## Elsevier Editorial System(tm) for International Journal of Educational Development Manuscript Draft

Manuscript Number:

Title: Inside Private Secondary Schools in Malawi: Access or Exclusion?

Article Type: Full Length Article

Keywords: Malawi; secondary school; private schools; privatisation; international education; private

sector

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## **Inside Private Secondary Schools in Malawi: Access or Exclusion?**

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#### **Acknowledgements:**

This research report is a result of collaboration, support and dedication from many individuals. It is impossible to name them all. However, we would like to extend special thanks to all the respondents and participants in the study including private school students, head teachers, teachers, as well as key informants for their valuable time and information. A hard working team of research assistants (Kennedy Manda, Mabvuto Kalawa, Owen Masauli, Sumaya Naliwa and Charity Ngalande) helped us to collect data for the case studies.

We are very grateful to the numerous officials in district and division education offices, in the Ministry of Education, the Malawi National Exam Board and District Education Offices who assisted the research project. The president and executive secretary of ISAMA were especially helpful and generous with their time. The Centre for Educational Research and Training (CERT) in Chancellor College at the University of Malawi hosted the research and provided infrastructure support to enable the data collection and analysis.

This research was possible through the funding provided by the Privatisation in Education Research Initiative (PERI) of the Open Society Foundations (OSF). We thank PERI for their financial assistance.

# Inside Private Secondary Schools in Malawi: Access or Exclusion?

## **Abstract**

In Malawi, few can afford to go to any type of secondary school, partly as a result of policies restricting the growth of public secondary education. Private schools now educate about one in five secondary school students. There is lively international debate about the efficiency and effectiveness of private schools in developing countries. This paper provides insights into 15 private secondary schools in Malawi, their students, teachers, infrastructure and business model. We find that while private secondary schools meet some excess demand for secondary education, they do not provide accessible, sustainable, quality or equitable secondary education.

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## **Setting the Scene**

Many low-income countries, especially in Sub Saharan Africa, have yet to succeed in universalising access to primary schooling (UNESCO 2014). Most are a long way from ensuring that every child has access to a secondary school (Lewin 2008). Some commentators have argued that since public school systems have yet to reach every child, private schools<sup>1</sup> serving the poor should be encouraged and that this is a the solution to expanding educational access at both primary and secondary level. Advocates of private schooling (Patrinos et al. 2009) and private school owners (Tooley and Dixon, 2005) claim that private for profit schools will expand access to the poor and increase the quality of education. Sceptics such as Lewin (2007) Harma (2011) and Srivastava (2013) maintain that private schools do not provide access to the poorest, and that claims that private schooling is necessarily of higher quality than public schooling cannot be substantiated. Many of the claims about private schooling are characterised by a lack of evidence. In most low-income countries there is no reliable data on the numbers of private schools since many may not be licensed or register as tax paying business or tax-exempt charities. The literature on private schooling has a geographic focus on primary schooling in South Asia with relatively few articles on sub-Saharan Africa and secondary schools (Day Ashley et al. 2014).

Much of the debate focuses on attempts to demonstrate that performance on tests in private schools are better than in public schools. The results of these attempts remain inconclusive and problematic for a number of reasons. They homogenise different types of schools that most contexts contain examples of both good and bad schools and they often compare very good private schools with the worst public schools. It is very difficult to separate the school effect from the effects of children and their family's socio-economic background, which are very influential on performance. This problem means that results can be contradictory depending on the data and methodology used. Sorting of children and selection effects makes these comparisons difficult, with high ability and/or high socioeconomic class children going into private schools confusing the true 'private school effect' (Mcloughlin, 2013). Recent experimental research, which attempts to isolate the school effect in Andhra Pradesh, has found negligible differences in performance in maths and mother tongue, but found that private schools taught subjects that government schools did not (mainly English) so that their students performed better in those subjects (Muralidharan and Sundararaman 2013; Singh 2014). At the system level, the 2012 PISA study of 72 countries indicates that there appears to be no link between the proportion of private schools in a system and performance in standardised tests (OECD, 2013).

Mcloughlin (2013) reviews several studies that identify factors driving people in developing countries to choose private education. These are linked to the quantity and quality of public schooling available, if there is insufficient capacity in the public sector or it is perceived to be of poor quality, demand for private schooling goes up. Lewin and Sayed (2005) distinguish between excess demand (insufficient quantity of supply) and differentiated demand (demand for something different or of higher quality than is currently supplied). In Malawi both of these are acting as there is insufficient capacity in the secondary system for the numbers of pupils and there is

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<sup>&</sup>lt;sup>1</sup> Private schools here refers to schools that are organised and run privately with no subsidy from the State. In this paper we focus on private for profit providers rather than not for profit NGOs and church run schools.

demand for secondary education that is not selective and of higher quality than some of the secondary education options. The low quality of the easiest to access form of secondary education is linked to high enrolments and PTRs so these types of demand are not unrelated. Lewin (2015) also notes that privately financed education is a "positional" good in which part of the value lies in its exclusivity. It is not a public good since it is rivalrous and exclusive.

The following two sections describe the context of secondary education in Malawi and the methods used for this research. More details of the research are available in Chimombo et al 2013). Next, the results are discussed in sections on school choice, students who attend private secondary schools in Malawi, teachers, schools, their academic performance, and finances, before a concluding section.

## **Secondary Education in Malawi**

Malawi enrols a small minority of its school age population in secondary schools as a result of a long history of restricting participation to the number needed to support a small formal, non-agricultural sector. Growing numbers of children have graduated from primary schooling as a result of the free primary education policy, meaning that demand for places in secondary schools has increased. Increasing demand for secondary education reflects in part the critical importance of secondary schooling in Malawi in mediating entrance into the modern sector labour market. As is the case in other parts of Sub Saharan Africa, who goes to secondary school and how this affects poverty reduction, social equity, and economic development has become a key development issue (Lewin and Sabates, 2012).

The net enrolment rate at secondary level in 2010 was 27% according to EMIS data and 12.2% according to DHS data (NSO and ICF Macro, 2011, Chimombo et al. 2013). Nearly all who attend secondary schools are from the wealthiest quintile (NSO and ICF Macro, 2011). There are four types of schools in the public sector, and we have identified four types of private school, as well as publicly funded, privately managed grant maintained schools. All secondary schools charge fees, of varying rates and all the public ones are selective based on primary school leavers' exam results.

The first type of public school, the cheapest form of secondary schooling in Malawi, are community day secondary schools (CDSS), which educate 43% of Malawian secondary school students. Performance in CDSS schools is poor and very few progress from these schools into the public universities. CDSS enter many more boys than girls for national exams with a GPI of 0.62 among their MSCE candidates (Chimombo et al. 2013). The second type of public school is the national government secondary schools, which provide the best quality public provision. National secondary schools are often boarding schools, and are among the most prestigious secondary schools in the country. They include a number of girl's secondary schools that provided 60% of all female entrants to the university in Malawi in 2010. Conventional secondary schools are the third type of public school, which are considered to be the next level in terms of quality and performance. National and conventional secondary schools are grouped together in the Malawi national exam board and EMIS data and called 'conventional schools'. This category of schools performs the best in national examinations of any school type, but contains a wide variety within it. These schools educate around 19% of secondary school students but

provided about 50% of entrants to the university of Malawi in 2010. Boys dominate public secondary education, with a GPI in enrolment of 0.89 and of entrants for the MSCE exam of 0.80.

Finally, the system of Open Day Secondary Schools (ODSS) is a parallel system to the provision of secondary education in Malawi. They run in the existing structures of a secondary school. EMIS data indicate that there were 12,879 learners in ODSS in 2011, although only 1,265 ODSS students sat for their MSCE and 894 for the JCE in that year according to MANEB data (Chimombo et al. 2013). There have been problems with the operation of ODSS. They attract extra income to teachers (because teachers are paid per hour) and therefore there is tendency to hide the real numbers of students involved (Chimombo, 2010).

Private providers educate about 20% of secondary school pupils in Malawi but provided 41% of entrants to the university of Malawi in 2010. Four types of private schools can be identified based on fee levels and ownership. The first are 'Dwelling house schools' owned by individual entrepreneurs and established in proprietors' homes. These have drastically reduced in number in recent years. They are usually small, have unstable enrolments, teachers on informal contracts, and few if any resources.

Second, there are business entrepreneurs who own and run private schools in buildings that are purpose built. These 'for profit private schools' have facilities of varying quality. The costs and quality of these schools varies widely. They include very good schools operating efficiently, providing a good education for a reasonable price as well as schools that are dirty and dangerous for learners and are clearly focused on maximizing profits rather than quality education. These schools also include day, boarding and mixed provision schools. This is the category of schools that we focus our study on.

Third, are mission and church owned and run private schools, which tend to be well established and equipped. These schools have reputations that attract higher fee students and stable teaching forces with more normal employment contracts. Many of these schools are 'grant aided' meaning that a substantial proportion of running costs, usually teacher salaries, are provided by the state. The state also controls teacher recruitment and deployment. Some of these schools have opted out of the grant-aided arrangement and become wholly private ('mission private'), these usually operate in the high-cost, high quality end of the spectrum of private schools.

Finally there are a small number of high cost, high quality, international private schools which attract both Malawian and foreign students and have excellent facilities and well paid, fully qualified teaching staff. Students in these schools often sit for British or International Baccalaureate exams and typically go to university outside Malawi.

These schools cater for those unable or unwilling to attend government secondary schools, but for very different reasons. In all categories of secondary school, including government secondary schools, fees must be paid. In the first two categories of private school described, students are mainly those who have failed to gain entrance into a selective government secondary school or have some other reason for not

wanting to attend. This might be that they are disillusioned with the quality of government schools, have had a bad experience in school and/or want to retake public examinations. In the second two categories of private schools the decision to go to private school is motivated more by quality and social reasons, with the wealthiest choosing high cost elite education options. There is not a clear-cut distinction between private and public in terms of funding because government schools charge fees. All schools, regardless of type are supposed to register with the government, which regulates all schools except for the international schools.

## Methods and sampling

This study focuses upon private secondary schools in three districts in Malawi, Zomba, Blantyre and Dedza. The districts were purposively sampled based on their enrolment rates. Blantyre district, containing the wealthiest and largest city in the country, had the highest enrolment rate while Dedza district had the lowest enrolment rate in the country. Zomba district was sampled as a convenient intermediate rate and location.

Fifteen private secondary schools were chosen from these three districts. These were defined as schools teaching Forms 1-4, that are entirely private, receiving no state subsidy or grant and not being allied to or supported by a Non-Governmental Organization (NGO), religious organisation or charity. The sample does not include elite, grant aided or dwelling house schools, we sampled from among the cheapest legal form of private secondary school.

We used a range of data collection methods. At each school, five instruments were used:

- A school checklist that was administered with the head teacher.
- Semi-structured interviews with two teachers.
- Focus group discussions with selected boys and girls in Forms 1 and 4.
- An infrastructure checklist on the quality and condition of infrastructure and processes taking place at the school.
- A questionnaire for all students in Form 1 and Form 4.

The school checklist collected data on issues of ownership and management of the school, admissions, enrolments, dropouts, student migration, student performance, teacher qualifications, teacher salaries, infrastructure and financial issues. Interviews with teachers focussed on their reasons for teaching at the school, their salaries and conditions of work and the students at the school. In focus group discussions, students' experiences in the schools, their views on teaching and learning and on why they had chosen to study at the school were discussed. The infrastructure checklist helped to standardise analysis of the buildings and facilities in schools.

The student questionnaire collected data on the socio-economic and education background of students as well as the level of provision of textbooks and furniture to students. At each sampled school, all Form 1 and Form 4 students were asked to respond to the questionnaire. In each class, research assistants helped the students to fill in the questionnaire by clarifying any confusion with the questions to ensure accuracy and completeness of the questions.

Total respondents to the student questionnaire from the 15 sampled schools in the three districts were 998 of which 507 were boys and 491 were girls, 507 respondents were from Form 4 and 491 were from Form 1. There was little difference in enrolment in Form 1 and Form 4 suggesting that there had not been significant growth in enrolments over the last four years. The gender balance of the sample was fairly even. Although there were slightly more girls in Form 1 than boys and slightly more boys than girls in Form 4, the differences were not statistically significant.

We use pseudonyms to discuss the schools to protect the anonymity of respondents and schools. In the following sections we discuss school choice in Malawi, the students in our sample schools and their socio-economic background, the teachers and the schools, their performance and their finances. This builds up a picture of who attends the cheapest form of private secondary schooling in Malawi, who teaches in classes, what the results are and how the schools are run.

#### **School choice**

The small and selective nature of the government secondary education system mean that there are students who can afford secondary school, but cannot get into a good government secondary school. The first choice of secondary school for the vast majority of Malawians is a national or conventional government secondary school, or a grant aided school. Students in private schools in the sample were either not selected for national and conventional secondary schools, or had to choose between near-by community day secondary schools (CDSS) and private schools. Students from CDSSs who joined private secondary schools claimed that there was a better teaching and learning environment in private schools when compared to CDSSs. The quote below from a boy in Form 4 illustrates the differentiated demand that leads students to choose private schools, which are perceived as better quality than the CDSS, and the lack of choice for those who cannot afford to pay the fees in private schools.

Teachers in CDSSs are lazy. They may be qualified but they are not hard working. More often they do not report for classes. Students end up learning very few subjects in a day due to teacher absenteeism. In private secondary schools, teachers are hard-working because the director monitors them and ensures that they teach. They know that if they misbehave, they can be dismissed anytime. So in this respect, students would rather go to a private secondary school than to a CDSS. Those who are in CDSSs, have no option, they cannot afford the fees in private secondary schools (ML4, Dambo private secondary school).

A head teacher at one of the schools also discussed the process by which students choose private schools. If they are not selected to selective government schools, students must go to either a CDSS or a private school. If they can afford to and do not wish to attend a CDSS, they come to a private school.

Students for this school come straight from the primary schools when they are not selected to go to government secondary schools. Nevertheless we also have students who shun the community day secondary schools. They claim that private secondary schools teach much better than community day secondary schools (HT, Effort Secondary School).

School choice is further limited by location and the costs of travel. Students in the focus group discussions at Rocky Secondary School discussed how they shopped around and evaluated other schools.

Jungle secondary school is a much better school. It has a good teaching and learning environment, but it is a bit far from our location. Our parents cannot afford the travel expenses; hence, I for one had no choice but to register with this school (FL1, Rocky Secondary school)

For many of the students, private school provided their only chance of accessing secondary education, as access into government secondary schools is limited to a small number of students who get good passes in national examinations. In 2004 for example, 150,748 pupils sat the primary school leaving exam (PSLCE) out of whom 94,789 passed. The Ministry of Education offered 39,090 of the best performing students (41%) a place in a public school, leaving the remaining 55,699 students without a place in a public school (De Hoop 2010). Some students that were selected to government CDSSs switch to private schools after being dissatisfied with the education provided. Similarly students move from one private school to another in search of better academic results. The lowest cost private secondary schools compete directly for students with nearby CDSSs and other private secondary schools within the same tuition fee range. Most of the schools are considerably cheaper than conventional or grant aided schools, but more expensive than CDSS or open day secondary schools (ODSS). Access to secondary school in Malawi is rationed by price and academic performance. Where there is a choice of school between several competing schools, choice depends on academic standing and examination results, price, location, and general reputation.

The schools had no admission requirements except the ability to pay admission and tuition fees. Academic performance, gender or age were not selection criteria. This is reflected in the even gender parity index (GPI) in the sample schools overall (although there are variations within the sample) and the very even GPI of private school entrants to the MSCE. Directors and head teachers were open about selection purely on the ability to pay. The director of Airport Private Secondary school said:

We are in business; as such we welcome anybody who is interested to learn at our school. We do not consider age, gender or even performance. What we ensure during admission of the students is that they fill a registration form and sign the form as evidence that they will abide by the rules and regulations of the school (Director, Airport Private Secondary School)

### **Students**

There was a very wide age range in both forms in the sample schools. The expected age for Form 1 students is 13 or 14 and the expected age for Form 4 pupils is 17 or 18. In this sample the ages of students in Form 1 were between 11 and 24, and in Form 4, between 14 and 34. The average age in Form 1 was 15 and the average age in Form 4 was 19. In both forms, the majority of the students were not of the expected age for the grade they were in. In Form 1, only 30% of the students were the correct age for their grade, 38% of girls and 22% of boys. In Form 4, 42% of students were the correct age for their grade, 50% of girls and 35% of boys.

Some students in private schools may choose to progress through the grades faster than the expected rate as each extra year of schooling in a private school entails costs for their parents. Some students are several years overage, having started school late or repeated years of education. In addition, students reported that some of them who had failed exams in other schools or not received the grades that they wished for, had entered these private schools to prepare them for taking the exams again in the hope of passing. This also explains the higher enrolments in several schools in Form 4. When students were asked about what attracted them to the school, some of them mentioned that they wanted to retake their exams with the hope of improving their grades for better chances of being selected to the university or finding employment.

Teachers too said that students in private schools had come to the schools having achieved results in their primary leaving exams that were too low for them to be accepted for selective government secondary schools. Some had enrolled after having failed their secondary level exams in another school, with the ambition to retake the exams and achieve higher grades. In addition, some of them had come to private schools after being excluded from other schools for disciplinary reasons. Teacher's opinions about students in private schools were that they were intellectually weak, poorly behaved and needed constant encouragement and spoon-feeding to succeed. One teacher commented:

The calibre of students that get enrolled in private secondary schools leaves a lot to be desired. They are like rejects, those that did not formally make it to the next level of education. This makes teaching in private secondary schools difficult as the students need to be spoon-fed and drilled if they are to do well in their national exams (MT, Grave secondary school).

The students in these private secondary schools had overwhelmingly attended (81%) government primary schools. Many of them attended private schools only at secondary level. Enrolments in these private schools are volatile and change from year to year with a large turnover of students who arrived and left within the year. This means that the majority of those enrolled in a particular grade may not have been in the school the previous year. Across the sample schools, the trend in overall average enrolment was down from a peak in 2009.

We asked schools for data on dropout and students migration (transfers from one school to another). Only six of the 15 schools had available data on these issues for the previous complete academic year. These show very high rates of students dropping out and leaving or joining the school to/from other schools. Fluctuations in GPI between years in schools are a further indication of the volatility of the student population. We calculate rates of dropout and migration by dividing the number of in and out migrants and dropouts by the total enrolments for the school in the year. Average in migration in five of the schools in 2011/12 was 15% and Average dropout in six of the schools was 21% in 2011/12 (Table 1). These fluctuations indicate that students are changing schools regularly, with disrupted and disjointed educations.

**Table 1 Dropout and migration in private schools** 

	in migration 2011/12	out migration 2011/12	dropout 2010/11	dropout 2011/12
Grave	9%	14%	23%	45%

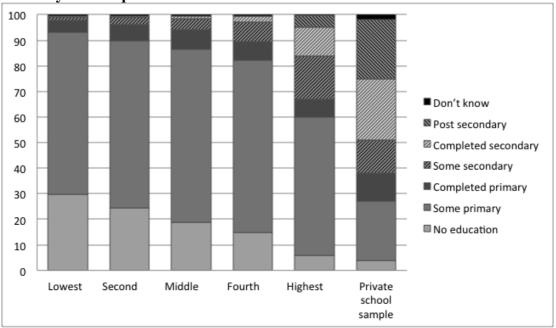
Effort	11%	8%	9%	12%
Rocky	7%	8%	7%	10%
Dambo	22%	21%	20%	35%
Mzungu	25%	9%	11%	13%
Location			15%	12%
Average	15%	12%	14%	21%

# Socio-economic background of students

We use two proxies for socio economic background to relate our sample of 998 students with national and regional data for Malawi. These are the education status of the parents and possession of assets, reported by the students in our survey. We compare these findings with nationally representative DHS data from 2010.

When we compare the levels of education of the parents of the students in the sample with levels of education nationally by wealth quintile we can see that they are from a better educated group even than the top quintile by wealth from the DHS 2010 sample (Figure 1). We can also see that secondary education in any type of school is really only common among the top two quintiles by wealth in the country. Around 10% of the second richest quintile have attended any secondary education at all, and just over 30% of the top quintile have attended any secondary (Figure 1).

Figure 1 Level of education of parents in private schools, among Malawian adults by wealth quintile

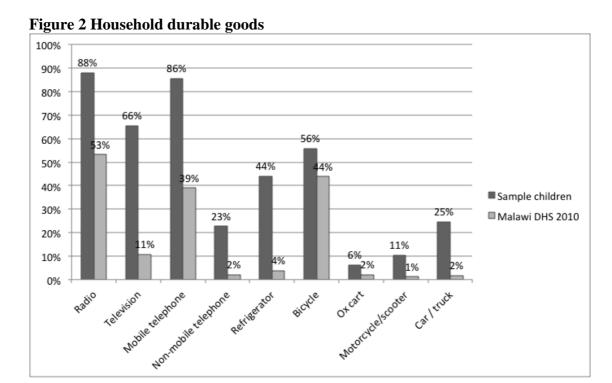


Source: DHS 2010 and private school children survey

Figure 2 shows the household durable goods students in the sample of private schools have in their households. In addition to the data about the education of parents above, this helps us to place the students into the socio-economic context of Malawi using the 2010 DHS survey, which measures the possession of these household durable goods at household and individual level across Malawi. We asked students to report

not on their own possession of these items but of their possession in their household. We then compared these to the possession of the items in households at national level.

The results of this comparison show that higher proportions of sample students possessed all these items in their households than the national average. For example, while 4% of Malawian households had a refrigerator in 2010, 42% of the students in these private schools lived in households with a refrigerator. Two per cent of Malawian households had a car or truck in 2010, in this sample, 24% lived in households with a car or truck. What this indicates is that in these private schools, the students were drawn overwhelmingly from households who are among the top quintile by wealth in Malawi.



There was considerable variation between schools in the possession of household goods. Crack school for example had very high rates of students coming from households with refrigerator and car ownership, placing the families of its students among the very wealthiest households in the country. Crack School, in urban Blantyre, has the highest fees among the sample schools (MK90,000<sup>2</sup>). This illustrates powerfully the stratifying and sorting effect that fees have. Tarmac School meanwhile had very high rates of radio and Bicycle ownership, but much lower rates of refrigerator ownership and no students reporting that their families owned a car, showing that the students in that school came from a group of people that was less wealthy than Crack school, but still wealthy in national terms. Tarmac was in rural Blantyre and was among the cheapest in terms of fees (MK15,000). These schools represented two different ends of the category of private schools that we focus on.

The evidence gathered in this study demonstrates clearly that in Malawi private secondary schools do not provide access to the poor as most students attending these private secondary schools are from among the top two quintiles by wealth in the

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 $<sup>^{2}</sup>$ £1 = MK 575 / \$1 = MK 400 in May 2013

country. Poor people in Malawi cannot afford the tuition fees in any type of secondary school, let alone private secondary schools.

#### **Teachers**

While the sample of students is evenly divided by gender; the vast majority of teachers were men. An average of 44% of the teachers in the fifteen schools were not qualified to teach in secondary schools. We draw a distinction between being a qualified teacher (whether the teacher has a specialised teacher training qualification) and level of education (whether the teacher was educated to secondary, diploma or degree level). Not a single school had entire teaching staff that was qualified. Some of them were educated to degree level (in subjects unrelated to education) and some only had secondary level education. Most of these under-qualified teachers were young and had been attracted by the opportunity to work in circumstances where jobs and opportunities to train as a secondary school teacher were scarce. There were also some fully qualified teachers who had retired from government service, and now taught in private schools to supplement their pensions.

The highest paid qualified teacher with a diploma in the schools earned about MK45,000 a month when all benefits were included. In most of the schools, salaries were less than MK25,000. Salaries in government secondary schools are set nationally and start at about MK60,000 and may be over MK100,000 depending on years of experience, level of qualification and grade of employment. This contributed to instability in staffing at the schools as teachers were always on the look-out for better paying jobs in other organisations or were moving to other private schools that paid better salaries than their current schools. Like the students in these schools, levels of turnover of teachers were very high, with some schools reaching as high as 67%, but averaging 24% across the 15 schools. Turnover is defined as the percentage of total teachers who left the school in or at the end of the last academic year.

Teachers in government schools receive significant non-salary benefits such as leave grant (extra money for holidays), housing allowances, pensions and in service training for professional development. In the sample schools teachers did not receive any of these benefits. Instead, in some of the schools visited, teachers received incentives for good performance, which is usually measured by student performance in national exams such as the MSCE. As these exam results are linked to the popularity and therefore enrolment of the school, they have direct consequences for the income of the school. These motivate teachers but run the risk of encouraging 'teaching to the test' which can increase test scores in the short term but may not lead to sustained increased learning in the long run (Glewwe, Ilias and Kremer, 2010).

In two of the schools, the majority of teachers were working 'part time', they were employed full time in nearby government secondary schools but also worked in private schools to earn extra money. These schools were in urban areas near government secondary schools, but the practice did not happen in more remote schools. These teachers were paid by the hour for their work. The hourly rate ranged from MK500 to MK770 per hour. This arrangement also helped schools to maintain minimum requirements on the proportion of teachers at a school who must be qualified.

The main reason given by teachers for working in these private secondary schools was lack of jobs. They emphasized that given a choice they would rather teach in government schools where salaries were higher, job security better and there were opportunities for career development. Some teachers also complained of overload and under-staffing, resulting from the commercial orientation of their schools. Some were teaching two or more subjects across all the forms at the schools. They attributed this to inadequate staff that could not be evenly distributed across all the four forms. One teacher said:

My teaching load is just too much. I hardly find time to rest as I have three subjects to teach in the different forms. If I do not prepare thoroughly for my lessons during the night, then I have a tough time teaching as I cannot prepare during the day. When that happens, I end up not doing a good job in the class. Consequently the students complain to the director that I am not teaching properly. The situation is pathetic, but what can I do? Jobs are scarce! (MT, Trading secondary school)

In all the sample schools, teachers mentioned that students in private schools are badly behaved compared to students in government secondary schools. Teachers felt the owners of the schools value the students so much because they represent profit. The students capitalize on this situation and behave badly. One director indicated that:

We are a bit lenient in giving punishments to offenders because we are also aware that if given very tough punishments, the students can decide to migrate to other nearby schools. So, yes we discipline them but we take caution so as not to lose the students. We often call their parents and discuss the issues amicably (Director, Grave Secondary School).

Despite the challenging situation for teachers and students in many of these schools, it appears that they offer the only accessible route to accessing secondary education for many students. Without these private secondary schools, many of these students would not get access to secondary school education. One of the directors of the schools alluded to this when he said:

Parents or guardians of students of our schools struggle to pay for the little tuition fees we charge in our school. This is an indication that they cannot afford the fees charged in medium or high cost secondary schools. In fact when government wanted to close our school in 2009 during the crackdown, parents cried foul and lobbied the District Education Manager not to close the school. I was advised to quickly attend to the concerns so that the students could continue accessing their secondary education from this school (Director, Dwelling Secondary School).

# The schools

Individuals or members of a family owned all but two of the schools. The owners act with little accountability or oversight. Nine of the 15 schools were registered with the Independent Schools Association of Malawi (ISAMA). The schools varied in size from 27 students to 483. The schools had an average class size of 44 but a wide range from 7 to 87. All the sampled schools teach Forms 1-4. All but one of the schools had one stream in each of the forms, meaning that each form had only one class. Due to

high enrolment in one school, the school had two streams in Form 3 and three streams in form 4. These patterns shift from year to year as enrolments fluctuate.

All of the 15 schools used purpose built classrooms although one had some of its classrooms in a house. Most of these were constructed to low standards using cheap materials and often they showed little evidence of investment or maintenance. Ventilation and lighting was poor in some of the classrooms, which had little or nothing in the way of decoration or learning materials on the walls. Some of the classrooms were grossly overcrowded, while others had an abundance of unused, empty space.

None of the schools had accommodation for teachers. Teachers lived in their own privately rented or owned properties, sometimes at considerable distance from the school. They commuted to school by foot, bicycle or on public transport. Interviews with teachers revealed that accommodation for teachers was one of the main concerns and indeed a de-motivating factor for teaching in a private secondary school. Building houses for teachers appears not to be on the priority list of proprietors for private secondary schools nor is giving housing allowances to teachers to subsidize their rental expenses.

Staffrooms and head teacher's offices were available in most schools; storerooms libraries and laboratories existed in about half the schools. In schools where there was no head teacher's office or staffroom, the available room served as both a staffroom and an administration room for the head teacher. Toilets were available in almost all the sampled schools. In most of the schools, however there were insufficient toilets for the number of pupils. In other cases, teachers had no toilets and were using the same toilets as the students. The toilets in these schools were basic and often dirty latrines in temporary structures with no plumbing. They had no hand washing facilities and were not hygienic. Three of the 15 schools in this study did not have water sources and only a third had electricity.

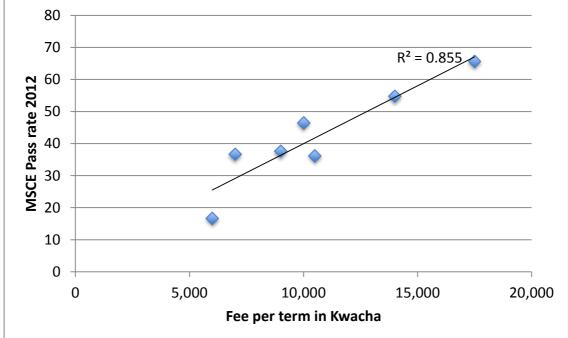
Textbooks for students were in short supply in the schools. Private schools do not generally provide students with textbooks, so students must buy their own textbooks for use in class. Those that cannot afford books, come to class without textbooks. In this study, students in Form 1 and Form 4 classes were asked whether they had their own textbook for maths and English. Only 11.8% of the students in the sample had their own textbook for maths and only 14.7% had their own textbook for English. The majority of students either did not have access to a textbook for these subjects or had to share a textbook among a group. The lack of books means that students have no references apart from the teacher during classes, which can affect student learning.

It was common to find students sharing benches or chairs, standing in class or sitting on the floor. Many of the students did not have desks or had to share desks with others. Just over a third (37.5%) of the students had their own desk to work on, while a third (32.3%) shared a desk with others, though the desks were made for one person. In effect, they had to work in cramped conditions. Roughly another third (30.3%) of the students had no desk to work on; they either worked on their laps, benches or the floor of the classrooms.

Some schools had reasonably good facilities that were cared for and maintained, but in others there was evidence of a lack of investment, care and attention to the facilities and environment of the school. In many schools, toilets were primitive and unhygienic and classrooms were dark and uninspiring. Investment in infrastructure, human resources and teaching and learning materials in these schools is kept at a bare minimum.

#### **Performance**

The 15 schools all entered candidates for the Malawi Secondary Certificate Exam (MSCE). However, only seven of them are exam centres and therefore have pass rates recorded by the Malawi National Exam Board (MANEB). The pass rates of these seven schools are closely correlated with their fees, showing a direct association between examination performance and price in this sample of private schools. The average pass rate at MSCE in 2012 for these schools was 42.0, which is below the national average for all schools of 46.0 and below the average for private schools of 54.3. This illustrates the range of performance that exists within the private schools category, with some being among the highest performing in the country and others being among the lowest. Only three of the 15 schools had students who were selected to the University of Malawi in 2010 and only two in 2011.



Source: MANEB and school data

Figure 3 Pass rates and fees

#### **Finances**

Tuition fees varied in the sample from MK4,500 to MK30,000 per student per term for day secondary schools. Some of the schools were boarding schools that charged an extra boarding fee, which in one school was MK32,000 per term. Fees appeared to be determined by proprietors acting alone and making market judgements of how much they could charge in addition to assessing the affordability levels of the targeted population and the prices of other nearby secondary education options. In addition

there seems to be an association between fee levels and pass rates in national exams (Figure 3).

Wholly private schools rely directly on fee income to survive and are sensitive to declines in student numbers. They benefit greatly from economies of scale to the extent of providing incentives to students who bring in students from other schools to enrol at the school as this contributes to increases in class sizes. In some of the schools additional fees, on top of the tuition fees and boarding fees included an admission fee for registration at the school, which was about MK1,000, payable once on entry and used as a disincentive to move to another school. Exam registration fees of about MK4,000 for JCE and MSCE are charged to parents, the school's uniforms may cost between MK7,000 and 10,000 per student per year or whenever needed.

There was no publicly available information on finances. It appeared that salaries took up a large proportion of expenditure, but it was hard to estimate how much. Non-teacher costs included the costs of salaries of support staff, the costs of utilities, furniture, and building maintenance. In many schools visited, the impression from observations on the quality and condition of school infrastructure and facilities was that these costs were kept to a bare minimum. Students bought their own uniforms, books, stationary and food. They also paid exam and registration fees. Many of the schools appeared to spend almost nothing on learning materials. It was clear from what head teachers and representatives of ISAMA said, that the objectives of school owners were to run the school for a profit, as a business.

We use two ways to estimate the profitability of each school. Both focus upon the enrolment, fees and teacher salary data that we collected in the schools, so they are limited in two main ways. Firstly they rely entirely upon the honesty of the head teachers and teachers of the school in reporting their fees, the number of teachers, the average salaries of teachers and the number of students. Secondly without more transparent accounting practices in the schools we have no way of estimating non teacher costs that the schools have to bear and non fee income that they make.

In one method we take the annual fee per student per year and multiply that by the number of pupils in 2012/13 to get the total fee income. We then multiply the number of teachers by the average teacher salary to get the salary costs. We can then compare the salary costs with the fee income to get a simple indication of the margin available to pay for non-teaching salaries, other recurrent costs, and rental or building costs. We also use a per class profit method, where we calculate the margin that the school makes per class using the average class size and then multiply this by the number of classes.

In most of the schools there are very few recurrent costs other than teachers salaries and these appear to account for no more than 10% of recurrent costs. Building costs and rental are variable and difficult to establish and compare. Out comparisons therefore focus on operating costs. These two ways of calculating the profitability of schools show that in terms of fee income and teachers' salaries, 5 of the 15 schools have fee income more than four times the cost of teachers' salaries. A further 5 have fee income between twice and four times teachers' salaries.

One school, Ideal School, is making a large profit by these measures. This is the school that sends a small number of candidates to the University of Malawi, has the highest pass rate at MSCE and which charges the most in our sample. This school appears to have got the balance right between class size, academic success and costs. The school is in urban Blantyre and is attended by people who are among the richest in Malawi, although it is far from the most expensive form of education available. Within this sample, the school is an outlier.

Some patterns emerge from this analysis, which apply to this small sample and may not apply to other types of private school in Malawi. Schools with larger class sizes are more profitable and schools that are older are also generally more profitable. This in part reflects a selection bias – those that are not profitable close. Using the profit per class method, we estimate that two of the sample schools are making a loss, three do little better than break even, and the other schools are profitable. With reasonable estimates of other costs and building and rental charges the most successful schools may generate as much as 50 times GDP per capita for their beneficial owners. Private schools can therefore be profitable and attractive businesses with stable income and wide margins when they are successful. Conversely some schools make a loss and risk bankruptcy and closure when there student numbers are too small to support teachers' salaries.

#### **Conclusions**

Secondary schools in Malawi are an interesting case for the study of the role and contribution of private education in developing countries. Malawi's small secondary education sector coupled with a growing population and increasing numbers of primary leavers has created an unmet demand for secondary education. Entry into the tiny number of high status and high performing conventional, national and grantaided schools is rationed both by price and the high grades needed for entry. There are children whose families can afford to pay for secondary schools but cannot get a place in the state system leading to excess demand. Many of these children are those whose performance on the PLSCE exam means that they were not selected for high status public secondary schools so there is demand for less selective secondary schooling. The CDSS, which are the least selective public option, are perceived as being of low quality, leading to differentiated demand for private schooling.

Private secondary schools in Malawi are extremely diverse in their performance and price. In this paper we have focused on the cheapest form of private secondary schools to examine who attends these schools, what performance is like in them and how they work. The sample of schools is small, but the level of detail we can provide is extensive. We can see the wide variation across the small sample. These are the schools where those who have not been selected into the government schools go, or where students from CDSS come if they are in an area where there is choice and where they perceive that the private school available is of higher quality.

Both the students, who some of the teachers described as unintelligent and badly behaved, and many of the teachers gave the impression that they would not be in these schools if they had any choice. The selectivity of government schools means that price is not the only factor controlling entry into the best schools. The limited number of qualified teachers in the country similarly means that even in the government sector, where salaries and conditions of employment are relatively good,

there are large proportions of unqualified teachers. This means that it is difficult for private schools to recruit and retain qualified teachers, which further retains quality within the state sector.

This small sample identifies a group of schools run as businesses, most of which make a profit. Although these schools are among the cheapest private secondary education available, the students in the schools are drawn from the top quintile by wealth in the country. These schools do provide access to secondary education for some who would not otherwise receive it but they do not provide access to a different socio-economic class from those who are already in secondary school.

One of the most striking features of these schools was the extreme fluctuations in student and teacher numbers that occurred from one year to another. The schools, their personnel and their finances are very unstable. Schools that manage to establish themselves do seem to become profitable, but the frequency with which private schools disappear from the national exam board's record of schools entering students for the MSCE exam suggests that many schools close down quite quickly. This instability, even in a school that survives, cannot be good for the teaching and learning environment. Many of the teachers in the schools were looking for ways to find a better-paid job either as a teacher or in another profession; some of them were unqualified, while others were supplementing their pensions by teaching in a private school.

There was almost no oversight or regulation of schools. None of the schools had a functioning governing body or audited accounts. Owners, who often used their own bank accounts as the school account and used cash for most transactions, ran the schools as small businesses. In many of the schools the level of investment in infrastructure and teaching and learning materials was kept to a bare minimum. Expenditure on teacher salaries, the main cost, was also minimised As a result many of the schools were in poor repair, classrooms were dark and almost totally undecorated, many of the schools had no electricity, unhygienic toilets and no running water.

According to our estimations, the owners of the schools were in many cases able to make a profit from their schools. Profits depended on the right balance of teachers and class size, which could emerge after a few years of operation. Fees and reputation depended a lot on the pass rate in the national exams, which is shows a strong correlation in seven of the schools for which there is data with the fee level.

Performance in the schools where we could get data was varied, but not good overall. The average of the schools was below the national average pass rate for all secondary schools. While in some schools the average pass rate was incredibly low, in one or two it was high, illustrating that even within this small and narrow sample there is considerable variation. Very few students from these schools will go to university.

The schools are not part of a system since most are individually owned independent operations. Collectively they provide some opportunities to meet excess and differentiated demand but only for the richest quintile of the population and only in some parts of the country. The best solution to enhancing participation in an equitable way in Malawi is likely to be to develop the existing national, conventional and grant

in aid schools to improve quality and expand access. Low fee private schools have questionable sustainability and fail to provide affordable access to most of the population. High cost private schools perform better, and are more stable, but are even more inaccessible to most of the population.

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