they are not-for-profit by obtaining a Non-Profit Organisation (NPO) certificate from the Department of Social Development. Furthermore, in terms of the national department of education's Norms and Standards for School Funding, provincial departments may refuse a subsidy to a private school if it has been established to be 'in direct competition with a nearby, uncrowded public school of equivalent quality.'<sup>77</sup>

In the Eastern Cape, regulations state that 'there must be a need for such a school in the area concerned, as determined by already existing schools, both private and public.'<sup>78</sup> This has sometimes been incorrectly interpreted to mean that no private school can be established close to an already established school.<sup>79</sup>

In the Free State, regulations state that, in order to gain registration, private schools must improve the availability, on an equitable basis, of educational opportunities and resources in the province. In practice, officials are now reluctant to register private schools situated near large numbers of public schools.<sup>80</sup> The former head of the Free State education department, Mafu Rakometsi, recalls an incident when he was approached by a group of businessmen wishing to take over empty schools in Qwa-Qwa and establish private 'schools of excellence':

A private school should not be in proximity to public schools, and compete with them. While I think competition is a good thing – it is because of competition in the health sector that you and I know where to go when we get sick – you don't want a situation where public schools are left empty. In Qwa Qwa, for instance, they built so many schools and now they are all lying empty. We were approached on one occasion by someone who wanted to open schools of excellence there but we did not approve it. We had to say no. It involved a lot of things – the transfer of public property and so on. So the reasons we said no was the issue of the transfer of public property, and because we didn't want private schools to compete with public ones.<sup>81</sup>

Private high schools are not subsidised in their first year, and must achieve a 50 per cent pass rate in matric to qualify for a subsidy. The 2008 Amended Norms and Standards for School funding require private schools to attain the provincial average matric pass rate, which is much higher than 50 per cent in all provinces except the Eastern Cape.<sup>82</sup> This significantly raises the bar for schools trying to access state subsidies; however, following numerous representations by independent school associations, the department has agreed to review these norms.

All private schools, whether subsidised or unsubsidised, are subject to the education department's annual accountability requirements. Every year, private schools must furnish the department with basic information about learner and teacher (full- and part-time) enrolment. Many private schools also fill in the comprehensive annual EMIS returns used to compile the national department's databases. Subsidised schools

Private high schools are not subsidised in their first year, and must achieve a 50 per cent pass rate in matric to qualify for a subsidy

must also submit annual audited financial statements and promotion/retention data for grades 11 and 12, as well as their Grade 12 pass rate, to provincial departments. Officials may also pay unannounced visits to schools which receive a subsidy and inspect their records, particularly in respect of financial management.

As employers, private schools are also bound by legislation governing labour relations and employment equity which deal with the rights of employees and promote black advancement and empowerment.

This is not a regulatory environment that makes establishing a private school an attractive option. Instead of focusing on running their schools and improving their education, school owners spend large amounts of time either complying with regulations, or dodging identification.

### The funding environment

The 2009 International Finance Corporation report entitled *Market Survey of the Independent Education Sector in South Africa* states that 'several commercial banks and one development bank have displayed a specialised interest in the independent schools sector.'<sup>83</sup> However, these banks are the exception. Most banks are reluctant to extend loans to private schools, because many school owners rent premises and cannot offer property as collateral. To overcome this hurdle, some owners offer their own homes as collateral instead. Even if school owners are able to offer school premises as collateral for loans, banks are reluctant to lend them money because a default would put them in the difficult position of having to put learners on the street.

Consequently, finance is a major challenge for both existing private schools and for anyone considering starting such a school. In its survey, the IFC found that the most important challenge faced by private schools in South Africa was the 'lack of finance and capital.'<sup>84</sup> Schools also identified high banking costs and interest on credit as major challenges. These findings are borne out by our own findings in Bushbuckridge and elsewhere. The lack of finance may be an important factor in restricting the size of the low-fee private schooling sector in South Africa.

### Good access to public schooling

In many developing countries, the expansion of private schooling is a consequence of the poor quality of public schools as well as a shortage of places available in them. By contrast, the South African state provides access to almost every child who wants to go to school. According to the national department of education, in 2007 some 97,9 per cent of children between the ages of seven to 15 (the compulsory schoolgoing age) were attending school.<sup>85</sup> It seems that the very poor, who often earn no income and depend on government transfers for their survival, have to make do with the schooling that government provides. It is likely that this will remain the case for the foreseeable future and it is therefore vital that schooling reforms address the lack of quality education that children receive in the vast majority of low-fee or free public schools. At the same time,

Finance is a major challenge for both existing private schools and for anyone considering starting such a school

for parents with some means and initiative, there are often alternatives within the government sector to the low-quality schools that make up the majority of schools. In many of the areas we visited, parents we spoke to identified at least one public school that provided better schooling and to which they strove to send their children.<sup>86</sup> This is not to say that the issue of access to schooling is irrelevant in South Africa. We have seen that in Braamfontein private schools provide older learners with access to schooling that they would otherwise not receive, and throughout the country educational entrepreneurs set up schools when it was clear that the demand for such schools existed.

### Migrating to former Model C schools

Lastly, despite zoning restrictions that, when enforced, restrict this practice, parents strive to get their children into former Model C schools, and obtain fee exemption status in these schools. Some parents (and their children) go to extraordinary lengths to gain access to these schools. This was highlighted recently in a newspaper report about children from the Eastern Cape travelling to Natal to attend Model C schools. In Pietermaritzburg, Hillcrest and Port Shepstone, an investigator found hundreds of 'migrant learners' from the Eastern Cape who had fled the dysfunctional school system there for a better education in the neighbouring province. The children lived in crowded and fairly squalid 'boarding establishments' without much supervision. Many of the learners interviewed by the reporter were determined to get a good education, and explained that their parents had encouraged them to undertake the arduous move. For example, Buhile explained:

It seems that the very poor have to make do with the schooling that government provides



A private college in Hillbrow, Johannesburg.

I come from Flagstaff. In the rural areas the schools are small and overcrowded, and the teachers are not that qualified and they don't speak English that well. I wanted to learn in English, but the teacher taught in Xhosa and my mother said I should come to Pietermaritzburg. I like [the school here]. The teachers teach. My English has improved since moving here this year, but not that much. I don't think it's unfair that [my mother] is sending me here. She wants me to have a better education.<sup>87</sup>

South Africa's private schooling sector is somewhat smaller, and more narrowly targeted, than in developing countries such as India and Pakistan. However, it is participating in the worldwide trend towards private providers, or 'edupreneurs', making a contribution towards increasing poor peoples' access to education as well as enhancing their educational choices. Our research is suggestive rather than definitive on how extensive and how substantive this contribution is, but it nevertheless leads us to some important insights.

## Six conclusions about low-fee private schools in South Africa

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CDE'S RESEARCH points to the following preliminary conclusions.

1. There are more low-fee private schools than is commonly believed, and they occur throughout the country, including some unexpected places.
2. Low-fee private schools vary in quality, but the fact that they are under pressure to attract customers means that they regard performance as a key priority, and constantly strive to improve.
3. Parents are determined to provide their children with the best possible education, and when they can afford this they will send them to private or former Model C schools even when free public schools are available.
4. Most of the schools we visited were founded by entrepreneurs who were responding to a clear demand for better schools in the poorer parts of South Africa. Frequently they were approached by parents to start their schools and many parents of children in private schools are in fact teachers in public schools. Our evidence is rather different from the popular notion of private schools as 'fly-by-night' institutions run by unscrupulous people who are fleecing ill-informed parents. Rather than being dupes, parents are taking the initiative to access better schooling for their children.
5. More research is needed on this dynamic phenomenon. Nation-wide research is needed to establish its true extent and to comprehensively assess the quality of private school education. Local-level research is needed to cast light on some fascinating local dynamics. Why aren't there more schools in informal settlements where children can't afford transport costs to schools? What is happening in areas

There are more low-fee private schools than is commonly believed, and they occur throughout the country, including some unexpected places



A computer class in progress at a low-fee private school in the Pretoria city centre.

Our research findings raise questions about free schooling as a policy priority

containing abandoned public schools – have the learners left for nearby private schools, or better regarded public schools, or both?

6. The regulatory regime in the various provinces must be reassessed. Our research has revealed major obstacles to registration encountered by private schools in several different provinces. We need more information about alternative regulatory models in other developing countries, as well as more detailed knowledge of where exactly the problems are located, and how these can be overcome.

## Private schools and current education debates

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WHAT IMPLICATIONS do these findings have for education policy? We offer the following suggestions in the hope of stimulating further research and discussion. We are convinced that 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 be to build up an enabling environment in which quality schooling is expanding regardless of whether the providers are public, private, or a combination of both.

### Free schooling

The education authorities have declared their intention to provide free schooling to the poorest 60 per cent of the school going population.<sup>88</sup> Learners – especially in later grades – do drop out of school because of a lack of money, but they could be assisted on an

individual basis. Rather than the blanket provision of free schooling in particular areas a subsidy could be provided to particularly deprived individuals.

The main challenge facing education in South Africa is not a lack of access to schooling, but the quality of schooling – in other words, how to provide learners from poorer households with the comparable levels of education available to more affluent South Africans.<sup>89</sup> Our research suggests that the payment of fees to private schools makes them more accountable to parents, while free schooling removes the leverage that parents gain from being the customers of the school. A number of parents made the point that 'free schooling' tends to be 'bad schooling'.<sup>90</sup> Our research findings raise questions about free schooling as a policy priority. A systematic evaluation of these issues should be undertaken to assess the validity of our concerns.

### Competition

Our study confirms that, as elsewhere, competition can play a major role in enhancing the quality of schooling.<sup>91</sup> If dissatisfied parents have the option of removing their children from public schools and enrolling them in low-fee private schools, this could act as a powerful incentive to principals and teachers at the former schools to improve their performance if they faced the loss of their jobs and incomes. CDE's research confirms that competition can be a positive rather than a negative force in the quest for better schooling. This is certainly how it operates at the top end of the schooling system, with the best public schools in healthy competition with high-end private schools.

### Teacher training

It is widely accepted that many of South Africa's teachers are not skilled enough, and should receive extra training.<sup>92</sup> These are important initiatives, but they sometimes have the negative consequence of taking teachers away from their classrooms, as training takes place during school hours.

Our findings suggest that, while training is obviously important, this is not sufficient in itself to improve teaching standards. Other essential factors are strengthening rewards for good performance, and greater accountability for poor performance.

In many unregistered schools we found unqualified teachers who nevertheless spent a lot of time teaching, and improved their knowledge and skills after hours. Training is necessary, but this alone will not improve teachers' performance as long as they lack motivation. This, in turn, can be achieved by a range of both positive and negative incentives, including greater accountability to school managers and parents.

### Regulatory reform

The trend in regulation reform has been towards increasing the oversight of educational departments and statutory bodies such as Umalusi at a time when questions are being

CDE's research confirms that competition can be a positive rather than a negative force in the quest for better schooling

raised about the capacity of the various levels of government to implement and enforce existing regulations. This is creating growing costs and uncertainties for private schools. At the same time, far too little is being done to monitor and evaluate public schools.

Instead, regulatory reform should attempt to level the playing field, create an enabling environment for good private and public schools, and ensure that all schools become more accountable to the communities they are meant to serve.<sup>93</sup> Regulatory reform should not be seen as a means of enhancing the private sector at the expense of the public sector, but rather to build up a framework within which better combinations of public and private resources and management can emerge. What this regulatory framework should comprise is hard to say at this point, but it is an issue that needs urgent attention, as well as a shift away from a 'business as usual' attitude towards a readiness to listen to new ideas and to adapt international best practices to South African conditions.

## The way forward

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IN THIS publication, CDE has reported on its research which has cast light on the extent of private schooling in seven regions in the country. We found 117 private schools in abandoned factories, shopping centres, shacks and high-rise buildings. We discovered that the schools are valued by local parents, accountable to those parents, contain dedicated teachers who often work for low salaries, and run by principals and owners who are determined to make a living from providing the quality of schooling that local people desire.

This is a dynamic phenomenon, and potentially very important as we try to improve the quality of schooling for all South Africans, especially those who live in deprived areas.

The first step we need to take is to conduct nationwide research on the full extent of this phenomenon. This needs to be done in such a way that all stakeholders would accept the findings of the research. We also need to make progress towards finding the best regulatory framework in which both private and public schools will thrive and improve. In the next few months, CDE will:

- Host a workshop with international experts, South African policy-makers and major stakeholders on what the best regulatory framework would be to allow South Africa to fully realise the potential of the private schooling sector.
- Learn from international experience on how other countries have responded to this dynamic, assess our current regulations and implementation in different parts of the country; and make recommendations.

Regulatory reform should attempt to level the playing field, create an enabling environment for good private and public schools

This is the most significant study yet undertaken of low-fee private schools in South Africa. The study was not national, and can therefore not serve as the definitive word on how many low-fee private schools there are in the country, the quality of the education provided by all low-fee schools, or how exactly they stack up against the public sector. It does, however, present a revealing picture of dynamic and exciting processes at work in rarely visited, disadvantaged regions of South Africa.

What we discovered through our on-site visits, interviews and systematic data collection was a mode of delivering schooling to learners in remote rural and disadvantaged urban areas that has been developed from the bottom up within local communities.

Many low-fee schools are located in urban nodes, and serve learners who commute from fairly distant settlements. However, even the city-centre schools reported regular interactions with parents, and recounted how they had been established, expanded, and changed in response to parents' demands. The perception that parents are apathetic is contradicted by the information we gathered of parental involvement and their determination to get better schooling for their children. Again, we cannot say how representative our parents are of the national sample, but our evidence reveals that such parents exist in significant numbers precisely in the areas where public education tends to be weak.

It is this sense of low-fee schools' local accountability that contrasts most strongly with the media-driven perspective of low-fee private schools as 'fly-by-night' institutions intent on fleecing the poor. We saw that there has been an ongoing acceleration in the registration of private school phases in the areas we surveyed. At the same time, all the schools we studied had existed for a number of years. The youngest schools in our survey were founded in 2006, and 75 per cent of the schools had been around for ten years or more. Most or all of these schools are therefore well-established, and have been growing 'taller and fatter' as their reputations have spread and demands for their services have increased.

This report is an initial step towards focusing far greater attention on the phenomenon of low-fee private schooling. We need to gather more data on a national scale, and delve more deeply into how low-fee private schools interact with local environments. Our study suggests very strongly that these schools are playing a significant role in enhancing and broadening educational options in poorer communities.

Public schooling is not the only means of educating poorer South Africans. How can we most effectively harness the potential of parental choice, a more competitive educational sector, and greater accountability of educators to learners and parents? How can we build on local dynamics that are in the broad interests of all South Africans, including the parents, principals, teachers and learners who contributed to this report? These are among the most pressing questions facing South African educational authorities, and all those with an interest in providing all our young people with the best possible education.

Our study suggests very strongly that these schools are playing a significant role in enhancing and broadening educational options in poorer communities

## Appendix A: Research reports for CDE

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1. Eric Schollar and Associates, Independent Schooling in Poorer Communities: an exploratory survey of conditions in six areas in three provinces of South Africa, Research Report for CDE, October 2009.
2. Social Surveys Africa, Daveyton Role of Private Education Study, Research Report for CDE, November 2009.
3. T Moloi, Research on the Low-Cost Private Schools in the Bushbuckridge Municipal Area, Research Report for CDE, December 2009.
4. Stephen Rule, Analysis of NSC 2008 Results in Six Areas, Research Report for the CDE, October 2009.
5. S Vaughan, Comparative Perceptions of, (and Attitudes towards), Private and Public schools, Research Report for CDE, October 2009.
6. C Paton, The Political Climate in Respect of the Provision of Private Schooling for the Poor in South Africa, Research Report for CDE, November 2009
7. S Ndaba, The Institutional Context for Private Schooling, Research Report for CDE, October 2009.
8. P Dixon, Literature on Private Schooling for the Poor, Research Report for CDE, December 2008.

## Appendix B: Definition of poverty

THE POVERTY measure employed in this study is the per centage of people living in households with an income lower than the poverty income. The poverty income is defined as the minimum monthly income needed to sustain a household, and varies according to household size; the larger the household, the larger the income required to keep its members out of poverty. The poverty income used is based on the Minimum Living Level calculated by the Bureau of Market Research (BMR report no 235 and later editions, Minimum and Supplemented Living Levels in the main and other selected urban areas of the RSA, August 1996). Monthly poverty incomes by household size are shown in table 6.

**Table 6: Monthly poverty income by household size (R/month)**

Household size	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1	443	501	526	586	628	684	753	830	869	892	942	1 024	1 174
2	545	609	634	719	764	842	935	1 020	1 070	1 097	1 160	1 261	1 449
3	726	810	841	948	1 007	1 097	1 218	1 332	1 394	1 428	1 507	1 634	1 870
4	903	1 009	1 050	1 174	1 245	1 348	1 494	1 638	1 709	1 751	1 844	1 998	2 279
5	1 084	1 208	1 258	1 402	1 487	1 609	1 783	1 958	2 039	2 088	2 199	2 380	2 712
6	1 278	1 422	1 480	1 646	1 744	1 882	2 085	2 291	2 388	2 445	2 573	2 786	3 173
7	1 451	1 614	1 680	1 866	1 976	2 124	2 353	2 588	2 702	2 767	2 913	3 152	3 587
8+	1 770	1 967	2 046	2 267	2 400	2 560	2 836	3 123	3 239	3 312	3 476	3 751	4 254

Source: IHS Global Insight Southern Africa 2010

## Appendix C: Method used for the Daveyton survey

THE STUDY of Daveyton comprised a qualitative and quantitative phase. The qualitative phase included two focus group discussions conducted before the quantitative phase, and was informed by the findings of the first phase. One focus group comprised parents who sent their children to local schools, and the other comprised parents who sent their children to schools outside Daveyton. The second phase included 128 face-to-face interviews with members of households administered as part of a dipstick survey. This term refers to an exploratory survey. Just as a dipstick is dipped into a container to indicate the depth of liquid in it, exploratory research is also conducted to measure the scope and depth of a problem. A total of 51 households which sent their children to local schools and 67 whose children attended schools outside Daveyton were surveyed. An additional 10 households whose children were attending schools inside as well as outside the township were also surveyed.

## Appendix D: Bushbuckridge schools

DURING TWO field trips, CDE researchers discovered the following private schools in Bushbuckridge:

School no	Year started	Registered	Learners	Annual fees	Grades	Educators	Teachers' salaries / month
1.	1998	Yes – no subsidy	40	R3650-R4700	0-9	7	R1500
2.	1997	Yes – subsidy	106	R920	10-12	8	Not disclosed
3.	2000	No	163 (including crèche)	R2500-R3500*	1-5	7	R1000-R 000
4.	2005	No	76 (including crèche)	R2000*	1-4 (and crèche)	4	R1200-R1500
5.	1998	No	60	R2100*	1-7	6	R1400-R1600
6.	1999	Yes – subsidy	170	R4000	8-12	13	R3000-R4445
7.	1997	No	240	R2400*	R-7	9	R2500
8.	2001	No	120	R2500-R3000	R-12	17	R1300-R1500
9.	2000	Yes – no subsidy	184	R1000-R2500	R-12	14	R2000
10.	1998	Yes – subsidy	320	R2440-R5000	R-12	20	Not disclosed
11.	2004	Yes – no subsidy	54	R3900	8-12	5	Not disclosed
12.	1998	No	156	R1500-R2000	R-6	13	R2000
13.	2007	No	56	R1200-2300	R-5	3	Not disclosed
14.	2008	No	5 to 9 Learners in a class	R4200-R4500	8-11	6	R2000-R4000
15.	2000	No	166 (including crèche)	R1500-R2000	R-7	11	R700-R1000
16.	2000	No	37 in 2009	R2000	12	6	Stipend for transport only
17.	2000	Yes – subsidy	250	R5250	R-11	14	Not disclosed

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## Appendix E: Comparison of test results

THE NATIONAL Systemic Evaluation (NSE) undertaken in 2005 provided us with an alternative evaluation of grade six results against which we could compare our 2009 private school results. The test administered in the NSE testing phase differs from the more recent grade 6 test – though both were set according to Grade 6 Assessment Standards – and the NSE provincial means were derived from a much bigger sample. This sample included schools at all socio-economic levels, including former Model C schools, in all areas, while the private schools were located in only two areas per province. The comparisons are interesting nonetheless, and provide some support for the idea that the more recent results were inflated in some provinces. The results appear in table 7.

**Table 7: Grade 6 learner performance in private schools in relation to 2006 NSE results.**

	Private	Registered	Unregistered
Limpopo: NSE mean: 19.38 %			
Giyani	+20.25	+20.25	—
Malamulele	+27.33	+27.33	—
Gauteng: NSE mean: 33.76 %			
Benoni/Daveyton	+17.67	+17.67	—
Eastern Cape: NSE mean: 23.40 %			
Butterworth	+6.55	+5.45	+12.45
Cofimvaba/Tsomo	-3.87	-4.16	-3.11
Whole sample: NSE mean: 27.08 %	+12.74	+13.34	+4.73

CDE 2010

Learners in private schools achieved significantly higher scores than public school learners. The table also confirms the better performance of the Limpopo and Benoni / Daveyton private schools as noted in the previous comparison, but at much higher orders of magnitude. It also supports the suggestion that the 2008 FfL data for schools in the Eastern Cape was particularly unreliable. The difference between the two groups in Butterworth is reversed (from -6.11 % to +6.55 %) and greatly narrowed in Tsomo Cofimvaba (from -24.74 % to -3.87 %). Interestingly, in both Eastern Cape study areas, the scores of the unregistered private schools were higher than those obtained by the registered private schools.<sup>94</sup>

## Appendix F: Assessing matric results

TABLE 8 lists the matric results of some of the private schools in our sample.

**Table 8: Per centage of learners achieving over 60 % in selected subjects**

<b>Location</b>	<b>English First Additional Language</b>	<b>Maths</b>	<b>Maths Literacy</b>	<b>Physical Science</b>	<b>English Home Lan- guage</b>
Benoni, Gauteng		24.19	51.89	1.96	13.1
Benoni, Gauteng		42.86	71.43	50	76.19
Butterworth, Eastern Cape	0	0			
Giyani, Limpopo	8.82	0	0	0	0
Benoni, Gauteng		14.29	60	8.33	45.45
Giyani, Limpopo	97.06	72.97	100	31.71	
Braamfontein, Gauteng	21.05	15.38	10.87	6.67	0
Benoni, Gauteng		58.33	100	10	70.59
Benoni, Gauteng,		16.67		0	14.29
Malamulele, Limpopo	15.83	7.91		2	
Malamulele, Limpopo	6.67	2.7	0	0	
Braamfontein, Gauteng	38.46	16.67	61.54	6.25	27.78
Benoni, Gauteng		83.87	100	39.29	53.57
Braamfontein, Gauteng	6.25	0	6.25	0	7.14
Braamfontein, Gauteng	62.5	10.81	50	0	20

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## Endnotes

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53. It should also be noted that only one subgroup of schools – the registered private schools in Benoni/Daveyton – recorded a conventional pass mark of over 50 per cent, with a mean of 51,43 per cent. Malamulele’s public and private schools came close with 45,31 per cent and 46.71 per cent respectively.
54. The instrument used for the FfL testing is not the same as the NSE instrument, nor has it been benchmarked against the NSE instrument. Comparative performance data for learners in independent schools was derived from the same instrument used for the FfL testing. In these schools, however, the instrument was externally administered and scored by independent researchers.
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What we discovered through our on-site visits, interviews and systematic data collection was a mode of delivering schooling to learners in remote rural and disadvantaged urban areas that has been developed from the bottom up within local communities.

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This report is an initial step towards focusing far greater attention on the phenomenon of low-fee private schooling. We need to gather more data on a national scale, and delve more deeply into how low-fee private schools interact with local environments.

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