



# PUBLIC AND PRIVATE SCHOOLING IN RURAL GHANA: ARE THE POOR BEING SERVED?

## CREATE GHANA POLICY BRIEF 3

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### ARE THE POOR BEING SERVED?

This policy brief illuminates the behaviour of rural poor households toward fee-free public schools and growth of low fee private schools. The analysis is based on data from a household survey and interviews of three rural communities in the Mfantseman district in southern Ghana. Based on the findings, it suggests policies that have the potential to improve access among the poorest. This policy brief is based on an article in the CREATE special issue of the International Journal of Educational Development (IJED) – Akaguri, L., & Akyeampong, K., (forthcoming)

#### Introduction

Efforts to improve equitable access to basic education in Ghana began before it gained independence in 1957, and have since been pursued relentlessly through a number of education reform policies to improve access for all children. Progress suffered a setback in the 1970s when Ghana's economy deteriorated rapidly, leading to widening gaps in rates of participation in education between the poor and non-poor (Akyeampong et al., 2007; World Bank, 2004).

Although major education reforms starting in 1987 helped narrow the participation gap, children from the poorest households appear to have made the least progress in terms of participation in basic education (Akyeampong, 2009; Rolleston, 2009).

Given the offer of fee-free basic education in the public sector and the expansion of low-fee private schools in rural areas, this policy brief illuminates the response of rural households towards public and private education provision, discusses how households have responded and what this means for policy on educational provision in Ghana.

#### How much are households spending on Education?

As expected, the average total household school expenditure per child is higher in the sampled low-fee private schools compared with the fee-free public schools. Generally, household expenditure on food at school for a child was higher than other expenditure incurred on schooling. One would have expected private school fees to account for much higher household education expenditure than the expenditure on food; however, this is not the case.

Some private schools entered into an arrangement with local food sellers to provide food on the school premises, whilst others provided meals which households were often obliged to purchase for their children. In public schools, local food sellers operated independently. Usually when one speaks about the costs of education for households, expenditure on food at school is not given much attention.

The marginal cost of paying school fees charged by low-fee private schools may not be seen as high enough to dissuade some poor households from

opting for such schools, but when one takes into account paying for food, the overall costs increase considerably.

**Table 1: Household unit costs per child for Public and Private schools**

<i>Amount in Ghana Cedis Per Term (¢1 = \$1)</i>		
<b>Cost Item</b>	<b>Public</b>	<b>Private</b>
Transport to and back from school	0	5.73
Food at school	18.97	28.39
Tuition Fees (school fees)	0	9.33
Parents' Contributions (PTA)	1.3	0.99
Examination Fees	0.76	1.77
Extra Classes	0	7.66
School Uniforms	10.02	8.33
Stationery (Exercise books, textbooks, pens, etc.)	6.05	7.0
<b>Average Total cost per child per household</b>	<b>32.74</b>	<b>62.06</b>

Even though public schools charged no school fees due to the government's capitation grant, school attendance still involved some costs. For example, some Parents Teachers Associations (PTA) asked parents to make financial contributions that on average, amounted to about 1.3 Ghana Cedis (\$1.3) per term per child. For low fee private fees the charge on average was about Gh ¢ 1.00 per child per term. Households tended to have more children in the public schools which meant that in total they were required to pay more. Households with children in public schools incurred on average Gh ¢ 0.76 per child as examination expenditure even though the capitation grant is supposed to cater for such expenses.

Interviews with head teachers relating to household's educational expenditure revealed that public schools collected examination fees to conduct special exams for their Junior High School (JHS) students preparing for the Basic Examination Certificate of Education (BECE). However, the study found no expenses incurred by households for extra classes or transport for children in public schools. Some teachers expressed the need and willingness to conduct extra classes if parents were willing to pay.

The proximity of households to public schools was a major factor for not incurring transport costs, although the study found that some children were commuting daily to school. Some low fee private schools organised buses to pick up children who lived outside the community for which they charged a small fee. In general, the difference in average cost of schooling per child in public and private schools comes from school fees, extra class fees and transport.

**What proportion of poor household's income is spent on education?**

Table 2 shows the mean household income by quintile. By comparing the average total costs per child for private (Gh ¢ 62.06) and public (Gh ¢ 32.7) schools to their respective mean household income by quintile, the following can be deduced: for households in quintile 1 (the poorest), enrolling a child in a low-fee private school would amount to about a third (30%) of their household income.

**Table 2: Mean household income by quintile**

<i>Quintile</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
Mean	208.0	355.2	518.7	875.2	1,909.0
Median	222.0	360.0	540.00	900.0	1,575.0
Minimum	45.00	273.0	432.30	540.0	900.00
Maximum	270.0	432.2	630.00	1,080.0	4,680.0

Households had on average two school age children; meaning that for the poor to enrol in low fee private schools the proportion of the household income needed would be considerable. For a household in quintile 1 enrolling a child in public school the costs represent about 16% of their income.

For households in quintile 2, the proportions of income on education would be 17.5% and 9.2% for private and public schools respectively, while for households in quintile 3, the proportions come down to 12% and 6% for private and public schools respectively. For households in quintile 4, this fell further to about 7% of household income for private schools and 4% for public.

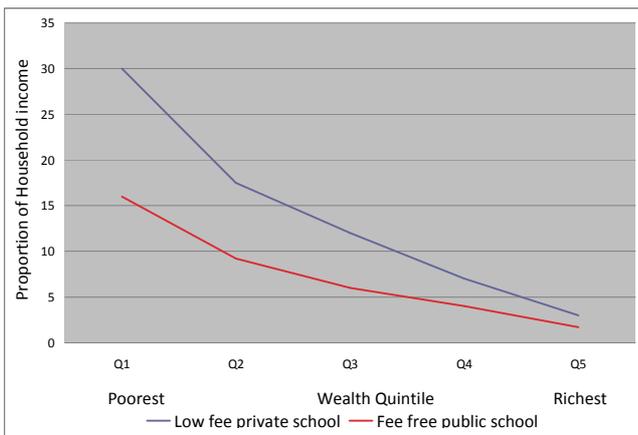
For the richest households in the communities (quintile 5), the gap between private and public would narrow even further - about 3% and 1.7% respectively, which means for this group the choice of a low-fee private school becomes even more attractive. This narrowing of the proportional difference between the costs of attending public and private schooling is represented in Figure 1 on the next page.

Since fees are fixed costs they are a smaller percentage of the income of richer households. Similarly, the income elasticity of expenditure on food is likely to be relatively low and therefore form a smaller proportion of their income.

On the other hand, the education expenditure of poorer households as a proportion of their estimated income is relatively high, particularly for those whose average earnings/incomes are much more subject to shocks due to the seasonal nature of their occupations (e.g. fishing, subsistence farming, petty trading etc). In effect, poor households who enrol their children in low-fee private schools are spending a relatively large proportion of their income on education.

The fact that some poor households opt for low-fee private schools would suggest that they were making huge sacrifices to access these schools. What was clear from in-depth interviews of households in the study communities is that, the introduction of the capitation grant has reduced the cost burden on education considerably. Some families were taking advantage of this significant reduction in their education expenditure to enrol a child in low-fee private schools, whilst others were splitting their children between private and public schools. It was also clear that the attractive proposition of quality education in the low-fee private schools had generated interest in these schools.

**Figure 1. Proportion of household income needed to enrol two children in school, by wealth quintile, for public and private schools**



Low-fee private schools were trying to increase demand even from poor households. They were doing this by adopting what might be considered 'household friendly' fees policy. For example,

households could spread fees over the term or year. Other low-fee private schools offered households a fee discount for any additional child enrolled. Interestingly, nearly all parents or caregivers interviewed expressed their willingness to make a small financial contribution towards educating their children if that would increase their chances of passing the BECE. Households who had children in low-fee private schools expressed more optimism about their children doing well in the BECE than those with children in the fee-free public schools.

In addition, households with children in the low-fee private schools felt the schools operated with a clearer vision of improving pupil learning and achievement. In particular, they referred to the speaking and writing proficiency of children in private schools in the English language, as an indication of their quality and success. For them, the low-fee private schools stood for something they were prepared to buy into – the evidence of success was tangible, whereas for the fee-free public schools they felt there was less commitment to this goal.

**What makes low-fee private schools attractive to the poor?**

Analysis of household direct costs indicated that those with children in low-fee private schools incurred significantly higher costs per child than those who had children in a fee free public school - (see table 1). These costs were also a significantly higher proportion of household income for poorer families (see Figure 1). So why were some of the poorest households opting for the low-fee private schools? We found that although the costs were much higher, low fee private schools were adopting strategies that induced demand from households.

In one low-fee private school fees were reduced for every additional child enrolled. A fourth child enrolled paid no fees. Two low-fee private schools were willing to enrol children between the ages of three to five for free in their pre-schools. What this did was to ensure that they had a stock of children ready to enter the fee paying stream. Households who made prompt payments sometimes received a fee discount of 10 to 15%. Such practices ensured that the low-fee private schools were able to recruit from poor households. On the other hand, the fee-free public schools made no such effort to induce demand. The general view among households was that public schools were insensitive to their concerns about poor performance, and generally supervision of their work was poor.

### Conclusions

It is clear from our study that some poor households are turning their backs on fee-free public schools. We cannot assume that fee-free education means the poor will not weigh up what is offered and if in doubt, look for the low-fee option.

It is important to remember that as far as households are concerned, capitation does not eliminate the costs of education - households still have to find money to pay for such things as food, uniforms and other school logistics.

Coupled with concerns about weak accountability in public schools and the sense of purpose generally exhibited by low-fee private schools, the latter become increasingly attractive, even for the poor.

### Policy Implications

This study raises some important implications for policy:

- Policy on fee-free education needs to do more than what capitation offers – fee-free education needs to be driven by an incentive structure that makes public schools more accountable to local communities. For example, public schools could be made to account for how they have utilised their capitation to improve access and quality, and together with the school community set targets for improvement.
- Providing free school meals would greatly reduce the education cost burden to poor households, and coupled with systems of accountability for quality improvement is likely to induce demand for public schools.
- The growth of low-fee private schools in rural communities requires policies that bring them under the umbrella of strategies to improve access for all. Ensuring similar regulatory and accountability standards for public and private schools may help the former to operate in ways that improve their sense of responsiveness to the expectations of local communities.
- The interest shown by some poor households in low-fee private schools suggests that the state must consider supporting these schools to keep their costs low. This may mean supplying them with instructional materials (e.g. textbooks), extending free school meals programmes to areas where they recruit a large proportion of school age children.

- There may be a case for direct public assistance to poor parents in rural communities who are increasingly using the services of low-fee private schools, especially if these schools are in the majority. To do so, low-fee private schools have to be regulated and their operations made more transparent to merit state assistance. This may require auditing their operations to ensure that the funds they receive are properly accounted for.

- Finally, school mapping should include low-fee private schools so that there is better understanding of their expansion and relative costs. Future Education Management Information System (EMIS) administrative survey should identify and include data from these schools for policy planning.

This policy brief has been produced by Akaguri L., & Akyeampong K., and is based on their forthcoming paper in the CREATE special issue of IJED.



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