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Study into the role of the private sector in primary education for the urban poor in Bangladesh

I. THE MAIN REPORT

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By

CfBT

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Abbreviations and Acronyms

ADB	Asian Development Bank
BANBEIS	Bangladesh Bureau of Educational Information and Statistics
BDT	Bangladesh Taka
BRAC	Building Resources Across Communities
CAMPE	Campaign for Popular Education
DAM	Dhaka Ahsania Mission
DFID	Department for International Development
DP	Development Partner
DPE	Directorate of Primary Education
EFA	Education For All
EMIS	Education Management Information System
GER	Gross Enrolment Rate
GoB	Government of Bangladesh
GPS	Government Primary School
KG	Kindergarten
LCP	Low Fee Private MCIS
MCIS	Multiple Cluster Indicator Survey
MDG	Millennium Development Goals
MoE	Ministry of Education
MoPME	Ministry of Primary and Mass Education
NCTB	National Curriculum and Text Book Board
NER	Net Enrolment Rate
NFE	Non-Formal Education
NGO	Non-Governmental Organisation
NGPS	Non-Governmental Primary School
PPS	Probability Proportional to Size
RNGPS	Registered Non-Government Primary School
ROSC	Reaching Out of School Children Project
SARH	South Asia Research Hub
SPA	Strategic Partnership Agreement
UEO	Upazila Education Officer

Executive Summary

DFID has been funding both the public and non government 'no fee' sectors in Bangladesh in order to improve education outcomes for many years. These efforts have resulted in substantial improvements in enrolment and gender parity. However, there continues to be a pressing need in Bangladesh to improve the quality of education and focus on education completion and attainment. There is a growing interest in DFID centrally to assess opportunities of private sector delivery of basic services. Recent examples have emerged in Pakistan, Nigeria and Bangladesh demonstrating the important role of the private sector in education through the education provision in Low Fee Private (LCP) schools. In line with this work, the DFID South Asia Research Hub has commissioned this Study into the *'Role of the Private Sector in Primary Education for the Urban Poor in Bangladesh'* in order to carry out the following:

- Make an assessment of what role the private sector plays in providing education for poor children;
- Use this assessment to determine if and how a new market orientated programme might be designed to assist LCP schools; and
- Review possible ways and means by which this LCP sector can be catalysed to strengthen the quality of education provision and improve education completion and attainment by poor girls and boys.

*While the overarching **Aim** of this preliminary study is to map the size of the LCP school population in order going forward to provide the evidence upon which DFID Bangladesh can make informed decisions on investments on the private sector in improving education provision to the poor*, the specific ***Objective*** is to map the extent to which private low fee private schools are accessible to urban poor children in Bangladesh. There are three significant challenges that need to be presented at the outset in order to then explain the structure and process for this Study's response to these challenges.

Sourcing the Literature*.* Although there is a large body of literature on basic education provision there is nothing that specifically refers to the private education LCP 'for profit' sub sector.
Accessing the Data*.* A clear finding from this study has been the difficulty of accessing reliable data that can truly enable a better understanding of the ground realities.
Agreeing the Typology*.* There is a large range of providers across the continuum from fully public and fully private and it is difficult to apportion these providers into different categories according to ownership, funding, provision and regulation. This difficulty in classification in turn exacerbates a situation in which the data is hard to access and apportion across the different types of providers.

Methodology and Structure

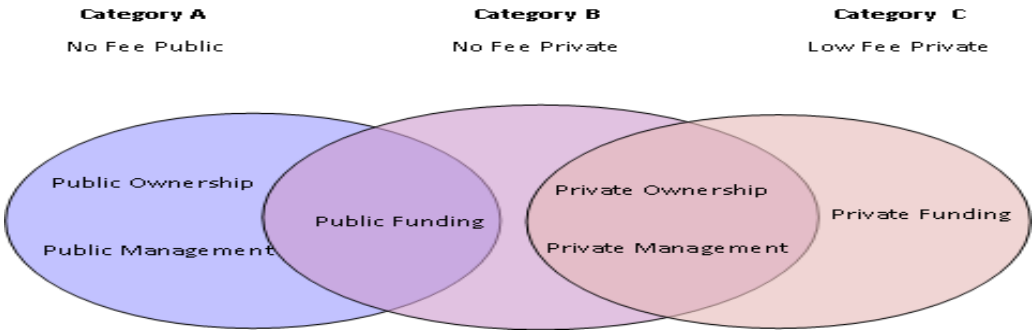
The Report is presented in two distinct parts:

Part 1 commences by assessing the primary education market share of schools and enrollment by type and category of provider in 2011 using the government's macro data. It then makes similar assessments but this time in more depth through a study of data collected from 19 upazilas/thanas. It looks at the main features of this provision from the perspective of access, quality and choice, governance and regulation and a consideration of the main drivers and barriers before concluding by extrapolating some significant preliminary findings.

Part 2 provides details on two independent but complementary primary data collection efforts that were undertaken during September to November 2012 in the same location. Using *Probability Proportional to Size (PPS)* 19 slums from Dhaka and 11 slums from Chittagong were selected from a slum database that identifies 4,342 slums in Dhaka city and 1,814 slums in Chittagong; in addition, a sample of peri-urban locations – Savar and Keraniganj in Dhaka and Pativa in Chittagong – were included.

- First there is the *Household Survey* that comprises information collected from poor households regarding the parents' knowledge, views and perceptions on their children's schooling experience. The data includes an assessment of the determinants for selecting a LCP or a non-LCP primary school, perceptions on the quality of schooling, and the level of expenditure borne by the parents. A total of 1,128 household interviews were conducted.
- Then there is the *School Survey* that documents the level of enrollment, qualifications of staff, and levels of revenue and expenditure across the different types of schools and a comparison of their administrative and governing structures and their learning environments. The school selection was limited to areas sampled households resided or their adjacent areas.

The Bangladesh EMIS 2011 database lists thirteen different types of school provider. In order to obtain a more robust assessment of what the respective shares are across the three main categories of provider, these thirteen types have been allocated as shown in Diagram 1 into three categories according to the following three criteria - *ownership, management or provision and funding.*



The LCP school selection was primarily based on three criteria: (i) *located within or adjacent (1 kilometre radius) slums of Dhaka and Chittagong cities from which households were sampled; (ii) located within 3 kilometre radius of the 3 upazila headquarters covered; and (iii) monthly tuition fees in LCP 'for profit' schools did not exceed Taka 700 (GBP 9) while school selection for the government and the LCP 'non profit'/NGO schools was based on location criteria only.* The School survey categorised the schools into three groups: Group 1 'the *LCP/KGs'* comprised 101 primary schools that were driven by a profit-motive and were charging monthly tuition fees less than or equal to Bangladesh Taka 700 (as at 2012); Group 2 'the *Government schools'* comprised 55 Government Primary School (GPS) and Registered Non-Government Primary School (RNGPS) while Group 3 'the *LCP/NGO'* schools comprised 15 'non profit' Primary Schools managed by non-government organisations.

Key Findings from the Study

The two Parts of this Study offer some interesting findings to add to the growing literature on how the LCP schools can become involved in supporting access to a quality basic education for all.

Focus	*Finding*	*Evidence*
Access	The LCP sector is assisting the GOB to meet participation pressures particularly in the urban slum locations and newly established urban conurbations.	▪ the number of recognised LCP/KGs has grown fourfold from only 3,567 schools in 2007 to 12,031 in 2011 ▪ the number of students attending LCP/KGs in 2007 has risen from 705,753 to 1,733,422 in 2011 - an increase in total student enrolment from 4% to nearly 10% over five years. ▪ this extreme growth is a recent phenomenon - the number of students enrolled in KGs in 2010 was 820,561 but by 2011 it was 1,733,422 and the number of teachers employed in KGs in 2010 was 41,129 by 2011 it was 98,119 - an increase of over 200%.
Quality	The two types of LCPS are similar and they both differ from their public counterparts in certain aspects of provision that have an impact upon quality:	▪ the LCPS spend around 85% of their income on salaries and rent of their premises compared to the government schools where there is a budgetary allocation of 95% on salaries; ▪ the LCPS pay significantly less than the government on staff salaries with Study data showing how the level salary of a LCP/KG teacher (Taka 1,600) is a one-third of that of their government counterparts (Taka 5150); ▪ the LCPS have a significantly higher proportion of teachers without education-related training; and ▪ they exhibit much lower pupil teacher ratios.
Equity	There is a difference between the profile of households accessing for profit compared to not for profit LCPs	▪ parents from the LCP/KGs have a higher educational background; ▪ parents from the LCP/KGs have larger household monthly income than those with children attending LCPS/NGO schools; ▪ the annualised cost of schooling in a LCP/KG is three times what it is in a LCP/NGO school.
Planning	There needs to be a disaggregation between the three different types of providers.	▪ 'for profit' and 'non profit' LCPS require different responses across three key areas of possible PPP interventions namely: *Enhancing the Operating Environment; Promoting any Supply side Education Market; and Supporting any Demand side Incentive Programme.* ▪ it is difficult to define 'low cost' or 'affordable' since it is not possible to make a comparison based on the tuition charge alone as the indirect costs of schooling significantly outweigh this direct cost of merely the tuition fee.

INTRODUCTION AND BACKGROUND

Country Context

Bangladesh, one of the most densely populated countries, is also one of the poorest countries in the world. Its per capita GNI is USD 1,529 although several social indicators including gender parity in education, maternal and under-5 mortality rates are better than countries in this income group. Around 80% of the nearly 150 million Bangladesh people still live on less than $2 a day. Chronic malnutrition affects 56% of the poorest children. Over 40% of the country, in an area the size of England and Wales, suffer from natural disasters most years. [1]

Bangladesh has made striking progress in the last thirty years of economic growth and social transformation, accompanied by significant poverty reduction and a curbing of population growth. Sustained macro-economic measures, which notably increased the market orientation of the economy and eased trade and exchange restrictions, have underpinned an average GDP growth of 5.8% per annum over FY01-10, up by a percentage point compared to the previous decade. Recent indicators show that Bangladesh has weathered the global economic crisis, staying on track with a still healthy 5.7 – 5.8% annual growth rate in FY09 – FY10 and an expected 6% plus growth rate in FY11.[2]

This performance is significant given the slow global recovery and severe power shortages in Bangladesh. Sustained growth has led to reduction in the incidence of poverty from 57% at the beginning of the 1990s, to 49% in 2000, and 40% in 2005.[3] These gains were achieved despite fragile institutions, extreme ongoing political volatility and poor governance – exacerbated by frequent, large-scale natural disasters whose consequences can be most devastating for the poor. Per capita income is US$640 (2010), but close to 30% of the country‘s 164 million population remain below the poverty line earning less than US$1 a day. According to the World Bank prospects for progress over the medium-term depend upon continued macroeconomic stability, a deepening of structural reforms to address severe infrastructure deficits (energy, transport, extreme urban congestion) as well as steps to improve governance and strengthen institutions in order to provide better quality services and bring marginalized groups more securely into the development process.[4]

Education is one of the most powerful instruments for reducing poverty. The effect is amplified when there are linkages for education and health to work together to ensure that children are well nourished, healthy and ready to learn. The effect is self-perpetuating across generations. Educated parents are more likely to have reduced family size and provide schooling to their children. Bangladesh is a good example of this phenomenon.

Increased access to primary education, particularly the rapid influx of girls over the past thirty years, have been powerful enabling conditions for social mobility as young people have entered the labour market and are attaining higher earnings. Workers have been moving away from low productivity jobs in agriculture to more productive jobs in the nonfarm private sector, particularly in urban areas and overseas. Widespread entry of women has been a

[1] World Bank Study. 2009. An Urgent Call for Action: Undernourished Children of South Asia.
[2] See World Bank Country Assistance Strategy (2011).
3 The value for Poverty headcount ratio at $2 a day (PPP) (% of population) in Bangladesh was 76.54 as of 2010. This indicator reached a maximum value of 92.99 in 1992 and a minimum value of 76.54 in 2010. *Source: World Bank, Development Research Group*.
[4] See the World Bank's Project Appraisal Document (2011) on the Credit for the Third Primary Education Development Program for further details.

leading factor in the rapid expansion of the garment industry, a driver of the Bangladesh economy. All these factors contributed to declining fertility rates – which were halved in the 1990s – as well as the high rates of poverty reduction.

Sectoral Context

The outstanding accomplishment of the last three decades is the increased access to education and the achievement of gender parity. The share of girls in total enrollments is now 52% in primary and 55% in secondary education, compared to fewer than 40% in the early 1990s.[5] Gross Enrolment Rates (GER) in primary education rose from 76% in 1991 to 107.8% in 2010 (MOPME data), and the Net Enrolment Rate (NER - measured by household data) reached 84.7% in 2010. In secondary education, the GER of 57% in 2008 is three times higher than in 1980.[6] Greatly contributing to this gain was a seven-fold increase in girls‘ enrolment; there is now gender parity in secondary as well as in primary education.

For progress in all these areas, it has been critical that, since the 1990s, demand-side interventions – including a primary lunchtime school feeding programme, cash transfer programs, and a gender-targeted secondary school stipend program – have been met with expanded supply in the public and non-government sectors. Today, over 18.5 million students are enrolled in about 90,000 primary schools. These include many different types of schools but some 80% - the vast majority of students and schools - are Government Primary Schools (GPS) or Registered Non-Government Primary Schools (RNGPS) that are privately operated but heavily government subsidized while the remaining 20% is evenly divided between the 'non profit' LCPs and the 'for profit' LCPs, known in Bangladesh as the 'Kindergartens'.[7]

Despite these achievements, access challenges remain: notably marked disparities in participation rates for children in pockets of poor and disadvantaged communities compared to the national average (the 2005 NER of the poorest economic quintile is 58%, compared to NER of 80% for the richest quintile). The stipend programme for primary school aged children, insufficiently targeted to the poor, has not been effective in reducing these disparities.[8] Overcrowded and deteriorated classrooms, insufficient availability of sanitary facilities and drinking water still constrain access in parts of the country and for some population groups.

Through a sustained injection of public resources into education, Bangladesh has reached some international benchmarks, including one of the education Millennium Development goals (gender parity). From 1999/00, government spending on education increased significantly owing to the country‘s high rates of economic growth. Specifically, although the share of GDP devoted to education remained around 2.3% over this period, real spending increased by 50% as a function of the overall growth in real government spending. The per annum commitment of approximately 15% of government resources allocated to education over the past decade also appears comparable to developing and regional country averages. Considering as well that personnel costs take the largest share of the education revenue budget in Bangladesh, with some 98% of revenue spending in primary education devoted to salaries, expenditures on non-personnel items are well below recommended

[5] United Nations Development Programme’s (UNDP). 2010. Human Development Report.
[6] World Bank Country Assistance Strategy. 2011. Bangladesh.
[7] Bangladesh Education Statistics. 2011.
[8] World Bank Country Assistance Strategy. 2011.

norms. This has an impact on learning achievement and system efficiency – both of which remain low.[9]

Primary education in Bangladesh shows a mixed picture. Average net enrolment rate is 98.7%, with girls doing better than boys. But only 58% children from the lowest quintile enrol in schools. 1 in 3 children drop out before completing primary education and in an average it takes 7.2 years for a child to complete the 5 year primary cycle. Mean maths score of a grade 5 student is 63.26% and it is 68.51% in Bangla, which are way below the 80% targets.[10]

Context of DFID's Work in Education Sector in Bangladesh

The UK has two major projects currently running in the country in the basic education sector. The UK is providing £223 million over 5 years as core support to the Building Resources Across Communities' (BRAC) development programmes, which provide basic services (health, education, water and sanitation) and support the livelihoods of some of the poorest and most marginalised people in Bangladesh. The funding for this project is channelled through a novel approach of a Strategic Partnership Agreement (SPA), where BRAC is the partner implementing agency and DFID, along with AusAID, provide technical and advisory support. Over 5 years, UK support through the SPA will enable BRAC to:

- Lift 166,000 women and their families (over 660,000 people) out of extreme poverty;
- Get 176,000 children through 5 years of primary education;
- Enable 3.2 million additional couples to use modern contraceptive methods;
- Ensure that 608,000 women are attended by skilled attendants when they deliver their babies;
- Provide improved sanitation to 3.6 million people; and
- Give over 250,000 people access to safe water.

In addition, the SPA will strengthen BRAC's institutional capacity and long term sustainability. This project runs from 04/11/2009 - 31/03/2016. The second project, the Bangladesh Education Development Programme (BEDP), runs from 19/09/2010 - 30/06/2016 and has a value of £120,150,000. The aim of this project is to support an efficient, inclusive and equitable primary education system delivering effective and relevant child-friendly learning to all Bangladesh's children from pre primary through Grade 5 primary. DFID's contribution over the five years includes enabling 131,876 students to graduate, supporting the enrollment each year by 2015 of 1,346,207 students and providing 629,554 stipends for children.[11]

Geographic Context

Slums are areas of housing built on government or private land characterised by low-quality housing, overcrowding, poverty, poor environmental conditions, and limited access to services. In one study of four Dhaka slums in 2002-04, most dwellings consisted of a single room and on average were around 90 square feet in size. Over 90% had access to electricity although in most cases this was through an illegal connection. Around 40% had gas connections, with the rest using other fuel sources with potential for health hazards. Around

[9] CREATE. 2010. Educational Access in Bangladesh - Country Research Summary.
[10] Annual Review Project Title: Bangladesh Education Development Programme: November 2011. DFID Bangladesh.
[11] http://projects.dfid.gov.uk

half used Dhaka Water Supply Authority water while the other half used tube wells as a source of drinking water (Aparajeyo, 2005).

In a 2005 survey (CUS et al., 2006), 61% of slums in Dhaka had problems with flooding, a few had no electricity, 80% had very poor housing, nearly all had very high population density, and 9% lacked security of tenure. In a third of cases there were more than 10 households per tap or tube well, and for 11% there were more than 10 households per latrine. Median and mode household income was in the range Taka 3001-4000 per month (around GBP 20-25). Many people living in slums are migrants from rural areas. For instance in the Aparajeyo study, 42% were recent migrants and their children would possibly have attended primary school in rural areas. The generalisation that connects slums to rural-urban migration can be misleading. In many cases the migration occurred one or two generations ago. The same study found that around 25% had migrated in or before 1980, and a further 34% during 1981-1990 (Aparajeyo, 2005).

Slums present a number of geographical barriers to services. Many are built in low-lying areas and are prone to flooding; most do not have sufficient drainage to avoid water-logging during the rainy season flooding (CUS et al., 2006). Environmental conditions reported by a majority of respondents in the Aparajeyo survey (Aparajeyo, 2005) included damp, water lodging, over-population, and narrow or muddy roads. Houses are usually made of flimsy materials, and are vulnerable to fire and to monsoonal rains. In the CUS survey (CUS et al., 2006), very high population density, very poor environmental services and very low socioeconomic status were nearly ubiquitous characteristics. Poor drainage, flooding and very poor housing also affected most slums. Lack of electricity, cooking gas, tap water, garbage collection and NGO services each affected a minority of slums, as did insecure tenure, threat of eviction, and a need to share water sources and latrines with large numbers of other households.

A survey (Rashid and Hossain, 2005) of NGOs and donors about delivering services in slums in Bangladesh found a host of obstacles. Donor agencies such as UNICEF (UNICEF, 2010) identified as a problem an inability to serve enough of the slum population. NGO interviewees identified lack of appropriate infrastructure as a key constraint to education service provision in slums. **The number of schools was reported to be far too low compared to the number of children and that government schools typically have no scheme to accommodate the volume of urban slums students in their areas, who may face particular problems such as the need to work.**

Slums in peri-urban areas may be particularly neglected in terms of education service delivery as they fit into neither the rural nor urban programmes of government, agencies or NGOs. The numbers of schools in Dhaka does not seem up to the number of students. Overcrowding in urban government schools is becoming more widespread as the government sector is not meeting the demand with recruitment of new staff or the construction of new schools (Cameron, 2010). The CREATE Country Access Review (Manzoor Ahmed et al., 2007) notes, nationally that refusal to admit a child was a frequent reason for never being enrolled in school, especially in schools that had earned a good reputation or were in densely inhabited locations. Within the school, some parents felt that teachers had a bias in favour of children of the well-off; discouragement and undermining children's self-esteem were seen as a common problem.

Added to these supply side barriers are those on the 'demand side' resulting from the poverty of most households in slums. Under the law, children aged over 14 are allowed to work, provided that the working conditions meet certain criteria and they are not employed

more than 42 hours per week. Sources such as Cameron (2010) suggest that child labour is common in urban Bangladesh, meaning that the opportunity cost of attending school is likely to be high. Recent data (UNICEF, 2010) suggests that 6.5% of children in slums in Bangladesh's cities are working, and confirms that the rate is higher for older children. Especially for female adolescents, many find themselves working in the city's garment industry. Garment factories tend to employ young single women, and the decision to enter into employment is often made by the parents.

This Study

Aims and Objectives

Similar to many education programmes that it is supporting elsewhere, DFID has been funding both the public and non government 'no fee' sectors in Bangladesh in order to improve education outcomes for many years. These efforts have resulted in substantial improvements in enrolment and gender parity. However, there continues to be a pressing need in Bangladesh to improve the quality of education and focus on education completion and attainment.

There is a growing interest in DFID centrally to assess opportunities of private sector delivery of basic services. Recent examples have emerged in Pakistan, Nigeria and Bangladesh demonstrating the important role of the private sector in education through the education provision in Low Fee Private (LCP) schools. In line with this work, the DFID South Asia Research Hub has commissioned this Study into the *'Role of the Private Sector in Primary Education for the Urban Poor in Bangladesh'* in order to carry out the following:

1. *Make an assessment of what role the private sector plays in providing education for poor children;*
2. *Use this assessment to determine if and how a new market orientated programme might be designed to assist LCP schools; and*
3. *Review possible ways and means by which this LCP sector can be catalysed to strengthen the quality of education provision and improve education completion and attainment by poor girls and boys.*

While the overarching ***Aim*** of this preliminary study is to map the size of the LCP school population in order going forward to provide the evidence upon which DFID Bangladesh can make informed decisions on investments on the private sector in improving education provision to the poor, the specific ***Objective*** is to map the extent to which private LCP primary schools are accessible for urban poor children in Bangladesh.

Issues and Challenges

There are three significant challenges that need to be presented at the outset in order to then explain the structure and process for this Study's response to these challenges.

Sourcing the Literature

Although there is a large body of literature on basic education provision (see Annex 1 for the 'Bibliography'), there is nothing that specifically refers to the LCP 'for profit' sub sector. There is some documentation on the 'for profit' sector including the ADB TA entitled *Bangladesh: Study of the Small and Medium Education Enterprise Sector* (2004) by Norman LaRocque and the IFC *Mapping of the Private Education Sector* (2009) but neither of these Reports covered the Low Cost Private Education market and neither of these Reports capture the present evolving situation. This paucity of information was confirmed by the team in a wide and extensive series of face to face meetings that were held with government policy

planners, development partners and non-state providers (see Annex 2 for 'Details of Persons Met').

Accessing the Data
Capturing the real extent of this movement between state and the non state is particularly difficult given the current challenges of data collection which is probably masking a situation in which students are being enrolled in both government and private schools. What evidence is clearly showing is that students are moving freely between the two sub-sectors of the education system and that these movements have system-wide implications. While there is growing evidence of the strengths of LCP schooling there are also significant concerns about system-wide equity. **A clear finding from this study has been the difficulty of accessing reliable data that can truly enable a better understanding of the ground realities.**

Agreeing the Typology
There is a large range of providers across the continuum from fully public and fully private and it is difficult to apportion these providers into different categories according to ownership, funding, provision and regulation. This difficulty in classification in turn exacerbates a situation in which the data is hard to access and apportion across the different types of providers. A further example of difficulty is the mis-nomenclature of the low fee private schools as Kindergartens or KGs in that these schools are not merely catering to the pre Grade 1 students but actually have examples of schools running up to Grades 8 and 9.

Methodology of the Study
In response to this paucity of reliable data and the lack of specific literature on the LCPE, this preliminary Low Cost Private Education Study is based entirely on secondary sources – published and unpublished research reports and analyses, government documents, and database and information with education authorities, which are in the public domain and have been made available to the research team for this report and its generation of documentation on these areas of particular focus including: *Assessing Market Share by Types of Provider - Analysis of Growth Patterns - Access - Quality and Choice - Governance and Regulation - Drivers and Barriers.*

Obtaining Data on the LCPE Sector
The Part 1 team has derived reports through two main means: (i) through accessing and analysing the primary data that is provided by the Directorate of Primary Education (DPE) and Bangladesh Education Statistics 2010 published by the Bangladesh Bureau of Educational Information and Statistics (BANBEIS); and (ii) by accessing and analysing data that has been collected in the districts of Dhaka and Manikganj and the nineteen upazilas and thanas within these districts.

Because of the information asymmetry issues between national and municipal education agencies in this often unregulated market, it is difficult to gauge the complete size of the market without a comparison of available macro data as well as field surveys at the Upazila Education Offices in sample urban and peri-urban districts. For collecting this upazila level data, the team visited the Dhaka District and collected current 2012 data from 12 upazilas/thanas and the Manikganj district to obtain 2012 data from 7 upazilas. In this way the team has obtained current data across the three main categories of provider - the government, the LCP 'for profit/KG' and the LCP 'NGO' schools - in locales that cover the fully urban to the peri-urban and more rural communities.

Reaching a Classification

The EMIS 2011 database lists thirteen different types of provider. In order to obtain a more robust assessment of what the respective shares are across the three main categories of provider, these thirteen types have been allocated as shown in Diagram 1 into three categories according to the following three criteria - *ownership, management or provision and funding.*

Diagram 1: Allocation of the Categories by Ownership, Management and Funding

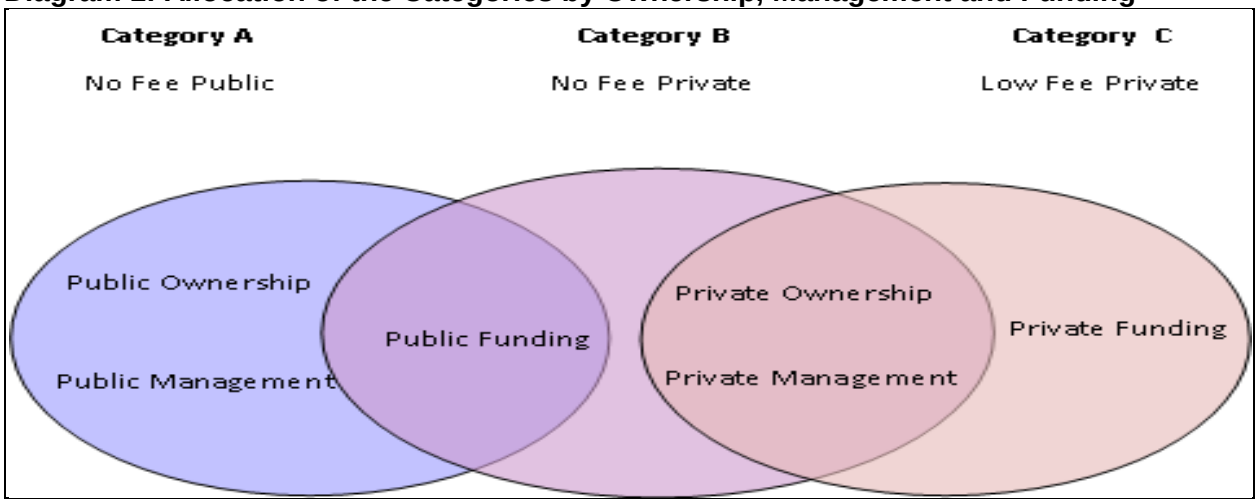


Table 1 then shows the thirteen types of provider allocated across these three categories.

Table 1: Primary School Categories Allocated by Type of Education Provider

A. Government	B. LCP 'NGO'	C. LCP 'For Profit'
▪ Government Primary School (GPS) ▪ Registered Non-government Primary School (RNGPS) ▪ Experimental School	▪ NGO School ▪ Non-Registered Non-Government School (NGPS) ▪ Ibtedayee Madrasha ▪ High Madrasha Attach Ibtedayee ▪ Community School ▪ Building Resources Across Communities Center (BRAC) ▪ Reaching Out of School Children Project (ROSC) ▪ Shishu Kollan	▪ Kindergarten School (KG) ▪ High School Attached Primary

The Part 2 Team was assigned the responsibility of conducting a survey of primary schools and households to map the extent to which LCP schools are accessible to the urban and peri-urban children from poor, urban families. Two independent but complementary primary data collection efforts were undertaken during September to November 2012. Through a survey of poor households, parents' knowledge, views and perception on their children's schooling experience was documented. This survey included an assessment of the determinants for selecting a LCP or a non-LCP primary school, perceptions on the quality of schooling, and level of expenditure borne by parents. The school survey aimed at documenting the level of enrollment, qualifications of staff, and levels of revenue and expenditure. The study also compares the administrative and governing structure and the

learning environment of different types of schools. The LCP school selection was primarily based on three criteria:

(i) located within or adjacent (1 kilometre radius) slums of Dhaka and Chittagong cities from which households were sampled;
(ii) located within 3 kilometre radius of the 3 upazila headquarters covered;
(iii) monthly tuition fees in LCP 'for profit' schools did not exceed Taka 700 (GBP 9) while school selection for the government and the LCP 'NGO' schools was based on location criteria only.[12]

Report Structure
Part 1 commences by assessing the primary education market share of schools and enrollment by type and category of provider in 2011 using the government's macro data. It then makes similar assessments but this time in more depth through a study of data collected from 19 upazilas/thanas. Section 2 then looks at the main features of this provision from the perspective of access, quality and choice, governance and regulation and a consideration of the main drivers and barriers. Section 3 concludes Part 1 by extrapolating some significant preliminary findings.

Part 2 commences with a presentation of the methodology and sample selection techniques used in this study and their limitations. A visual mapping of the treatment and control units of the survey is included in this section. The survey findings are then presented in Sections 5 and 6. The household data has been analyzed and compared between poor urban households living in urban slums and poor families of peri-urban locations. A closer look at households of different income groups sending their children to LCP schools is also attempted in this section. Section 7 summarizes the survey results and their implications. A concluding Chapter summarises these main findings and extrapolates significant features from the perspectives of access, quality, equity and costing.

Eight Annexes are included in the report but in a separate document. Annex I provides the Bibliography. Annex 2 details the Persons Met while Annex 3 provides extracts from the Private Education Provider Regulations The survey instruments, Bangla and English versions appear in Annex 4. Annex 5 includes the list of locations included in the household survey and the schools covered under this study are listed in Annex 6. Annex 7 provides details of selected statistics of the survey while in Annex 8 there is a brief analysis of the school and household profiles as they apply to low cost private schools that are charging a tuition fee of Taka 300 or less.

[12] See Annex 8 for findings that have been derived from data sets in which the LCP/KG schools are charging Taka 300 or less per month.

PART 1: RESEARCH AND ANALYSIS

1 The Primary Education Sector

1.1 Primary Education in 2011

In 2011 there were a total of 89,712 primary schools in Bangladesh enrolling 18,432,499 children in Grades I-V. There were 458,359 teachers, many of whom had not received teacher training. The pupil:teacher ratio was 40:1 nationwide; however, most schools work double shifts and it is estimated that 80% of primary children receive only 2 to 3 hours of schooling each day. There are 13 types of primary schools, the vast majority of which are government or registered non-government schools. See Table 2 provides a breakdown of schools, teachers and students across these different types.

Table 2: Number of Schools & Students by Type in 2011 Annual School Census

		Total Teachers			*Total Students*		
School type	***No. of Schools***	***Total***	***Female***	***% Female***	***Total***	***Girls***	***% Girls***
GPS	37672	201900	124625	61.7	10687349	5450638	51.0
RNGPS	20168	73211	26580	36.3	3838932	1936115	50.4
NGPS	1485	6045	4110	68.0	223295	111479	49.9
Experimental School	55	216	176	81.5	10072	4934	49.0
Ibtedayee Madrasha	2062	10059	1572	15.6	309479	152557	49.3
Kindergartens	10537	98119	58419	59.5	1227239	545977	44.5
NGO School (Class 1-5)	1936	5022	3512	69.9	142618	75440	52.9
Community School	3133	9972	7550	75.7	508862	259926	51.1
High Madrasha Attach Ibtedayee	4366	26055	3349	12.9	747321	365856	49.0
High School Attach Primary	1494	21292	10460	49.1	506183	255536	50.5
BRAC Center	4390	4096	4027	98.3	149852	93339	62.3
ROSC	2344	2191	1777	81.1	73566	37276	50.7
Shishu Kollan	70	211	149	70.6	7731	4246	54.9
Total	**89,712**	**458,389**	**246,306**	**53.7**	**18,432,499**	**9,293,319**	**50.4**

Source: Report of the Primary School Census 2010 published by the Directorate of Primary Education (DPE) and Bangladesh Education Statistics 2010 published by the Bangladesh Bureau of Educational Information and Statistics (BANBEIS)

As shown in Table 2 above, there are 13 different types of primary educational institutions in the country which follow three different curricula. The government primary schools, non-

government primary schools (registered and unregistered, community schools, non-formal schools (NGO schools), and primary schools attached to high schools that follow the curriculum of the National Curriculum and Text Book Board (NCTB). The ebtedayee and the ebtedayee attached to high madrasahs follow the curriculum of the Madrasah Education Board (BMEB), while the low fee Kindergarten schools follow the government curriculum and the minority high end private schools follow the British curriculum (London and Cambridge).
The primary educational institutions also differ by management responsibilities. The Directorate of Primary Education (DPE), the main state functionary responsible for implementation of primary education in Bangladesh, looks after GPS and RNGPS. The community schools are looked after by the local community, the experimental schools by the Primary Training Institutes (PTIs), non-formal schools by NGOs, primary schools attached to high schools by the Directorate of Secondary and Higher Education (DSHE) and the ebtedayee madrasahs attached to senior madrasahs by the Bangladesh Madrasah Education Board. The English medium schools have no common authority.

1.2 Assessing Share by Type and Category of Provider in 2011 - Macro Data

Category A: Fully Public
Based on this categorization the 2011 Census can be aggregated according to the respective numbers of schools, teachers and students starting with the largest (Category A) in which ***the public sector owns, operates and funds the schools***. RNGPS have been placed in this category because the government pays a substantial proportion of the salaries and has control of the hiring and firing of the staff while the students pay very little or no fees.

Table 3: *Category A* -Owned, Operated and Funded by the Government with no fees

	Number		
School type	***Schools***	***Teachers***	***Students***
GPS	37672	201900	10687349
RNGPS	20168	73211	3838932
Experimental School	55	216	10072
Sub total	***57,895***	***275,166***	***14,536,353***

Source: 2011 Annual School Census

Category A schools include registered non-government primary schools (RNGPS), a school which was originally a Category C private school that took on government support and became, in essence, a government primary school (though with some differences in facilities support and staff salaries).

Category B: Low Cost Private 'NGO'
Table 4 now shows a summary chart for the eight different types comprising Category B which ranges from the Non-Registered Non-Government Primary Schools (NGPS) and Community Schools to the NGO schools and large non-state providers like BRAC. In these schools the non-state partner receives funding from the GoB or an external government but the provision and ownership is not directly held by the government. An interesting feature of this Category B is that the two Madrasha types of provider are enrolling nearly 50% of the students in a third of the total number of schools for this Category.

Table 4: *Category B* - Low Cost 'Non Profit' Owned and Operated by NGOs receiving funding from Government or other external donor funding sources

	Number		
School type	***Schools***	***Teachers***	***Students***
Ibtedayee Madrasha	2062	10059	309479
High Madrasha Attached Ibtedayee	4366	26005	747321
Community	3133	9972	508862
NGPS	1485	6045	223295
BRAC Center	4390	4096	149852
ROSC	2344	2191	73566
Shishu Kollan	70	211	7731
NGO School (Class 1-5)	1936	5022	142618
Sub total	***18,301***	***53,651***	***2,162,724***

Source: 2011 Annual School Census

Category C: Low Cost Private 'For Profit'

The third category is distinguished from the other two Categories in two key aspects - **the students pay a fee and the operation is managed with the purpose of generating a profit.** There is obviously a broad range of 'for profit' private schools that start at the top charging international rates. For this Study however reference to the Low Cost Private pertains to private schools that charge up to a ceiling of Taka 700 per month.

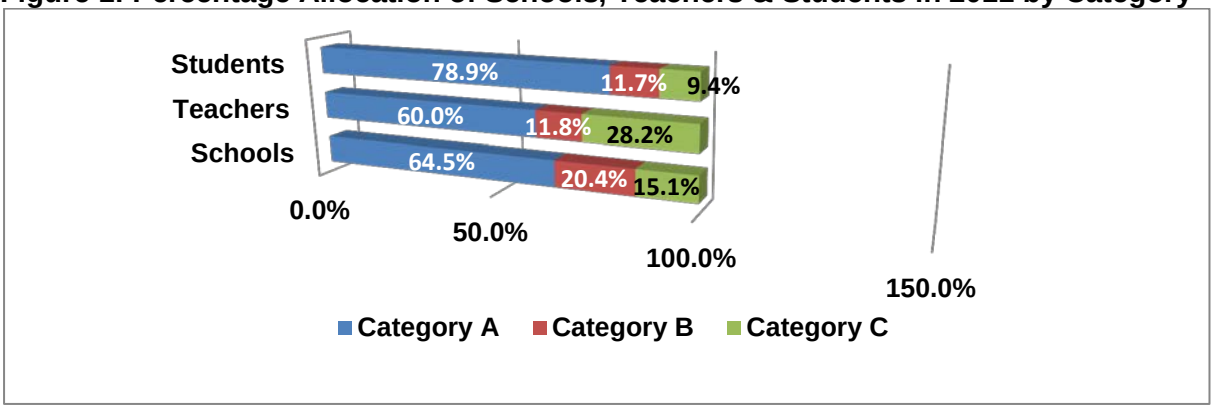
Table 5: *Category C* - Low Cost 'For Profit' Owned and Operated by Private Entities receiving funding from the community and/or individual

	Number		
School type	***Schools***	***Teachers***	***Students***
KG	10537	98119	1227239
High School Attached Primary	1485	21292	506183
Sub total	***13,516***	***129,572***	***1,733,422***

Source: 2011 Annual School Census

With the primary sector total disaggregated across these three different Categories, it is possible to derive some comparative assessments of the market share based on national statistics for 2011 - as summarised in the Figures below where **Blue** is the Category A the 'Fully Public' option, **Red** is Category B the 'Low Cost Private NGO' option while **Green** is Category C the 'Low Cost Private For Profit' option.

Figure 1: Percentage Allocation of Schools, Teachers & Students in 2011 by Category



Source: Compilation from the 2011 Annual School Census

Some key observations from this disaggregation exercise include:

- **while 90% of the children attending Grades 1 to 5 are paying no fee or a very little fee nearly 10% or 2 million students are incurring some fee;**
- **at a unit cost of 3,108 Taka per child enrolled in a Category A fully funded and provided school, the GoB would be spending some 6.2 billion Taka annually if these students were attending a government school;[13]**
- **from the number of schools and teachers employed, it looks as though the low fee private school market comprises many small school enterprises;**
- **the government schools are possibly working to above maximum enrolment capacity given that this Category comprises 60% of staff and schools but enrols nearly 80% percent of the students.**

1.3 Assessing Growth of Market Share - 2007 to 2011

Section 1.2 has provided an overview of the market share across the different types of provider in 2011. Section 1.3 now looks at the growth of these different types of provider across the number of schools, teachers and students over the five year period - 2007 to 2011. Table 6 provides a comparison in the number of primary schools by type across this five year period.

[13]BANBEIS: 2009.

Table 6: Number of Primary Schools by Type and Category, 2007-2011

Type of Provider	*2007*	*2008*	*2009*	*2010*	*2011*
Category A: Government financed, provided and owned					
Government Primary	37672	37672	37672	37672	37672
Registered Non Govt.	20107	20083	20061	20061	20168
Experimental School	54	54	55	55	55
Sub total A:	57,833	57,809	57,788	57,788	57,895
Category B: Government funded but privately owned and provided					
Non-registered NGPS	973	966	666	666	1485
Community School	3186	3263	2991	3169	3133
NGO School	229	408	230	361	1936
Ebtedaae Madrasa*	6726	6744	6744	2305	2062
High Madrasa with Ebtedaae	8920	9233	9233	9120	4366
Sub total B:	20,034	20,614	19,864	15,621	12,982
Category C: Privately funded, owned and provided					
KG Schools	2253	2987	2744	4418	10537
Primary Sections of High Schools	1314	1571	959	858	1494
Sub total C:	3,567	4,558	3,703	5,726	12,031
Total A + B + C	**81,434**	**82,981**	**81,508**	**78,685**	**82,908**

Source: Compilation from2011 Annual School Census

This Table highlights a number of key features including that:

- **the public share has remained remarkably constant with only 12 new schools added;**
- **the LCP 'NGO' sector has remained constant at around 20,000 schools if the 6,804 schools provided by BRAC, ROSC and Shishu Kollan are added to the 12,982 total; whereas**
- **the LCP 'for profit' schools have seen a 450% increase climbing from 2,253 to 10,537 in 2011, which was in turn a doubling in number from 2010**.

Table 7 then considers the growth across the different types in the number of teachers over the past five years.

Table 7: Number of Primary School Teachers by Type and Category, 2007-2011

Type of Provider	*2007*	*2008*	*2009*	*2010*	*2011*
Category A: Government financed, provided and owned					
Government Primary	182374	182899	182803	212653	201900
Registered Non Govt.	79085	76875	76628	73580	73211
Experimental School	210	221	280	183	216
Sub total A:	261,669	259,995	259,711	286,416	275,327
Category B: Government funded but privately owned and provided					
Non-registered NGPS	3914	2460	2086	2730	6045
Community School	10060	8772	9307	10006	9972
NGO School	1106	763	925	1334	5022
Ebtedaae Madrasa*	28227	28331	28231	8405	10059
High Madrasa with Ebtedaae	35707	35707	31691	32843	26055
Sub total B:	79,014	76,033	722,240	55,318	57,153
Category C: Privately funded, owned and provided					
KG Schools	20874	16980	19243	41129	98119
Primary Sections of High Schools	2937	13021	10256	11226	21292
Sub total C:	23,811	30,001	29,499	52,335	119,411
Total A + B + C	**364,494**	**366,029**	**361,450**	**395,281**	**451,891**

Source: Compilation from2011 Annual School Census

This Table provides the following highlights:

- **while the number of public schools has only marginally increased, the number of teachers has increased by 13,658 which is an average of only 2,731 additional teachers per year;**
- **even with the inclusion of the 6,498 teachers provided by BRAC, ROSC and Shishu Kollan in 2011, the number of teachers in the LCP 'NGO' sector has dropped consistently year on year from a high of 79,000 in 2007 to some 63,000 in 2011; whereas**
- **the number of teachers enrolled in the LCP 'for profit/KG' sector has increased fivefold with the most dramatic increases witnessed in 2010 and 2011.**

Table 8 now confirms a similar trend for the share of the student enrolments across the different types.

Table 8: Number of Primary School Students by Type and Category, 2007-2011

Type of Provider	*2007*	*2008*	*2009*	*2010*	*2011*
Category A: Government financed, provided and owned					
Government Primary School	9377814	9537571	9755362	9904254	10687349
Registered Non Govt. Primary	3538708	3472689	3525832	3650624	3838932
Experimental School	10097	10346	11073	9080	10072
Sub total A:	12,926,619	13,020,606	13,292,267	13,563,958	14,536,353
Category B: Government funded but privately owned and provided					
Non-registered NGPS	164535	99564	123056	105434	223295
Community School	436072	388051	398079	462995	508862
NGO School	32721	25872	36655	42507	142618
Ebtedaae Madrasa*	947744	849393	636984	243211	309479
High Madrasa with Ebtedaae	1099463	1663448	1352831	1719228	747321
Sub total B:	2,680,535	3,026,328	2,547,605	2,573,375	1,931,575
Category C: Privately funded, owned and provided					
KG Schools	254982	226187	360939	535127	1227239
Primary Sections of High Schools	450771	475506	338552	285434	506183
Sub total C:	705,753	701,693	699,491	820,561	1,733,422
Total A + B + C	**16,312,907**	**16,748,627**	**16,539,363**	**16,957,894**	**18,201,350**

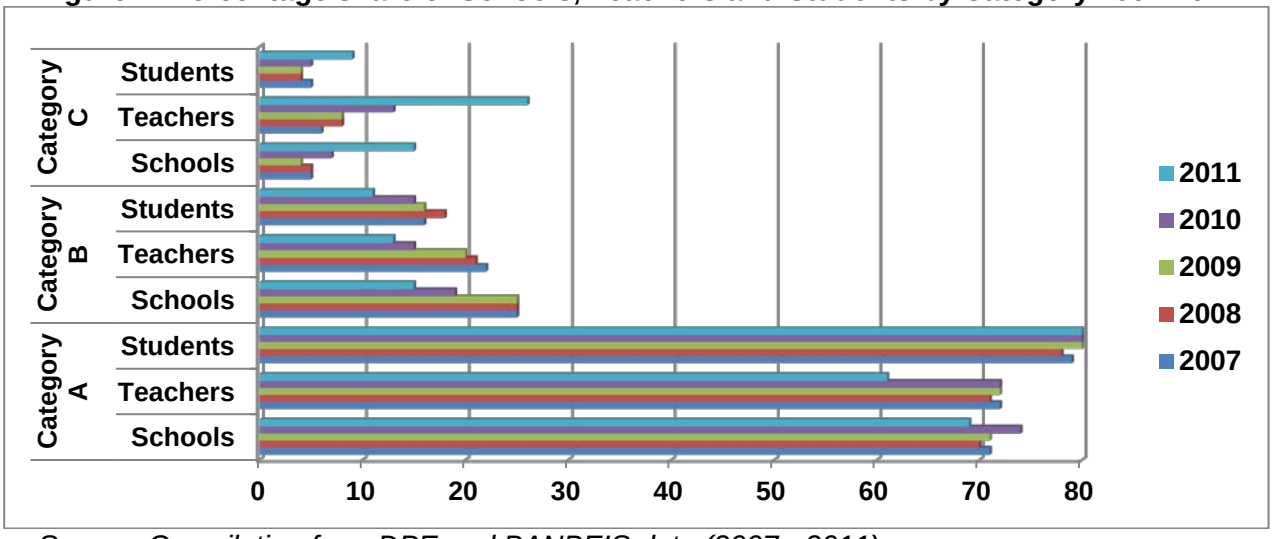
Source: Compilation fromDPE and BANBEIS data (2007 - 2011)

Table 8 again confirms similar trends with the provision of the following findings:

- **with minimal increase in the number of public schools and the number of teachers, the student enrolment has increased 14% over the five years;**
- **whereas - even with the inclusion of the 231,149 students enrolled in the BRAC, ROSC and Shishu Kollan schools - the LCP 'NGO' sector has decreased by almost half a million students over the five years; and**
- **the LCP 'for profit/KG' sub sector has seen an increase in enrolment of over a million students.**

Figure 2 illustrates these shares across the schools, teachers and students over the five years. The Figure shows clearly how the public sector share has remained fairly constant across the three domains while the LCP 'NGO' sector share has reduced at the expense of the LCP 'for profit' sector.

Figure 2: Percentage share of Schools, Teachers and Students by Category 2007-2011



Source: Compilation from DPE and BANBEIS data (2007 - 2011)

1.4 Share by Type and Category of Provider - Survey Data

Sections 1.1 to 1.3 have provided an assessment of the different types of primary providers according to three categories over a five year period using macro data from BANBEIS, DPE and the Annual Census data. The Study team then triangulated the trends from this macro data by using data on the different types of provider at the upazila and thana levels from the districts of Dhaka and Manikganj from 2009 to 2011. This data was primarily generated from the information that is collected by the GoB in order to support the provision of text books published by the Bangladesh National Curriculum and Text Book Board (NCTB) to children of all primary schools in Bangladesh, both public and private, free of cost in the month of January every year. All the Upazila/ Thana[14] Primary Education Offices in the country prepare a list of schools offering primary education, both public and private, in the respective Upazilas/Thanas, and make an estimated requirement of books and request NCTB through the respective District Primary Education Offices for the required books. NCTB then send the books to different Upazila/ Thana Education Offices as per requirement for distribution among the students.

1.4.1 Schools

Manikganj District is on the outskirts of Dhaka city and within its seven upazilas there are urban, peri-urban and rural communities. Table 9 shows how, within this district, the number of schools overall has increased 4% while the number of KG schools has increased by 54% over the same three year period and the KG share of the total provision has gone from 14% in 2007 to 20% in 2011.

Table 9: Total Number of Upazila-wise Number of Primary Schools by Type in Manikganj District (2009-2011) & Total of KGs and KGs as a % of the Total

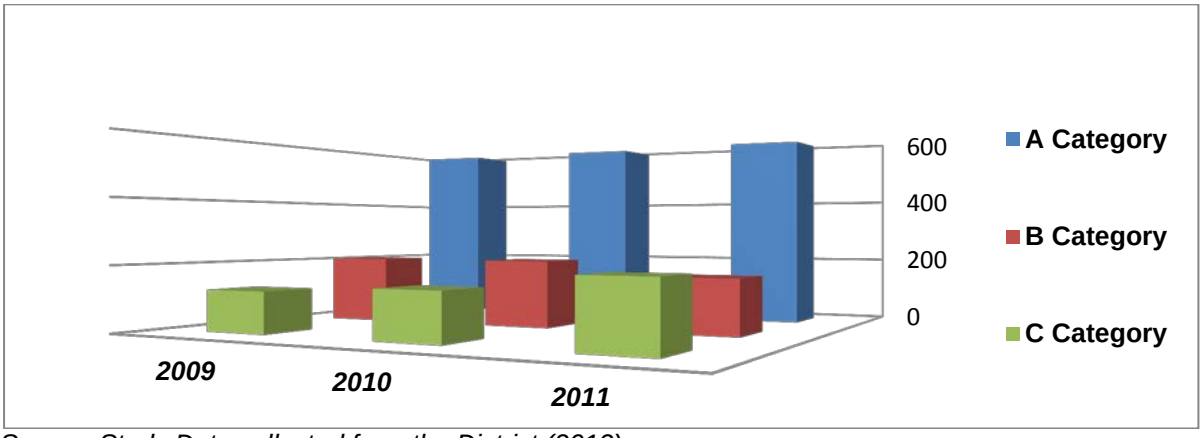
Thana/Upazila	*Total Number of Schools*			*Total Number of KGs*			*KGs as a % of the Total Schools*		
	2009	*2010*	*2011*	*2009*	*2010*	*2011*	*2009*	*2010*	*2011*
ManikganjSadar	220	224	233	40	44	59	18	20	25
Ghior	106	107	105	7	7	10	7	7	10
Shingair	181	192	193	38	49	66	21	26	34
Shaturia	118	118	116	16	16	18	14	14	16
Harirampur	86	87	87	5	6	6	6	7	7
Shibalaya	98	101	110	17	20	24	17	20	22
Daulatpur	112	112	118	2	2	10	2	2	8
Total	**921**	**941**	**962**	**125**	**146**	**193**			

Source: Study Data collected from the District (2012)

Figure 3 illustrates a similar trend to that experienced from the national data whereby the Category A remains constant while Category B loses market share to the Category C schools from 2010 to 2011.

[14] Note regarding Upazila / Thana municipal district names – at the municipal level there are two classifications for either urban (thana) or semi-urban/rural (upazila). For the purposes of this study we shall henceforth refer to Upazilas and Upazila Education Officers for both Thana and Upazila municipalities mentioned in this study.

Figure 3: Thana/Upazila-wise Number of Primary Schools by Type in Manikganj District from 2009 to 2011



Source: Study Data collected from the District (2012)

Table 10 reviews the trend in the numbers and allocation of schools within the Dhaka district across its twelve upazilas/thanas. Within this huge district the number of schools overall has increased 19% while the number of KG schools has increased by 28% over the same three year period and the KG share of the total provision has gone from 54% in 2007 to 58% in 2011.

Table 10: Total Number of Upazila-wise Number of Primary Schools by Type in Dhaka District from 2009 to 2011 and Total of KGs and KGs as a % of the Total

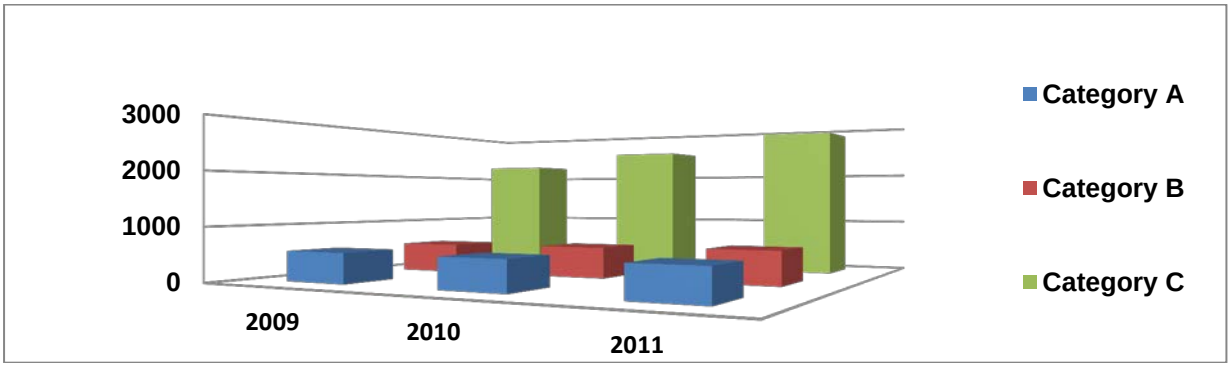
Thana/Upazila	*Total Number of Schools*			*Total Number of KGs*			*KGs as a % of the Total Schools*		
	2009	*2010*	*2011*	*2009*	*2010*	*2011*	*2009*	*2010*	*2011*
Sutrapur	134	134	134	44	44	44	33	33	33
Demra	476	488	536	371	383	420	78	78	78
Motijheel	120	120	178	16	16	80	13	13	45
Ramna	45	45	48	9	9	14	20	20	29
Lalbag	100	103	89	32	35	21	32	34	24
Dhanmondi	87	87	87	50	50	50	57	57	57
Mohammadpur	310	310	310	297	217	217	96	70	70
Tejgaon	46	46	65	16	16	33	35	35	51
Gulshan	426	437	477	342	353	390	80	81	82
Mirpur	814	851	851	375	398	398	46	47	47
Dhamrai	201	212	236	40	51	70	20	24	30
Savar	597	773	976	220	413	586	37	53	60
Total	**3356**	**3606**	**3987**	**1802**	**1985**	**2323**			

Source: Study Data collected from the District (2012)

Table 10 - and Figure 4 below with the data aggregated across the three categories -- highlight some significant findings including:

- **Category C LCP/KG schools are the fastest growing group in urban education and more new schools are being built in Category C;**
- **These 'KGs' comprised 54% of total primary schools in 2009, this share rose to 55% in 2010 and 58% in 2011; and**
- **KGs comprised over 50% of the schools in half of the upazilas/thanas in Dhaka District in 2011.**

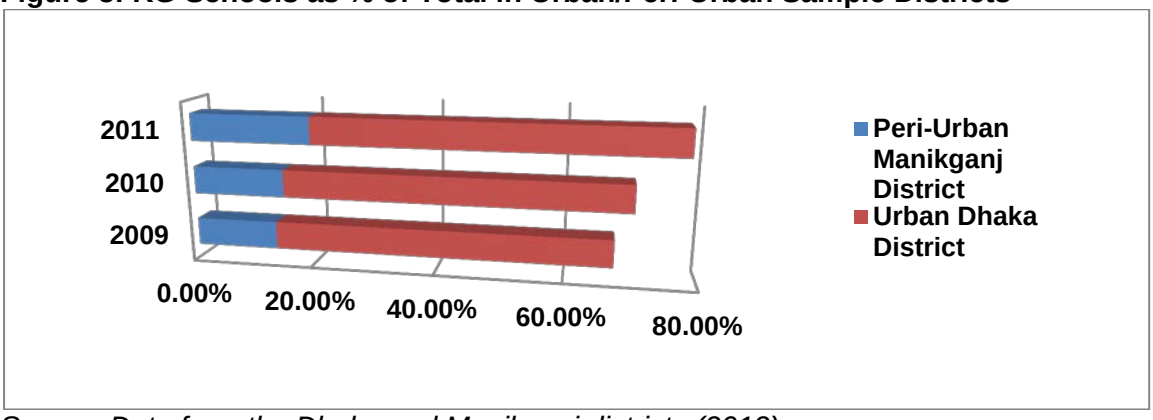
Figure 4: Thana/Upazila-wise Number of Primary Schools by Category in Dhaka District from 2009 to 2011



Source: Dhaka District Education data

Figure 5 illustrates the similarities and differences across the two districts. The similarity is that in both instances there has been an increase in the number of Category C schools; and, in particular, **there has been an increase in the number of KGs in proportion to the other types of schools over the past three years exhibited in all the nineteen upazilas/thanas in the two districts.**

Figure 5: KG Schools as % of Total in Urban/Peri-Urban Sample Districts



Source: Data from the Dhaka and Manikganj districts (2012)

Figure 5 also highlights the following difference: the KG market share in the urban Dhaka district started at the higher level of 54% of all schools in 2009 rising to 58% in 2011 whereas in the less urban Manikganj district the KG share started with only 14% of the total provision in 2009 increasing by 7% points to 21% in 2011.

1.4.2 Students

Table 11 makes a comparison of the KGs or LCP 'for profit' student enrollment share with the other types of schools within Manikganj district. Again, the Table highlights how the number of students overall has increased 9% while the number of students in KG schools

has increased most dramatically - by 62% over the same three year period and the KG share of the total student enrolment has gone from 7% in 2007 to 10% in 2011.

Table 11: Total Number of Thana/Upazila-wise Number of Primary Students by Type in Manikganj District from 2009 to 2011 and Total of KGs and KGs as a % of the Total

Thana or Upazila	*Total Number of Students in all Types*			*Total Number of Students in KGs*			*KGs as a % of the Total Students*		
	2009	***2010***	***2011***	***2009***	***2010***	***2011***	***2009***	***2010***	***2011***
Manikganj Sadar	32786	33535	34862	3237	3546	5168	10	11	15
Ghior	17260	17312	18270	476	491	617	3	3	3
Shingair	35110	36377	36766	4146	5300	7205	12	15	20
Shaturia	20759	20666	23545	1045	1052	1314	5	5	6
Harirampur	17650	17759	18355	524	603	773	3	3	4
Shibalaya	20389	20501	23681	1385	1398	1416	7	7	6
Daulatpur	24965	25064	30325	186	194	1424	1	1	5
Total	**168,919**	**171,214**	**185,804**	**10,999**	**12,584**	**17,917**			

Table 12 performs the same computations for Dhaka district. In this instance the number of students overall has increased 14% while the number of students in KG schools has increased by 40% over the same three year period and the KG share of the total student enrolment has gone from 34% in 2009 to 41% in 2011.

Table 12: Total Number of Thana/Upazila-wise Number of Primary Students by Type in Dhaka District from 2009 to 2011 and Total of KGs and KGs as a % of the Total

Thana/Upazila	*Total Number of Students in all Types*			*Total Number of Students in KGs*			*KGs as a % of the Total Students*		
	2009	***2010***	***2011***	***2009***	***2010***	***2011***	***2009***	***2010***	***2011***
Sutrapur	24108	23255	24323	5762	5589	6431	24	24	26
Demra	85658	90139	100069	62436	66733	72159	73	74	72
Motijheel	44640	44910	53838	2074	2136	11464	5	5	21
Ramna	22780	23716	21131	1698	1720	4020	7	7	7
Lalbag	40337	41548	46010	7985	8671	3155	33	33	28
Dhanmondi	24980	24539	27550	8146	8189	7800	38	37	28
Mohammadpur	71118	72100	73555	26772	26964	27792	38	37	38
Tejgaon	22210	22144	27389	2086	1926	5408	9	9	19
Gulshan	87255	90153	99645	44538	46999	61963	51	52	62
Mirpur	115692	119349	134930	15354	17135	22176	13	14	16
Dhamrai	41388	42679	46575	3474	4438	6632	8	10	14
Savar	118379	140056	143901	55406	83003	101990	47	60	71
Total	**698,545**	**734,588**	**798,916**	**235,731**	**273,503**	**330,990**			

2. Summary of the Main Features

2.1 Access

Part 2 of this Study will provide a more detailed set of data regarding the access and equity issues. This preliminary assessment though of the market share by provider using macro

level national data and then more specific detail from two diverse districts has brought a number of access and equity issues to the fore including:

- **at the national and the district levels there has been a sizeable increase in the number of KG schools and the number of students that are attending these KG schools (ie., at the national level the number of KG students enrolled has increased from 535,127 to 1,227,239 and the number of KG schools has increased from 4,418 to 10,537);**
- **this increase has been most pronounced within the past two years; and**
- **there has not been a similar increase in the public sector share of schools so this KG growth phenomenon is most likely caused by 'access' and/or 'congestion' pressures - access due to the lack of available places particularly in new conurbations and congestion pressures due to the lack of places available in the existing government schools.**

It is important to note however that there are different aspects to this increase that depend primarily on the location of the schools. In Manikganj District, for example, the number of kindergarten schools has increased tremendously in the two upazilas of Manikganj Sadar (from 40 in 2009 to 59 in 2011) and Shingair (38 in 2009 to 66 in 2011) which border Dhaka District in the West. The apparent reason for such a high growth of private kindergarten schools in these two upazilas is the rapid growth of population here due to urbanization and industrialization and the GoB intervention has proved insufficient to meet these growing access requirements. This level of growth is not witnessed in Harirampur and Daulatpur upazilas which are located in two low-lying remote areas to the East of the city.

Similarly, in Dhaka district there was little or no KG growth in Sutrapur, Lalbag, Dhanmondi, and Mohammadpur Thana and this is probably because these thanas constitute the old part of Dhaka City, and there is negligible growth of population here and hence little demand for private schools. Whereas in the fast growing areas of Gulshan, Tejgaon and Demrathanas in the East, Mirpurthana in the North and Savarupazila in the West of Dhaka City there has again been a considerable increase in KGs. **Indeed Savarupazila witnessed an increase from 220 schools in 2009 to 586 schools in 2011 and a situation now in which the KGs constitute the 71% of the total primary enrolment in this upazila.**

2.2 Quality and Choice

This Study has reviewed two forms of data to assess quality and choice: firstly looking at the internal efficiencies within the system through completion, repetition rates and dropout rates; and then, secondly, through looking at the performance of the different categories of schools in the Grade 5 national test. Table 13 shows the data on the rates across all types of provider based on the Multiple Cluster Indicator Survey (MICS).

Table 13: Primary Rates for Completion, Repetition and Drop out

Indicator	***MICs findings***
Reaching Grade 5	➢ The proportion of pupils starting grade 1 who reach grade 5 increased from 63.6% in 2006 to 79.8% in 2009 (78% for boys and 81% for girls). ➢ But in the slum areas, only 48% of pupils starting grade 1 reached grade 5 in 2009.
Dropout rate	➢ In 2009, the dropout rate for both primary and secondary schools was calculated for the first time at both national and sub-national levels. ➢ In both rural and urban areas, boys tended to have a slightly higher drop-

	out rate in primary school than girls. ➢ The drop-out rate was the highest in slum areas with a rate six times higher than the national level.
Repetition rate	➢ The repetition rate in primary school was 4.8% nationally. ➢ But in the slum areas the repetition rate was 7.8%.

Source: Multiple Indicator Cluster Survey (2009)

Table 14 then reviews these efficiencies across the three Categories of provider. Across all these three categories, the LCP/KGs - Category C - exhibit the best performance in respect to repetition and cycle completion.

Table 14: Completion, Repetition and Dropout Rates by Provider Grade 1-5 (2011)

Provider	***Repetition rates***			***Survival rate to Grade 5***			***Cycle Completion rates***[15]		
	Boys	*Girls*	*Total*	*Boys*	*Girls*	*Total*	*Boys*	*Girls*	*Total*
Category A	11.6	10.6	11.1	77.0	82.1	79.5	67.6	73.0	70.3
Category B	9.5	9.1	9.3	71.0	93.2	81.7	47.5	63.7	55.3
Category C	4.0	3.9	3.9	90.2	95.1	92.3	86.5	89.4	87.8

Source: DPE Data (2011)

Table 15 then looks at the performance of the students in the Grade 5 examination. This Table provides the following highlights: there is a very high pass rate for this Exam; Category C has the highest rate of the three types; and there are possibly a proportion of students from Category C that are sitting the examination in Category A schools.

Table 15: Grade 5 Terminal Examination Results - 2011

Provider	***No. of Schools***	***No. of students registered for Examination***		***Pass***	***Pass rate***
		Total	***% of Total***		
Category A	59063	1702478	65	1580229	92.8
Category B	27333	641079	24	519024	81.0
Category C	12999	293728	11	275259	93.7
Total:	99395	2637285	100	2374512	90.0

Source: Government of Bangladesh Examinations data (2011)

2.3 Governance and Regulation

The call to ensure the basic education for all is laid out in the Constitution. So, the state is solely responsible for primary education management and the state has to discharge its duty. The process of nationalizing the entire primary education will continue. The responsibility of primary education will not be delegated to any private or NGO sectors. Any individual or any NGO can run primary education institutions with the permission of the respective authority by complying with rules and regulations of the state.'
The National Education Policy 2010.

[15] Cycle Completion rates refers to those students that start in Grade 1 and complete the full five years of the primary cycle.

As exemplified by the above quote from the new National Education Policy (NEP), basic education is commonly regarded as a public responsibility but the reality is that both public and non-public providers (both 'for' and 'non-profit') have always been engaged in the provision of basic education and it is often difficult to obtain clarity as to the respective boundaries of these public and non-public providers in terms of financing, ownership, management and regulation.

In fact the GoB takes a fairly 'laissez faire' attitude to private sector involvement in education, with no barriers to entry and it is only marginally involved in the life of a private school. Most of the government interventions in the sector are benign or positive and take the form of legally mandated Class 5 examinations managed by the central exam board and centrally developed curriculum and freely provided textbooks. The lack of governance in the sector makes data gathering and mapping of the sector problematic; at the national level for example, there are no EMIS systems in place to monitor or track the number of schools in the private sector. At the Upazila level government officials monitor private schools through the aforementioned interventions – textbook distribution and Class 5 examinations – which both require a school to self-register with the Upazila Education Officer in order to receive exams and textbooks.

2.4 Drivers and Barriers

Part 2 will provide more specific and in depth information on the drivers and barriers to low cost private education, be it provided by the LCP/NGO providers or their LCP/KG' competitors. Box 1 however provides some preliminary findings that were sourced by the Research team in discussions with education policy planners and school owners.

Box 1: Drivers and Barriers for the Different Providers

Type of school	***Drivers***	***Barriers***
Government	▪ Free education ▪ Lower income families can potentially benefit from various government schemes ▪ All schools are recognized hence students can sit the board examinations	▪ Poor quality of education provided due to: (i) insufficient infrastructure and manpower; (ii) attitude and lack of accountability of teachers ▪ Accessibility as schools are located at central locations and not in sufficient proximity to the young users
LCP/NGO	▪ Easy accessibility and choice ▪ No fee to lower fee costs compared to the low fee private schools	▪ Beholden to donors in that unable to access fee income and only partially subsidised by government
LCP/KG	▪ Perceived to impart higher quality education (ie use of English and higher accountability of teachers) ▪ Easy accessibility and choice	▪ Cost with school fees negatively impacting on the household income

Source: Study team

3 Conclusion

Part 1 now concludes with a summary of key findings regarding the LCP primary education sub sector. It starts with a discussion on this preliminary Study and some implications for a deeper study and concludes with a brief summary of some of the key findings.

3.1 The Study

There were issues regarding the paucity of information, lack of reliable data and the need for a clear typology for evaluating the LCP education provision.

Challenge of Reliability of Data
This reliability challenge is exemplified by the fact that there exists a wide gap between the numbers of the KGs (the LCP 'for profits') and the non-formal schools (the LCP 'NGOs') as reported by the Primary School Census 2010 published by DPE and the Education Watch 2008 published by the Campaign for Popular Education (CAMPE). While the former reports the existence of only 361 NGO schools, the latter reports the existence of as many as 35,314 non-formal schools run by NGOs. Similarly, the number of KGs reported in the Primary School Census is 4,418 and that reported by Education Watch is 2,253. Further the total number of primary educational institutions in Bangladesh reported by the Primary School Census 2010 is 78,685, and that reported by Education Watch 2008 is 116,519.

Challenges of Taxonomy
The existence of multifarious types of primary school with different models of private, public and non-profit players involved makes classification a critical factor in any analysis of the sector. These types run across a continuum from fully public (owned, operated, and funded by GoB) to the fully private (privately owned, operated and funded).

Challenges of Using the Existing National Level Statistics
A core strategy the GoB outlined in its Fifth 5 Year Plan (1997 – 2002) for achieving UPE was to be the decentralization of primary education management and monitoring. For the purposes of this study, this was effectively true particularly with respect to the LCP sector. At the national level, only RNGPS and GPS schools are accurately tracked; since private institutions are essentially unregulated by the DPE or any other government body. Accurate data is sparse and often conflicts dramatically from one study to the next. For example Ahmed et al (2004) cited 2,477 in 2002 [16], 3,745 KG institutions in 2004 [17] and the GoB in its 2011 census estimated 10,537 [18] while the Head of the Association of KGs in Bangladesh estimated 63,550. [19]

Upazila Education Officers (UEO) track those education institutions in their districts which have voluntarily registered for, and receive, government issued textbooks from the central curriculum board as well as those schools conducting Grade 5 examinations. Tracking schools through the allocation of textbooks is a useful start but it is not a reliable and comprehensive system and without any cross-monitoring the system is vulnerable to abuse and misrepresentation. For example, many Upazila Education Officers gave examples of

[16] Ahmed M. et al. 2002. *Quality with Equity: The Primary Education Agenda* 2004.
[17] Ahmed, M et al. 2004. *Access to Education in Bangladesh: Country Analytic Review of Primary and Secondary Education.*
[18] BANBEIS. 2011.
[19] Interview with the Association of Bangladesh KG Schools.

schools collecting textbooks and upon follow up inspection these schools prove to be non-existent. Likewise, tracking schools by Grade 5 examinations is unreliable as many KG schools go up to Grade 3 and do not conduct examinations. In other examples cited during discussions with stakeholders, some schools with a small number of students in Grade 5 may send their students to take the exam with a single invigilator at a neighbouring school.

Finally there is the difficulty of distinguishing between Low and High Fee schools in the private sector itself. Current government statistics and existing studies of the sector do not distinguish between 'low' fee and 'high' fee private schools. In order to segregate the data from high and low fee private schools we have selected Upazilas in urban or peri-urban areas which do not contain any high end private schools. Box 2 illustrates this variety.

Box 2: Characteristics of Market Segmentation in the Private Education Sector

- 46% of the private schools have a fee level over Tk 2,000 a month or Tk 24,000 per annum
- Only 65% of the private schools have a school bank account and only 41% of the schools maintains a regular cash register
- There are 44 private schools having over 500 students and charging an annual tuition fee over Tk 24,000 per annum, while there are 44% or 227 private schools with 200 – 500 students and paying over Tk 24,000 annual tuition fees and are potential schools to expand when the current primary school cohort enters secondary schools
- Although income and expenditure data reported are highly unreliable, on the average a school has a revenue over Tk2 million per annum and a total revenue over Tk 1 billion in this sub-sector
- There are 14 schools reporting over Tk 10 million annual revenue

Source: ADSL Report Mapping of Private Schools in Bangladesh 2009

3.2 The Preliminary Findings

This preliminary Study has been able to generate some significant findings regarding the LCPE impact on access and enrolment but it has been less able to produce a similar level of data regarding the quality of the LCP education provision nor its impact on issues of equity and inclusion. With regard to the 'access and enrolment' and the LCP sector, these preliminary findings which are based on access to national data sets as well as collection of recent data from nineteen upazila and thana offices across two districts are highlighted with evidence in Table 16:

Table 16: Findings on the Low Cost Private Sector and Summary of Evidence

Preliminary Finding	*Evidence*
There has been considerable growth in the LCP 'for profit' sector, or 'KGs'	➢ The number of LCP 'KGs' in 2007 was only 3,567 but by 2011 this number had risen to 12,031 ➢ The number of KG students in 2007 was only 705,753 but by 2011 this number had risen to 1,733,422
This growth has been particularly apparent over the past two years	➢ The number of students enrolled in KGs in 2010 was 820,561 but by 2011 it was 1,733,422 - over 200% increase ➢ The number of teachers employed in KGs in 2010 was 41,129 by 2011 it was 98,119 - over 200% increase
This LCP 'for profit' growth is occurring	➢ In 2007 the LCP 'NGO' share of total student enrolment was 16% and by 2011 it was only 11%

while the market share for the LCP 'non profit'/NGO providers is diminishing	➢ Whereas in 2007 the LCP 'KG' share of the total student enrolment was only 4% but by 2011 it was nearly 10%
The prime centres for this growth are in urban and peri urban conurbations	➢ KGs comprised over 50% of the schools in half of the upazilas/thanas in Dhaka District in 2011 ➢ the KG market share in the urban Dhaka district started at the higher level of 54% of all schools in 2009 rising to 58% in 2011 whereas in the less urban Manikganj district the KG share started with only 14% of the total provision in 2009 increasing by 7 percentage points to 20% in 2011
The drivers for this growth are probably access and overcoming congestion as the public primary sector	➢ The number of fully public schools in 2007 was 57,833 and by 2011 the number was 57,895 ➢ The number of teachers in fully public schools in 2007 was 182,374 and by 2011 the number was 201,900

PART 2: SURVEYS OF THE HOUSEHOLDS AND THE SCHOOLS

4. Methodology and Sample Selection

The findings in Part 2 of this Study are derived from the *Household Survey* and the *Primary Schools Survey*. The locations of the two data collection efforts overlapped or covered adjacent areas. However, the sampling technique for household and school selection in each location varied. Brief narratives on sampling methodology used for the household and school interviews are presented below.

4.1 Household Survey Sampling Methodology

The population universe (in this case, a concrete list of Low Cost Private Schools) is a prerequisite to develop a statistically sound sample design for conducting any kind of sample survey or statistical inquiry. There is no comprehensive source of administrative data on LCPs. LCPs are regulated through registration with relevant government agencies. However, many do not register or claim to have applied for registration. Conducting a census of LCPs under this study would be prohibitively expensive under this assignment. A more pragmatic approach for identifying a sample of LCPs was to purposively select locations which are more likely to have households with effective demand (willingness and ability to pay) for such service. [20]

The survey was intended to cover low income households living in urban or peri-urban locations. *Urban* sampling of households was limited to selected slums of the two major cities of Bangladesh – Dhaka and Chittagong. These households belong to the lower income strata of the urban populace, for whom sending their children to high fee private schools is prohibitively expensive whilst access to government schools can be difficult due to limited space and stiff entrance competition. The *peri-urban* areas are defined as adjacent upazilas to Dhaka and Chittagong city.

[20] A similar approach was pursued in a recent World Bank study while exploring primary school choice amongst poor urbanites (reference: National Student Assessment of Class III and Class V – Recruitment of Markers, *December 2011 to February 2012, unpublished document*).

To ensure a robust sampling technique, slum/location selection was based on a well-established technique known as *Probability Proportional to Size (PPS).* PPS is a sampling technique for use with surveys in which the probability of selecting a sampling unit (e.g., village, zone, district, health centre) is proportional to the size of its population. It gives a probability (i.e., random, representative) sample. It is most useful when the sampling units vary considerably in size. [21] The slum database identifies 4,342 slums in Dhaka city and 1,814 slums in the port city of Chittagong (Table 17). Using PPS, 19 slums from Dhaka, 11 from Chittagong were selected.

Table 17: Distribution of Households in Metropolitan City Slums, 2005

Location	*Number of Slums*	*Number of Households*
Dhaka	4,342	494,934
Chittagong	1,814	266,182
Rest	2,268	103,264
Total	8,424	864,380

From each of the targeted slums, eligible households were selected for interview. A systematic random sampling technique based on the estimated population size of the slum was used in selecting the respondents. Accordingly, for example, if the estimated number of household was 400 in a slum, every tenth residence was included as a valid sample for interview. Households with children aged between 6 and 12, irrespective of whether they are attending school, were considered as eligible households for selection.

In the event a household did not have a family member who is of school attending age, the next house was visited, and the process continued until a valid sample was identified. The focus of this study is attendance in LCP 'KGs'. Hence, effort was expended ensuring that approximately half of the total households interviewed will have at least one child attending a LCP school. Families with more than one child in the 6 to 12 age bracket were asked for detailed schooling information limiting to one child picked randomly at this site by the field enumerator.

The location and household sample selection in the peri-urban areas differed from the urban selection process. Two adjacent Upazilas of Dhaka city – Savar and Keraniganj were considered. The upazila headquarter and its adjacent areas were defined as peri-urban locations. Using a random walk model, households were visited in different locations and selected in a similar manner as done in the slums (systematic random sampling technique) within a 3 kilometres radius, and akin to household selection method in slums, a systematic random technique was followed in selection of households. Figure 6 provides a step-by-step schematic presentation of location and sample selection of households in the urban slums and the peri-urban locations.

[21] Source: www.rhrc.org/resources/../55b%20pps%20sampling%20technique.doc -Cached.

Figure 6: Survey Selection Methodology

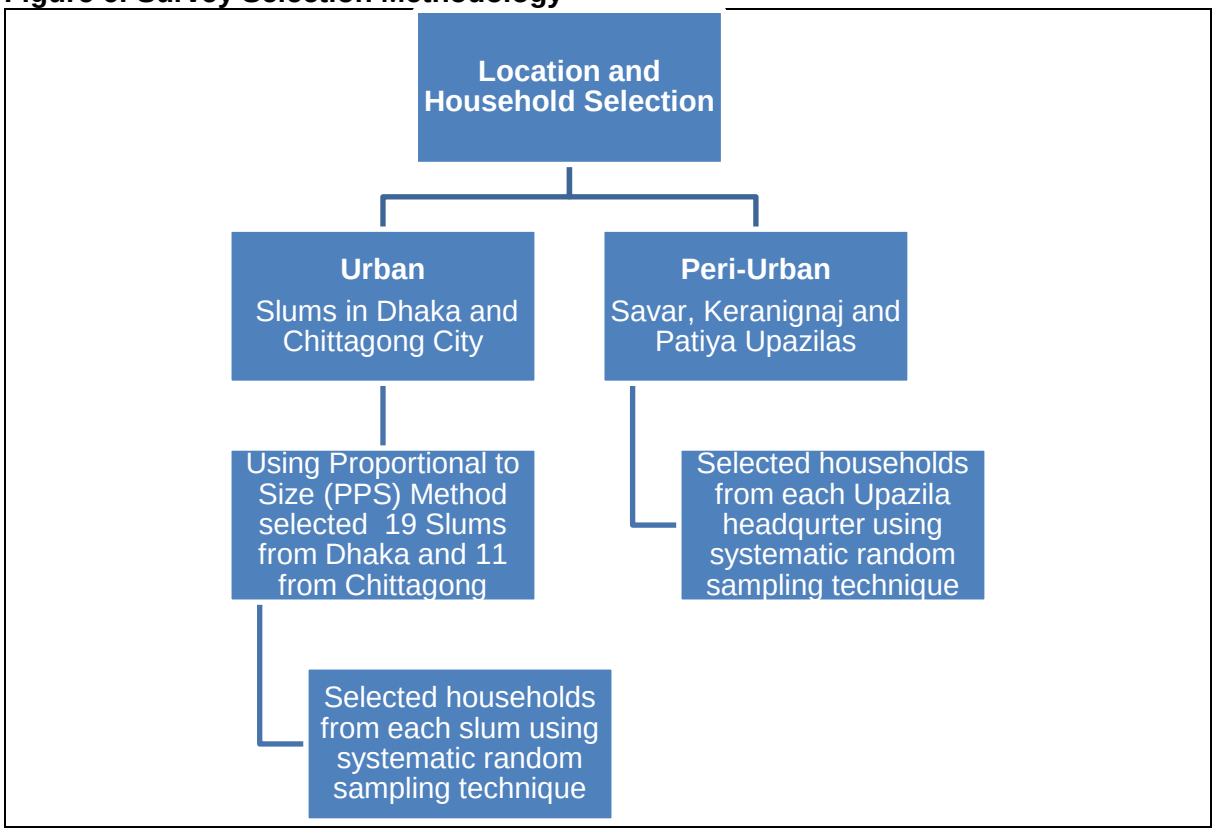


Table 18 presents a detailed breakdown of household respondents by location as well as the type of children. A total of 1,128 households were interviewed under this study. Of the 1,128 households interviewed, 828 were from Dhaka city and its two adjacent peri-urban areas, Savar and Keranignaj upazilas. In Chittagong city 225 households were covered, and an additional 75 respondents from Patiya Upazila participated in the survey.

Annex 4 presents the list of the Dhaka and Chittagong city slums that were covered under the survey. Almost an equal number of households with LCP attending children and non-LCP attending students were surveyed. For brevity, households responding to LCP 'for profit' school experience are classified as “LCP/KG households” while those with children attending non-LCP/KG schools are categorized into two types: "Government households" and "LCP/NGO households". It should be noted that both Government Primary Schools (GPS) and Registered Non-Government Primary School (RNGPS) schools have been included in this study. GPS are fully financed by the government, while teachers of RNGPS receive salary support (maximum 90%) from the Government (GoB).

The main focus of this study is students attending LCP/KG schools. To understand household decision in selecting these LCPs and government schools, children attending all public and private schools have been covered. Hence, aside from households with "LCP/KG" attending students (n = 562), households whose child is attending a government (n = 397) or LCP/NGO schools (n = 169) have been included in this study (Table 18). Under the Ministry of Primary and Mass Education Ministry (MoPME) there are mainly four types of primary schools: Government Primary School (GPS), Experimental School (EXP) attached to a Primary Training Institute (PTI), Registered Non-Government Primary School (RNGPS), and Community School (COM). This survey covered households whose children are attending GPS (n = 315), RNGPS (n = 78), and COM (n = 4).

Table 18: Household Coverage in Urban and Peri-Urban Areas

Location	*LCP/KG*	*Government*	*LCP/NGO*	*Total*
Dhaka				
Dhaka City Slums	295	133	159	587
Savar	61	60		121
Keraniganj	55	64	1	120
Sub-total	411	261	156	828
Chittagong				
Chittagong City Slums	113	103	9	225
Patiya	38	37		75
Sub-total	150	143	7	300
Total	**562**	**397**	**169**	**1,128**

4.2 School Survey Sampling

In this survey, any profit-motive primary school, with monthly tuition fees less than or equal to Bangladesh Taka 700 (as at 2012) is considered as a *LCP/KG* school while the Government Primary School (GPS) and Registered Non-Government Primary School (RNGPS) are considered as *'Government'* schools and the LCP 'Non Profit' school is considered as *LCP/NGO*. No *a priori* complete listing of LCP schools was available so this sample selection of LCPs was purposive, whereby schools located within the slums and its adjacent areas were considered. It was premised that the urban slum dwellers send their child to a nearby low fee school. In the peri-urban locations, LCP and non-LCP schools situated within 3 kilometres radius of the upazila headquarters were considered valid samples.

A field enumerator, under the supervision of a field supervisor, was expected to cover a specific number of LCP and non-LCP households from a given location (e.g. ward). A systematic random sampling technique whereby sampling of LCP and non-LCP households followed a well-defined pattern. For example, following two LCP interviews one non-LCP household had to be covered. Accordingly if a household had more than one child attending a primary or secondary school, information on the non-LCP student was solicited from the third household.

A total of 171 schools were included in the study, of which 101 are LCP/KG schools, 55 government schools and 15 LCP/NGO institutions. [22] Table 19 provides a detailed breakdown of school coverage by location while Figure 7 presents the maps of Dhaka city and the two adjacent upazilas included in the household as well as the school surveys. The figure also highlights Chittagong city locations and Patiya upazila areas included in this study.

[22] The Study also analysed data for LCP/KG schools that charged tuition rates lower than Taka 300 per month. Findings from this analysis are provided in this main report as well as separately in further detail in Annex 8. 63 of the 101 LCP/KG schools fell into this Taka 300 per month category.

Table 19: School Coverage in Urban and Peri-Urban Areas

Location	*LCP/KG*	*Government*	*LCP/NGO*	*Total*
Dhaka				
Dhaka City Slums	56	28	15	99
Savar	8	4	-	12
Keraniganj	6	5	-	11
Sub-total	70	37	15	122
Chittagong				
Chittagong City Slums	24	15	-	39
Patiya	7	3	-	10
Sub-total	31	18	-	49
Total	**101**	**55**	**15**	**171**

4.3. Means of Data Collection

Individual interviews, using a structured questionnaire were used to solicit information. Separate questionnaires for households with school-attending children and for primary school administrators were prepared. Alternate views about the challenges and opportunities of primary school attendance were solicited both from parents and school officials. Other areas of probing included the quality and the accessibility of existing school facilities. The survey was conducted by an initial pilot testing in August-September 2012, followed by the field survey during October-November 2012.

Dhaka

Chittagong

	Urban Areas	Dhaka City	Chittagong City
	Peri-Urban Areas	Savar Keraniganj	Patiya

The survey instruments were collectively prepared by CfBT and Data International's technical staff with input from DFID staff. Each of the draft instruments underwent a pre-testing prior to finalization. Structured questionnaires were prepared for collection and analysis of the qualitative and quantitative data and separate questionnaires were designed for use in the Households and Schools.

4.4. Limitations of the Survey

Before providing details on the findings from the two surveys, it is necessary to list some of the limitations of the surveys. These include:

- The survey is not a nationally representative one. Budgetary and time constraints limited the study to Dhaka and Chittagong cities and their surroundings. Even within the two major cities, the sample design targeted households from two specific types of surroundings – slums and upazila headquarters. Hence, the findings do not necessary reflect the scenario prevailing across the country.
- A comprehensive listing of LCP schools nationally or at local level is absent. Hence, the sampling of LCP schools could not be more robust and scientific. The purposive sampling may have contributed to some level of non-sampling bias or other sample selection limitations.
- Detailed schooling expenses data was solicited from households. At sampled schools, cost and revenue figures were solicited. The households provided expense estimates based on their recall; seldom did school administrators resort to their accounting records to provide financial data so the data on sources of funds from the GoB cannot be rigorously verified. Aside from the limitations in guess-estimation, households may have a bias to over-report expenses. Low-income households tend to prioritize on a day-to-day budget, rather than a monthly or yearly budget while the school authorities are likely to inflate the operational costs for fear of tax implications if reported.
- The coverage on NGO schools (n = 15) may not be statistically large enough.
- The original focus of this study was LCP/KG schools (n = 101). The concept of analysing the government and LCP/NGO schools (n = 70) was introduced to improve the study by comparing facts and figures between the two categories.
- The quality and quantity of teachers and support staff reported through the survey instrument can be suspect. This is particularly true with the LCP/KG schools as these LCP school authorities may have an inclination to express a favourable impression about their institution as they continually try to attract more students.

5. Main Findings from the Household Survey

The survey findings are presented in two subsections: (i) *Households*; and (ii) *Schools*. The household survey data is from interviews with one or both parents. They provided data on their family demographics as well educational and economic conditions. Views on the selection of their children's school, perceptions on the schooling experience and a detailed breakdown on educational outlays for attending the primary school are presented in this subsection.

The school survey data was obtained through interviewing senior school administrators (e.g. the Head Teacher). Respondents gave their perception on the family economic background of the attending students, and provided estimates on various revenue and expenditure component of their institution. Questions were posed on the infrastructural facilities of the schools, the level of enrollment, and the size of the faculty.

In both surveys, quantitative and qualitative responses to the structured questions were posited. Bivariate descriptive statistics (e.g. mean, median, standard deviation) on the findings are presented throughout the paper. T-test and F-test have been conducted in many instances to assess whether the means of two or more groups are statistically different from each other. These findings provide absolute and relative comparisons between households from LCP/KG and non-LCP/KG families as well as LCP/KGs and non-LCP/KG schools. Aside from bivariate analysis, multiple regression analysis has been conducted to test selected hypotheses. The advantage of multiple regression estimates is that it attempts to capture the impact of a single external (exogenous) variable, on a variable that is being studied (dependent variable).

As most of the dependent variables in the survey are responses of the people ranging on different issues and they range from a very positive to a very negative reply, these variables are categorical variables, values of which can be ranged in a systematic manner. The most suitable regression model for such variables is Probit with the responses merged into only two categories.

5.1. Household Profile

Household characteristics, income/expenditure and living conditions are similar between the households when disaggregated by location or type of school their children attend. The median monthly income of sampled LCP/KG households is higher than either the government or the LCP/NGO households.

A wide range of information relating to households was solicited. An overwhelming 94.1% are Muslims, and 5.6% Hindus. Akin to the national average, the average household size is around 5. The median duration of stay at the present location ranges between 12 and 14 years for different categories of respondents. The mean years of schooling of adult LCP/KG households is 6.8 compared to 4.9 for Government schools and 2.7 for the LCP/NGO families. Table 20 shows how almost 1 out of 3 adult household members acknowledged they cannot read or write and around 20% respectively are self-employed and salaried employees.

Annex 5 Table 5 presents living condition indicators for the LCP/KG and the two other household types. The construction materials commonly used are bricks, cement and concrete. Usage of tin for roofing and walls is more prevalent within the LCP/KG dwellings. The average number of rooms is between 1.5 and 2. Tap water is widely available, while tube wells are also a source of drinking water. Again, the more hygienic sewerage/septic latrines are used by the LCP/KG households.

Table 20: Selected Personal and Demographic Characteristics of Respondents

Variable	LCP/KG	Government School	LCP/NGO
Religion			
Muslim	94%	88%	99%
Hindu	5.6%	12%	-
Others	0.4%	-	-
Literacy Level			
Can Read and Write	84%	70%	53%
Cannot Read and Write	16%	30%	46%
Can Read only	0.1%	0.2%	1%
Occupation of Household			
House wife	34%	33%	23%
Self-employed	23%	22%	20%
Formal Salaried Worker	19%	19%	17%
% having a physically or mentally disabled child	1.6%	0.5%	1.2%
Average years of stay in the area of residence	Mean = 16.8 Median = 13	Mean = 16.6 Median = 12	Mean = 11.2 Median = 10
	F value = 1.11		
Average family size of household	Mean = 4.7 Median = 4	Mean = 4.9 Median = 5	Mean = 4.7 Median = 5
	F value = 0.69		
Average years of schooling of adult (18+ age) household	Mean = 6.8 Median = 7.5	Mean = 4.9 Median = 5	Mean = 2.7 Median = 2.5
	F value = 2.91		

5.2. School Selection by Households

The focus of this study is households that opted to send their child to a LCP/KG school. Probit regression analysis has been conducted to assess if LCP/KG families differ from non-LCP families in terms of household characteristics. Also, whether the two groups vary in terms of their prioritization relating to quality of education or commuting distance to school has been tested using the following model:[23]

LCP/KG = f (highest education, urban, household size, income, distance, education quality) ……. (1) where:

LCP/KG	**=**	***Estimated number of children attending LCP/KG schools***
Highest Education	**=**	***Years of schooling by head of household***
Urban	**=**	***Schools in urban areas (yes = 1; no = 0)***
Household Size	**=**	***Number of family members in household***

[23] Annex 8 provides separate analysis on the households that send their children to low cost KGs in which the monthly charge is less than Taka 300 per month.

Income	**=**	***Monthly family income of household***
Distance	**=**	***Distance between school and student's residence***
Education Quality	**=**	***Quality of education at LCP better than non-LCP schools (yes = 1; no = 0)***

A number of interesting findings can be drawn from this household profile comparator:

- the LCP/KG attending children come from parents whose education level is higher than the government schools and the LCP/NGO schools surveyed; [24]
- the LCP/KG family size is smaller;
- the LCP/KG household places greater emphasis on the quality of education more than their cohorts who send their child to non-LCP institutions; and
- distance to school is an important criterion for school selection.

Table 21: Household Characteristics of LCP/KG Attending Children [25]

Probit regression Dependent variable: Child Attends LCP School (yes = 1; no = 0)		Number of obs = 1128 F(6, 1121) = 63.45 Prob> F = 0.00 R-squared = 0.253 Root MSE = 0.433		
Explanatory Variable	***Coefficient***	***Std. Err.***	***t-values***	***P > t***
Highest Education	0.049	0.004	11.57**	0.000
Urban	0.508	0.026	1.96*	0.051
Household Size	-0.276	0.009	-2.92*	0.004
Income	0.122	0.426	2.86*	0.004
Distance	-0.103	0.034	-3.00**	0.003
Education Quality	0.508	0.037	13.66	0.000
Constant	0.513	0.614	4.73	0.000

5.3. Household Education Expenditure

Education expenditure constitutes the third largest component of household expenditure, following food and housing outlays. A closer look at household education expenditure by family income category of the LCP/KG and LCP/NGO school students suggests no significant out-of-pocket differences. The very poor tend to spend as much as the relatively less poor families, including employing a private tutor.

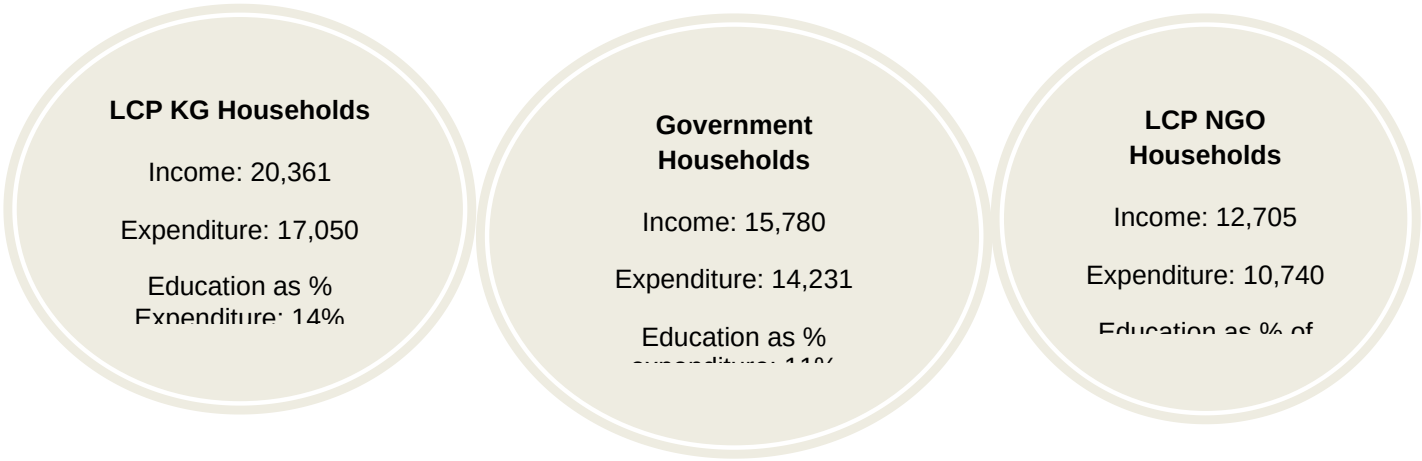
The average monthly family income for LCP households is Taka 20,361 (median = Taka 16,000, standard deviation = 11,977), Taka 15,780 (median = Taka 15,000, standard deviation = 7,695) for government school households and Taka 12,705 (median=Taka 12,000, standard deviation = 4,890) for LCP/NGO school households (Figure 8). Outlay on education expenses, covering all household members, for LCP/KG families constitutes around 14% of their total monthly expenditure (Taka 2,473 per month), 11% (Taka 1,602 per

[24] It is interesting to note that the mean years of schooling of the LCP 'KG' household dropped from 6.8 to 4.5 in households that sent their children to LCP 'KGs' that charged Taka 300 per month or less - see Annex 8 Table 3 for more details.

[25] *Significant at the 95% confidence level; **significant at the 99% confidence level.

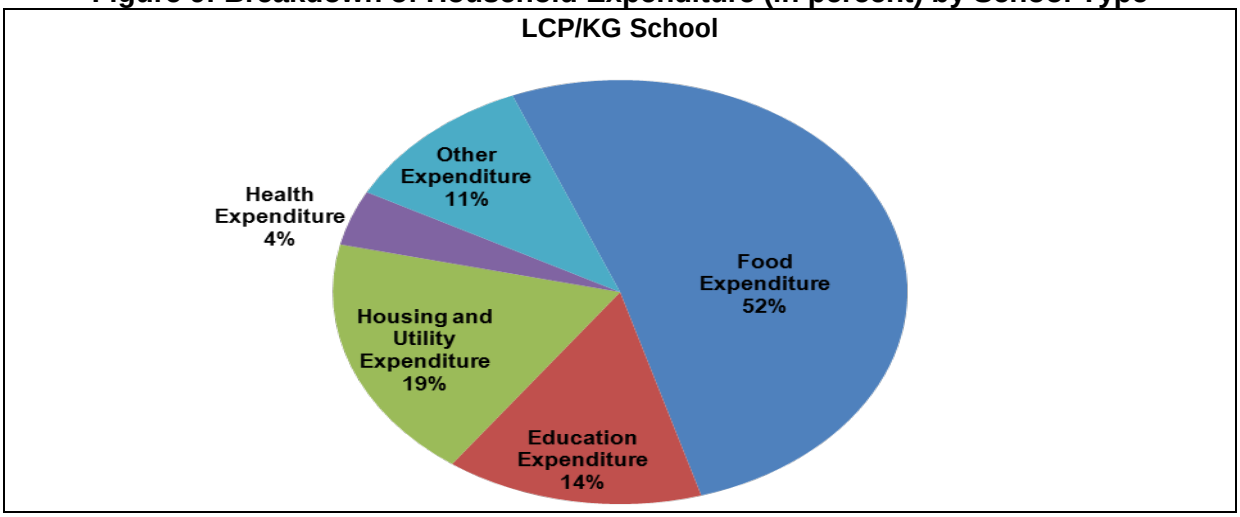
month) for government school households and 6% (Taka 619 per month) for LCP/NGO school households. [26]

Figure 8: Monthly Income and Expenditure of Households by School Type in Taka



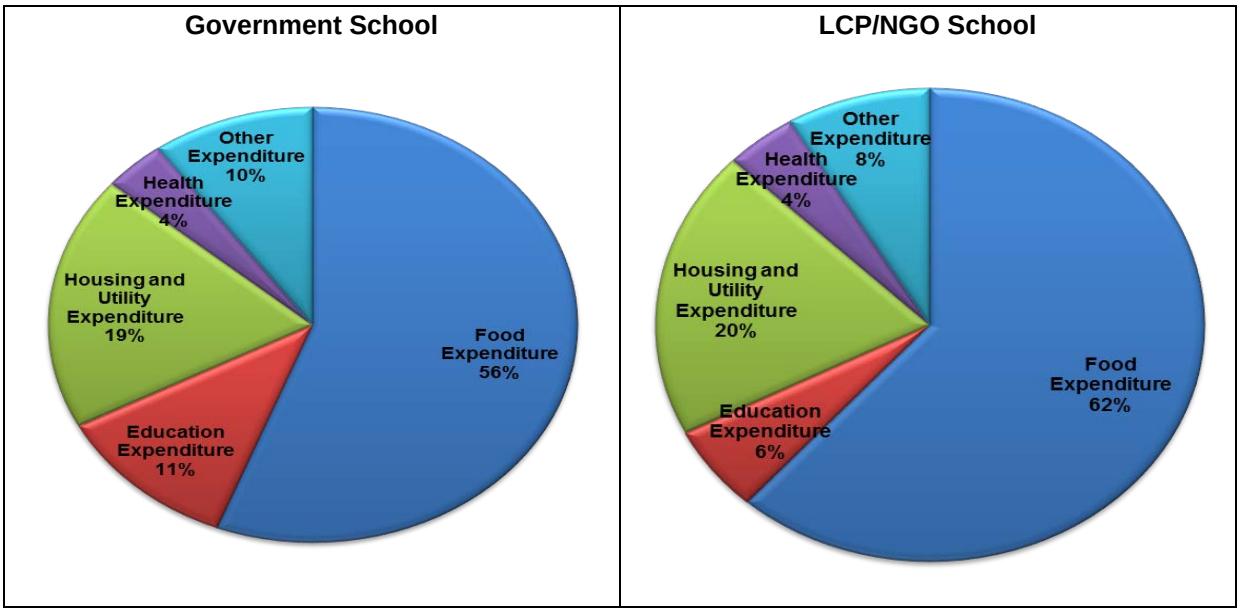
Out of the 562 households that sent their children to LCP/KGs, 450 sent their children to LCP/KGs that charged less than Taka 300 per month. 63% of these households showed family income levels that were below Taka 8,000 per month. [27] Figure 9 provides three graphs comparing the breakdown of Household expenditure by school type.

Figure 9: Breakdown of Household Expenditure (in percent) by School Type



[26] See Annex 5 Table 11 which provides expenditure for other major items such as food and health outlays and Annex 5 Table 12 which shows the Monthly Income and Expenditure of Households into two different income groups. The income groups are households with income below Taka 15,000 and households with income equal and above Taka 15,000.

[27] See Table 28 in this Report and Annex 8 for more details on the household profiles for LCP/KGs that charge less than Taka 300 per month.



Parents of LCP/KG students have to incur higher out-of-pocket schooling expenses than those students that are attending the government and the LCP/NGO schools. The biggest difference in expense is the monthly tuition fee.

Parents interviewed provided detailed estimates of different types of outlays associated with their child's school attendance. [28] It is more expensive to attend a LCP/KG school than the other two types of primary school. Aside from the monthly tuition fees, parents have to pay additional fees to cover expenses for curricular and extra-curricular activities. Table 22 presents different types of fees that the parents claim to be paying. While some outlays are a one-time fee (e.g. admission fee), others can be monthly or yearly. Annualized household expenditure for students attending the three different categories of school have been computed and presented in this Table. **The LCP/KG schools cost almost twice that of government schools, while the LCP/NGO annualized school expenses are about Taka 1,500 more than the government institutions.**

Irrespective of the type of school, expenditure on books and reading materials is the largest expenditure – Taka 2,368 (median = Taka 2,000) for LCP/KG schools, Taka 1,254 (median=Taka 1,000) for government schools and Taka 605 (median = Taka 500) for LCP/NGO schools. The admission fees are considerably higher in LCP/KGs schools (Taka 1,699) compared to the government schools (Taka 196) and the LCP/NGO schools (Taka 211).

[28] It should be reiterated that the responses may not be very accurate as the respondent did not retrieve the information from any written records but were guess-estimates.

Table 22: Household Spending on Children Education by Type of School (in Taka)

Type of Expenditure	LCP/KG School			Government School			LCP/NGO School		
	Mean	Median	SD*	Mean	Median	SD	Mean	Median	SD
Yearly admission fee	1,699	1,200	1,729	196	120	321	211	145	290
Monthly tuition fees	283	250	153	66	23	75	33	23	38
Yearly exam fees	701	640	401	101	90	61	129	75	150
Yearly books	2,368	2,000	1,674	1,254	1,000	896	605	500	541
Monthly transport	669	500	611	77	-	166	200	200	.
Monthly tiffin expenses	295	300	150	197	175	102	186	150	105
Yearly uniform	934	800	440	696	600	329	490	500	229
Yearly Others *(sports, etc.)*	176	100	234	55	50	65	119	100	109
TOTAL (annualized)	**20,849**	**17,340**		**6,371**	**4,230**		**6,585**	**5,790**	

SD*: Standard Deviation

5.4. Schooling Experience

LCP/KG parents appear to be more satisfied with their child's schooling experience compared to the non-LCP parents. Attending school is a positive experience for the children, and any disruption is not welcomed. Greater interaction of teachers with parents, reduction in the incidence of shortening school hours is desired by both LCP and non-LCP households. LCP/KG parents are concerned about the amount of homework assigned, while corporal punishment appears to be a concern for all three groups of families.

A series of statement were read for the respondents to reflect upon the strengths and weaknesses of the schooling experience. Table 23 includes the specific statements used by the respondents to rank the strengths of their child's schooling experience. Almost 50% of the LCP/KG school parents, 35% of the government school parents and 34% of the LCP/NGO school parents strongly believe that their child enjoys attending school. When queried if the school is of good quality, 32% of the LCP/KG parents while a lower proportion of the government (15%) and the LCP/NGO school parents (18%) strongly concurred. A higher proportion of LCP/KG school parents consider that the teachers are competent and they are also more appreciative of teachers showing respect towards them than in the other two types of school.

Table 23: Ranking of Strengths of Schools by Type in Percentages [29]

Respondent	*Strongly Agree*	*Agree*	*Disagree*	*Strongly Disagree*	*Mean*	*Rank*
LCP/KG School						
The school quality is good	32	66	2	-	1.7	2
The teachers behave impartially with the students	19	60	17	1	2.1	7
Teaching methods are very satisfactory at this school	22	72	5	-	1.8	4
This school involves the community in decisions	7	53	23	6	2.6	8
My child enjoys attending the school	50	48	2	1	1.5	1
The head teacher of this school keeps in regular communication	15	70	13	2	2.0	5
The teachers of this school are competent	23	65	5	-	2.0	6
The teachers of this school show the parents respect	26	70	2	-	1.8	3
Government School						
The school quality is good	15	79	6	1	1.9	2
The teachers behave impartially with the students	11	72	13	-	2.2	5
Teaching methods are very satisfactory at this school	11	75	10	1	2.1	4
This school involves the community in decisions	6	50	23	1	2.8	8
My child enjoys attending the school	35	62	3	-	1.7	1
The head teacher of this school keeps in regular communication	8	59	29	1	2.3	7
The teachers of this school are competent	15	69	2	-	2.3	6
The teachers of this school show the parents respect	14	75	9	-	2.0	3
LCP/NGO School						
The school quality is good	18	79	2	-	1.9	2
The teachers behave impartially with the students	15	67	11	-	2.2	5
Teaching methods are very satisfactory at this school	11	76	7	-	2.1	4
This school involves the community in decision-making	5	63	17	-	2.6	8
My child enjoys attending the school	34	59	6	1	1.8	1
The head teacher of this school keeps in regular communication	9	77	6	-	2.2	6
The teachers of this school are competent	8	70	3	-	2.5	7
The teachers of this school show the parents respect	15	77	5	-	2.0	3

[29] The Likert-scale has been used, where strongly agree = 1; strongly disagree = 4. Mean score has been computed based on these scales. Lower mean value implies higher concurrence.

The top three strengths identified by parents from each of the three types are the same, namely that their children enjoy going to school, they are content with the quality of school and the teachers of the school show courtesy and respect towards parents. Parents do not have strong negative views on the schooling experience. Table 24 reveals that the parents from all three types of schools would like to see teachers communicating more with parents, dislike the incidence of shortening the school days, and show a concern for the use of corporal punishment.

Table 24: Ranking of Weakness of Schools by Type in Percentages [30]

Respondent	*Strongly Agree*	*Agree*	*Disagree*	*Strongly Disagree*	*Mean*	*Rank*
LCP/KG School						
This school is not a safe or proper place for students to be	3	3	73	20	3.1	5
This school does not have enough teaching materials	1	9	68	17	3.2	6
The school often shortens the school day	2	19	67	9	2.9	2
Homework that the teachers assign is too much	1	11	75	11	3.0	4
The teachers at this school give corporal punishment very often	1	17	65	17	3.0	3
The teachers of this school do not communicate regularly	2	21	71	6	2.8	1
Government School						
This school is not a safe or proper place for students to be	1	4	76	18	3.1	5
This school does not have enough teaching materials	1	11	67	12	3.1	6
The school often shortens the school day	1	23	65	5	2.9	2
Homework that the teachers assign is too much	-	7	78	12	3.1	4
The teachers at this school give corporal punishment very often	1	25	59	13	2.9	3
The teachers of this school do not communicate regularly	1	30	62	6	2.8	1
LCP/NGO School						
This school is not a safe or proper place for students to be	-	7	76	14	3.1	4
This school does not have enough teaching /materials	-	16	53	14	3.3	6
The school often shortens the school day	2	31	53	2	2.9	1
Homework that the teachers assign is too much	1	7	70	12	3.2	5
The teachers at this school give corporal punishment very often	1	18	60	18	3.1	3
The teachers of this school do not communicate regularly	-	17	76	4	2.9	2

[30]The Likert-scale has been used, where strongly agree = 1; strongly disagree = 4. Mean score has been computed based on these scales. Lower mean value implies higher concurrence.

5.5 Private Tutoring

Private tutoring is sought for primary school children even amongst the poor families. Regression estimates suggest that the relatively well-off parents and LCP/KG households are more inclined to hire a private tutor. Education level of head of household or gender of the student is not important factors in seeking a private tutor.

Employing private tutors has become a common phenomenon. When queried, almost 75% of the parents from all the types of school acknowledged that their child receives private tutoring (Table 25). The tutor spends on an average of almost 1.5 hours in all school groups. Parents on an average spend higher for LCP/KG students (Taka 735) than government school students (Taka 519) and LCP/NGO school students (Taka 307) as compensation to private tutors. [31]

Table 25: Experience with Private Tutoring - Use, Duration and Cost

Variable	*LCP/KG*	*Government*	*LCP/NGO*
Percentage of Households employing Private Tutor	80%	73%	37%
Mean and Median Hours of Private Tutoring			
Mean	*1.5*	*1.73*	*1.33*
Median	*1*	*1*	*1*
Average Monthly Tuition fee on Private Tutoring (Taka)	742	496	326

Private Tutor = f (LCP Child, Grade, Gender of Child, Highest Education, Urban, Household Size, Income) ……. (2) where:

Private Tutor	**=**	***Students having a private tutor***
LCP Child	**=**	***Students attending LCP schools (yes = 1; no = 0)***
Grade	**=**	***Grade that LCP student currently studying in (pre-school = 0; Grade 1 = 1; Grade 2 = 2; Grade 3 = 3; Grade 4 = 4; Grade 5 = 5)***
Gender	**=**	***Student's gender (Male = 1, Female = 0)***
Highest Education	**=**	***Years of schooling by head of household***
Urban	**=**	***Schools in urban areas (yes = 1; no = 0)***
Household Size	**=**	***Number of family members in household***
Income	**=**	***Monthly family income of household***

Probit regression estimates suggest that households in which children are attending a LCP/KG school and that have higher family income are more likely to employ a private tutor. The gender of the child, the education level of the parents, the grade at which the student is presently enrolled, or the household size are not important determinants for distinguishing between children who are privately tutored and those that are not.

[31] Even in the LCP/KG schools that charge less than Taka 300 per month, 82% of the households were spending an average of Taka 686 a month of private tuition.

Table 26: Factors Affecting Employment of a Private Tutor [32]

Probit regression Dependent variable: Student has a private tutor (yes = 1; No = 0)		Number of obs = 1126 F(6, 1117) = 6.80 Prob> F = .0.00 R-squared = 0.05 Root MSE = 0.443		
Explanatory Variable	***Coefficient***	***Std. Err.***	***t-values***	***P > t***
LCP Child	0.161	0.028	5.67**	0.000
Grade	-0.002	0.004	-0.61	0.540
Gender	0.026	0.027	0.98	0.327
Highest Education	-0.001	0.044	-0.28	0.780
Urban	0.015	0.026	0.56	0.573
Household Size	-0.001	0.009	-0.06	0.955
Income	0.132	0.044	3.00*	0.003
Constant	0.515	0.064	8.09**	0.000

5.6. Views on Schooling Alternatives

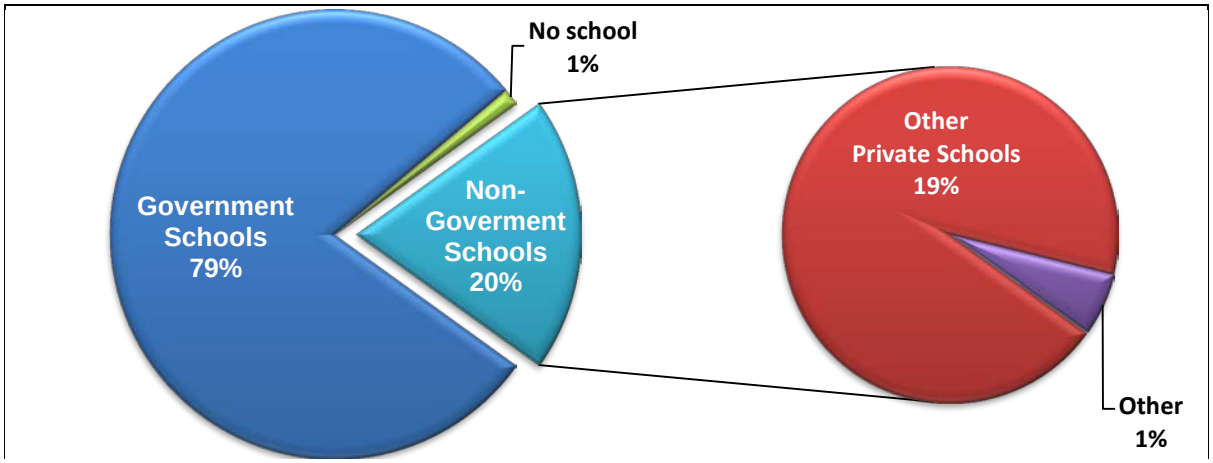
A small number of parents opt to move their child to a different school for a better schooling experience. Parents whose children are attending LCP/KG primary schools are inclined to send their children to a government secondary school.

Figure 10 shows the major reasons cited by those that obtained a transfer: unsatisfactory teaching quality (40%), unhealthy school environment (32%), and long commuting distance to school (23%). Interestingly, Figure 10 highlights how nearly 79% of parents whose child is attending a LCP primary school reported that they wanted their child to attend a government secondary school, while only 19% would want their children to continue in a private school.

Figure 10: Reasons Children Move from Government to Private School

[32] *significant at the 95% confidence level; **significant at the 99% confidence level.

Figure 11: Parents' Preference for Alternate Secondary Schools



6. The Schools Survey

A sample of LCP/KG, LCP/NGO and government schools was undertaken to make comparisons across areas such as: their respective school physical and administrative infrastructures, student enrollments, qualifications of their teaching staff, and their revenue and cost structures. Of the 171 schools surveyed, 101 are LCP/KG schools, 61 government schools comprising 29 Registered Government Schools (GPS), 26 Registered Non-Government Schools and 7 Community Schools, while 15 are LCP/NGO schools. The statistical tables generated from interviews with school administrators have been presented into three groups: (i) LCP/KG schools; (ii) the Government schools; and (iii) the LCP/NGO schools.

The LCP/KG school selection was primarily based on three criteria: (i) located within or adjacent (1 kilometre radius) slums of Dhaka and Chittagong cities from which households were sampled; (ii) located within 3 kilometres radius of the 3 upazila headquarters covered; and (iii) monthly LCP tuition fees did not exceed Taka 1,000. [33] Selection for the other two types - the government and the LCP/NGO schools - was based on *location* criteria only and the fact that these government and the LCP/NGO schools located within those areas in which the LCP/KG schools were sampled.

6.1 Household Profile

As observed by the school administrators, families sending their children to LCP/KGs are relatively better-off financially than families that are sending their children to the government and the LCP/NGO schools.

School administrators were asked to classify their students into four tiers in terms of their family income. Families with a monthly income of less than Taka 4,000 have been categorized as *Tier 1*, families making between Taka 4,000 and Taka 8,000 are *Tier 2,* families will monthly earnings of Taka 8,000 to Taka 20,000 range as *Tier 3* and those with more than Taka 20,000 per month are *Tier 4*. Table 27 provides comparison of the allocations made by the School Administrators. Significantly, the majority of the families of children attending the government or the LCP/NGO schools are in the bottom two categories

[33] GBP 1= 119 Taka (April 2013)

whereas according to the LCP/KG administrators almost half of their students belong to Category 3.

Table 27: Categorization of Family Income per Month by Type of School (in %)

Category	*Estimated Family Income per Month*	*LCP/KG*		*Government*	*LCP/NGO*
		≤ Taka 700	**≤ Taka 300**		
1	Upto Taka 4000 per month	8	18	39	61
2	Between TK 4000 and 8000	28	45	40	37
3	Between TK 8000 and 20,000	44	27	15	2
4	Above Taka 20,000 per month	20	11	3	-

6.2 Comparative Revenues and Expenditures

While tuition and admission fees constitute the major source of revenue for LCP/KGs schools, grants (both from the national government and external funding agencies) are the key revenue components for the government institutions and the LCP/NGOs schools. Tables 28 and 29 show that **the total annual revenue of a LCP/KG school is estimated at around Taka 0.8 million, while it is Taka 1.2 million for a government institution and Taka 0.5 million for an average LCP/NGO school.**

Table 28: Source of Annual Revenue by Type of School (Taka)

Source	**LCP/KG School**			**Government School**			**LCP/NGO School**		
	Mean	***Median***	***SD***	***Mean***	***Median***	***SD***	***Mean***	***Median***	***SD***
Government grant	-	-	-	1,105,505	552,744	978,777	20,000	-	77,460
Tuition/admission fees	797,277	650,000	530,650	31,974	20,340	43,359	24,076	-	39,621
Local grants	2,723	-	15,961	27,461	-	70,746	4,000	-	15,492
Income from Own Wealth	4,350	-	27,209	3,427	-	17,421	-	-	-
NGO	1,980	-	14,551	1,513	-	5,947	407,714	272,800	445,726
Misc.	20,760	-	71,447	3,520	-	9,836	41,8001		161,891
Foreign aid	-	-		2,373	-	16,855	16,000		61,968
Total	**827,090**	**667,000**	**549,679**	**1,175,674**	**686,200**	**988,714**	**513,590**	**491,520**	**410,270**

Table 29: Composition of Annual School Revenue Source

LCP/KG		Government		LCP/NGO	
Tuition/ Admission fees	96%	Government Grant	94%	NGO	79%
Misc.	2.5%	Tuition/ Admission fees	2.7%	Misc.	8.1%
Income from Own Wealth	0.5%	Local Grants	2.3%	Tuition/ Admission fees	4.7%
Local Grants	0.3%	Misc.	0.3%	Government Grant	3.9%
NGO	0.2%	Income from Own Wealth	0.3%	Foreign Aid	3.1%
Government Grant	-	Foreign Aid	0.2%	Local Grants	0.8%
Foreign Aid	-	NGO	0.1%	Income from Own Wealth	-

Table 30 then provides a detailed breakdown of the school fees. The average annual tuition fee in LCP/KG schools ranges between Taka 3,049 (median = Taka 3,000) for Grade 0 (pre-school) to Taka 3,263 (median = Taka 3,000) for Grade 5. Other major fees charged at these schools include an admission/session fee which is around Taka 1,200. The fees charged under different line items in the other two types of school are considerably lower - the largest component of the LCP/NGO school is the annual tuition fee, which ranges between Taka 263 (for Grade 0 and Grade 1) to Taka 480 (for Grade 5) while the average annual tuition fee for a RNGPS is Taka 120 and the GPS does not have the practice of collecting any tuition fees.

Table 30: Annual School Fees (Mean) by Grade and School Type

Type of Charge	Grade					
	0	1	2	3	4	5
LCP/KG School						
Admission/session Fee (Mean)	1,185	1,179	1,182	1,187	1,148	1,166
Admission/session Fee (Median)	1,000	1,000	1,000	1,000	900	900
Annual Tuition Fee (Mean)	3,049	3,157	3,204	3,237	3,233	3,263
Annual Tuition Fee (Median)	3,000	3,000	3,000	3,000	3,000	3,000
Examination Fee (Mean)	630	652	661	672	661	668
Examination Fee (Median)	600	600	600	600	600	600
Sports/Cultural/Milad (Mean)	104	104	104	104	104	104
Sports/Cultural/Milad (Median)	80	80	80	80	80	80
Other Fee (Mean)	337	337	347	347	347	347
Other Fee (Median)	330	330	375	375	375	375
Government Primary School						
Admission/session Fee (Mean)	30	30	30	30	30	30
Admission/session Fee (Median)	30	30	30	30	30	30
Annual Tuition Fee (Mean)	-	-	-	-	-	-
Annual Tuition Fee (Median)	-	-	-	-	-	-
Examination Fee (Mean)	24	23	24	35	37	37

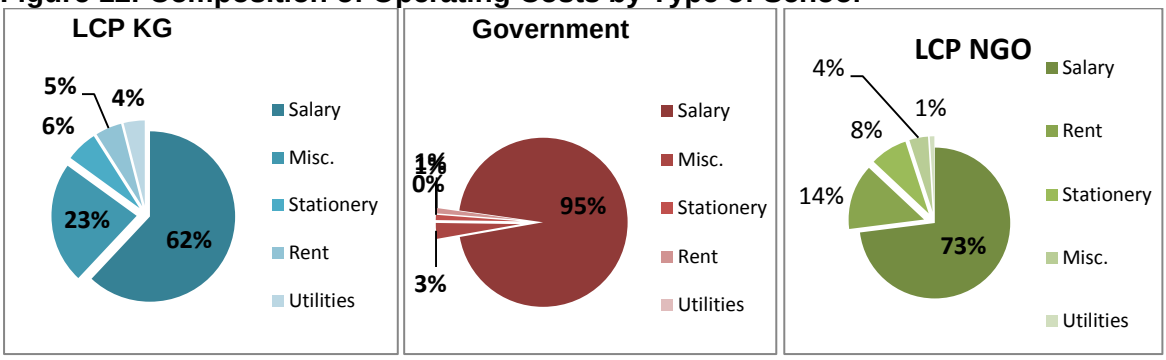
Examination Fee (Median)	17	15	24	30	30	30
Sports/Cultural/Milad (Mean)	15	15	15	15	15	15
Sports/Cultural/Milad (Median)	15	15	15	15	15	15
Other Fee (Mean)	100	100	100	55	55	55
Other Fee (Median)	100	100	100	55	55	55
LCP/NGO School						
Admission/session Fee (Mean)	37	37	53	58	60	62
Admission/session Fee (Median)	25	25	30	30	35	40
Annual Tuition Fee (Mean)	263	263	323	364	456	480
Annual Tuition Fee (Median)	240	240	270	330	420	480
Examination Fee (Mean)	95	95	105	115	125	140
Examination Fee (Median)	75	75	90	105	120	150
Sports/Cultural/Milad (Mean)	-	-	-	-	-	-
Sports/Cultural/Milad (Median)	-	-	-	-	-	-
Other Fee (Mean)	85	85	85	85	85	85
Other Fee (Median)	85	85	85	85	85	85

The operating cost of LCP schools and NGO schools is about half of that of Government institutions. LCP schools on an average incur nearly Taka 600,000 (median = Taka 510,000) expenses annually (Table 31). The annual outlay for government institutions is around Taka 1.1 million. NGO schools incur about Taka 500,000 annually. For LCP/KGs schools' salaries for teachers and staff (62%) and rent (23%) are the major operating costs. Salaries also constitute the overwhelming operating cost for Government institutions (53%) and the LCP/NGO schools (73%). There is wide variation (high standard deviation) for several expenditure components for all three types of institutions.

Table 31: Breakdown of Annual School Expenditure (Taka)

Cost Item	LCP/KG School			Government School			LCP/NGO School		
	Mean	***Median***	***SD***	***Mean***	***Median***	***SD***	***Mean***	***Median***	***SD***
Salary	366,841	252,000	305,350	1,098,193	649,200	952,094	369,064	314,400	312,121
Utilities	22,025	12,000	36,612	11,518	8,000	12,998	3,113	-	4,851
House rent - if rented	137,965	120,000	118,440	-	-	-	71,067	30,000	93,790
Stationery	37,765	20,000	49,806	13,356	8,400	11,899	42,267	12,000	121,695
Misc.	30,658	10,000	49,087	32,054	9,175	56,999	19,500	-	53,454
Total	**595,255**	**510,000**	**402,138**	**1,155,121**	**684,200**	**971,170**	**505,011**	**378,400**	**412,175**

Figure 12: Composition of Operating Costs by Type of School



6.3 Management and Governance

While most government and LCP/NGO schools have a governing board such is not the case with the LCP/KG institutions. The presence of the owner of the school is common on the LCP/KG school boards while politicians dominate government school boards. Table 32 shows how some 63% of the LCP/KGs, 80% of LCP/NGO schools and all government institutes have a governing board to oversee the activities of the school. The Board size is around 7 members in the LCP/KG schools and 11 members in the non-LCP schools. Owners of schools make up for 42% of the Board in LCP/KGs schools while politicians and parents/guardians are dominant (around 40%) in government institutions and the LCP/NGO schools respectively.

Table 32: School Governing Structure and Implementation by Type of School

Governance Indicators	*LCP/KG*	*Government*	*LCP/NGO*
Schools having a Governing Board	63%	100%	80%
Average number of Board Members per school	7.4	11.4	10.7
Parents having a Good Perception on Board	52%	100%	80%
Board meetings held Quarterly/Monthly	77%	98%	67%
Board meetings documented	70%	100%	92%
Board empowered to take Managerial/Financial decisions, besides Operational decisions	9%	7%	-
"Head of the Board" reconfirms final approval of Board decisions	64%	98%	-
Head Master serving as Owner	50%	-	7%

In LCP/KG schools the owner and/or the Head Teacher primarily make the decision in hiring the teachers and staff and monitoring their performance whereas in the Government schools, the Directorate of Primary Education (DPE) decides on the hiring process.

Several questions were asked relating to the management structure and decision making. Table 33 highlights a number of features regarding the management of staff and monitoring of their performance, including:

- around 45% of the LCP/KG school administrators interviewed conveyed that the owner unilaterally makes decisions on recruiting teacher and staff while around 25% stated that

the Head Teacher and the School Management Committee (SMC) are collectively responsible;

- the School Board is more involved in the hiring process in the LCP/KG schools than in the other two types of schools but this Board plays a minimal role in monitoring teachers or staff performance; and
- in most LCP/KG schools the owner (43%) decides on the salaries of the staff although the Board (29%) and the Head Teacher (26%) are also involved; and
- in government schools, the head teacher and the Directorate of Primary Education (DPE) are involved in assessing the performance of the teachers.

Table 33: Management, Monitoring Administration of Staff by Type of School (in %)

Response	Management of School			Monitoring Teachers			Decision on Salary		
	LCP/KG	*Govt*	*LCP/NGO*	*LCP/KG*	*Govt*	*LCP/NGO*	*LCP/KG*	*Govt*	*LCP/NGO*
Owner	45	-	13	34	-	13	43	-	13
Head Teacher	25	-	-	49	45	-	26	-	-
Board/SMC	26	-	53	12	7	53	29	-	53
Combined	5	2	13	6	20	13	3	2	13
Government	-	98	7	-	27	7	-	98	7
Others	-	-	13	-	-	13	-	-	13

6.4 School Faculty

LCP/KG school teachers are paid significantly less than their government and LCP/NGO counterparts.

Table

Table 34 presents the mean and median monthly salaries of male and female teachers for the different types of institutions covered in the study. The median entry level salary of LCP/KG teacher (Taka 1,600) which is almost one-third less than the government teachers (Taka 5,150) and half less than the LCP/NGO schools (Taka 4,000). However, a comparison of salaries at the senior level suggests a reduction in the gap yet the LCP senior teachers are still earning less than half of what their government counterparts are earning. [34]

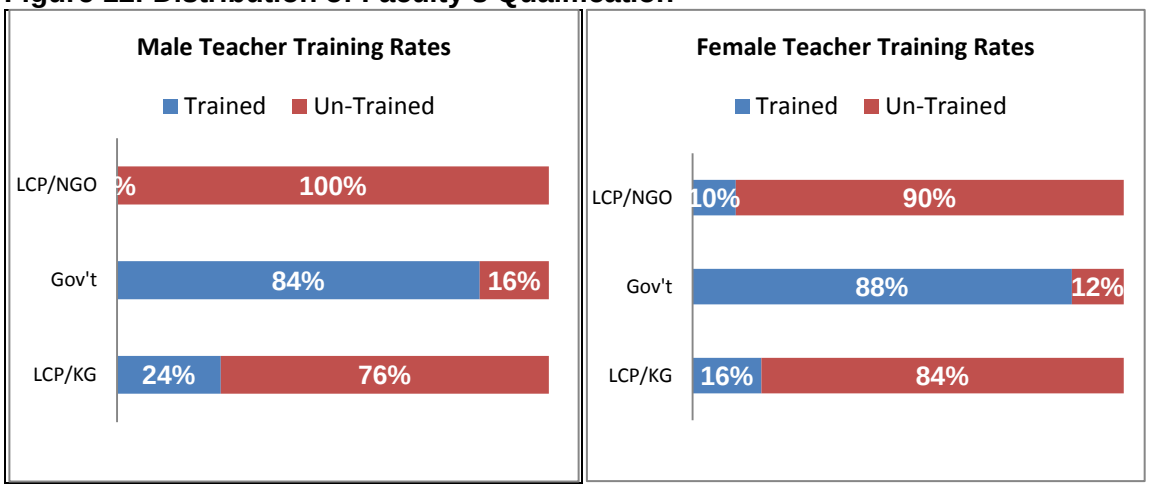
Table 34: Monthly Salaries of Teachers (in Taka)

Teachers	*LCP/KG*		*Government*		*LCP/NGO*	
	Mean	*Median*	*Mean*	*Median*	*Mean*	*Median*
Male						
Entry level	1,651	1,500	6,396	5,150	4,171	4,000
Mid-level	2,424	2,325	8,072	5,300	6,143	5,500
Senior level	3,824	3,000	10,480	5,950	8,471	7,000
Female						
Entry level	1,615	1,500	3,847	4,000	3,847	4,000
Mid-level	2,454	2,250	5,167	5,000	5,167	5,000
Senior level	3,721	3,500	7,117	7,000	7,117	7,000

[34] See Annex 8 Graph 3 for a comparison of the salary scales for LCP/KG schools that charge Taka ≤ 700 or ≤ 300 per month or less. Interestingly the difference in the salary rates is not borne out in a large differential in the salaries that are provided to the staff.

Compared to the government schools, both the LCP/KG and LCP/NGO schools have a significantly higher proportion of teachers without education-related training (C-Ed, B-Ed). Figure 12 highlights how amongst the LCP/KG and LCP/NGO teaching cadre, over 80% of the female teachers do not have formal specialized training compared to 76% and 100% of the male teachers in the LCP/KG and LCP/NGO schools respectively whereas in the government schools only around 3 out of 20 teachers do not have a degree in education.

Figure 12: Distribution of Faculty's Qualification



6.5 Enrollment Structure

A major attraction of LCP schools is the pre-primary grade but the class size then declines monotonically for the higher grades. The average class size of LCP/KG schools is considerably lower than the government institutions. The ratio of boys and girls is similar in different types of schools, except that a higher proportion of girls attend Grade 5 in government schools. Attendance and passing indicators are an impressive 85% or above in most grades, in both LCP and non-LCP institutions. [35]

According to the school administrators, parents do contact them with regard to their child's academic problems, irrespective of whether the Parents Teacher Association (PTA) is active or not. Table 35 shows how the PTAs are less active in the LCP/KGs (36%) and the LCP/NGO schools (47%) than in the government institutions (84%) and the Table indicates how the parents appear to rate the effectiveness of these PTAs.

Table 35: Parents Teacher Association (in percent)

Categories	*LCP/KG*	*Govt*	*LCP/NGO*
Schools with PTA	36	82	47
Teachers Contacting Parents on Student Problems	94	100	100
Parent's Rating PTA Above Average	89	90	63
Parent's Never/Occasionally involved in Governance	63	48	64

A series of questions were asked about teacher-parent interaction on student performance. As evident in Table 36, the school authorities unsurprisingly all claimed that there exists

[35] See Annex 6 Table 15 for further details on enrollment and attendance.

mutual appreciation for monitoring of the performance of the students. School authorities consider that parents are as aware of the benefits of homework completion as teachers.

Table 36: Teaching and Learning Process (in percent)

Categories	*LCP/KG*	*Govt*	*LCP/NGO*
Written record of students' learning process maintained	100	95	100
Progress reports sent to parents	100	95	80
Progress reports sent to parents 3 times per year	89	94	67
Home task are important	99	96	93
Completion of home task	98	89	71
Lack of awareness leaving home task due	100	67	25
Home tasks graded within three class period	94	96	100
Corporal punishment is the answer to student control	4	2	20
Their students better than cohorts in similar other schools in adjacent areas	98	86	73

6.6 School Facilities

Physical facilities at the LCP/KG and LCP/NGO schools are marginally inferior to that of the government institutions. LCP/KG schools surveyed have around 1,578 square feet (median = 1,350 square feet, standard deviation = 979) for an average of 6 class rooms per school (Table 37). They have 3 toilets (median = 2), and around 2,141 square feet (median = 1,100 square feet). The distance to the nearest government primary school is less then a kilometre away for both types of LCP school. The government schools tend to have higher usable space for class room teaching (mean=2,607 suare feet), more toilets (mean= 4), and more space for play ground (11,375 square feet).

Table 37: Physical Facilities of Schools

Physical Facilities	LCP/KG School			Government School			LCP/NGO School		
	Mean	*Median*	*SD*	*Mean*	*Median*	*SD*	*Mean*	*Median*	*SD*
Total usable square feet for classes	1,578	1,350	979	2,604	1,925	1,674	1,040	960	1,147
Total number of classrooms	6	6	2	7	6	4	4	4	2
All other room including teachers room and library	8	7	3	9	9	5	5	6	3
Total number of toilets	3	2	2	4	4	3	2	2	1
Size of playground (square feet)	2,141	1,100	3,254	11,375	5,000	14,397	490	200	623
Distance of nearest school (kilometre)	0.14	-	0.22	0.37	0.25	0.50	0.09	-	0.12

Interestingly, Figure 13 shows how both the LCP/KG and the LCP/NGO schools were both operating similarly high levels of the use of leased premises.

Figure 13: Ownership Status of School Premises (in percent)

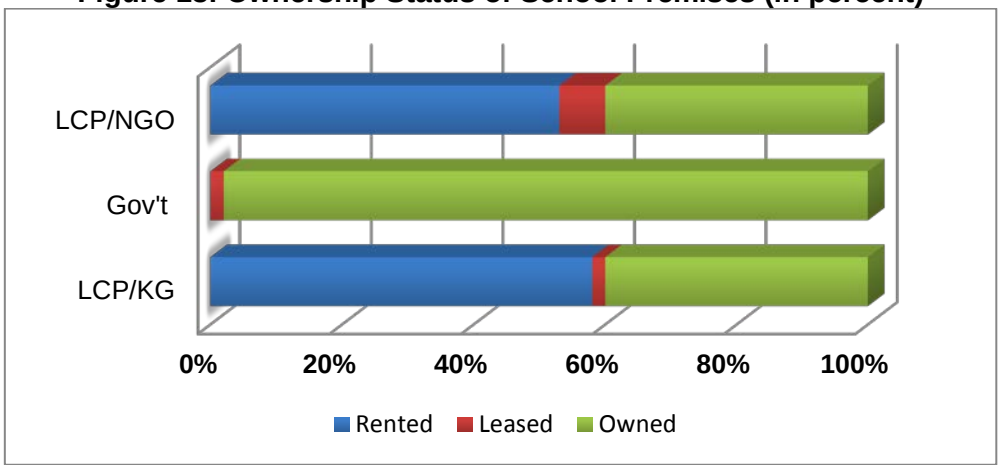


Table 38 highlights how a higher percent of LCP/KG and government schools have a separate room for the head teacher (around 45%) than is the case in the LCP/NGO schools (27%). However, only 19% of the LCP/KG schools, compared to 49% for government instiutions and 33% for NGO schools, have a playground for the students. Most LCP/KG schools (82%) and about two-thirds of the government schools and half the NGO schools have a boundary wall. About half the LCP/KG and LCP/NGO schools have a designated toilet for their faculty compared to 87% in the government schools. Around 19% of LCP schools offer transport services to its students, while the other two types surveyed do not provide such a facility. Tap water is the main source of drinking water in all school groups.

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Table 38: School Facilities (in percent)

Available Facilities	LCP/KG	Government	LCP/NGO
Under School Premises - *Separate Room available for:*			
Head Teacher	45	44	27
Class Teacher	33	43	13
Playgrounds	19	49	33
Dormitory (residential living)	2	2	-
Concrete school buildings	96	98	73
Boundary wall around school premise	82	69	47
Under Sanitation			
Non Co-ed Toilets	35	69	60
Exclusive faculty toilets	54	87	47
Under Utilities			
Electricity	97	98	93
Transportation	19	-	-
Drinking Water:			
Owned Tube-Well	15	22	0
Local Tube-Well	6	7	7
Typical Well	2	0	0
Tap Water	61	69	80

The LCP/KG schools have considerably lower student-teacher ratios than the government or the LCP/NGO schools. Table 39 shows an extremely low ratio at the LCP/KG schools compared to both the government and the LCP/NGO schools. This figure however raises questions about the reporting by the respondents. The student:teacher ratio has been computed by dividing the mean number of students in each grade by the number of teacher(s) assigned for that grade. Table 39 suggests that the LCP/KG schools have a lower student-teacher ratio (18) compared to the extremely high government institutions (112) and the more moderate LCP/NGO schools (43). It is apparent that the LCP/KG school targets pre-school (Class 0) students, and there is an attrition as students of higher grades move to the other two types of school or drop out completely (Annex 6 Table 15).

Table 39: Student-Teacher Ratio

Rates	LCP/KG School			Government School			LCP/NGO School		
	Mean	*Median*	*SD*	*Mean*	*Median*	*SD*	*Mean*	*Median*	*SD*
Mean number of students	192	162	162	809	643	494	205	197	139
Mean number of teachers	11	10	5	9	6	5	5	5	3
Students : Teacher ratio	18	16	7	112	85	84	43	39	20
Mean number of Support-Staff	2	2	2	1	1	1	1	1	1
Students : Support-Staff ratio	108	81		680	592	453	227	197	117

7. Summary of Findings from the Surveys

Arguably there has not been any comprehensive data collection effort on LCP schools relating to their structure and performance in Bangladesh. This survey has been a modest effort in looking into the demand and supply characteristics of the LCP school market. Targeting selected locations and households, LCP school assessment has been attempted in absolute terms as well as by comparing the prevailing conditions between and among LCP/KGs, government schools and LCP/NGO schools. Caution however should be used in drawing conclusions and implications from the findings due to the limited sampling coverage. Also, views and data provided by households and school authorities could not be cross-checked or verified. The survey albeit sought data on teaching quality, in-class performance evaluation was not an objective of the survey.

The household survey was intended to capture parent's views on their child's schooling experience; estimates on out-of-pocket educational expenses, and the socio-economic background of the respondents.

The salient findings of the *Household* survey are:

- Household characteristics, occupation, income/expenditure and living conditions are similar between the LCP and non-LCP households.
- Education expenditure constitutes the third largest component of household expenditure, following food and housing outlays.
- Parents of LCP students have to incur higher out-of-pocket schooling expenses than non-LCP students. The biggest difference in expense is the monthly tuition fee.
- Attending school is a positive experience for the children, and any disruption is not welcomed by the parents. Greater interaction of teachers with parents, reduction in the incidence of shortening school hours is desired by both LCP and non-LCP households.

LCP parents are concerned about high dose of homework assigned, while corporal punishment to students appears to be a concern for non-LCP families.
- There is strong preference for continuing children's education beyond the primary level. Reduction in tuition, quality enhancement in teaching, and better infrastructure are desired by the parents.
- Private tutoring is sought for primary school children even amongst the poor families.
- A small but significant number of parents opt to move their child to a different school for a better schooling experience.
- Parents whose children are attending LCP primary schools are inclined to send their children to a government secondary school.

The school survey aimed at gaining insights on LCP school physical and administrative infrastructure, student enrollment, qualifications of teaching staff, and their revenue and cost structure.

The salient findings of the *Schoo*l survey are:
- LCP families are viewed to be relatively better-off financially then the non-LCP parents, as observed by the school administrators.
- While tuition and admission fees constitute the major source of revenue for LCP schools, government grants is the key revenue component for government institutions.
- While most non-LCP schools have a governing board such is not the case with LCP institutions. Presence of the owner of the school is common in LCP school boards; politicians dominate government school boards.
- LCP school teachers are paid significantly less than non-LCP school teachers.
- A major attraction of LCP schools is the pre-primary grade, with the class size declines monotonically for the higher grades. The average class size of LCP schools is considerably lower than non-LCP institutions.
- In LCP schools the owner and/or the Head Teacher primarily makes the decision in hiring the teachers and staff, and monitoring their performance. In non-LCP schools, the government, Directorate of Primary Education (DPE), decides on the hiring process. In LCP schools, salaries are not decided alone by the owner but input from Head Master and SMC are solicited.
- Physical facilities at the LCP schools are marginally inferior to that of LCP institutions.
- The operating cost of LCP schools is about half of that of non-LCP institutions.
- LCP schools have a high proportion of teachers without education-related training (C-Ed, B-Ed). As such, the quality of teaching can be questioned.
- There exists mutual appreciation between teachers and parents relating to monitoring performance of students; the importance of homework completion is acknowledged.
- LCP schools have considerably lower student-teacher ratio. The extremely low ratio at LCP schools however raises questions about the reporting by the respondents.

CONCLUSION

Governments are increasingly turning to Public Private Partnerships (PPP) in a hope to improve the efficiency and quality of public basic education delivery. The traditional model of purely publicly financed and publicly provided basic education service delivery is unsatisfactory. PPPs with the LCP sector have gained larger acceptability for a number of reasons: first, the governments find themselves falling short of the large and growing demand for public education investments particularly with the increased pressures on the post primary education sub sectors; secondly, the LCP sector has deepened its presence and has demonstrated its abilities to deliver educational services for the lower economic quintiles particularly in urban slum locations; and third, the governments are increasingly

criticised for poor service delivery and they have been compelled to consider other models of basic education service delivery.

A growing partnership between the public sector and the LCP sector in Bangladesh is certainly possible but any PPP is obviously not going to be the panacea for all the ills that prevent provision of quality educational access for the underserved. In addition, structuring of the partnership needs to address trade-offs between efficiency and equity and strike a fine balance through effective contractual agreements to ensure optimal levels of efficiencies without comprising equity. This final section offers some key lessons learnt from the two parts of this Study from the perspective of the Research, Access, Equity, Quality and Finance.

Research

Three significant research challenges were experienced. There is the challenge of accessing the data on LCP schools. This challenge is exacerbated by the fact that at the national level, only RNGPS and GPS schools are accurately tracked; since private institutions are essentially unregulated by the DPE or any other government body. Then there is the considerable challenge of classification when there is such a wide array of different types of primary school providers running along a continuum from fully public (owned, operated, and funded by the GOB) to the fully private (privately owned, operated and funded) low cost private school or KG. This difficulty is enhanced also by the fact that the current government statistics and existing studies of the sector do not distinguish between 'low' fee and 'high' fee private schools.

This Study overcame the accessing challenge by tracking schools through the allocation of textbooks at the upazila level. This is a useful start but it is not a reliable and comprehensive system and without any cross-monitoring the system is vulnerable to abuse and misrepresentation. Similarly, tracking schools by Grade 5 examinations is unreliable as many KG schools go up to Grade 3 and do not conduct examinations. This Study addressed the typology challenge by allocating the schools into three categories - Government schools (fully publically financed and publically provided), LCP 'Non Profit'/NGO schools (primarily publically financed but privately provided) and LCP 'For Profit'/KG (fully privately financed and privately provided).

There is still a considerable lack of data collection and comparative analysis to be able to assess value for money from the government perspective and for prospective students and their families to distinguish between high-quality and low-quality public and private providers. This lack of comprehensive and comparable data on both the LCP 'for profit' and 'not for profit' LCP sector in Bangladesh will continue to be problematic for educators, researchers, aid organizations and policy makers alike until the LCP sector is integrated into the overall EMIS.

Access

Part 1 of the Study has provided clear evidence that the LCP sector is assisting the GOB to meet participation pressures particularly in the urban slum locations and newly established urban conurbations. Data from the national statistics record how the number of recognised LCP/KGs has grown fourfold from only 3,567 schools in 2007 to 12,031 in 2011 while the number of students attending LCP/KGs in 2007 has risen from 705,753 in 2007 to 1,733,422 in 2011 - an increase in total student enrolment from 4% to nearly 10% over five years. Further this extreme growth is a recent phenomenon - the number of students enrolled in KGs in 2010 was 820,561 but by 2011 it was 1,733,422 and the number of teachers employed in KGs in 2010 was 41,129 by 2011 it was 98,119 - an increase of over 200%.

The main driver of this growth is primarily the fact that the number of public primary schools is insufficient to accommodate the volume of urban slums students in their areas. The insufficiency of public supply number is highlighted by the fact that in 2007 there were 57,833 public primary schools yet by 2011 the number was only 57,895 and the number of teachers in fully public schools in 2007 was 182,374 yet by 2011 the number was still only 201,900.

Equity

While gender bias was not seen as an equity issue, Part 2 of the Study did highlight a number of significant equity issues pertaining to the differences in provision from the two types of LCP provider. Table 40 shows how the educational background differs between parents sending their children to the LCP/KG and LCP/NGO schools. It also shows a difference in the monthly income of the families, the cost of schooling and an estimate of the percentage of their income they allocate to schooling in these two types of LCP school.

	LCP/KG	**LCP/NGO**
Levels of literacy and numeracy	84%	53%
Average years of schooling of adult (18+ age)	6.8	2.7
Household monthly income in Taka	20,361	12,705
Annualized cost of schooling in Taka	20,849	6,585
% of household income allocated to school	11.7%	4.3%

The Study's preliminary comparison between the households and the schools has also shown how complex it is to define 'low cost' or 'affordable' since any comparison cannot be based solely on the tuition charge alone as the indirect costs of schooling significantly outweigh the direct cost of the tuition fee. The Study also found significant evidence of the additional costs being borne by these poor families with respondent feedback showing that almost 75% of the parents from all the types of school acknowledging that their child receives private tutoring. Parents on an average spend higher for LCP/KG students (Taka 735) than government school students (Taka 519) and LCP/NGO school students (Taka 307) as compensation to these private tutors.

Quality

The Study did not measure quality through any comparison of learning outcomes but it did show how the two types of LCPs are similar and how they differ from their government counterparts in certain aspects of provision that have an impact upon quality: (i) the LCPs spend around 85% of their income on salaries and rent of their premises compared to the government schools where there is a budgetary allocation of 95% on salaries; (ii) the LCPs pay significantly less than the government on staff salaries with study data showing how the level salary of a LCP/KG teacher (Taka 1,600) is a one-third of that of their government counterparts (Taka 5150); (iii) the LCPs have a significantly higher proportion of teachers without education-related training; and (iv) they exhibit much lower pupil teacher ratios.

Finance

Part 2 highlighted how the LCP 'for profit' and 'non profit' segments exhibited some common commercial and education features. But Part 1 showed that, in order for there to be a partnership approach that leverages the strengths of the government and the private sector, there needs to be a disaggregation between the three different types of providers. This disaggregation using these categories is necessary as the 'for profit' and 'non profit' LCPs require different responses across three key areas of possible PPP interventions namely: *Enhancing the Operating Environment; Promoting any Supply side Education Market; and Supporting any Demand side Incentive Programme.*

Interventions	Features of the Interventions
Enhancing the operating environment:	improving the regulatory environment establishing a robust assessment and quality education assurance system providing capacity building to strengthen the ability within and across the state and non state sectors to monitor and support the transition
Promoting the supply side education market:	setting up customised low cost private lending facilities supporting tax exemptions and utility fees supporting non state operators to access a portfolio of school improvement services
Supporting a demand side incentive programme	establishing a possible education service contracting subsidy model establishing a possible universal or targeted voucher model

In each of these three interventions the two LCPs need to be treated differently. For example, the 'non profit' providers often fail to comply with the regulatory requirements and, from a supply side, these same providers have greater difficulty than their 'for profit' competitors in accessing funding due to the fact that they lack fee revenue. Whereas from the demand side intervention - because they are 'non profit' providers who are better placed to enable participation for the lowest quintile- they are possibly the more suitable recipient of any public financing.

Going Forward

The Introduction highlighted how the GoB has achieved much yet is still struggling to deliver equitable access to a quality basic education for the large and growing school-age population. Part 1 then provided clear evidence from the macro data and specific data collected from the upazila level that the LCP/KG sector in particular has increased its share of enrollment. Further, we know that the LCP 'for profit' and 'non profit' market segments are responding to drivers and barriers in provision for all quintiles

There are a number of inter-related conditions already influencing the strength of the relationship between governments and the LCPs. There is the extent to which they are dependent on each other - in the case of the LCP/NGOs for example they are often receiving subsidies for taking in poor students. There are the characteristics of the state which clearly play a role in determining the extent to which LCPs are supported or discouraged. There are also the characteristics of civil society which will influence the extent to which LCPs can develop to deliver services to underserved groups. In addition, relationships will be influenced by the extent to which government provision is falling short of achieving international and national goals - whether this is widespread, limited to access for specific groups, or related to filling gaps in the quality of public provision.

This Study posits that it requires support and partnership by all types - the government schools and the LCP/KG and LCP/NGO schools alike - in order to attain and maintain access to a quality basic education particularly for the lower economic quintiles and the 'hard to reach'. Further there is the overarching belief that the distinction between public and private is less important than the perceived public good of each set of institutions and the 'rules of the game' to which the critical actors of the system respond. With the right policy framework, there is no contradiction between high quality public education and encouragement of the expansion of low cost private education.