The Evolving Regulatory Context for Private Education in Emerging Economies

*Discussion Paper and Case Studies*
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Discussion Paper and Case Studies
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Foreword

The approach to regulating private sector education is as unique as the countries in which the institutions are located. Governments are under considerable pressure as they endeavor to meet access to education targets at all levels, from basic to tertiary. Increasingly, governments are recognizing that they are unable to meet these demands without investment from private providers and thus are eager to ensure that providers and investors are of the highest possible quality. Many governments are endeavoring to determine the most appropriate policy framework that will enable the private sector to contribute to national education goals.

Regulation of private education is an issue of critical importance for all stakeholders involved: government, providers, investors, parents, and students. How the government frames its regulatory policies will determine the ease, or difficulty, for private providers to enter the market. At their best, regulations can be welcome guidelines to enable quality providers to understand the requirements for working in a given jurisdiction. When regulations are transparent and appropriately applied, they can provide information for parents and students in enabling them to make rational decisions on education choice.

This publication is a compilation of papers that were developed as background for a Colloquium hosted by the World Bank Group in conjunction with IFC’s international conference on private education which was held in May 2008. The opening piece in this publication is a report prepared by two international experts, namely John Fielden, Director of CHEMS Consulting based in London, England, and Norman LaRocque, Policy Advisor, Education Forum, Wellington, New Zealand. This report sets out a brief contextual analysis of developments in regulation of private education before setting out eight propositions for governments to consider in their policy development. The second part of this publication is a series of country case studies prepared by participants attending the aforementioned Colloquium. The case studies were submitted on an informal basis to serve as background information for colloquium participants and should not be considered as formal reports setting out a definitive context for regulation of education in a particular country. The purpose of this publication is to serve as the basis for further discussion on the development of regulatory policies and to provide case studies through which others might gain insight of different approaches.

This publication has been produced through the joint efforts of three departments within the World Bank Group and numerous individuals beyond the Bank who have made significant contributions. The WBG departments are: the Health and Education Department of the IFC, the Education Team of the Human Development Network, and the Human Development Department in the Africa Region of the World Bank. Individuals attending the conference were from the following countries: Australia, Burkina Faso, Cameroon, Canada, Ethiopia, Ghana, India, Indonesia, Kenya, Malaysia, New Zealand, Nigeria, Senegal, Tanzania, United Kingdom, United States, and Vietnam.
The editors wish to acknowledge the financial assistance in the preparation of this publication from the Norwegian government through the Norwegian Post-basic Education Fund (NPEF) managed by the Human Development Department in the Africa Region of the World Bank.

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PART I

Discussion Paper

The Evolving Regulatory Context for Private Education in Emerging Economies

By John Fielden and Norman LaRocque
Governments around the world, and particularly those in developing countries, face significant educational challenges. Despite progress in raising education enrollments at the basic education level, much remains to be done. Today, about 77 million children in developing countries are not in school, particularly in Sub-Saharan Africa and South Asia. Higher education participation rates remain low in many developing countries, and public higher education institutions (HEIs) struggle to absorb growing numbers of secondary school graduates. Public universities face ongoing challenges, including a lack of teaching and research resources, and the loss of qualified staff to developed countries. The inability of public sector educational institutions, particularly in developing countries, to absorb growing numbers of students at all levels of education has seen the emergence of private schools and HEIs.

This paper briefly examines the international experience concerning the regulation of private education at the school and higher education level. It begins with an overview of the private school and higher education sectors and a short discussion of the potential benefits of increased private participation in education. The remainder of the paper focuses on the following questions and sets out some possible Good Practice Propositions for governments to consider:

- What are the potential regulatory barriers to private sector growth from both an educational and financial sector perspective?
- What are some possible policy initiatives that would address these barriers?
- What are the key elements to be addressed in developing regulatory frameworks for private provision?
- Are there examples of good practice among existing policies, either in whole or in part?
What are the specific regulatory issues that need to be addressed to facilitate new and innovative educational partnerships between the public, philanthropic, and private sectors?

What role can international organizations such as the World Bank and IFC play in promoting private participation in education?
Public delivery of education represents the norm at both the school and higher education levels in all but a handful of developed and developing countries. For example, over 80 percent of school level students in OECD and partner countries were enrolled in public schools in 2004. In only three countries (Belgium, Chile, and the Netherlands) does the private sector share of school enrollments exceed the public sector share of enrollments. The private sector also plays an important role in the delivery of school level education in a number of other developed countries, including Australia, France, Korea, and Spain (OECD 2006). In only a handful of non-OECD countries (including Lebanon, Bangladesh, Fiji, and Guatemala) do more than 50 percent of students attend private schools at either the primary or secondary levels. However, significant private sectors (30–40 percent) can be found in a number of other countries, including Bangladesh, Cameroon, Guatemala, Indonesia, Mali, Pakistan, The Gambia, and Togo. Private participation is generally higher at the higher education level than at the school level. This is true for both OECD and non-OECD countries. Indeed, the private sector dominates the delivery of tertiary education in several countries, including Belgium, Brazil, Korea, and the Philippines. It also plays a significant role in several other countries, including Burundi, Colombia, Ethiopia, Lebanon, Malaysia, Niger, and Rwanda.

Private delivery of education comes in many shapes and sizes: “formal” private schools and HEIs, so-called “cramming colleges” that prepare students for national exams, informal or community schools, individual tutoring services, and Internet-based providers. The education market is characterized by a diversity of providers, including not-for-profit

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1. OECD “partner countries” are Brazil, Chile, Israel, and the Russian Federation. These countries are not members of the OECD but their data are reported in Education at a Glance (OECD 2006).
institutions and religious institutions such as the Seventh Day Adventist and De La Salle networks of schools and universities. An important distinction is between “government-dependent” private schools, which, although managed autonomously, receive more than 50 percent of their funding from public sources and “independent” private schools, which are entirely separate from the State and rely on fee income to survive. Variants exist—for example, Ethiopia, where some private schools use public facilities and staff from public schools in the evenings. Generally speaking, “government-dependent” private schools are more heavily regulated than “independent” private schools. Although private education is often labelled elite, much of the school level provision in developing countries serves poor populations—and increasingly so in many countries, including Pakistan and India. In many African countries, a large part of the private school sector involves “clandestine” schools that are not licensed to operate. Private schools serving the poor are usually set up in non-purpose-built buildings, while “elite” schools generally offer foreign curricula such as Cambridge International Exams or the International Baccalaureate.

Similarly, private HEIs are of highly variable quality. In some countries such as India, there is a core of private universities that are of regional or world standard, while many others are of lesser quality with poorly qualified teaching staff. Few private institutions outside the United States are research-intensive, knowledge-producing institutions. Private HEIs generally offer a narrow range of market-focused vocational programs such as business and IT and employ teaching staff from public universities on a part-time basis.

A feature of both the private school and higher education sectors is the phenomenon of for-profit education providers. These institutions come in a variety of organizational forms—sole proprietorships, franchises, or national/international chains of educational institutions. Some are publicly-listed companies, while others are privately held. Examples at the school level include Beaconhouse Schools in Pakistan (120 schools with 70,000 students); The Educators (a franchise school operation also from Pakistan with 230 branches and enrollments of 75,000); Groupe Scolaire Loko (a Côte d’Ivoire-based company that operates high schools and tertiary education institutions offering a range of specialized training); SABIS® Schools (a Lebanon-based private school operator with 50 schools in 15 countries and 40,000 students); and Scholastica Group (a Bangladesh education venture with K-12 schools that enroll 5,800 students).

There are several examples of for-profit organizations at the higher education level. These include Laureate International Universities, a network of 20 campus-based private institutions in Europe, Latin America, and Asia that serve more than 215,000 students worldwide. There are many other examples of private for-profit HEIs in the developing world. These include Indian-based provider NIIT—the largest IT training provider in India; Limkokwing University of Technology, Malaysia (which has recently opened a campus in Botswana); North South University, Bangladesh; Centro Escolar University, Manila; Centre for Open Distance Education for Civil Society, Romania and TECSUP, Peru. A number of other for-profit providers, including South African based Educor, the Indian JSS Mahavidyapeetha, and the Brazilian company Objetivo/UNIP operate educational institutions at both the school and higher education levels.

Recent years have seen an expansion and broadening of the private sector’s role in the delivery of education in many countries. A key trend has been the emergence of more sophisticated forms of private involvement in education through public-private partnerships (PPPs). These include initiatives under which private operators are contracted to
manage public schools, voucher programs, and school infrastructure partnerships. A number of other philanthropic and for-profit ventures are taking place. In February 2007, Orient Global, a Singapore-based private investment institution, announced the launch of a $100 million education fund which is investing in private education ventures in developing countries. In the U.S.A., several philanthropic foundations are partnering with “charter schools” to identify and replicate successful delivery models.

The fortunes of the private education sector are very much country-specific and vary by education level. Some countries, for example Pakistan, have seen rapid growth in both the absolute size and share of private school and private higher education enrollments, while other countries (such as the Philippines) have witnessed the opposite trend with the private sector share of secondary and higher education enrollments falling from over 45 percent and 90 percent respectively in the early 1980s to 20 percent and 70 percent respectively now. Private universities are a significant and growing phenomenon in African countries (see below). In Tanzania, the number of private universities and enrollments increased by 143 percent and 500 percent respectively between 2002/03 and 2006/07.

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of private universities and colleges</th>
<th>Number of public universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>5</td>
<td>2 (1 with Letter of Interim Authority)</td>
</tr>
<tr>
<td>Egypt</td>
<td>7</td>
<td>18</td>
</tr>
<tr>
<td>Ghana</td>
<td>5 university status and 20 University Colleges</td>
<td>5</td>
</tr>
<tr>
<td>Kenya</td>
<td>13 plus 5 with Letters of Interim Authority</td>
<td>7</td>
</tr>
<tr>
<td>Namibia</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Nigeria</td>
<td>34</td>
<td>27 Federal and 30 State</td>
</tr>
<tr>
<td>South Africa</td>
<td>79 with Full Registration and 8 with Provisional Registration</td>
<td>21</td>
</tr>
<tr>
<td>Tanzania</td>
<td>17</td>
<td>12</td>
</tr>
<tr>
<td>Uganda</td>
<td>23</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Compiled from the Websites of the national accrediting bodies.

The private education sector has grown virtually across the board in developed and developing countries. A big reason for this expansion is the inability of public finances to keep pace with the growing demand for higher education. Other factors include dissatisfaction with the quality of public education (large class sizes, teacher absences, and lack of books and teaching supplies), the existence of more modern and job relevant curricula and programs in the private sector, the politicization of public education, and favorable policy changes.

There are a number of reasons why governments are making greater use of private participation in education to assist in meeting their education policy objectives. One reason is that private involvement can help to increase the level of financial resources committed
to the education sector, through for example, private philanthropic initiatives and the private financing of infrastructure. Other potential benefits of private involvement include:

■ Supplementing the limited capacity of government institutions to absorb growth in school and HEI enrollments. Private resources can be (and often are) focused on providing additional inputs (e.g. textbooks, infrastructure, IT, training, and development) aimed at improving the quality of education delivered in government institutions.

■ Opportunities for governments to support publicly funded students in private schools and HEIs—often at a lower per-student cost than in the public sector. Examples of such programs exist in several countries, including Pakistan, the Philippines, and Uganda.

■ A mechanism to raise both the efficiency and quality of education delivery since studies suggest that private delivery of education can be more efficient than public delivery, when measured on a per-student basis (IFC 2001).

■ Increased private involvement can bring new skills and knowledge—pedagogic, technical, and management—to all levels of education. The greater management flexibility enjoyed by the private sector means that it is much better placed than public schools to introduce curricular and program innovations, improved assessment methods, and modern teaching methods. Private organizations can also circumvent unnecessarily restrictive employment laws and outdated pay scales that limit the ability of public schools to hire appropriate staff and organize delivery in the most efficient and effective manner.

■ The competition from increased private delivery of education can generate improved performance among both public and private schools and HEIs.

These benefits can only be realised if governments have clear and explicit ideas on how the private sector can contribute to their national education strategy. For this to happen, there will need to be continuing conversations with the private sector and a willingness by governments to understand its motives and ways of working.
Why Regulate?

Governments have an obligation to ensure that their citizens receive a good education from whatever source it is provided. In the case of public sector schools, this means that mechanisms must be in place to ensure that teaching staff, facilities, equipment, and materials are of the best quality that can be provided with available funds. In the case of private sector provision the same principles apply, with the necessity of developing instruments of monitoring and control to ensure that provision of both public and private sectors are of the highest quality possible.

Regulation of private education must seek to ensure high quality delivery, while at the same time encouraging investment—particularly in developing countries where the need is so great and government resources are limited. Too often, government regulation appears designed to discourage private investment without any commensurate gain in the quality of education. A common feature of the regulatory regime is that government funding policies generally favor public provision over private provision, despite the adverse equity and efficiency impact this can have on the sector and the lack of any public policy rationale for such a distinction. Generally speaking, the regulatory and funding frameworks in many countries do little to provide an enabling operating environment that promotes growth in private education. Over the longer-term, this is likely to reduce both the quality and sustainability of the private education sector and the subsequent benefits that such provision might bring to the education sector of a particular country.

Governments are fully entitled to exercise rigorous checks and controls on those wishing to create private schools and HEIs and private entrepreneurs accept this. In particular, high quality education providers welcome effective regulatory frameworks—including Quality Assurance (QA) mechanisms—as they provide a guard against poor quality providers who
can undercut the potential private sector market, especially where demand is less sophis-
ticated than it could be. A regulatory framework that supports the private sector and assures
the quality of private provision is also key to ensuring the longer-term sustainability—both
economic and political—of the private education sector in developing countries. Market
perceptions of the quality of private education are fundamental and can be easily damaged.
Bad publicity about private providers that offer poor quality instruction can harm the reputa-
tion of the sector as a whole, affect its ability to be seen as a credible alternative to public
providers, and lead to policy reversals from even sympathetic governments. This is partic-
icularly true in countries with recently established private education sectors.

Some Common Regulatory Barriers and Problems

The question at the heart of this study is “what is a reasonable form of regulation for gov-
ernments to adopt?” A starting point for answering this is to look at the following exam-
pies of regulatory barriers that have been identified in various countries. These include:

- Confused or unclear national policies concerning the role of the private sector in the
  education system.
- Cumbersome and complex school and HEI registration processes that are less
  transparent and explicit than they should be, leaving institutions in a position of
  not knowing what documentation is required and how it should be obtained. (See
  example in Box 3.1.)
- Imposition of unclear and subjective criteria and standards to qualify for registra-
  tion. For example, in one country, the final decision on registration is made by the
  Ministry of Education, which then applies unknown geographical and political cri-
  teria to the decision.

Box 3.1. Registering a Private School

A typical process for registering a school is often long and complex. Key elements in such a
process are:

- An application for school registration is submitted through the District/Municipal/City
  Education Officer accompanied by several documents: (i) Inspection reports from the Pub-
  lic Health Officer and the Inspector of Schools, (ii) Minutes of the District Education Board
  in which the application was discussed, (iii) Certification of registration of business name,
  (iv) Names of school managers and their education certificates and (v) Proof of land
  ownership.
- Once the Registrar receives the application, it is presented for evaluation to the Ministerial
  Committee on Registration of Schools.
- If approved, the application is forwarded to the Ministry of Education for authorization.
- The Minister issues authorization to operate.
- The Registrar issues a certificate after the final inspection.

Outdated criteria for accreditation and annual university monitoring that emphasize the number of books and journals available in hard copy and take no account of access to electronic materials. Some requirements expect every student to be at a library desk rather than using a personal computer to access materials from various places on campus.

Difficult processes that provide officials in the accrediting body with considerable discretion in assessing applications for institutional registration, thus leading to inconsistent application of existing rules and leaving significant scope for arbitrary (and possibly corrupt) decisionmaking.

Prohibition of foreign-owned private education institutions and barriers to repatriating surpluses and profits.

Limits on the ability of private education institutions to set tuition fees at market rates and their ability to operate as for-profit entities.

Criteria relating to financial reserves, land area, and infrastructure on private institutions (requirements that private institutions own their own land/buildings, deposit financial security “bonds,” and meet detailed specifications for books and equipment).

Restrictions on political or religious aspects of curriculum/program content and lengthy curriculum/program approval processes—up to three and four years—on private institutions. (See example in Box 3.2.)

Quotas applied to the types of students that have to be admitted (such as the Indian law concerning the proportion of enrollments from disenfranchised castes).

The requirement that one or more places on the private university governing body be available for nominees from the Ministry of Education and that the appointment of a Vice Chancellor require government approval.

There is much progress to be made in improving regulatory frameworks for private school education in Africa, as measured by the African Private Schools Investment Index, which ranks 36 African nations according to their attractiveness for private investment in education across six categories and 39 indicators. The highest ranking country—Mauritius—scores only 67.8 out of 100 on the APSI Index, while the lowest ranking country—Chad—scores only 29.4 (School Ventures 2008).

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**Box 3.2. Curriculum Controls in Vietnam**

In Vietnam, the Ministry of Education and Training has issued guidelines on foreign cooperation and investment in education and training.

Article 7 (4) of these guidelines states that “students who are Vietnamese citizens and who are studying at an educational establishment with foreign capital being a college or a university, in addition to completing the particular training program of such establishment, must study and obtain a full diploma in Marxist-Lenin philosophy, Marxist-Lenin political economy, scientific socialism, history of the Communist party of Vietnam and ideology of Ho Chi Minh.”

Even though the foreign provider can liaise with a local institution to offer such training the time required for the diploma will restrict the syllabus of the university.

*These guidelines were issued after RMIT was invited to set up a campus and that institution is therefore not bound by them.*
Having identified some regulatory practices that present barriers to private sector development, we can now take a positive approach and suggest some propositions for governments to consider. There are eight areas in which Good Practice Propositions can be set out.

A key to encouraging the development of private education in developing countries is to implement a clearly articulated enabling policy and regulatory framework. This framework should create the conditions under which private schools and tertiary education institutions can operate effectively and efficiently, while at the same time ensuring that education is delivered to a high standard. The broad outlines of such a regulatory framework are highlighted below in the Propositions.

**Proposition 1. Provide a Sound Policy Framework for the Operation of the Private Education Sector**

In many countries, the initial culture is hostile to private providers of education, particularly those that are for-profit. Governments can encourage the expansion of private education by recognizing the important role it can play. This will involve promulgating a positive policy that welcomes private providers and makes it clearly known to all those who might wish to establish new private schools or HEIs. Ideally, such a policy should define the place of private providers in the national long-term education strategy, so as to provide potential investors and partners with the confidence to invest. This strategic thinking also needs to be placed in the context of the national agenda for educational development.
and define what part the private sector should play in it. In some countries, this is done with an explicit recognition in legislation. For example:

- One of the underlying principles of Côte d’Ivoire’s Loi 95-696 is that education is a public service, but that private institutions may be granted the right to offer that public service.
- Senegal recognizes the role of the private education sector in Article 3 of Loi 91-22, the country’s overarching education legislation.

Such explicit recognition of the role of the private sector can help to encourage its expansion by building political and public support for private involvement in education, thereby reducing the likelihood of sector policy reversals and reducing uncertainty for investors. This is especially important, given that education is seen as a “social” rather than a “commercial” activity and hence more susceptible to populist anti-private sector policies. In Mozambique, the private sector is seen as a key partner in the policy of helping to scale up the country’s higher education enrollments from a very low level and the government pays private providers at an agreed rate per student.

Two other aspects of a favorable policy are important: the need to ensure that all levels of government (municipal, provincial, etc) are committed to welcoming the private sector and have policies that fit with the national strategy, and a tacit acceptance that what is being proposed is a partnership in which private investors are collaborating with government in helping to achieve national goals. Such a partnership can be exhibited by involving the private sector (or its representative bodies) in debates and discussions about future education policies.

**Proposition 2. Introduce Clear, Objective, and Streamlined Criteria and Processes for Establishing and Regulating Private Education Institutions**

As discussed above, many countries impose rules that limit the scope for new providers to enter the education marketplace. The consumer protection objective of many of these regulations is laudable since minimum standards can help to ensure the quality and safety of private sector provision and help protect consumers from unscrupulous operators. However, these potential benefits must be balanced against possible downside impacts. Poorly designed registration criteria for private education institutions can have the opposite outcome to what is intended. Instead of resulting in more education access, higher quality and safer schools and HEIs, lengthy and complex registration processes and onerous regulatory regimes may reduce access by deterring new providers or increasing their costs to such a degree that these institutions become unaffordable to their clientele. Alternatively, such regulation may push private schools and HEIs to operate outside the law as unregistered or “clandestine” providers, thus leaving the government with fewer levers to protect students and families—particularly those on low incomes.

Decisions regarding institutional registration and government funding need to be based on qualitative and quantitative criteria, rather than on whether an educational institution is for-profit or not-for-profit. In addition, the registration criteria for new schools and HEIs have to be designed so as not to unduly restrict the entry of new institutions into the marketplace or remove the opportunity for fresh and imaginative approaches.
Regulatory requirements will encourage the establishment of new institutions if they are:

- Objective and measurable so as to minimize discretion and limit the scope for corruption.
- Openly published so that they can be accessed without delay by potential providers.
- Output-focused (i.e., designed to ask open questions about the standards proposed rather than impose fixed national norms or ratios) so as to allow for flexible and diverse delivery approaches.
- Applied consistently across various levels of government, where registration processes are devolved.

Assistance in the form of guidebooks on the registration process can help to ensure that the rules are clear to prospective applicants. A number of regulatory bodies provide a full description of the process for applying for registration and accreditation on their Websites, together with all the necessary application forms to assist potential providers. Multi-stage registration processes can be applied to new HEIs (and, to a lesser degree, for schools) to allow for better management of the establishment process and enable providers to develop capacity prior to being assessed against the relevant registration criteria. (For some African examples see Box 4.1.)

Governments can also link different levels of registration or accreditation to government funding or reduced regulation (such as the ability of providers to set their own

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**Box 4.1. Examples of University Establishment Processes in Three African Countries**

Since the establishment of a new university requires considerable capital and a long-term horizon for planning, most regulatory bodies have developed processes that have several stages. A typical (but committee-heavy) example is that developed by the Commission for Higher Education in Kenya, which has the following stages:

- Applicants complete a form outlining their proposal. This is assessed by the Commission’s various committees and a Letter of Interim Authority is granted, allowing the applicant to set up a governing body and advertise for and enroll students.
- After three years, the institution submits an Inspection Report to the Commission. This is then reviewed and, if everything is satisfactory after further inspections, a Charter is granted by the Kenyan President.
- Three years after the award of a Charter, there is a re-inspection, based on a self-evaluation questionnaire.

The Ghanaian National Accreditation Board publishes a Roadmap to Accreditation on its Website, which has two stages: Institutional Authorisation and Program Accreditation. The first stage requires a business plan to be completed, while the second involves visits by academic panels. Once these hurdles have been crossed, the university must then seek affiliation to operate under the supervision of a degree awarding institution for at least four years. Only then after a further inspection does the process of applying for a Presidential Charter begin. Five institutions have cleared all these hurdles.

In Tanzania, there are three stages to the process, all under the wing of the Tanzanian Commission for Universities (TCU): a TCU Certificate of Provisional Registration, a TCU Certificate of Full Registration, and finally a TCU Certificate of Accreditation. These are clearly set out on the Commission’s Website.
curriculum) so as to ensure that such incentives are confined to providers with a proven capacity to perform.

Registration processes can be unduly drawn out. In order to avoid this, accreditation agencies in several countries set themselves performance targets and impose limits on the time it takes to respond to requests for information and on the timeline for the accreditation process. In some cases, institutions are deemed to be registered once a certain period of time has elapsed, irrespective of whether they have received official notification from the regulatory authority. Ideally, all decisions on approval should be devolved to one agency but, in some countries, national strategic factors may require a two-tier system in which the Ministry of Education makes the final decision.

Private sector organizations can play a greater role in the registration process. They can be given a role in registering private schools and tertiary education institutions. There are a number of examples of this at both the school and tertiary education level, including in Cameroon (schools), the Philippines (schools and HEIs) and the United States (HEIs). For example, in Cameroon and South Africa, private school associations help prospective operators prepare the application to open a school, carry out initial reviews of the application (including site visits), suggest improvements, and make a recommendation on whether the application should be accepted. Another example is the Accrediting Association of Seventh-day Adventist Schools, Colleges, and Universities, which accredits all tertiary and graduate educational programs and institutions operated in the name of the church.

Private institutions recognize the need for annual review and monitoring after the initial accreditation, as long as this is non-intrusive and focused on factors relating to the quality of education provided. For example, most would accept an accreditation service that assessed new academic programs until the institution was deemed to have an effective internal system (although government might wish to limit the numbers of masters and doctoral programs in some areas at the tertiary education level), but would prefer an external QA regime with a “light touch” that relied on self-assessments and occasional review visits by suitably trained external assessors (see Proposition 7 below). In terms of information, the routine reporting of statistics on students, staff, finances, and the submission of audited accounts to an accreditation body or to government is accepted as a necessary obligation.

**Proposition 3. Allow For-Profit Schools and HEIs to Operate**

Some countries restrict the ability of for-profit education providers to operate. Others allow for-profit institutions to operate, but limit the payment of government subsidies to not-for-profit schools or HEIs. The latter is the case in Pakistan where the government allows private for-profit HEIs to operate, but limits financial incentives to institutions that are not-for-profit. Between 1991 and 2001, the proportion of enrollments in Pakistani private schools—the bulk of which are secular—rose from 0 to 6 percent among the rural poor and 9 to 18 percent among the urban poor. For the country as a whole, nearly 10 percent of poor children were in private schools.

Limiting the ability of for-profit schools and HEIs to operate (or to receive government subsidies) is often seen as a means of ensuring that securing profits is not placed ahead of the provision of quality education. While some providers no doubt do place profit ahead of quality education, these concerns need to be weighed against the potential benefits of allowing private for-profit schools and HEIs to operate, including increasing access
for both the poor and non-poor, spurring innovation, and bringing new management, pedagogical, and technical skills into the education sector. The introduction of effective QA and other regulatory mechanisms can provide governments with the assurance that institutions of all types—including for-profit ones—are meeting the expected standards.

**Proposition 4. Allow Private Schools and HEIs to Set Their Own Tuition Fees**

Many countries and jurisdictions, including the Ghana, India, Philippines, and Vietnam either limit or attempt to limit the level of tuition fees charged by private schools and/or HEIs. The aim is laudable—to ensure that private schools and HEIs remain affordable to a wider group and preventing price racketeering by private institutions. Again, these objectives need to be weighed against the potential downsides of such controls—that they may limit investors’ interest in establishing private institutions, reduce access to much needed investment capital, and probably reduce the level of quality delivered by private schools, given that they must operate within a much tighter budget than if fees could be set at levels that recover costs. The latter may be particularly important in the case of schools or HEIs seeking to employ (more expensive) foreign teaching staff. Even where tuition fee limits exist, but are not enforced, they may have adverse effects on investment intentions to the extent that they create an uncertain environment for long-term investments. Other policies—such as funding targeted at poor but able students, effective QA, and policies that promote competition—may offer better alternatives for governments seeking to meet both access and quality goals.

There are, however, instances where it may be perfectly acceptable for governments and private sector partners to agree to fix tuition fees. In particular, many PPPs involve the government and private sector negotiating the tuition fee (if any) that can be charged as part of contractual arrangement between the government and the private sector providers for the delivery of education. In such cases, the per-student subsidy is more likely to be set at a level that reflects the cost of delivery and provides a sufficient return on investment for the private provider. For example, schools that participate in the Punjab Education Foundation’s (PEF) Financial Assistance per Child Enrolled Basis (FAS) program are paid a government subsidy of Rs. 300 per enrolled student per month and cannot charge tuition fees on top of that amount.

**Proposition 5. Provide Incentives and Support for Private Schools and HEIs**

A key question for governments is the extent to which private education needs positive incentives and support. For example, they can introduce investment incentives (in money or in kind) and include the private education sector as a target sector for the country’s investment promotion agency. Other common incentives include direct financial subsidies for the installation of utilities and educational infrastructure, tax holidays, customs duty abatements, and the provision of land for no charge or at discounted prices or rent. (See example in Box 4.2.) The latter can play an especially important role in encouraging private providers in urban centers in developing countries where available land is expensive. In Vietnam, the government’s support to RMIT Vietnam is financial: if it makes a surplus, there is a tax free period of 4 years, followed by a regime at 5 percent for another four years, after which taxation will be imposed at 10 percent. Private investment can also be encouraged
through the facilitation of work visas for foreign teachers, management, and technical staff—often a difficult task.

Governments can also provide ongoing operational support to the private education sector by, for example, introducing funding systems that provide financial support, either to institutions or schools. Such support can include the provision of subsidies to private schools and HEIs, loans to students on the same basis as those at public HEIs, research grants for private university researchers, scholarships for school and university students and voucher programs. The extension of financial support to private sector students and institutions can recognize the complementary roles that the government and private sector can play in the education sector. Support to offset the costs of tuition provides a useful means of overcoming a key issue facing private schools and HEIs, namely that the fees they need to charge can make them unaffordable to a significant segment of the population.

A further example can be found in the Punjab province of Pakistan, where the Punjab Education Foundation operates the Foundation Assisted Schools Program, a scheme that pays private schools a subsidy for each student they enroll. Schools are located in low-income areas and must meet performance benchmarks in order to remain in the program. The program has grown from just 20,000 students in 54 schools in late 2005 to more than 500,000 students in 1,157 schools today.

**Proposition 6. Provide Parents and Students with Information to Help Them Select Quality Private Education**

A characteristic of the private education sector in many countries is the wide variation in quality across private providers. In many instances, regulatory authorities, parents, and students have little information on the size and nature of the private education sector, or on the quality of education being delivered in the sector. By contrast, some countries publish examination scores and other measures of performance, while others have adopted
innovative techniques to provide consumers with information on the performance of schools and HEIs.

Well-informed consumers and regulators are an important building block in a more liberalized regulatory framework for education. Providing students and families with information on the quality and performance of private providers (and indeed public providers as well) can offer a useful mechanism for improving the functioning of the private sector. One way of achieving this is to place some basic requirements for disclosure on education providers. This could involve:

- Requiring institutions to disclose information to regulators and the general public as a condition of registration.
- Introducing a system of publishing a number of performance indicators, including quality of facilities, programs offered, class sizes, fee levels, teacher qualifications and exam scores; and
- Publishing reports by independent review/accrediting agencies about the performance of private schools and HEIs.

An example of an agency that publishes a lot of material relating to private universities is the Tanzania Commission for Universities. Its Website contains comprehensive and up-to-date statistics on student and staff numbers and academic staff qualifications for both public and private institutions. In addition, the site contains a full and clear description of the registration and accreditation processes together with downloadable forms for investors to use for their applications.

**Proposition 7. Establish Quality Assurance/Monitoring Processes**

An essential function to support a sustainable private education sector is an independent QA/monitoring mechanism to evaluate the performance and program outcomes of private (and public) education providers. Such a system could provide independent, unbiased assessments of the performance of educational institutions in both sectors, using the same standards and criteria for both. Well-designed QA mechanisms can provide valuable information to consumers, providers, and government officials. There are many mechanisms used around the world to assure quality—both in the private and public sectors. For example:

- Countries such as Kenya, Ghana, Tanzania, Indonesia, and the Philippines operate accreditation systems at the higher education level;
- Various public and private organizations (e.g. the U.K.-based CfBT Education Trust, the Education Review Office in New Zealand, and the Quality Assurance Agency in the U.K.) are contracted to review the performance of schools operating in other countries;
- The Sindh Education Foundation in Pakistan operates two programs focused on raising the quality of education in low-fee private schools;
- In South Africa, the Independent Schools Association of South Africa provides its 650 members with a range of services related to quality assurance such as annual benchmarking, training for those about to be accredited, and courses for all levels of staff.
QA mechanisms are too often based on compliance to standard processes and systems. Instead of improving the quality of education delivered, they focus on red-tape and enforcement of rules that add little to a child’s educational experience. A reasonable balance needs to be found that meets government requirements but is not overly onerous for providers.

**Proposition 8. Develop the Capacity of Government to Implement Policy and Manage Private Providers**

A key to the successful design and implementation of a policy for private education (whether based on independent providers or a network of PPPs) is to ensure that the government agency that is responsible for regulating the private sector has both the information and skills required to design, develop, and manage functions such as institutional accreditation/registration, QA processes, monitoring, and incentive programs. A range of skill sets can be required for successful regulation and implementation of private sector programs, including educational and pedagogical skills, contract management, economics, and finance. This may imply that staff will have to be seconded into a government agency from the educational professions.

Research for this paper found evidence of many government agencies that were under-staffed and resourced by people with skills and competence levels below those they were monitoring or regulating. This led in the eyes of some providers to long delays and ill-informed judgements. One option for resolving this common problem would be to set up dedicated, cross-sectoral, professional units to support the implementation of private education policy, with responsibilities ranging from disseminating information and preparing guidelines to designing and implementing transactions. Another solution would be to contract out much of the routine monitoring, QA and sector management functions to charitable organizations or private sector companies, as is happening in many of the Gulf States. For all these solutions it will be important not to overlook the governance arrangements over the regulatory and accreditation functions, as there will always be some potential for fraud or corruption in the relations between private and public sectors.
International organizations, such as the World Bank, IFC, UNESCO, and others can play a vital part in promoting quality private education. They can play several different roles, such as:

- Assisting governments to help clarify their policies towards private education. This would cover the potential of private sector involvement and illustrate how entrepreneurs can best be regulated or controlled, possibly following the guidelines as outlined in the Propositions above.
- Providing “early stage” equity and loan capital to catalyze investments in the private education sector. Generally speaking, it is difficult for entrepreneurs to access investment capital with a 5–7 year time horizon to establish private schools and tertiary education institutions. In many countries, private equity is not available or financiers are not interested in education as an area for investment.
- Helping to raise the profile of the private education sector as an investment target.
- Working with private sector banks to mitigate some of the investment risks in the sector.
- Assisting countries to create enabling and balanced regulatory frameworks of the kind described above.

Improvement of public sector schools and tertiary education institutions has been the primary focus of most education projects of international organizations. As Sosale (2000) has shown, World Bank lending for education projects totaled $4.9 billion for the 1995–2000 period, yet only about 11 out of 70 projects (around 15 percent) during that period included a private sector component—and only about half of these projects were at the primary or secondary education level (Sosale 2000). There are some exceptions to this picture.
Another example of support for private sector capacity development is the Promotion of Private Training Providers Program (PPTP) in Uganda, which has been supported by the Kreditanstalt für Wiederaufbau (KfW) since 1999. The objectives of the PPTP program are to support the sustainability of training centers, improve the quality of training, and increase the number of trainees in private institutions. The program provides a range of support, including management, pedagogical, and technical training; construction of classrooms and workshops; provision of technical equipment such as tools and machines; training materials such as textbooks; and the implementation of tracer studies. In order to be eligible for PPTP, a provider must be private, must have been in operation for at least two years and must own the school or have a long-term lease on its space. During its first two phases, 59 private institutions were assisted under PPTP.

The most notable is IFC, a member of the World Bank Group. Over the past five years, IFC’s education portfolio has involved direct investment of $228 million and has helped to leverage $970 million from other investors and sponsors. The German aid agency GTZ also provides considerable capacity-building assistance to private vocational institutions in Uganda. Other isolated examples exist, such as the Asian Development Bank’s support (with IFC) in helping to establish RMIT International University Vietnam. Another example is found in Mexico, where the World Bank supported an innovative $100 million project that financed the creation, implementation, and evaluation of a private student loan program that offered financial assistance to students attending private universities.

Raising the quality of private provision is as important as strengthening the capacity of education authorities. This will often involve providing access to capital, enhancing financial management, and improving instructional delivery and institutional leadership. Governments may have to provide financial support to communities to help them expand and improve their institution, possibly through matching grant schemes. IFC has, for example, funded operations that provide access to capital for educational entrepreneurs in Ghana and has recently launched a micro-credit program in Kenya that targets private school operators and includes a technical assistance facility. (See example in Box 5.1.)

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Box 5.1. Micro-Credit Facilities for Education

Private schools in Sub-Saharan Africa have limited access to medium and long-term capital for investments. Few local banks lend to private schools and mostly only for very short durations. Many schools also require technical assistance to improve their financial, managerial, and administrative capabilities, and to improve operational efficiency.

The IFC Africa Schools Program, an integrated investment and advisory services program, seeks to address these constraints by encouraging local banks to provide local currency financing to private institutions for durations suitable for capital investments in education. The program helps partner banks develop education business lines. In addition, banks already familiar with the education sector can grow their education portfolios more quickly. The program consists of $50 million of risk participation facilities to cover education sector loans and an advisory services program of $5 million.

The investment component supports the provision of school loans originated by partner banks. These loans are used to finance construction and other capital expenditures and purchase educational materials. To be eligible for financing, schools will need to meet the partner bank’s underwriting criteria. The program focuses initially on 10 countries, which have high private sector enrollments.


Another example of support for private sector capacity development is the Promotion of Private Training Providers Program (PPTP) in Uganda, which has been supported by the Kreditanstalt für Wiederaufbau (KfW) since 1999. The objectives of the PPTP program are to support the sustainability of training centers, improve the quality of training, and increase the number of trainees in private institutions. The program provides a range of support, including management, pedagogical, and technical training; construction of classrooms and workshops; provision of technical equipment such as tools and machines; training materials such as textbooks; and the implementation of tracer studies. In order to be eligible for PPTP, a provider must be private, must have been in operation for at least two years and must own the school or have a long-term lease on its space. During its first two phases, 59 private institutions were assisted under PPTP.
This discussion paper has provided a brief overview of the regulation of the private education sector. It has also identified a number of potential regulatory barriers to growth and set out some suggested steps forward for developing and then managing policy frameworks that would promote and regulate private participation in education. Finally, it has briefly examined the role that international donor organizations such as the World Bank and IFC can play in promoting private participation in education.

Private education clearly plays an important—and growing—role in many countries at both the school and tertiary education levels. The expansion of private education can bring many benefits to governments and particularly to those struggling to meet Millennium Development Goals (MDGs), including increased access, more innovation, greater equity, and increased efficiency in delivery. This expansion can be fostered by the creation of a policy and regulatory framework that encourages and promotes the sector.

It is clear from the evidence received during this review that some governments make it far easier for investors and owners of educational institutions to operate than others. What then can one recommend as good practice in regulatory policy for governments as a whole? The overall principle is that governments must be enabling rather than controlling. Yet at the same time governments are entitled to exert sufficient control to manage private sector growth appropriate to the national context. The ideas set out in the eight Good Practice Propositions might provide a starting point for them to consider. A regulatory framework of this kind will create the conditions under which private providers can operate effectively and efficiently and deliver what both the government and parents wish to see—a quality education.
International donor organizations have an important role to play in advising governments about the contribution of private providers as well as helping to build the capacity of the private education sector and their counterparts in public regulatory agencies. Private participation in education is clearly no panacea but, if sensibly regulated and suitably encouraged, it can provide governments with a highly effective and efficient way of meeting their educational goals.
References


PART II

Country Case Studies

The following papers have been provided by way of background for the Colloquium hosted by the World Bank Group in conjunction with IFC’s international conference on private education. They have been submitted on an informal basis to serve as background information for colloquium participants and should not considered as formal reports setting out a definitive context for regulation of education in a particular country. These background papers were supplemented by a Discussion Paper prepared by international consultants which formed the basis of the meeting’s discussions.

The organizers (Health and Education Department of the IFC and the Education Team of the Human Development Network, World Bank) would like to acknowledge the financial assistance of the Norwegian government through the Norwegian Post Primary Education Fund (NPEF) managed by the Human Development Department in the Africa Region of the World Bank.
Generally speaking, the evolutionary and regulatory framework of private education in emerging economies has heavily depended on three factors:

- the perception and place of private education of the colonizing country;
- the political ideology and importance granted to education in general in defining priorities in emerging economies, after their political independence; and
- the emerging country’s capacity to take care of its educational system, both in terms of finance, material, pedagogy, as well as in terms of human resources (trainers and supervisors).

As for the influence of the colonizing country on the evolutionary and regulatory framework of private education in emerging economies, there is strong difference between Anglophone countries where private and public educations have always cohabited, without any major clash, and Francophone emerging countries inspired by France, where advocates of public education have been strongly opposed.

As far as the ideology and importance given to education, it should be noted that emerging countries who gave priority to education, just after their political independence, are those countries about to catch up developed countries. It should also be pointed out that a number of countries with religious ideology have abandoned education in the hands of confessional groups. Therefore, Education in such countries is basically private, but does cost nothing to parents.

2. Secretary General, Ministry of Secondary Education, Onagadougon, Burkina Faso.
Finally, some countries, either because they had sufficient funding (Côte d'Ivoire) or human resources (Dahomey/Benin), or because did not have enough resources (Upper Volta/Burkina Faso, Mali, Niger) were able address the issue of private education.

The Specific Case of Burkina Faso

Generalities

According to the last estimates of the general population and habitat census in 2006, Burkina Faso is home for 13,700,000 people; living basically in rural area (79.7 percent). This population is female in its majority (51.7 percent), more than half is less than 15.

With respectively 48 per thousand and 14.8 per thousand in 2003, birth and mortality rates are declining even though they remain higher than the average in Sub-Sahara Africa. Youth mortality is still higher: about 184 per thousand.

With 66.6 percent for gross enrollment rate at the primary level, 17 percent at the secondary level in 2007, Burkina Faso ranks among the countries with low education level in the West African sub-region. However literacy rate among people aged 15 and more has significantly increased over the past years. A recent survey conducted by INSD (National demography and statistics institute) in 2007, indicated a literacy rate of 28.3 percent in 2007, against 19.5 percent in 1996.

With a contribution of 80 percent to the GDP, the primary sector provides jobs to 85 percent of the active population. It is therefore a key element of the economy in Burkina Faso. More than one person out of five is unemployed or underemployed. 90 percent of the active population work in the informal sector, while structured sectors both private and public occupy only 7.4 percent of this population.

According to the last UNDP report on sustainable human development (2007–08), Burkina Faso 176th out of 177 countries.

Historically, the country educational system started in the form of private education under the aegis of White Missionaries. This started with the establishment of the very first seminaries (Pabré, Nasso, Koumi) between 1921 and 1935; Training Schools, which have grown into private schools, between 1948 and 1955: Secondary schools of Toussiana, la Salles, Kologo Naba, and the very first secondary school created by the Protestant Church in 1955, the Private Protestant Secondary School of Ouagadougou.

As far as quality is concerned, many people believe private education to equate with mediocrity, which is not always true. Indeed, many officials of the African elite, specifically in Burkina Faso, attended either the above seminaries or private catholic and Protestant Schools. Those schools still score best today at examinations and tests in the country.

Again, in terms of quality, private education provides our educational system with the largest margin of adaptation and solutions to some of the requirements of our socio-economic environment. Private education therefore provides an opportunity to those who so wish to give a religious education to their children in confessional schools, or a vocational training in vocational learning centers (handicrafts), and technical education schools, which are more in number compared to public schools.
The Place of Private Education Politically Speaking

So far, and in spite of its importance in the educational system, private education has always been marginalized, either the government just remained indifferent as was the case from 1948 to 1974, or it was too patronizing as would indicate the situation from 1984 to 1991. None of these approaches does promote an optimal contribution of the private education sector to national education endeavours.

This situation was clearly perceived by the Head of State and the various Governments of the Fourth Republic, as they indicated their political will to promote private education which should no longer be considered as an outgrowth of public education, or as business sector like many others.

As it is responsible for the overall educational system, Government has to make it a duty to make sure that all the resources likely to contribute to its development be taken into account and solicited. This is being done with the Government decision to allow private operators to invest in technical or general education secondary schools.

However, the Government should strive more to work out an enabling environment for real effectiveness of interventions of our fellow citizens who have the resources and the will. This should be done by facilitating conditions for establishment of schools and, whenever possible, by favouring access to financial and material resources.

In terms of quantity, private education plays a significant role. Indeed, even though private education is still embryonic at the higher level with few large seminaries and computer schools, it should be stated that at the primary level it covers about 9 percent of the educational supply.

It is yet mainly at the secondary level that private education experienced an outstanding growth between 1973 and 1984, sometimes exceeding the supply in the public education sector. For information, in 1980 private education accounted for 59 percent of enrollments in the secondary education sector. Since 1994 the same trend has prevailed.

Given the country low literacy rate, the Government has resolutely committed to reverse this situation. Doing so requires increased participation of the private education in the educational supply since the country is confronted with budget constraints, mainly in the face of an increasing demand in the education sector.

In the seven-year plan for development and democracy, President Blaise Compaoré has clearly set out the objectives of the country’s socio-educational policy. In terms of ways and resources to achieve such objectives, the President focused on the contribution of private education to national educational endeavours, and said: “to achieve this objective . . . , it will be necessary to encourage the private capital to get involved in the training of executives and also to develop private technical and vocational education.”

Generally speaking, the sustainability of all activities in a country rests on the development of the entire society. By the way, economists do agree that with 40 percent of illiteracy rate, no society can develop and thrive economically.

Today, education has become more than a frontline interest in the global competition, and therefore investment remains a pivotal factor both for individual and community growth. That is why educational investment in Burkina Faso has been more diversified and increased. This does not mean privatizing our educational system, or selling it off to people in want of mercantile interests. The Government does share the vision of UNESCO
which provides that “nearly in any country, even though the Government does accept or
in certain cases encourage private initiatives, the same Government is the only one who
can assume the overall responsibility of the educational policy.”

Therefore, encouraging private initiatives in the field of education does not mean
public authority resignation. Not only Government will keep on increasing its share of
the educational supply, but it will develop the educational policy as well as the appropriate
implementation strategy. It will ensure administrative and pedagogical control of the entire
educational system in a way to secure quality in curricula.

**Some Elements of the Evolution of the Regulatory Framework**

As a product of the Private Catholic Education, our educational system as a whole bore the
marks of this type of education, pedagogically and administratively.

Some conventional provisions thus bound in a strong manner the Private Catholic
Education to the Government, which provisions were questioned in 1965 and resulted in
the confiscation of private Catholic primary schools and discontinuation of Governmental
subsidy to the Church. This is how the Primary school system became the exclusive reserve
of the Government.

Only the 1991 Constitution and the 1995 Educational Orientation Law make reference
of the Private Education at all levels of the educational system. Since then, outstanding
efforts have been made to regulate the Private educational system through some application

Major concerns in private education sector (State, Catholic, Protestant, and Muslim
education):

- Posting state teaching staff in private schools
- State contribution to economic balance of private schools
- Posting public school students in private schools.

As per the Law N°013-2007/AN dated July 30, 2007 pertaining to the Educational Orien-
tation Law, the Government will help promote private education in order to achieve the
quantitative and qualitative objectives of the educational and training system.

Such objectives call for the participation of the private, non-religious, catholic, Protes-
tant, and Muslim sector the country educational and training endeavours with:

- 10 to 15 percent of enrollments at the primary and post primary levels
- 20 percent at the secondary level
- 20 percent at the higher level.

For information, actions to be taken include:

- Strengthening partnership between Government and private education institutions
  through conventions for their development both in number and in quality;
- Encouraging the establishment of new private schools;
- Posting students to private schools and centers in compliance with the agreed
  conventions;
Promoting the development of school and training infrastructures by NGOs in the area education and training.

Scope and scale of provision:

- First cycle schools in 2006/07: 437 (51 percent private 49 percent state).
- The number of schools has increased by 35 percent for the private and only 7 percent for state from 2004/05.
- Second cycle schools in 2006/07: 325 (59 percent private and 41 percent public).
- Higher schools: 30,472 students with only 15 percent attending private schools. Most of which deal with tertiary studies.
In consideration of the intense crisis for legitimacy, Higher Education was allocated to the public. Also, following the continuous difficulties of the Cameroon State to maintain the offer tabled by the demand of access, made all possible by law N° 005 of April 16th, 2001 carrying the orientation of Higher education which dedicates the participation of proprietors in the diversification of the offers of higher education. These institutions are called upon to decentralize Higher Education which was formally found in public university structures.

The decree N° 2001 / 832 / PM of September 19th, 2001 fixing the common rules applicable to Private Institutions of Higher Education (PIHE) really encouraged individual or collective private initiative. It is planned in that, once legally created, the PIHE can progress through three regimes; the Authorization, the Agreement and the Homologation. In this spirit, the law N° 01 / 0096 / MINESUP of December 7, 2001 clearly fixed the conditions of creation and functioning of PIHE.

The creation does not give the right to the opening of an institution. It is void with the expiration of the deadline and the institution concerned can not obtain the authorization of opening. The regime of the Agreement authorizes PIHE to extend their fields of studies. The regime of the Homologation is the academic consecration of a private institution and authorizes it to deliver diplomas. Today, this sector has become a reality in the university landscape and vocational training. Private “universities” and PIHE offer short vocational training courses. This participation materializes by an important presence of PIHE in the scenery of higher education. The institution contribute to the realization of the fundamental mission of the Ministry of Higher Education which is the production, the organization of education.

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3. Sub-Director of Private Higher Education, Yaounde, Cameroon.
and the distribution of the scientific, cultural, professional knowledge and the ethical values for the development of the nation.

The student population witnessed an increased during the last three years. For the 55 private institutes, the progress roused by 23 percent in 2004/05, 39 percent in 2005/06, and 45 percent in 2006/07. The largest part of the 55 PIHE is concentrated in Yaounde and Douala and the total enrollment for the 2006/07 academic year was estimated to 17,873 students, constituted mainly by girls.

The main listed difficulties resulting from the behavior of the proprietors of PIHE are:

- nonapplication of texts regulating the functioning of their Institutions;
- absence of reactions when call to order;
- functioning on the basis of the creation agreement;
- opening of the sectors not sought in their demands and consequently not authorized;
- recruitment of staffs without fulfilling the required conditions;
- change of sites without prior authorization of the Minister of Higher Education.
Although Ethiopia cherishes more than a thousand years of church education, the history of modern education was heralded by the opening in 1908 of Minilk School (now Minilik Secondary School). Modern higher education was initiated forty years later with the creation in 1949 of Trinity College (now Addis Ababa University).

Until 2000, the gross enrollment rate (GER) of higher education in Ethiopia had only been limited to 0.8 percent—a figure far less than the Sub-Saharan average of 4 percent. The system also comprised only two universities (Addis Ababa University, Alemaya, now Haramaya, University), 17 colleges and a total of 31,000 students, and a small supervision department in the Ministry of Education.

As a result of the remarkable higher education expansion that has been witnessed since 2000, the number of public universities has now reached 21, thirteen of which are opened recently. Total enrollment in pubic and private institutions has also reached 180,117 (MOE 2006).

Private Higher Education in Ethiopia: Current Landscape

Private higher education in Ethiopia started in 1998. There are now 280 private institutions offering diploma level training and around 50 institutions providing under graduate degree programs. They are found in almost all nine regions and two city administrations of the country. They enroll 60 percent of diploma, and 22 percent of degree trainees at the tertiary level.

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4. President, St. Mary’s University College, Addis Ababa, Ethiopia.
Private institutions provide training in distance and conventional modes. They mainly provide training in Business, IT, Law, Health, Industrial and Construction Technology, and Teacher Education.

The growth of private higher education in Ethiopia in the last decade is by far the highest in Africa. This has, for the most part, been the result of the ambivalent attitude the government has shown towards the creation of private higher education institutions (PHEIs), the sudden interest on the part of those who have chosen to invest in the area, and the huge demand that has not been for too long met by public institutions.

The Regulatory Regime

**Pre-accreditation and Accreditation**

Accreditation in Ethiopia began as a response to verifying the quality of private higher education and has never been enforced on public institutions. The Ministry of Education offers the final permit for private higher institutions to offer training. The actual assessment is done by Higher Education Relevance and Quality Agency (HERQA), a semi-autonomous public organization established in 2003, and Regional Education Bureaus. The pre-accreditation and accreditation mandate for diploma programs has been lately devolved from the federal to the regional education bureaus (the nine regions and two city administrations). Notwithstanding the loss of time, energy, and resources this could create, the lack of trained personnel, excessive focus on input requirements, and at times the varying demands of each educational bureaus have been challenges to private institutions.

**Quality Audit**

In 2006, HERQA began conducting quality audits on both public and private institutions. To this effect, protocols have been developed and institutions are required to have in place their own internal quality assurance system.

While this practice is gathering momentum, HERQA has in parallel continued the practice of pre-accrediting and accrediting private institutions with its old protocols. Quality audit concerns which should have informed the accreditation practice are independent tasks while accreditation is predominantly conducted focusing on input criteria.

**Surprise Visits**

HERQA has (since December 2006) introduced the scheme of surprise visit on private institutions as decided by the National Quality Assurance Board. Institutions will be liable for any possible discovery of failures to meet expected standards after having received pre-accreditation and/or accreditation.

With the growing number of private and public institutions, the burden on HERQA in handling all the above will be understandably huge. With the limited financial, human and material resource it has, it is also very unlikely that HERQA will do the entire job with the required efficiency and effectiveness. To what extent each or a combination of these mechanisms would facilitate the process of enhancing quality is also a question that requires serious consideration.
Problems and Challenges

There are a variety of challenges Ethiopian PHEIs are currently facing. Chief among these are: the lack of a road map for the sector; the exclusive reliance of institutions on student tuition and fees; lack of harmony between federal and regional education bureaus; double standards applied to the private sector; infrastructural problems; lack of the needed faculty profile; recurrent policy and curricula alterations; and lack of government support to the sector.

The Way Forward

Beside the aforementioned challenges, Ethiopian PHEIs face the considerable task of ensuring that the emerging sector is effective, well managed, and serving national goals in order to boost their societal acceptance. To this end, strengthening the sector requires, among other things, a serious commitment and a high sense of social responsibility on the part of private providers which they are sometimes accused of lacking.

The role of the government is also equally, if not more, critical to the success of the sector. How far current government policies, actual practices, and support schemes have assisted the proliferation of private institutions is still a critical question that has not received satisfactory answer even after a decade of the sector’s existence.

If Ethiopian PHEIs effect their duties with a great sense of responsibility and commitment, and if the government takes them as strategic partners, with a well-defined Road Map, there is a big potential for the sector to grow and play its part in the national goals of poverty reduction and economic development. However, if these considerations are neglected or mishandled (as is the case sometimes), Ethiopia will undoubtedly lose what it has achieved so far in terms of the possibility of creating a vibrant private sector that could be regarded as an example for similar countries in the continent or elsewhere.
Background

Education enjoys central importance for national development in Kenya. Since independence in 1963, there has been a slow and gradual emergence of private education providers and financiers. Kenya’s commitment to achieving universal primary education has resulted in growing demand for education. Emerging deficiencies in government resources for the provision of education both by way of infrastructure, the quality and efficiency of the service provided created a gap which began to be filled by the private sector.

Demand and Supply of Private Education

Kenya’s education system comprises public and private schools. In 2006 enrollment in private primary schools was about 5 percent of total primary school enrollments in the country, having risen from 1.8 percent in 1999 to 3.4 percent in 2001, and 3.8 percent in 2004. The proportion of girls in private primary schools to total enrollment increased from 36.4 percent in 1999, to 48.8 percent in 2000, and 53 percent in 2006. Girls’ enrollment in public schools declined from 49 percent in 1999 to 48.7 percent in 2006.

Private sector participation is largely confined to urban and peri-urban areas of Kenya. The total number of primary schools in Kenya increased from 19,124 in 2002 to 20,229 in 2006. The number of private primary schools increased from 1,441 in 2002 to 2,283 in 2006, 58.4 percent increase over the five-year period. The percentage increase in the number of

5. Executive Director of the Makini School, Nairobi, Kenya.
6. Staff member of the World Bank, and Education Focal Point in the World Bank Office in Kenya; Member of the Kenya National Task Force on Affordable Secondary Education.
public primary schools was significantly less dramatic at 1.5 percent. They increased from 17,683 in 2002 to 17,946 in 2006.

The total number of secondary schools increased from 3,684 in 2002 to 4,247 in 2006. The number of private secondary schools increased from 437 in 2002 to 722 in 2006, a 65 percent increase over the five-year period. The number of public secondary schools also increased, albeit at a slower rate (8 percent) from 3,247 in 2002 to 3,525 in 2006.

There are 23 universities in Kenya, 17 private universities and 6 public universities. The total student enrollment in Kenyan universities in 2005 was 91,541 (Economic Survey 2005). About 90 percent of the students are enrolled in the six public universities and the rest in private universities. In addition to the students enrolled in Kenyan universities in the year 2004, there were 14,123 Kenyan students enrolled in tertiary institutions in foreign countries with the majority in top five countries being: United States of America 7,381; United Kingdom, 3083; Australia, 1,115; India, 521; and Canada, 341 (UNESCO Institute for Statistics, Global Education Digest, 2006). Many Kenyan students also study in other foreign universities such as South Africa, Uganda and Tanzania. Total enrollment in private universities has seen a steady increase from 8,085 in 1999/2000 to 10,050 in 2004/05.

The Regulatory Environment

There has been a growing trend in budgetary allocation for education, with financial year 2006 recording 6.6 percent of GDP being earmarked for education. Free Primary Education (FPE) was introduced in 2003, and free secondary day schooling (FSE) in 2008. Despite the relatively large role now being played by the private sector, there is limited relevant and necessary legal framework to position the private sector as an important player in the provision of education at all levels.

In 2005, for the first time the Ministry of Education stated clearly the need for providing Government support and incentives to encourage the development of more private schools and universities (Government of Kenya, Sessional Paper No. 1, 2005). The promotion of private sector participation is expressly mentioned in Articles 4.19, 4.30, 4.31, 4.34, and 4.35, in the areas of secondary schools through appropriate incentives, in the development of university education and training, rationalization of academic programs in universities, creating increased investments in university education, training and research, developing modalities for the establishment of incentives to promote investments in the university sub-sector, and promoting private sector investments in the development of TIVET facilities. Government has, therefore, committed to supporting the role of the private sector at secondary, TIVET and university levels. The question now is no longer whether or not private sector involvement in education should be encouraged but rather how that is to be achieved. The perception about the private sector is changing. No longer is it thought that private sector embodies nothing but the “for-profit” principle.

Incentives for Service Delivery

The Kenya Private Schools Association (KPSA) recommends that: (i) KPSA should be entrenched in all legislation concerned the provision of education. The Association must be legally recognized and entrenched in the intended legislation. Every private school must
be a member of the Association for it to obtain and sustain its legislation and licensing by the Government. This will, at the outset, provide the much needed revenue for self-regulation and consequently ease the burden for such supervision by the Government. An overhaul of the Education Act is, therefore, required; (ii) Government should actively devise incentives to promote private sector in education.

KPSA sees three forms of financial incentives:

- Support for a revolving fund at concessionary terms for the development of private schools, colleges and universities.
- A regime of tax incentives. Tax exemption is a form of incentive commonly used by governments the world over to encourage the growth and expansion of a nascent industry considered to be critical or essential for national development. Proposed tax incentives include exemption from income tax for a specific period, exemption from import duty and VAT on school supplies and exemption from land rates, rents and exemption from stamp duty.
- A further important incentive would be a Government established fund from which private providers of education can borrow at concessionary rates for investment in the development of education.

KPSA further recommends that:

- The definition of schools should have a broader definitive base that captures all private schools in Kenya whether run by limited liability companies, churches, communities or individuals. Furthermore, the definition of “unaided schools” should be eliminated as it is obsolete and does not capture the real meaning of private schools.
- Government incentives also take the form of direct allocations of land where available and particularly the enforcement of the requirement that where land is set aside for educational purposes, while planning such land must be by necessity must be made available at concessionary rates.
- Government at its own expense should post personnel with expertise as primary manpower trainers to privately owned institutions that meet the set criteria and/or provide assistance in training personnel in rural and hardship areas to promote private sector collaboration.
- Government should provide for direct statutory appointments of elected officials of KPSA in statutory bodies established for purposes of supervision and/or development of education. This would make possible continuous consultation and involvement of the private sector in the management and development of education in Kenya.
- Government should ensure that the enforcement of the policy of decentralization and empowerment to institutional committees such as PTAs and Boards of Governors should take into account the existence, input and contribution of private schools.
- Private schools representatives should be involved in the inspection and control of schools. KPSA members should be permitted to select inspectors.
- Representatives from KPSA should become involved in the regular review of the education curriculum to ensure relevance of learning content to Kenya’s changing needs and preferences, and KPSA should be involved in the conduct of examinations.
Chapter 212 of the Teacher Service Commission (TSC) Act should be amended so as to incorporate private sector participation in TSC. The appointment of the appeals tribunal, and representation on the teacher service remuneration committee should be amended to include private sector representatives.

The Commission for Higher Education with a mandate that extends beyond public universities was established in 1985. However, the commission in its constitution is exclusively Government. The chairman and a maximum of 15 members are appointees of the President. Representation from the private sector and particularly from privately-owned universities needs to be included in the legislation.

Current Barriers to Service Delivery

- Although there have been certain reforms in the regulatory framework that suggest an enabling environment, there is room for further improvement. The private sector still has hurdles with which to contend.
- Private/public partnership does not always function well and the private providers are seen as competitors rather than partners for change.
- Private sector schools have to contend with inordinate delays in getting schools registered. Interim registration is provided for only 18 months. Registration/licensing procedures need to be simplified.
- There is a lack of consistency in the way policies are applied. For instance, import duty on educational materials is granted selectively.
- The cost of land is exorbitant as is the cost of leasing facilities for private institutions. Government taxes such as rates and rents could be waived for educational institutions.
- The local financial market has commenced lending for education only in recent years. Interest rates are often high and non-competitive. Education requires heavy upfront investment. It is labor intensive, requires good infrastructure and continuity for credibility. The long-term nature of investment for the education sector is not fully understood. Private sector educational institutions have the major task of convincing their clientele (the parents). Parental satisfaction is usually based on a private school’s reputation, its brand name and its consistency in good results in public examinations. The private sector requires more favorable terms and conditions to make it viable to start and operate schools.

The Role of Development Partners

Through the Kenya Education Sector Support Program (KESSP), development partners are providing financial and technical support to the Government of Kenya to address supply-side issues of education—infrastructure, teaching and learning materials, national assessment, and curricular improvements at primary, secondary, TIVET and university education levels to make education more relevant to the needs of the labor market.

Development partners have an important role to play in building requisite consensus for financing education. The World Bank is currently focusing on establishing partnerships with the IFC, private philanthropists, and foundations in Kenya to identify areas of ongoing
and potential support by the non-state financiers of education. A World Bank study commissioned in July 2007 on the subject of Non-State Bursary Providers (NSBPs) revealed that the levels of funding at the secondary schools level from non-state players are significant. There is potential for setting up a revolving or endowment fund in Kenya as a vehicle for non-state providers of education to support demand-side financing efforts.

Conclusion

The Government of Kenya’s Vision 2030 report includes public-private partnerships as a major objective of the education and training sub-sectors. In addition, the recast Education Act takes into account many of the elements outlined by KPSA for improving the regulatory environment for private sector participation in education and training. Ministry of Education is also taking steps to put in place improved policies for public-private partnerships in keeping with the objectives of the Sessional Paper I of 2005.
The higher education sector in Malaysia has evolved into a dualistic system comprising of the public and private higher education sectors. Private higher education comprises private colleges, private universities and university colleges, foreign university branch campuses and distance learning centers. A distinct characteristic of the Private Higher Education institutions (PHEI) is that they self-generate their resources from shareholders’ funds, students’ fees and business activities related to the education sector.

The private higher education sector in Malaysia is under the purview of the Ministry of Higher Education. As of 31 December 2007, the number of active PHEI in Malaysia stood at 468 which comprised of 18 universities, 15 university colleges, 4 branch campus of foreign universities and 431 colleges. PHEI in Malaysia are governed by an Act of Parliament known as the Private Higher Education Institutions Act (1996).

The Private Higher Education Act (1996) was enacted with the purpose to provide for the establishment, registration, management and supervision of, and the control of the quality of education provided by PHEIs in Malaysia. The Act also serves the purpose to facilitate and regulate PHEIs so as to ensure its healthy development and the provision of quality education.

To ensure the quality of academic programs offered by the PHEIs, a new entity under the Ministry of Higher Education known as the Malaysian Qualifications Agency (MQA) was established on 1 November 2007. MQA was established under an Act of Parliament known as the Malaysian Qualifications Agency Act 2007. The main role of the MQA is to implement the Malaysian Qualifications Framework (MQF) as a basis for quality assur-
ance of higher education and as the reference point for the criteria and standards for national qualifications. The MQA is also responsible for monitoring and overseeing the quality assurance practices and accreditation of national higher education for both the private and public sectors.

There are several issues in the development of PHEI in Malaysia. Amongst others, it concerns the low proportion of faculty with PhD qualification as compared to the level of faculty with similar qualification in Public Higher Education Institutions. Most PHEIs only fulfill the minimal requirements in terms of faculty strength to meet MQA’s accreditation for their programs. The PHEIs also face stiff competition in terms of student recruitment. Besides competing among themselves, PHEIs also compete with Public Higher Education Institutions.

The overall level of Research and Development (R&D) activities undertaken by PHEIs (especially the small PHEIs) as compared to Public Higher Education Institutions is still low. Majority of the PHEIs are offering academic programs at the Bachelor and Diploma levels and the number of postgraduate programs in PHEIs is relatively small. Furthermore PHEIs have to compete for government research grants with Public Higher Education Institutions that are more advanced in terms of infrastructure and research capabilities.

Sustainability in terms of funding is an issue. The increasing competitive trend in the education sector and rapid changes in technological environment has compelled PHEIs to be more competitive. Coupled with heightened consumer sophistication, PHEIs are expected to face with the challenge of getting their enrollment to break-even, sustain their market share and eventually register the expected profits.

### Private Higher Education Sector in Malaysia: Quick Facts 2007

<table>
<thead>
<tr>
<th>Table 11.1. Number of Universities, University Colleges, Foreign Branch Campuses, and Colleges</th>
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</thead>
<tbody>
<tr>
<td><strong>PHEIs</strong></td>
</tr>
<tr>
<td>Universities</td>
</tr>
<tr>
<td>Foreign Branch Campus</td>
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<tr>
<td>University College</td>
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<td><strong>Total</strong></td>
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<tr>
<th>Table 11.2. Student Intake, Enrollment, and Output</th>
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<tbody>
<tr>
<td><strong>PHEIs</strong></td>
</tr>
<tr>
<td>Universities, University Colleges And Foreign Branch Campuses</td>
</tr>
<tr>
<td>Colleges</td>
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<tr>
<td><strong>Total</strong></td>
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</table>
### Table 11.3. Student Intake, Enrollment, and Output, By Level of Studies

<table>
<thead>
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<th>Level</th>
<th>Intake</th>
<th>Enrollment</th>
<th>Output</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>T</td>
</tr>
<tr>
<td>Certificate</td>
<td>27493</td>
<td>24704</td>
<td>52197</td>
</tr>
<tr>
<td>Diploma</td>
<td>30195</td>
<td>39572</td>
<td>69767</td>
</tr>
<tr>
<td>Degree</td>
<td>21116</td>
<td>22509</td>
<td>43625</td>
</tr>
<tr>
<td>Masters</td>
<td>1077</td>
<td>818</td>
<td>1895</td>
</tr>
<tr>
<td>Doctorate</td>
<td>188</td>
<td>116</td>
<td>304</td>
</tr>
<tr>
<td>Total</td>
<td>80069</td>
<td>87719</td>
<td>167788</td>
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### Table 11.4. Faculty

<table>
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<tr>
<th>Academic Level</th>
<th>Local</th>
<th>Expatriate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctorate</td>
<td>1,173</td>
<td>497</td>
<td>1670</td>
</tr>
<tr>
<td>Masters</td>
<td>6,203</td>
<td>604</td>
<td>6807</td>
</tr>
<tr>
<td>Degree</td>
<td>7,502</td>
<td>252</td>
<td>7754</td>
</tr>
<tr>
<td>Diploma</td>
<td>1,788</td>
<td>23</td>
<td>1811</td>
</tr>
<tr>
<td>Total</td>
<td>16,666</td>
<td>1,376</td>
<td>18,042</td>
</tr>
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</table>

### Table 11.5. International Students

<table>
<thead>
<tr>
<th>Gender</th>
<th>Intake</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>22,265</td>
<td>66.30%</td>
</tr>
<tr>
<td>Female</td>
<td>11,339</td>
<td>33.70%</td>
</tr>
<tr>
<td>Total</td>
<td>33,604</td>
<td>100%</td>
</tr>
</tbody>
</table>
The Mexican Education System has had an upward spiral of development in the past five decades as a result of both federal and state public policies which aim at opening access opportunities for everyone at all levels of education throughout the country and especially in rural and marginal urban zones. In 2007, almost 32 million children, youngsters, and adults studied in the system; 77 percent in mandatory basic education, 11 percent in middle high education, 8 percent in higher education, and 4 percent in job training.

In the process of expanding the National Education System, which began in the 1970s, private involvement was a very important factor in responding to the growing demand for education in the country. Nevertheless, the contribution of the private sector has varied in regard to the different education levels. Privately provided education at the basic level rose to 15 percent of the total in 2007, 25 percent in middle high, and 49 percent in higher education. These figures reveal the contribution made by private parties in providing education services in Mexico. It is evident that the major impact has been in higher education, a fact that is similar in all the Latin-American region during the same time frame. In the 1990s the annual growth rate of private education in institutions of higher learning reached 13 percent, as compared to the 4–5 percent rate in public institutions.

At present there are 1200 private institutions of higher learning distributed throughout the country, the majority of which have up to 2000 students. Among them are some that have attained ample recognition and prestige at the national and international levels given the proven quality of the services they offer. The large number of existing institutions and the diversity of their profiles, represents one of the major problems faced by the regulation of the quality of the educational services that they offer according to the law.

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8. Secretary of Education, Nueva Leon, Mexico.
In México, the General Law of Education is the legal framework that regulates the education that is purveyed by the Federation, by the States, and by the Counties, as well as by decentralized organisms and by private parties.

This normative instrument establishes that private parties may provide basic education (pre-school, grade school and junior high school), high school (baccalaureate), and higher education (including a two-year superior university technician program, licentiate [pre-graduate studies], and postgraduate studies (specialties, master and doctoral degrees) in present, semi-present, as well as distance learning modalities.

To provide pre-school, grade school, and junior high school education, as well as to train teachers for basic education (normal education), private parties must first obtain the express authorization of the State. However, in the case of high school and superior education, private parties may offer these types of studies with or without official recognition of validity.

The authorization, or in its case, the official recognition of validity by the Education Authority of a study program provided by a private institution, means that it is incorporated into the “National Education System” with respect to the studies which are referred to in the authorization or official recognition. All studies undertaken in the National Education System are valid throughout the entire Mexican Republic.

In the specific case of higher education, the fact that a licentiate (pre-graduate) program has official recognition of validity, assures the graduates that they may obtain the professional patent by the appropriate federal or state authority, which is an indispensable requirement to be able to practice those professions that are regulated by law. On the contrary, higher education programs that do not have official recognition of validity, do not permit the graduate to obtain the professional patent and therefore, are not authorized to practice the corresponding profession in Mexico.

The General Law of Education establishes a system of concurrent rights in which the private party may petition the federal or state education authority for authorization or official recognition of validity of study programs.

The private parties that obtain authorization or official recognition of validity of studies, are obligated to comply with the study plans and programs for which the authorization or recognition was granted, as well as to offer a minimum of scholarships (5 percent) to the registered students taking into consideration their economic situation.

On the other hand, private parties that provide high school and superior education without official recognition of validity, must also mention it in their documents and advertisements, with the purpose of guaranteeing that those who study in these programs, be informed of the impossibility of obtaining the corresponding professional patent when they finish their studies. This established obligation is on occasion not complied with, a fact that generates social conflicts, specially when a number of students that finish their studies in a program without official recognition of validity, applies for the professional patent.

It must be pointed out that purveyors of private education in all its types, levels and modalities, as mentioned in the General Law of Education, may operate their services based on national, international or mixed investments. The Law of Foreign Investments does not reserve education services for the State, for Mexicans or for Mexican Societies. This means that any foreign education institution or foreign investor may in principle offer education services in Mexico. Nevertheless, to be incorporated into the “National Education System,”
the education institution must obtain either the authorization or the official recognition of validity of studies for the education program it desires to offer.

It must be recognized that one of the major problems faced by quality control in private institutions in Mexico, has its origin in the general character of the requirements which must be met by the private parties in order to obtain authorization or the official recognition of validity of studies set out in the General Law of Education. In a system of concurrent rights, the federal or state education authorities might assess the petitions of the private parties with differing criteria. When the federal authority denies the petition, it is not infrequent that the private party will then petition the state authority and obtain recognition, or vice versa.

To face this problem, at the end of the year 2000, the federal education authority issued Secretarial Agreement No. 279 which specifies the requirements that private parties must comply with in order to obtain the official recognition of studies for a higher education program, within the framework of the National Law of Education. Since then, this Agreement constitutes the framework that has regulated the assessment of the private petitions by the federal education authority, a situation that has favorably impacted the quality control of the education programs. Nevertheless, State Education Authorities have not complied with the criteria mentioned in the Agreement in the process of granting official recognition of studies, even though recurrent efforts and agreements between the federal and state authorities have been made. Therefore, the problem still exists.

On the other hand, the limited capacity of both federal and state education authorities to adequately monitor the services so that they comply with the requirements established by law, gives rise to one of the most significant deficiencies in the regulation of education services provided by private parties in Mexico. This situation is particularly serious in the case of institutions that offer middle high and higher education.

To overcome these problems, Congress has proposed different initiatives for reform of the actual legal framework, but at present these have not reached the necessary consensus for approval. Among the more relevant aspects of the initiatives are: to set down a system which outlines the criteria that must be followed in order for a federal or state education authority to grant official recognition of studies; a temporary period of enforcement of five to seven years, depending on the official duration of the period of study; and among the requirements for the renewal of the recognition, the program must be accredited by an organism approved by the Council for the Accreditation of Higher Education, to foster the continual improvement of the program and to assure its quality. These reforms of the General Law of Education will contribute significantly to the betterment of quality control in the private institutions of higher learning in Mexico.

Finally, transnational higher education, particularly that which is based on communication technologies such as Internet, presents another challenge in the regulation of the quality of the educative services offered by private institutions of other countries within Mexico. Even though the regulatory framework establishes the general schemes upon which regulation is based, the biggest problem is that those who are interested in this type of education offer, should have the necessary and sufficient information, particularly in regard to the possibility of obtaining a professional patent or the revalidation of studies, and with this information evaluate their incorporation into these institutions. Existing information permits the inference that up till now, there has been no case of a foreign institution petitioning for authorization or official recognition of studies in Mexico in distance education programs using divers modalities and information technologies.
In 2006, Nigeria had a total of about 24 million pupils enrolled in over 80,000 primary schools, about 3.6 million in junior secondary and about 2.8 million in senior secondary schools (totalling about 12,000 schools). Transition rate from primary school to junior secondary school is barely 50 percent. With a population of about 150 million, more than 50 million of which are youths, it is clear from these figures that many children are out of school.

Annually about 1 million candidates seek entrance into universities, but only about 150,000 are admitted. Other tertiary level institutions; the polytechnics and the colleges of education can only take in another 150,000. There are at present 92 Universities, 85 Colleges of Education and 110 Polytechnics and other specialised tertiary technical institutions, variously owned by federal and state governments and private companies.

Vocational Enterprise Institutions (VEIs) and Innovation Enterprise Institutions (IEIs)

To cater for the out-of-school youths as well as provide attractive options for those seeking university education, the Nigerian Government sought to partner with the private sector, through new institutions known as Vocational Enterprise Institutions (VEIs) and Innovation Enterprise Institutions (IEIs). The VEIs will operate at the post-basic level,

9. Executive Secretary, National Board for Technical Education, Nigeria.
after 9 years of schooling, while the IEIs will operate at the post-secondary level, after 12 years of schooling. In particular the VEIs and IEIs will target the following:

- School leavers who wish to acquire demonstrable practical skills to secure employment or generate employment
- Persons seeking for career paths that do not need university degrees, or other higher education qualifications
- Persons without time for full-time study but desire to enhance their skills
- Persons wishing to go into self-employment
- University and other graduates seeking skills needed for employment
- Adults seeking opportunities to re-skill themselves
- Adults returning to school.

These institutions, which are primarily private sector driven, will offer skills-based, vocational, technical or professional training at post-basic and post-secondary levels to equip school leavers and working adults with the necessary skills and knowledge to meet the increasing demand for technical manpower by the various sectors of the nation’s economy. The VEIs and IEIs will focus on the development of learners’ capacity to think creatively and transform knowledge, through technological processes, into wealth and a broader economic base thereby economically empowering the individual to alleviate poverty. In addition, they will address:

- the low participation of the private sector in skills training and development at the craft and technician levels,
- the apparent lack of relevance of the training provided by Higher Education Institutions to the current economic needs, thereby providing training that is targeted to the industry and largely run by it,
- the low absorptive capacity of higher education institutions to accommodate the multitude of secondary school leavers, and
- the lopsided enrollment in favour of non-technical programs in our higher institutions.

**Program Structure and Qualifications**

The VEIs and IEIs will offer part-time and full-time training leading to the award of certificates and national diplomas. VEIs will admit candidates with a minimum of basic education certificate and cover multidisciplinary areas that will prepare learners for jobs in many industries, while the IEIs will admit students with minimum of five (5) “O” Level credits, similar to the requirements for entry into a university degree. These requirements will ensure smooth articulation to higher levels of training, including universities, polytechnics and colleges of education.

The VEIs will run one year modular programs of up to three years, with the possibility of exit and certification after each year of training. The modules have been designed such that each year of training would equip the trainee with practicable working skills in specialised area. The qualifications obtainable at this level are called *The National Vocational*
Certificate (NVC) Part 1, Part 2 and Final. The IEIs, on the other hand, will offer diploma programs full time (2 years) or part-time (3–4 years). The IEIs will award The National Innovation Diploma (NID).

Curriculum Development and Certification

The National Board for Technical Education (NBTE), which has responsibility for certification and accreditation of the programs to be offered, has in close collaboration with the private providers developed curricula for 25 programs, in areas such as ICT, telecommunications, computer hardware engineering, refrigeration and air-conditioning, welding and fabrication, petroleum geosciences, building technology, agriculture, film and TV production, early childhood care management, paralegal studies, music, fashion design, hospitality and tourism. The curricula were developed using submissions from the licensed private proprietors of the VEIs and IEIs, and were designed in line with NBTE’s National Minimum Standards, but with strong bias for practical hands-on training and industry linkages. The main objective is to make sure that all modules in each curriculum are designed to address specific industry needs. We have already received proposals for additional curricula to be developed during the course of this year in cosmetology and beauty therapy, fisheries, printing technology, motor vehicle body work, auto mechanics, and furniture making.

State of Implementation

So far, 75 institutions have been licensed to operate (18 VEIs and 57 IEIs) with 52 programs in 25 institutions already granted Interim Accreditation. They are expected to commence training anytime now. There are already additional 50 pending applications for establishment of VEIs and IEIs.

Funding

While the major source of funding will be from tuition fees, it is also expected that the institutions will adopt innovative fees strategies whereby talented students from low income backgrounds can be supported through scholarships, tuition fees exemption, government bursaries, subsidies or support from industries, banks and government intervention agencies such as the Education Trust Fund (ETF) and the Petroleum Technology Development Fund (PTDF). It is expected that the Government will provide some grants to the institutions, especially for capital projects development.
Senegal has a long tradition of Private education. They indeed preceded the public schools in the country with the religious schools teaching Islam or Christianity. In the mid-1990s, 10 very strong private schools delivering education from preschool to secondary already existed in Senegal and contributed to put in place the first generation of educated citizens. In the absence of public investment in pre-school 53 percent of schools are private (versus 67.9 percent in 2000) and 54 percent of the total enrollment in this level of education is in private schools. The development of community pre-schools called “cases des tout petits” has reduced the leadership of private investors in this sector. The presence of private sector in primary education is less important (11 percent of schools and 12.4 percent of enrollment). Access to primary education which is the priority of the government is free and the school mapping covers both rural and urban areas. Due to the very selective nature of access to post primary levels (there is bottleneck with the limited capacity of absorption that imposes a meticulous selection) the presence of the private sector becomes more important. 69.3 percent of middle schools are private and 21.1 percent of the enrollments are in these schools. 59 percent of secondary schools are private and 21.4 percent of the enrollments are in these schools. The trend is stronger in higher education where 87 percent of the schools are private but only 14.5 percent of the enrollments are registered in these schools. Private education has experienced in the last decade a boom especially in higher education with the opening of 42 private universities and specialized schools enrolling more than 10,000 students.

10. Education Specialist, USAID.
Types of Private Schools

- Private secular schools (around 82 percent of the total)
- Private religious schools (with the highest demand)
- Private tertiary schools (high demand from neighboring countries)
- Informal private schools (operating without official recognition from relevant institutions).

Major Characteristics

- Strong demand
- Strong concentration in urban areas
- Regional coverage due to the standing and reputation of stability in private schools
- Partnership with other schools abroad specially in Higher education (increasing their market value)
- Growing appearance of foreign providers (French, American, Moroccan, Turkish).

Factors Contributing to the Growth of Private Education

- Favorable environment including policy changes
- High demand for quality education from families
- Emergence of a new middle class that sees private education as part of their standing
- Instability in public schools with the repeated strikes organized by teachers and students
- The selection process is based on the capacity to pay for fees and tuition
- High success rate in almost all private schools
- Smaller class size
- More order and discipline
- Better and more functional facilities
- Additional education services (computer, libraries, sports, etc)
- More committed teachers
- Better monitoring of student attendance and performance
- Better communication with parents.

The Regulatory Framework

The favorable regulatory context has been key to the development of private education. 

*La Loi 91-22 of February 1991* re-emphasized the recognition of private sector as an important strategy for promoting education for all after the Jomtien conference on education for all. This act was also a political option against those who in the recommendations of the Senegalese “General Conference on Education” were advocating for private education to be axed out of education system. The champions of this position considered it as an expression of social inequity and a middle class tool to replicate their supremacy over the blue color and rural working class.
In this act the eligibility to the position of owner of a private school, was only restricted to Senegalese citizens demonstrating experience and expertise in Education.

La Loi 94-82 of December 1994 opened up opportunity for investing in private education to non Senegalese and non education specialists.

There is no recommended fees and tuition to private education. The market is open and is supposed to regulate itself. Fees and tuition vary significantly from top class private school to informal ones.

The decree 98-563 of June 1998 set up the conditions and the qualifications (diplomas) required to heads and teachers of private pre primary, primary, secondary and vocational schools.

Government subsidizes private education based on certain rules and under the recommendations of a special committee. The budget that has stagnated at 1billion Francs CFA the last 10 years has mainly profited to the historical private religious schools. Discussion on has to make the subsidy pro-poor is being discussed by the Ministry of education.

Quality assurance/control in private schools (except for higher education) is exercised by inspectors of education. They audit schools and propose accreditation. They have regular pedagogical and administrative inspections to all private schools that are located in their district. They must ensure that teachers and principals of private schools participate to the in-service training programs that are delivered by the government to all teachers (government owned and private) every year.

Central and local governments provide scholarship to students coming from disadvantaged families in public and private schools.

Major Changes to be Promoted

- The government may outsource/sub-contract the management of certain schools with the private sector especially in the provision of certain types of education like vocational, higher education. The government will make the basic investment and contract the management with private providers (Public-Private Partnership).
- The Government may put in place a special fund to promote investment in private education
- The Government may put in place in selected banks a special account to guarantee loans for those who would like to invest in private education
- The government may facilitate the emergence of private initiatives/enterprises specialized in carrying out accreditation and reviews or in providing information to consumers on the education market

Opportunities

- For profit potential engaged in the delivery of private education.
- The use of knowledge as a purchasable and saleable good (knowledge society and a market for private education).
- A fertile ground for alternative provision of education (distance education, virtual schools, open schools, enterprise schools).
Organization of an area of enhanced mobility for students and teachers in an atmosphere of increased transparency and mutual recognition of qualification especially at higher education level.

- The Government of Senegal is committed to contribute substantially to the funding of the development of private education. The same cooperation can be developed with private business in Senegal and outside of Senegal.
- The existence of a number of organizations that can play a role in reforming private education: Employers and employees unions, Agency for the promotion of investment (APIX), The Foundation for the Development of Private sector.

Major Issues

Weak management for excellence when coping with the following challenges: growing student numbers including adults. The most competitive private schools have low class size. The credibility and standing of Senegalese private education are increasingly subject to question when they face stronger enrollments.

There is an increased demand for transparency and accountability. The private education is not considered in the Senegalese law as a business. As a non profit institution it does not pay taxes.

Finally, there is a big problem for almost all private schools to secure autonomy and self reliance.

Diversification of education service provision: There are still weaknesses in promoting new teaching and learning systems: distance education, virtual schools, open schools, enterprise schools

Resources constraints: resource constraints limit the ability of private education to meet the current demand with the quality often held to be necessary for their marketability. One of the most pressing challenges facing private education today is that of resources: how to increase them, how to diversify their provenance, how to improve both pedagogical and management allocations. Finally how to meet the social responsibilities placed upon any education institution while maintaining the minimum profits that keep the private school viable.
The history of higher education in Tanzania started in 1961 when the University College Dar es Salaam was established as an affiliate college of the University of London. Thereafter, in 1963 higher education growth in the country was manifested through the establishment of the University of East Africa and the University College Dar es Salaam becoming one of the constitute colleges, which in 1970 was transformed into an autonomous university, the University of Dar es Salaam. Prior to the early 1990s growth of higher education in Tanzania was rather minimal, as the existing policies then prohibited establishment of private higher education institutions. However, the socio-economic reforms of the early 1990s led to a liberalized education sector, allowing for the first time providers of higher education to operate in the country. While such reforms were being implemented there was no national higher education regulatory framework that could assure and hence ensure the quality of the emerging higher education system.

In order to address that shortfall, the then Higher Education Accreditation Council had to be established in 1995 by an Act of Parliament, with the mandate to regulate the establishment, and subsequently accredit private university institutions in the country. Such mandate, being limited only to private universities, was seen as discriminatory against the promotion of a viable public-private partnership approach in higher education provision as stipulated in the National Higher Education Policy of 1999. Thus, that and the need to establish a harmonized higher education system in the country, including a uniform quality assurance system, led to the enactment of the Universities Act No. 7 in 2005, through which the Tanzania Commission for Universities (TCU) was established. TCU is a body corporate mandated to recognize, approve, register and accredit universities operating in

11. Executive Secretary, Tanzania Commission for Universities.
Tanzania, through procedures that are elaborated by the Act. The Act prohibits any institution or person in the United Republic of Tanzania to commence or carry on university education operations, activities or functions without having been granted approval by TCU, or having been granted a charter by a statutory authority after TCU scrutiny.

In order to ensure that such a harmonious higher education system does not lead to compromised institutional peculiarities and autonomy, each university is required to operate under its own charter, granted by the President of the United Republic of Tanzania after having been processed through TCU. The core functions of TCU are as follows:

- To promote and regulate the establishment of higher education in the country and advise the government on the same.
- To guide and regulate the establishment and conduct of higher education institutions, both public and private.
- To accredit institutions and programs that have complied with TCU prescribed quality assurance standards and procedures.
- To standardize procedures of recognizing academic qualifications (degrees, diplomas, certificates and other awards) obtained locally or abroad.
- To provide guidance and monitor the long-term planning, staff development, scholarships and physical development strategies and programs of universities in Tanzania.
- To collect, examine, store in databases or data banks, and publish information relating to higher education, research and consultancy in Tanzanian universities.
- To promote the objectives of higher education in the country, in particular the development, processing, storage and dissemination of knowledge for the benefit of humanity and the harnessing of knowledge for the production of usable goods and services.
- To establish, maintain and operationalize a qualifications framework for universities in Tanzania, and taking part in establishing and maintaining regional and international qualifications frameworks.
- To spearhead compliance with higher educational standards nationally, regionally and internationally.

Therefore, in order to accomplish these objectives objectively, TCU has been provided an autonomous legal mandate with no government interference in its operations. Furthermore, in order to ensure harmonious education standards within the East African Community and the SADC region where Tanzania enjoys membership, TCU participates in regional initiatives in this regard. Thus, while TCU participates in efforts towards establishment of a harmonized qualifications framework in the SADC region, TCU and higher education regulatory agencies in Kenya and Uganda in collaboration with the Inter-University Council for East Africa are implementing a project to introduce an East African quality assurance system. So far the required quality assurance instruments have been developed in the form of a handbook and currently the instruments are being piloted for program self-evaluation in several universities in East Africa.

Among the major challenges that TCU faces in implementing its mandated roles and functions is the rapid student enrollment expansion in existing universities amidst unfavorable funding provisions, and the proliferation of new higher education institutions,
mostly being private ones, whose quality requires close follow up. Furthermore, the exponential expansion of demand for higher education globally has promoted cross-border higher education access and provision, therefore requiring regulatory agencies like TCU to provide quality assurance mechanisms that uphold an international outlook, preferably modeled within a regional or global framework. In addition, regional and global quality assurance perspectives that TCU upholds address the need to have harmonized higher education systems with regional and international outlook focusing on the production of graduates having regionally as well as internationally acceptable qualifications and skills, to promote employability of our graduates in national as well as cross-border job markets.
Eco-Audit

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Governments around the world, and particularly those in developing countries, face significant educational challenges. Despite progress in raising education enrollments at the basic education level, much remains to be done. Today, about 77 million children in developing countries are not in school, particularly in Sub-Saharan Africa and South Asia. Higher education participation rates remain low in many developing countries, and public higher education institutions (HEIs) struggle to absorb growing numbers of secondary school graduates. Public universities face ongoing challenges, including a lack of teaching and research resources, and the loss of qualified staff to developed countries. The inability of public sector educational institutions, particularly in developing countries, to absorb growing numbers of students at all levels of education has seen the emergence of private schools and HEIs.

This paper briefly examines the international experience concerning the regulation of private education at the school and higher education level. It begins with an overview of the private school and higher education sectors and a short discussion of the potential benefits of increased private participation in education. The remainder of the paper focuses on the following questions and sets out propositions for governments to consider.

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