INTRODUCTION

Britain’s Department for International Development (DFID) is increasingly funding and supporting private education in developing countries. Indeed, it has become the world’s leading bilateral donor in promoting not only ‘low cost’ private schools but also in promoting the role of multinational companies as funders of education in developing countries. Current DFID policies are controversial. They raise concerns over whether promoting the increasing role of the private sector in education is the optimal role for a development organisation to address the challenges facing global education.

This briefing documents the various ways in which DFID is promoting private education and an increasing role for multinational corporations in education, and recommends that these policies be subject to much deeper scrutiny.

The context is that although DFID is continuing to fund public education services in various developing countries, it is shifting much of its funding and support to the private sector.¹ This is an explicit government priority. DFID’s Private Sector Department Operational Plan, drawn up in 2012, states that ‘private enterprise is not just a generator of wealth but also a provider of critical basic services’. It adds that DFID’s work with the private sector is focused on ‘delivering better and more affordable basic services’ which will be achieved partly by ‘engaging private enterprise directly in shaping and implementing development programmes and policy’.²

DFID’s Education Position Paper of July 2013 calls for ‘developing new partnerships across the public-private spectrum’ and commits DFID to promoting low-cost private schools ‘in at least four countries’.³ DFID is currently funding initiatives promoting private schooling in several countries including Pakistan, Nigeria, Ghana, Kenya, Uganda and Burma.⁴

At the same time, the government has embarked on a new strategy to promote education exports in a global market in which UK companies (such as private providers of education and/or education materials)
play a strong role. A new body – UKTI Education – has recently been established by the Department for Business, Innovation & Skills and UK Trade & Investment. UKTI Education states:

‘We help UK education and training organisations win business overseas. We identify high value commercial education opportunities and then work with the UK education and training sector to prepare effective, co-ordinated UK responses’.5

‘Priority markets’ for UKTI Education include East Africa and India, key regions where DFID is promoting education.6 The government notes that, in relation to education, East Africa has ‘potential for significant future business’.7

In July 2013, the government also published its International Education Strategy which called for increasing British education exports and building new relationships with emerging powers. It noted that Asia, Latin America and Africa ‘will provide the majority of growth in education in the 21st century’.8

This strategy, alongside DFID’s promotion of private education, raises clear concerns that policies may be more about finding new markets for British companies than genuinely addressing education needs in developing countries.

DFID is promoting an increasing role for the private sector in education in three main ways.

- By promoting an enhanced role for multinationals in funding education
- By funding a range of private education providers and ‘low-cost’ private schools in other bilateral projects
- By funding research and dissemination of information on private education and aiming to change government policies

Each of these is considered below.
1. ENHANCING THE ROLE OF MULTINATIONAL COMPANIES IN EDUCATION

DFID is promoting an enhanced role for multinational companies in funding education, including (but not only) private education.

Several projects under DFID’s flagship programme, the Girl’s Education Challenge, involve a key role for multinational companies. The Girl’s Education Challenge, on which DFID is spending £355 million during 2012-16, ‘will help up to a million of the world’s poorest girls improve their lives through education and to find better ways of getting girls in school and ensuring they receive a quality of education to transform their future’. The initiative promotes only non-state (private sector and NGO) provision of education and aims to ‘leverage private sector involvement and resources’. This is to be achieved partly through ‘strategic partnerships’ that provide match-funding to private sector partners. Such strategic partnerships have so far been signed with or are being negotiated with Coca-Cola, Discovery Communications, Avanti Communications, Ericsson and Microsoft.

DFID and the Coca-Cola Company ‘have joined forces to bolster the educational and economic opportunities of more than 10,000 marginalised girls and young women in Nigeria’. The two will jointly invest nearly £7 million in an initiative known as ENGINE (Educating Nigerian Girls in New Enterprises) which will promote ‘the economic empowerment of 5 million female entrepreneurs across the global Coca-Cola value chain’.

Coca-Cola suggests that the ENGINE project is a clear part of its business strategy. It states that the project is part of its global commitment to enable the economic empowerment of women entrepreneurs and that ‘we’ll focus on the small businesses the Company works with’ in 200 countries. The company’s main focus is on ‘four key markets’ (Brazil, South Africa, the Philippines and India) and ‘additional markets’, including Nigeria. DFID has recently developed strong relations with
Coca Cola in a strategy that is openly benefiting the company's sales strategy in Africa.\textsuperscript{15}

The strategic partnership between DFID and \textbf{Discovery Communications}, home of the Discovery Channel, was announced in 2013 and involves investing £12.3 million in girls’ education in Ghana, Kenya and Nigeria, to be match-funded by DFID. The project’s implementing partner is the Discovery Learning Alliance, a part of Discovery Communications which provides teacher training, education technology and content to schools\textsuperscript{16}; the Discovery Learning Alliance is also funded by Chevron and the Coca-Cola Foundation.\textsuperscript{17} Similarly to Coca Cola, the partnership promotes Discovery's business: according to DFID, ‘Discovery sees their partnership as an investment in countries that are important to their business in the medium and long-term (noting the growing middle class in Africa and importance of female education)’.\textsuperscript{18} According to the Discovery Learning Alliance:

> 'In this initiative, we are working with Ministries of Education in 1,500 schools in Ghana, Kenya and Nigeria. We expect to train over 14,000 teachers, and reach over 600,000 students. Our magazine-style talk shows, will reach 10 million people in these three countries through entertaining, inspiring and informative programming that will share the value of girls’ education'.\textsuperscript{19}

\textbf{Avanti Communications} is another corporation with whom DFID has signed a strategic partnership, in July 2014, for a project called iMlango in Kenya. Avanti, a UK-based corporation, ‘sells satellite data communications services to telecoms companies which use them to supply enterprise, institutional and consumer users’, and has recently extended its coverage to Africa.\textsuperscript{20} Avanti’s CEO is Paul Walsh, a former CEO of Diageo\textsuperscript{21} who was until recently a member of the Prime Minister’s Business Advisory Group\textsuperscript{22}. According to Avanti, Project iMlango will provide high-speed satellite connectivity to schools to enable students to access interactive educational content. The project aims to reach 150,000 pupils in 195 Kenyan primary schools.\textsuperscript{23}

DFID has devolved management of the Girls Education Challenge to the British services company, Price Waterhouse Coopers (PWC), a large multinational which had revenues of £2.8 billion in 2013/14.\textsuperscript{24} The fund
The manager's role is to manage the day-to-day operation of the GEC, establish the bidding process, sift proposals, make recommendations to DFID, and manage the relationship with the projects to be funded.\textsuperscript{25}

There is a clear potential conflict of interest in PWC managing the Girls Education Challenge. PWC advises clients investing overseas and itself seeks out new clients to generate ongoing business. PWC's chairman, Ian Powell, notes that the company has a particular focus on 'enabling UK exporters to access key markets' and that it sees 'significant opportunities to use the capabilities that we have developed in the UK firm in these [emerging] markets, so that the PwC network can support companies as they seek to invest'.\textsuperscript{26} As regards Africa, PWC's aim is 'to be well-positioned to respond to the potential economic boom expected in the continent'.\textsuperscript{27} One of PWC's clients is Coca-Cola, also a strategic partner under the GEC.\textsuperscript{28}

One member of the four organisation consortium managing the Girl's Education Challenge (that is led by PWC) is Nathan Associates, a US- and UK-based private sector development consultancy directly funded by DFID.\textsuperscript{29} Nathan Associates states:

>'Working with firms, governments, and aid agencies, Nathan Associates strives to advance the development of the private sector and the prosperity arising from that development. Our work is guided by our belief that the private sector is the main engine of economic growth and, when governed by sound policies and institutions, the best means for achieving inclusive, pro-poor growth'.\textsuperscript{30}

Nathan Associate's London office, which manages the organisation's involvement in the Girl's Education Challenge, specialises in privatisation, among other aspects of private sector development.\textsuperscript{31} The manager of Nathan London's involvement in the Girl’s Education Challenge - who ‘developed the value-for-money framework’ for the initiative - is a former DFID Nigeria official who focuses on public-private partnerships.\textsuperscript{32}

Nathan Associates London designed the second generation Africa Enterprise Challenge Fund\textsuperscript{33}, a DFID-funded initiative promoting private sector development in Africa managed by KPMG, some of whose
beneficiaries are leading multinational agribusiness companies.\textsuperscript{34} The Managing Director of Nathan’s London office, Sunil Sinha\textsuperscript{35}, wrote the chapter on Private Sector Development in DFID’s manual for economists and helped DFID develop its ‘making markets work for the poor’ approach in Africa, Asia, and Latin America\textsuperscript{36}.
2. DFID’S SUPPORT OF FOR-PROFIT EDUCATION PROVIDERS AND ‘LOW-COST’ PRIVATE SCHOOLS

DFID is funding a range of private education providers.

Pearson

Pearson describes itself as the ‘world’s leading learning company’, with 40,000 employees in 80 countries, and which provides learning materials, places of learning, technologies, assessments and services to teachers, professionals and students.\(^3^7\) In 2013, it had sales of £5.2 billion and made a profit before tax of £382 million.\(^3^8\) Research by ActionAid on company use of tax havens has shown that Pearson’s group structure includes 90 subsidiaries in recognised tax havens.\(^3^9\)

Under the Girls Education Challenge, DFID is funding a project in Tanzania and Zimbabwe involving a partnership between Pearson and Camfed\(^4^0\), a non-profit NGO which provides funds for children to attend school. The project aims to enable 60,000 girls in Zimbabwe and Tanzania to enrol in secondary school and ‘harnesses Pearson’s wealth of expertise in providing innovative learning and training materials’.\(^4^1\) Pearson will train and certify 5,000 Camfed Learner Guides: young women who have graduated from secondary school with Camfed’s support.\(^4^2\)

Pearson is also a member of the Funders Platform of the Centre for Education Innovations, a body established and funded by DFID. This Funders Platform ‘allows donors, foundations, companies and investors to share information on their non-state education policies and programmes in developing countries’.\(^4^3\)

While DFID is supporting Pearson, the latter is seeking new markets in developing countries. The company’s Affordable Learning Fund has profiled 11 countries – including Ghana, India, Kenya, Nigeria, Pakistan, Tanzania and Uganda – where it states that ‘low-cost private schools
offer quality education solutions’. Launched with a £15 million investment in 2012, and chaired by Sir Michael Barber (see box), the Affordable Learning Fund ‘makes minority equity investments in for-profit companies to meet a growing demand for affordable education services across the developing world’. The Fund invests in several private education providers around the world including Bridge International Academies and Omega Schools, both also being supported by DFID (see below). Pearson's investment in Omega, a privately held chain of affordable, for-profit schools based in Ghana, ‘is helping Omega expand from ten schools in greater Accra, serving about 6,000 students, to a full-service school chain serving tens of thousands of students throughout the country’.

Dame Marjorie Scardino, Pearson's recent former Chief Executive, states on the Pearson website:

'We believe that a free-enterprise model of low-cost schools – schools affordable for many of the poorest – may be the best chance to provide both benefits'.

Pearson also states that it has a:

'valuable role to play in quality education provision to underserved communities and views these populations as active consumers and customers. Designing products and services for high-growth emerging markets is a central part of Pearson's long-term business strategy.'

**Conflicts of interest?: Michael Barber and Vivienne Cox**

DFID's Chief Education Representative in Pakistan is Sir Michael Barber, a former Head of the Prime Minister’s Delivery Unit (2001-2005) and Chief Adviser to the Secretary of State for Education on School Standards (1997-2001). DFID is promoting private schooling in Pakistan. But at the same time, Barber is Chief Education Advisor at Pearson and which, it says, is 'accelerating our investment in developing markets'.
Barber’s biography at Pearson states that he ‘plays a particular role in Pearson’s strategy for education in the developing world’. With DFID in Pakistan, Barber is advising (in an unpaid capacity) on projects promoting an increasing role for private education providers. DFID’s flagship education project in Pakistan, launched in 2011, is the Punjab Road Map, to which DFID is providing £350 million between 2012/13 and 2017/18. The project aims among other things at expanding low-cost private schooling, and is headed by Barber. In this project, Barber ‘works with the Chief Minister [of Punjab] to provide strategic advice and political momentum to the Roadmap’.

DFID’s Education Fund for Sindh, which is a £44 million pilot programme running from 2012/13 to 2015/16, provides vouchers to parents that they can spend in low-cost private schools and ‘draw[s] on the energy and expertise of new partners, including from Sindh’s vibrant private sector, ensuring responsibility for delivery of education for all is shared broadly across the province’s society’. DFID has been quoted in the media as saying that Barber and his team in Pakistan are doing vital work in helping to ‘transform’ its education system.

A second conflict interest involves Vivienne Cox, a member of DFID’s Ministerial Board who is also a Director of Pearson. Indeed, Cox is also a director of BG Group, the British gas multinational seeking new investment opportunities in Africa.

GEMS Education

Another private education provider being supported by DFID is GEMS Education Solutions Ltd. DFID is providing a grant of £1.98 million for its MGCubed (Making Ghana Girls Great) project in Ghana. The MGCubed project is described by GEMS as the first, interactive distance-learning project to improve the learning outcomes and life chances of 4,000 marginalised girls in 72 schools in Ghana. It will equip two classrooms in every school with solar-powered computers and projectors through which real-time two-way interactive distance lessons can occur.
Based in the UK, GEMS is ‘the specialist education consultancy division’ of GEMS Education, which manages a network of dozens of international private schools and employs 11,000 education staff. Chaired by Sir Michael Peat, the principal private secretary to Prince Charles from 2002-2011, GEMS Education describes itself as ‘the world’s leading education company’. GEMS Education Solutions is managed by a former partner of PWC and advised by Labour Peer, Lord Andrew Adonis, who was Minister for Schools and Transport Secretary under Tony Blair and Gordon Brown, and who advises GEMS on educational policy in the Middle East and Africa. GEMS Solutions is controlled by its Holding Company, GEMS Manasa Ltd which is incorporated in the Cayman Islands.

GEMS Education Solutions manages the East Africa Hub, focussing in Kenya and Uganda, of the Centre for Education Innovations, a DFID-funded programme to promote private education in developing countries (see below).

Bridge International Academies

DFID is also supporting Bridge International Academies, which describes itself as the world’s largest chain of primary and pre-primary schools. Bridge is a for-profit company that charges an average $6 a month in schools fees to its pupils and ‘manages every step in the process of delivering high-quality education, from how to build an academy to how to teach inside the classroom.’ The company is rapidly expanding. Its goal is to operate in at least 12 countries across sub-Saharan Africa and India and have more than 10 million pupils by 2023. Bridge states that: ‘Ten years from now we plan to be the global leader in providing education to families who live on $2 a day per person or less.’ By 2013, Bridge was opening a new school in Kenya every 3-5 days.

The first investment of DFID’s new Impact Fund - a 13 year programme worth £75 million being managed by CDC, the UK’s development finance institution – was a £15 million investment in the venture fund, Novastar to support the latter's investment in Bridge International Academies. According to DFID, ‘Novastar seeks to develop fully
commercial businesses that adapt and deploy innovative business models to profitably serve proven demand for basic goods and services’.\textsuperscript{81} Novastar, which was founded by the Directors of Springhill Equity Partners\textsuperscript{82}, states on its website, referring to Bridge: ‘The “market” for such affordable high-quality education in low-income communities is immense’.\textsuperscript{83} The public investment by DFID in Bridge would appear to challenge the idea that the company has a commercially viable business model.

In January 2014 it was announced that CDC will invest $6 million in equity in Bridge alongside the International Finance Corporation, the World Bank’s private sector arm. CDC noted that its investment will support Bridge’s plans to expand to more countries in Africa, and reach its goal of educating 10 million children over the next decade.\textsuperscript{84}

Another investor in Bridge International Academies is the Omidyar Network (founded by eBay founder Pierre Omidyar) which is also a partner of DFID in the Impact Fund, providing capital and advice.\textsuperscript{85} Omidyar’s investment in Bridge ‘will support the company’s aggressive expansion in Kenya and beyond’.\textsuperscript{86}

**Omega Schools**

DFID project documents suggest that it is also likely to support Omega Schools, a privately held chain of for-profit schools based in Ghana. Omega’s first two schools opened in 2009, and it now plans to grow to 40 schools in the next few years with 20,000 students, with significant investment from Pearson's Affordable Learning Fund.\textsuperscript{87}

DFID project documents envisage contracting for-profit education providers such as Omega and Bridge in its Developing Effective Private Education (DEEPEN) project in Nigeria. This project, worth £18.5 million during 2013-2018, aims to support pupils in Lagos in low-cost private schools and ‘will be highly innovative and experimental, applying a market systems approach to improving education quality for the first time’. According to DFID, contracts will be made ‘with for-profit companies interested in developing and introducing an innovative business model for low cost private education to the Lagos market’. The
document adds that ‘Omega Schools Ghana will adapt their lesson plans, workbooks and assessment exercises for the Nigerian curriculum and... licence these resources plus with their teacher training and management tools as a complete “learning system” to existing low cost schools in Lagos’.  

Omega was founded by Ken Donkoh, a Ghanaian entrepreneur, and James Tooley, professor of education policy at Newcastle University who is now Omega’s chair. Prof. Tooley has also created embryonic chains of low-cost private schools in Sierra Leone and India and is the patron of the Association of Formidable Educational Development in Nigeria, an association of 3,000 low-cost private schools. Prof. Tooley is a prominent champion of low-cost private schooling and is being indirectly funded by DFID. In August 2013, for example, it was announced that the international development consultants GRM succeeded in winning the bid for DFID’s Human Development Innovation Fund for Tanzania (HDIFT); James Tooley was included in the bid as a lead consultant on education.

The HDIFT, which runs from 2013-20 and is receiving DFID funding of £30 million, will ‘drive innovative approaches to improving the quality, value for money and sustainability of basic services in the education, health and water and sanitation sectors’ and ‘catalyse the development and testing of new models of service delivery’. DFID’s project document on the HDIFT notes that ‘the potential role of private not-for-profit and for-profit providers in direct service delivery and as a source of good practice for the government sector is not being realised’ in Tanzania.

In November 2013, Prof. Tooley travelled to South Sudan to launch a research report on low cost private schools in Juba, in an event organised by DFID and the British Ambassador.

Support for other ‘low-cost’ private schools

DFID is also funding ‘low-cost’ private schools in other projects. In Kenya, for example, DFID is supporting an education project managed by Adam Smith International, a British pro-privatisation consultancy. The Kenya Essential Education Programme (KEEP) is a two-year,
£25 million programme\textsuperscript{94} that conducts ‘action research into low-cost private schools for the poor’ and aims to enroll 50,000 more children into Kenyan private schools by 2015\textsuperscript{95}. However, DFID project documents note that of those 50,000, 75 per cent will be in ‘low cost’ schools, presumably meaning that the rest will be in higher cost schools.\textsuperscript{96}

DFID is also supporting a project in Uganda – **Innovating in Uganda to Support Educational Continuation by Marginalised Girls in Relevant Primary and Secondary Education** - being implemented by the NGO, Opportunity International. This is providing parents with tuition loans to support girls’ attendance at upper primary and lower secondary levels. DFID states that the project promotes activities in ‘low (and medium) cost private schools’; this again suggests that it is not only low-cost schools that DFID is supporting, though no more details are publicly available in this case.\textsuperscript{97}

DFID is also supporting low-cost private schooling in Uganda by funding a project managed by **Promoting Equality in African Schools (PEAS)**\textsuperscript{98}, which builds and runs private schools in Uganda and Zambia and which plans to expand into another five countries before 2017\textsuperscript{99}.
3. PROMOTING THE IDEA OF PRIVATE EDUCATION AND CHANGING GOVERNMENT POLICIES

DFID is funding research and dissemination of information on low-cost private schools and aiming to change government policies to deepen the promotion of private education. Two key recipients of DFID funding in education are the Centre for Education Innovations and the World Bank’s Systems Approach for Better Education Results. Both openly promote private sector approaches to the delivery of education.

**Center for Education Innovations (CEI)**

The CEI, based in Washington, ‘is an online resource which profiles hundreds of innovative, non-state education models and approaches for the poor’.100 Launched in 2012, the CEI is the sibling of the Center for Health Market Innovations (CHMI) which promotes private sector involvement in the delivery of health services.101 The CEI, like the CHMI, is coordinated by the Results for Development Institute (R4D)102, a non-profit organisation also based in Washington which aims at ‘removing barriers impeding efficiency in global markets for essential commodities (for instance, in health and nutrition)’.103

DFID supported the creation of the CEI with £6.3 million in funding. Its Business Case outlines that the ‘CEI will be a global public source of information on non-state education and training and related tools’ and that:

‘CEI will document market-based interventions that make the education sector function better for the poor including examples of: (i) private ownership and contracting out; (ii) user choice and competition plus innovative means to empower users to hold providers to account; (iii) price signals in funding; and (iv) innovative policy reform’.”104
DFID makes clear that its intention is to influence developing country policy-making:

‘This information will improve LIC [low income country] governments’ understanding of the non-state education provision in their countries and globally. CEI will invite policymakers from LICs to participate in dissemination events that showcase the most promising education models for the poor’. 105

The CEI is also intended to influence other donors:

‘Currently, there is no mechanism for funders of non-state education to co-ordinate their support to the sector. Many education fora acknowledge the role of the private sector in education provision, but their members do not actively collaborate to improve it’. 106

DFID’s Business Case for supporting the CEI acknowledges that ‘there are few donors willing to take the risk of investing in a new model such as CEI’ and that ‘there are fewer donors working in non-state education’. 107

As noted above, Pearson is on CEI’s Funders Platform, which ‘allows donors, foundations, companies and investors to share information on their non-state education policies and programmes in developing countries’. 108

**Systems Approach for Better Education Results (SABER)**

DFID is also supporting the World Bank’s SABER programme, which is analysing private sector education and skills training provision in 60 countries in sub-Saharan Africa and South Asia. According to DFID, ‘this work will study government policies and their implementation with a view to improving recommending how developing countries can better leverage private sector expertise and resources to improve learning outcomes for poor people’. 109 DFID notes that SABER aims to ‘improve the regulatory environment for private provision of education’ in Africa and South Asia. 110
Indeed, DFID is funding an Education Markets Analysis, under the auspices of SABER, to study low-cost private schools.\textsuperscript{111} This study is led by Harry Patrinos, a senior education expert at the World Bank\textsuperscript{112} who espouses the view that governments do not need to be the main providers of education and that ‘private management of public institutions’ is an option in developing countries.\textsuperscript{113} SABER is part of the increasing push by the World Bank and the International Finance Corporation to promote private education in developing countries.\textsuperscript{114} Indeed, other senior figures in the World Bank are openly espousing the virtue of private education. A further example is Shanta Devaranjan, chief economist of the World Bank’s Middle East and North Africa Region, who has recently written that ‘education is largely a private good’.\textsuperscript{115}
4. THE CONTROVERSY OVER PRIVATE EDUCATION

Most of DFID’s programmes supporting education are directed at improving public sector delivery. In 2013, DFID spent £905 million in bilateral aid on education, 13.5 per cent of its total bilateral aid. But as the review above shows, DFID's support for private education has become significant and is growing. Furthermore, DFID is acting as a catalyst for the development of the private education market in developing countries. It is 'helping' developing countries revise policies to facilitate the private provision of services and making such approaches, which are politically controversial, more acceptable. For example, DFID documents make clear that its increased involvement with the private sector in education is promoting:

‘... innovation, so that new ways of doing things and new delivery partnerships are explored, to test whether new models can be usefully incorporated into DFID’s bilateral programme’.117

At issue is not so much the question whether private schools are good or bad, but more so whether it is justified for a development donor, using British taxpayers’ aid money, to promote private schools. The evidence base in favour of this is thin. DFID itself notes:

‘Evidence does suggest there are serious equity and choice barriers associated with the growth of low-cost private schools’.118

DFID’s 2013 Education Position Paper notes that, while DFID will support low-cost private schools in at least four countries, ‘empirical findings remain inconclusive’ as to whether low-cost private provision increases learning outcomes. Nicole Goldstein, an Education Advisor at DFID Ghana, has blogged that:

‘the evidence base on low fee private schools is still weak, and there are more questions than answers’.120
Similarly, a DFID policy paper notes the ‘strong sensitivities over private involvement in public service provision and that the evidence base is variable’.\textsuperscript{121}

DFID’s Business Case for its Education for Sindh project in Pakistan notes that ‘the rapid growth of low-cost private schools is a reflection of the failure of the government system to offer children a decent education’. It adds that, while private schools can now be found in the poorest communities, ‘they remain out of reach of the very poorest families’.\textsuperscript{122}

DFID’s Business Case for the Punjab Education Sector Programme in Pakistan claims that low-cost public schools achieve, on average, better learning outcomes than their public sector counterparts – although this contention is highly contested. But it also states:

‘Many parents cannot afford to pay even minimal fees or other associated costs. Others are unwilling to do so, particularly for their daughters. There is a significant need for good quality free schooling for the poorest. The private sector can help, but the scale of the required intervention underscores the importance of finding sustainable financial models rather than donor dependent interventions. This means working closely with government. Ignoring the thousands of existing public schools in low performing districts would not be cost effective’.\textsuperscript{123}

Also of concern is that DFID documents suggest that its projects promoting ‘low-cost’ private schools are not always aimed at the poor:

- As noted above, the Kenya Essential Education Programme (KEEP) is supporting 50,000 children, of whom 75 per cent are deemed to be in ‘low cost’ schools, presumably meaning that the rest will be in higher cost schools.\textsuperscript{124}
- As also noted above, another DFID project in Uganda is providing loans for parents for ‘low (and medium) cost private schools’.\textsuperscript{125}
- Similarly, DFID’s Business Case for the Developing Effective Private Education (DEEPEN) project in Nigeria states that ‘DFID support will facilitate change and support innovation in the private education system in Lagos to improve the quality of
education delivered by private schools, particularly schools which serve poor children’. The document states that ‘almost 1.5 million girls and boys will benefit’ but that only 450,000 of these will be from low-income backgrounds.126

The case that DFID is supporting developing countries’ own efforts to promote education is often undermined in promoting private schooling. For example, DFID’s Business Case for the Developing Effective Private Education Project (DEEPEN) in Nigeria states:

‘There is currently a window of opportunity for DFID to intervene. The current Lagos State Commissioner for Education, in sharp contrast to her predecessor, has recognised the contribution of the private sector and asked DFID to support the Ministry to improve the rules and regulations for private schools... Elections in 2015 will bring a new Governor and Commissioners. It will be critical for the programme’s success that it has time to build momentum and traction before then.’127

Similarly, DFID documents on the Interim Support to Education Programme (INSTEP) project in Kenya, which provided textbooks to children in low-cost private schools until it ended in 2012, states:

‘Interviews with Ministry of Education officials revealed a lack of awareness of the textbook distribution programme, resentment against a perceived lack of collaboration, and widespread resistance to the idea that low-cost private schools have a role to play in achieving quality Education for All in Kenya. This suggests that any new programme of support to low-cost private schools will need to focus on greater collaboration with the Ministry of Education to support a greater enabling environment for the low-cost private schools sector’.

128 Around the world, many governments are failing to invest adequately in public education and health. DFID should be arguing that governments step up this investment and its own support should help them to do it. Private actors in this area understand that they are filling the gap where the public sector should be. Anthony Bugg-Levine, the Managing
Director of the Rockefeller Foundation, which plays a leading role in ‘impact investing’, has stated:

‘In an ideal world, these basic services like clean water, education, and healthcare would be provided to all citizens by governments for free or at very affordable rates. .... But the reality today is that most poor people are buying basic services from the private sector, and they do so while incurring a huge penalty, in the prices they pay and the quality of services they receive. There is a real opportunity for impact investors who can deliver components of these services more efficiently and effectively, and this opportunity has tremendous social and environmental benefits as well.’

Instead of taking advantage of gaps in public provision of education and health, governments and donors should be filling them. In education, DFID’s focus on promoting low-cost private schools is misplaced and dangerous. The biggest gains in education in recent years have occurred when governments eliminated school fees to deliver on the right to education. This has led to tens of millions of children enrolling in school for the first time. Low-cost private schools thrive in contexts such as illegal slum settlements in marginal urban areas, where governments fail to provide public schools because they do not recognise the settlements. Yet most slum dwellers would prefer their governments to open schools.

Even the private schools with the lowest fees will not help extend access to the 57 million children worldwide who are not at school. A recent survey in Ghana found that of 450 children enrolled in low-cost private schools, 449 were previously enrolled in government schools – which will face a spiral of underinvestment.

DFID’s approach is especially serious in Pakistan. Pakistani education specialist Irfan Muzaffar notes that ‘supporting schools that would charge fees at the point of service runs counter to the constitutional promise made by the state, unless we could somehow universalise vouchers, which will be nigh impossible due to limited resources and a highly segmented market place....Shouldn’t these agencies instead ratchet up pressure on the government of Pakistan to reverse its
current trend of public spending on private education?"\textsuperscript{132} However, as stated in a 2013 parliamentary enquiry into DFID’s work in Pakistan, where DFID is promoting private schooling: ‘We were told that Pakistan spends so little on education because the people who make the expenditure decisions do not use the government education system and are not properly accountable to the people who do.’\textsuperscript{133}
5. RECOMMENDATIONS

DFID should put on hold its funding for private education.

The Independent Commission for Aid Impact (ICAI) should investigate the extent to which British public support for private schools is justified by the evidence on improved learning outcomes, and in the context where most developing countries are insufficiently supporting public spending on education.

DFID should end its support for multinational companies in education projects. Public funding should go to public education services.

The possible conflicts of interest involving Sir Michael Barber and Vivienne Cox should end. Either DFID should cease its support for Pearson or else Barber and Cox’s relationship with DFID should be ended.
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15 For example, DFID is also supporting Coca-Cola through the Business Call to Action. The then Secretary of State for International Development Andrew Mitchell said in June 2011: ‘Through its membership of the Business Call to Action, the UK’s support to the private sector has already assisted Coca Cola to develop a network of small-scale retailers across Africa’. ‘Mitchell: Business expertise to boost aid efforts’, 16 June 2011, http://www.dfid.gov.uk/news/press-releases/2011/mitchell-business-expertise-to-boost-aid-efforts/) Indeed, this Business Call to Action project is helping Coca-Cola ‘significantly expand its network of locally owned, low-cost Micro Distribution Centres (MDCs) to enable jobs and opportunities in base of the pyramid markets across Africa.’ The project is regarded as a win-win by Business Call to Action and Coca-Cola, with their material noting that the project has created 3,000 MDCs which employ 13,500 people. (‘The Coca Cola Company: Enabling Jobs and Opportunity’, January 2010, http://www.businesscalltoaction.org/wp-content/files_mf/cocacolacasesstudyforweb40.pdf) Yet the project is also highly profitable for the company. It notes that: ‘TCCC’ [The Coca-Cola Company] business depends on sales and market penetration. The MDC business model provides a flexible, low-cost solution to distribution challenges that prevent market expansion. Today, the
MDCs generate annual revenues of more than US$550 million. And with TCCC’s commitment to scaling up the MDC model across Africa, the company is on target to generate new revenues of at least US$320 million in local economies... retailers are now assured a consistent supply of Coca-Cola products on a regular basis.’ (‘The Coca Cola Company: Enabling Jobs and Opportunity’, January 2010, http://www.businesscalltoaction.org/wp-content/files_mf/cocacolacasestudyforweb40.pdf)

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