THE ROLE OF THE PRIVATE SECTOR IN PROVIDING BASIC EDUCATION SERVICES IN KASOA, GHANA

A PILOT STUDY OF THE WORLD BANK GROUP
SYSTEMS APPROACH FOR BETTER EDUCATION RESULTS (SABER)
ENGAGING THE PRIVATE SECTOR

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Executive Summary: Pilot Study

1. Situation

Despite significant government investments in the public education system, population growth and migration have led to an undersupply of school places, especially in urban centers, leading to an increase in private education enrollments in Ghana.

Ghana has nearly doubled enrollment at the primary and junior high school levels since the introduction of free and compulsory universal basic education. Ghana’s primary net enrollment rate of 86.8 percent in 2013 is still slightly below the average for lower-middle-income countries, which was 87.3 percent. Its net rate of secondary enrollment (including junior and senior high school), 51 percent, is also lower than the 58 percent average for lower-middle-income countries (EdStats). Ghana’s public spending on education is comparable to that of other middle-income countries and the government is currently focusing its attention on upper secondary education (senior high school), with plans to build more schools to increase access.

Within the private, or non-state, education sector, enrollment rates in primary education have more than tripled since 1991; they have more than doubled in lower and upper secondary education between 1999 and 2013. As of 2014, 23 percent of primary school students were educated in private schools, while 16 percent of secondary school students attended a private junior or senior high school (EdStats). The strong growth in private education enrollments is closely related to rapid population growth: Ghana’s population increased from 19 million in 2000 to 25 million in 2012. Estimates are that it will reach nearly 30 million by 2020 and 45 million by 2050 (Darvas and Balwanz 2014). This growth will especially impact urban areas, which are expected to grow by 10 percent between 2010 and 2025 (UN DESA 2013). The distribution of students enrolled in private schools reflects the concentration of population in urban areas: as a share of all enrollments in primary schools, the private sector accounted for 30 percent and 27 percent in the Greater Accra and Ashanti regions, respectively, compared to less than 7 percent in the three regions in northern Ghana (Ghana MOE 2012).

Rising enrollment rates have not been accompanied by gains in student learning; some parents are choosing private schools due to their perceived higher quality.

Education assessments show low levels of learning in both primary and junior high school. According to the Early Grade Reading Assessment (EGRA) carried out in 2013, the vast majority of public school students could not read with comprehension in either a Ghanaian language or English by the end of grade 2 (Kochetkova and Brombacher 2014). This poor performance persists in junior high school. Since eighth-graders in Ghana’s public schools began to participate in TIMSS (Trends in International Math and Science Study) a decade ago, the results have consistently placed the country at the extreme low end of international rankings in both math
and science. While Ghana has improved over time on TIMSS, its scores remain below the international average and low benchmark.

While robust impact evaluations of private school performance have not been conducted in Ghana, one study found that parents cite quality (i.e., national examination scores, class sizes, teacher attendance) as a reason for sending their children to private schools (Heyneman, Stern, and Smith 2011). In the Ghana National Education Assessment of 2013, students in private schools performed better in math and English, in terms of raw scores, in both grades 3 and 6. More than 80 percent of students in private schools reached minimum competency in math in grades 3 and 6, while nearly 50 percent in public schools failed to achieve minimum competency in either grade. However, the higher performance of private schools may be due to the students they select rather than the quality of education that they deliver. More research is needed in this area.

Children from poorer households are less likely to attend school and poorer districts are less likely to deliver high-quality outcomes, leading some parents to choose private schools even though they face a substantial financial burden to do so.

Despite gains in enrollment for the poorest Ghanaians, too many students still fail to access basic education services. Estimates show that around 470,000 children of primary school age are currently out of school in Ghana. Large gaps in access remain for the poorest students and for children living in rural areas, particularly in the three regions of northern Ghana. Whereas 11 percent of primary-school-aged children in Ghana overall do not have physical access to a primary school; this figure rises to 30 percent in the northern regions (Darvas and Balwanz 2014). Three times more children from the poorest income quintile were out of primary school than their peers from the wealthiest income quintile: 40 percent and 12 percent, respectively (EdStats). In junior and senior high school the situation is similar, with students from the wealthiest households nearly three times more likely to access secondary education than their peers from the lowest wealth quintiles: 62 percent versus 22 percent (Ibid.).

In spite of more limited access to education for poorer students, private schools are also serving the poorest in society. Based on the Ghana Living Standards Survey of 2005, 11 percent of poor students and 5 percent of extremely poor students were enrolled in private schools, both across Ghana and in rural areas (Akyeampong and Rolleston 2013). However, affordability is a challenge. Household surveys carried out in the central region of Ghana suggest that parents may spend up to 30 percent of their income to send children to private schools (Akaguri 2011).

**The education system in Ghana is currently facing fiscal pressures due to low levels of accountability, inefficient allocation of resources, and plans to expand upper secondary provision.**

The Ghanaian education systems struggles with inefficiencies that are not unique to Ghana, yet could potentially impact the country’s ability to reach its education and economic goals. Data from several studies suggest that teachers in Ghana are absent an estimated 43 school days per year and are behind on the curriculum by 40 days (Abadzi 2007; Darvas and Balwanz 2014). Although the Ghanaian government has made progress in improving equitable access to education through new programs and policies, government resources are currently unevenly distributed across regions in terms of spending per pupil as well as the allocation of teachers. Ghana currently has a budget deficit, with teacher salaries forming a large part of recurrent costs in education. The country also plans to expand education at the senior secondary level to meet the needs of the economy. The construction of 200 schools will put further pressure on government budgets.
2. Findings

High levels of migration and a severe undersupply of public education services in Kasoa have led to a substantial increase in the supply of private schools.

In Kasoa, a fast-growing market town just outside of Accra, the private sector is responding to rapid population growth and an undersupply of public education services. Between 2000 and 2010, Kasoa’s population doubled in size, from 34,719 to 69,384 (Ghana Statistical Service 2013). By 2010, only seven government schools operated in the locality, making the population-to-public school ratio 9,912:1. However, the World Bank’s recent Global Positioning System (GPS) survey of the education market in this area provides evidence that the 2013 population—and thus the population-to-public-school ratio—may in fact be much larger than even this estimate indicates. The World Bank census in Kasoa identified 211 public and private schools with a total student population of 50,539. Such a large student body hints at a population likely (much) larger than 69,384.

Private schools in Kasoa have fewer students and smaller class sizes than do public schools, suggesting spare capacity; private schools are also operating at a substantially lower cost than public schools.

On average, private schools tend to be smaller and have fewer students than public schools in Kasoa, suggesting that they may be operating with spare capacity. The average public school has four times the number of students overall and twice the number of students in each class as does the average private school. Moreover, the pupil-teacher ratio is 12:1 in private schools, but over double that in government schools. The majority of private schools in Kasoa are financially viable, with one-fifth of providers earning a profit. Overall, non-government schools have dramatically lower staff costs than do public schools in Kasoa. On average, a teacher in a government school in Kasoa receives a monthly salary that is five times that of a teacher in a non-government school: GH₵ (Ghanaian cedi) 892 vs. GH₵ 151. In government schools, the annual staff cost per-student amounts to GH₵ 467, while at private schools, it is GH₵ 124. Due to lower operating costs, the private sector perhaps has an advantage in responding quickly to the demands of the market. Between 2000 and 2012, the private school sector in Kasoa added, on average, 14 new primary and secondary schools per year.

The majority of private schools in Kasoa may not be affordable for the poorest students, especially at higher levels of education.

Data from Kasoa provides evidence that consumption of private education services incurs substantial financial costs for households, especially the poorest. Recent research on private schools for the poor has established a defined threshold for what constitutes a “low-cost” private school. Tooley and Longfield (2013) suggest that, since households in Sub-Saharan Africa tend to spend between 5 and 10 percent of their annual income on education expenses (Lewin 2007), private schools that charge less than 10 percent of household income for a family at the poverty line should be classified as low-cost. Using this approach, all schools in Kasoa charging less than GH₵ 98 per student per year would be considered “low-cost.” By this definition, there are 19 low-cost private schools in Kasoa (9 percent of all private schools).

Under the assumption that a medium-cost school charges between 10 and 20 percent of household income (Tooley and Longfield 2013), the range for medium-cost schools is between GH₵ 98 and GH₵ 196 in per-student fees per year. There are 37 private schools (18 percent of

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1 The paper uses a conversion rate of US$ 1.00 = GH₵ 2.02, effective as of July 1, 2013, when data collection took place.

2 Schools must charge less than 10 percent of household income to enroll all children in a household (the average family in Ghana living below the poverty line has three children).
all private schools) in Kasoa that charge fees within this "medium-cost" range. Roughly 73 percent of all private schools in Kasoa are consequently “high-cost,” that is, they charge more than GH₵ 196 in per-student fees per year.

Private tuition costs also rise considerably between basic and upper secondary education, from an average of GH₵ 212–299 in primary and junior high school to nearly GH₵ 500 in senior high school. This means that schooling options for the poorest students become increasingly limited at higher levels of education.

There are also equity concerns about public schools: the poorest parents are still paying substantial out-of-pocket expenses for their children to attend public schools.

Due to Ghana’s legal framework and school funding mechanisms, parents do not pay tuition fees at public schools at either the primary or junior high school level in Kasoa. Despite the fact that basic education in Ghana is supposed to be free for all students, there are non-tuition costs in Kasoa’s public schools that are burdensome for the poorest households. An average public school in Kasoa charges GH₵ 50 per year for extra classes (i.e., supplementary and voluntary tutoring lessons), as well as a registration fee of GH₵ 45 per year. The average annual non-tuition costs at both public primary and junior high schools in Kasoa add up to 100 Ghanaian cedis. Overall, private education costs to parents are 2.5 times public education costs. While the cost of private schooling for the poorest families is approximated at 15 percent of total household income, hidden costs at public schools exist and add up to around 6 percent. Such costs may bar the poorest families from accessing education services.

The government of Ghana regulates the private education sector, but provides limited financial support.

Education Act 778 outlines the regulation of independent private schools in the country and includes a provision that the government will support the private sector by providing textbooks, examination fees, and in-service teacher training. However, no stipulations determine which schools should or should not receive support. In addition, there are no legal standards requiring schools that receive financial or material support to operate differently than unfunded schools.

Private schools are given a high degree of autonomy, but held to very few quality-based accountability standards.

Private independent schools have a high degree of autonomy because policies that outline the regulatory environment for these schools are lacking. Therefore, Ghana’s private independent schools have autonomy in appointing, dismissing, and deploying teachers, as well as in determining salary levels, teaching methods, and class sizes. The only policy that limits their autonomy is the requirement that at least one-third of teachers in all private schools be professionally certified, with an official teacher training diploma. However, this high degree of autonomy is not balanced by high levels of accountability. Also, confusion about the inspection regime persists. All schools are supposed to be inspected by the National Inspectorate Board (Ghana 2008), but schools report being inspected by a number of different agencies. Also, there are currently no sanctions for underperforming private schools.

Parents lack information on the quality of schooling.

No policies specifically outline the right of parents to receive information on the quality of schooling; this

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3 Independent private schools are owned and operated by nongovernment providers and are financed privately, typically through fees.
hinders their ability to make informed choices. Although the country administers standardized exams and inspects schools, parents are not guaranteed access to the results.

**A lack of information on certification standards restricts market entry, potentially inhibiting the private supply of education.**

The operating requirements for independent private schools in Ghana are more restrictive in practice than in policy. The Education Act of 2008 outlines few minimum certification standards for the operation of a private school. The document, “Certification Guidelines Private Schools,” is currently being renewed, but surveyed schools reported the need to meet additional requirements beyond those outlined in the Education Act in order to be certified. Previous certification guidelines were not made publicly available; rather, they were available only upon request.

**Discrepancies exist between policy and policy implementation. Private school associations question government support for the implementation of new policies.**

There are a number of discrepancies between policy and actual implementation on the ground. For instance, 24 percent of schools in Kasoa are currently unregistered. Only 78 percent of registered schools and 50 percent of non-registered schools take part in mandatory standardized exams. And only 55 percent of schools submitted a required school improvement plan following an inspection. One of the most successfully implemented policies may also hinder equity: schools select students based on ability, which may favor more affluent students. The government meets frequently with the private sector, but private school associations question the quality of policy dialogue, particularly government support for the implementation of new policies.

**The government’s ability to effectively regulate the system is hindered by lack of current data.**

A census every 10 years may not accurately reflect current population and migration trends, leaving the government unable to effectively plan for the education system. The government may not, for example, be aware of the expanding number of private schools in some areas. Current data may also not capture all private institutions in operation, particularly if they are new and not yet certified. The experience of Kasoa provides evidence of this situation. In addition, lack of official data may overestimate or underestimate the out-of-school population. Current estimates show 470,000 children of primary-school age who are out of school. This number may be far higher if population growth and/or migration rates are above national estimates, or far lower if unregistered private schools are educating more children than anticipated.

**Given current budget deficits, the government cannot afford to be the sole provider of education and should target resources to the poorest households and districts, while leveraging the private sector to achieve cost efficiencies.**

Various costing scenarios show that the government faces difficult financial decisions in addressing the following priorities in education: (i) meeting the demand for schooling of a growing population, (ii) improving the quality of the system, (iii) ensuring the poorest student have equitable access to quality education, and (iv) fulfilling its commitment to expand the number of senior high schools. The government does not have the necessary budget to meet all these objectives in the short term due to the current budget deficit. For example, transferring all students currently attending private schools in the five fastest-growing cities to public schools would cost approximately GH₵122 million annually, with infrastructure costs estimated at GH₵ 660 million. Parents also pay significant out-of-pocket expenses. Conditional cash transfers or school subsidies
that would protect poorer families from such burdensome financial obligations would cost the system around GH₵ 200 million per year. Reaching the 470,000 out-of-school primary-age children through public service provision would cost an estimated GH₵ 230 million per year. Alternatively, by paying private schools to provide these services through a voucher program, the government could cut the public cost by more than 40 percent, to GH₵ 125 million per year.4

Expanding senior secondary education by building 200 additional schools would cost an estimated GH₵ 2.6 billion in infrastructure costs. The construction of senior high schools itself represents a significant financial burden. The government may therefore wish to consider private finance initiatives to build, manage, or maintain the infrastructure of senior high schools.

3. Recommendations

Recommendation 1: Safeguarding access

The government need not be the sole provider of education services, but in response to rapidly growing urban areas, should play a stewardship role and strengthen the current regulatory environment.

The government does not necessarily need to be the sole provider of schools, but must ensure effective regulation of non-state schools. The private sector is playing a critical role in expanding access to education and is also reducing the fiscal burden on the government. The government needs to strengthen and enforce the existing regulatory environment for private independent schools by ensuring parents can make informed choices on school selection. This could include expanding school report cards to non-state schools, using measures similar to those introduced in public schools to ensure comparability. For example, evidence from Pakistan shows that school report cards can improve learning by 0.1 standard deviations and reduce fees by almost 20 percent. The largest learning gains were for initially low-performing (below median baseline test scores) private schools (Andrabi, Das, and Khwaja 2009). Private school associations could play a key role in developing partnerships between government and private schools. Greater transparency of school certification standards and processes could attract new providers into the market.

Recommendation 2: Improving quality

a. Strengthen the implementation of quality assurance mechanisms in all schools.

On average, students perform better in schools with higher levels of accountability to the state (Abdulkadiroğlu et al. 2011; Carnoy and Loeb 2002; Woessmann et al. 2007; Hanushek and Raymond 2005). Current inspection arrangements need to be strengthened. Sanctions could be introduced and administered by the National Inspectorate Board to ensure high-quality delivery in all schools. Standards for private schools should be based on student learning and teacher performance outcomes, rather than inputs such as infrastructure, teacher certification, class size, etc.

b. Establish partnerships between high-performing and low-performing schools to improve quality across the system.

The government of Ghana could create a network for school-to-school learning in order to deliver higher-quality education for all students. Ghana could leverage high-performing schools (public and private) to mentor lower-performing schools (public and private). Peer-to-peer learning often benefits both the mentor and the mentored. Many countries are leveraging school-to-school learning in order to raise standards in all schools. Relationships are sometimes facilitated by the

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4 These estimates are based on the comparative operating costs of public and private schools in Kasoa, Ghana.
government, while in other cases schools themselves take the initiative to learn from their peers.

**Recommendation 3: Ensuring equity**

**Improve equity and efficiency by targeting resources to under-resourced households and locations.**

Parents from lower socioeconomic backgrounds are paying a substantial proportion of their incomes for their children to attend school (both public and private). Additionally, in many deprived areas, there is a lack of high quality instruction; in some places, few schools exist at all. Redistributive mechanisms can protect poorer students and increase equity in educational opportunities. Targeting resources to the most under-resourced households and geographic locations can offer substantial boosts in equity, quality, and efficiency in the education system. Such targeting can include scholarships, vouchers, or direct cash infusions for poorer students. Making these funds available for use in both public and private schools would provide incentives for new providers to enter the market, thus increasing the available supply of education services. Depending on the circumstances, government funding for private schools can be an efficient education investment; linking this funding to student outcomes can be a positive mechanism for driving up the quality of service delivery.

**Recommendation 4: Delivering cost efficiency**

**Private finance initiatives could be used to mobilize private sector resources and meet infrastructure needs at the senior high school level.**

The private sector could also be leveraged to help support the building of additional senior high schools. Private finance initiatives (PFI) involve the construction, management, or maintenance of infrastructure, arrangements that have been leveraged by many countries. However, the design and procurement process, as well as the capacity of the government to provide effective oversight, are key to ensuring that program goals are met.

**Recommendation 5: Increasing data availability**

**a. Encourage more rigorous evaluations to determine the impact and cost of private sector delivery and pilot new public-private partnership (PPP) models to determine effectiveness before scaling.**

The new educational programs in Ghana recommended above, such as conditional cash transfers, vouchers, and government-funded private schools, should be piloted and evaluated using techniques that can accurately identify their impact. The relative quality of education provided by public and private schools can be most accurately assessed using these methods. Pilots form a sound basis for decisions on whether or not to scale up a project (Duflo 2004). Moreover, such evaluations can provide accurate information on the costs of individual education interventions.

**b. Improve national data availability on the number and location of schools and survey parents on their reasons for choosing schools.**

The results from Kasoa highlight high rates of migration and indicate that the private sector’s role is often underestimated because many schools are unregistered. The government plans to engage in a countrywide GPS mapping of schools. Careful consideration should be given to including private schools in the survey, particularly those that are currently unregistered. The government’s ability to increase its information on where private schools currently operate and match this information with migration and population trends will require much greater dialogue between the government and the private sector, as well as a more holistic view of
the education system. The government should also consider surveying parents to find out more about the factors that determine their choice of schools. This will allow the government to ensure better education to meet the needs of its citizens.

Table 1. Summary of SABER Goals and Private Education Provision in Ghana

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<th>Situation</th>
<th>Findings</th>
<th>Recommendations</th>
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| 1. Access | Despite significant government investments in the public education system, population growth and migration rates have led to an undersupply of school places, especially in urban centers, leading to an increase in private school enrollments. | • High levels of migration and a severe undersupply of public education services in Kasoa has led to a substantial increase in the number of private schools.  
• Private schools in Kasoa have fewer students and smaller class sizes than do public schools, suggesting spare capacity; private schools also operate at a substantially lower operating cost than do public schools.  
• Parents have difficulty accessing high-quality schooling due to a lack of information on the quality of schooling. New providers are hindered from entering the market and expanding access due to lack of information about certification standards.  
• The government currently provides limited support to private schools by supplying textbooks and covering examination fees. Expanding this support by providing additional per-student funding in the fastest-growing areas of the country would significantly add to the government’s fiscal burden and is not sustainable. | Recommendation 1: The government need not be the sole provider of education services but, in response to rapidly growing urban areas, should play a stewardship role and strengthen the current regulatory environment. |
| 2. Quality | Rising enrollment rates have not been accompanied by gains in student learning. Students in private schools outperform public school students on national assessments; although their student populations could differ substantially. There remains significant space for improved learning in both sectors. Parents perceive private schools to be of higher quality. | • Private schools are given a high degree of autonomy, but this is not balanced by a high degree of accountability.  
• Discrepancies exist between government policies on quality assurance (e.g., certification, participation in national exams, submitting school improvement plans) and the implementation of those policies, hampering the ability of the government to leverage private schools to improve accountability and quality across the system. | Recommendation 2a: Strengthen the implementation of quality assurance mechanisms in all schools and introduce sanctions for schools that do not adhere to them.  
Recommendation 2b: Establish partnerships between high-and low-performing schools to improve quality across the system. |
3. Equity

Children from poorer households are less likely to attend school and poorer districts are less likely to deliver high-quality outcomes, leading some parents to choose private schools even though they face a substantial financial burden to do so.

- The majority of private schools in Kasoa may not be affordable for the poorest students, especially at higher levels of education.
- There are also equity concerns about public schools: the poorest parents still pay a substantial proportion of their incomes in out-of-pocket expenses for their children to attend public schools.
- One of the most successfully implemented policies may also hinder equity. The ability of schools to select students based on ability may hinder equity, as it may favor more affluent students.

Recommendation 3:
Improve equity in the current system by targeting resources to the poorest through vouchers and/or conditional cash transfers for poorer households, or establishment of government-funded private schools in low-performing and undersupplied areas.

4. Cost efficiency

The education system in Ghana is currently facing additional fiscal pressures due to low levels of accountability, inefficient allocation of resources, and plans to expand upper secondary education.

- Private schools perform at a significantly lower operating cost than do government institutions: per student, the annual cost of teaching and non-teaching staff is three times higher in government than in non-government schools.
- The private sector has been able to rapidly expand to meet rapidly growing demand for education.

Recommendation 4:
Private finance initiatives could be used to mobilize private sector resources and reduce current fiscal burdens on the government, particularly with respect to expanding infrastructure at the senior high school level.

5. Data collection

There is insufficient information to draw conclusions about the quality of services in private schools and how they might compare with public schools. Likewise, not enough information is available on the number and location of schools, nor on the drivers of school choice for households in Ghana.

- The government’s ability to regulate the system and develop effective policies and programs is hindered by a lack of current data.

Recommendation 5a:
Encourage more rigorous evaluations to determine the impact and cost of private sector delivery and pilot new PPP models to determine effectiveness before scaling.

Recommendation 5b:
Improve national data availability on the number and location of schools and survey parents on their reasons for choosing schools.
Situating the Ghanaian Education Context

This section provides an overview of Ghana’s progress in terms of educational access, the quality of education received, the equity of the system with regard to both access and quality, and the efficiency of the system in expanding access and service delivery. The section pays particular attention to the fiscal sustainability of the system over the next decade, taking into account the goals of improving current outcomes and expanding the system at the secondary level. It discusses the role of the non-state sector in its broadest sense in Ghana—non-governmental organizations (NGOs), faith-based operations, private businesses, and community cooperatives—as well as the role of the private sector in extending enrollment and delivering quality education. The existing evidence on the impact of the private sector in Ghana, albeit small, is also examined.

Despite significant government investments in the public education system, population growth and migration have led to an undersupply of school places, especially in urban centers, leading to an increase in private sector enrollments.

Ghana has nearly doubled enrollment in primary and junior high schools since it introduced free and compulsory universal basic education.

Since the late 1990s, Ghana has made significant progress in improving access to education. Only 15 years ago, more than one-third—or 1.6 million—of all primary and lower secondary school-age children in Ghana were out of school. Within a decade, this number had dropped by 30 percent, to 1.1 million children. Since the introduction of the Free and Compulsory Universal Basic Education (FCUBE) reform in 1995—supported by school capitation grants, which since 2005 have covered the cost of student user fees—enrollment in basic education has nearly doubled, from roughly 3.5 million students in 1999 to nearly 7 million students in 2010 (Darvas and Balwanz 2014). Enrollment in primary education increased from 2.5 million in 2000 to 4.5 million in 2012. Enrollment in junior high school similarly increased from 0.8 million to 1.43 million during the period 2000–2011 (Ibid.). Between 1990 and 2010, average years of schooling for those over the age of 15 increased by nearly 1½ years: from 5.9 to 7.3 mean years of schooling (EdStats).

Despite these gains, Ghana’s secondary net enrollment rate of 51 percent is below the lower-middle-income country average; the primary net enrollment rate of 86.8 percent is on par with the average for that same group of countries.

The country raised its primary net enrollment rate from 61 percent in 1999 to 86.8 percent in 2013 (figure 2); net enrollment in lower and upper secondary education, taken as a whole, increased from 35 percent in 1999 to 51 percent in 2013 (figure 3). Both figures were above the Sub-Saharan African average, but secondary enrollment was below the average for lower-middle-income countries (figure 3). Ghana’s net primary enrollment is nearly on par with that of other lower-middle-income countries, of which the average is 87.3 percent (EdStats).

Box 1. Key Terms Used in this Report

Basic education refers to preprimary, primary school, and junior high school in Ghana.

Secondary education refers to both junior and senior high school.

Private and non-state are used interchangeably to describe schools that are owned, operated, and/or funded privately (i.e., not public schools). Non-state providers can include community, NGOs, faith-based, and for-profit providers.
The private sector has responded to growth in population and migration, particularly in urban areas.

As outlined above, private enrollments in Ghana more than tripled at the primary level between 1991 and 2013. In 2011, there were 5,292 private primary schools in the country according to official statistics (Ghana MOE 2011). In junior and senior high school, the share of private enrollment more than doubled over the past 15 years.

Ghana’s increased private sector enrollment follows the global and Sub-Saharan Africa trends.

In recent years, the private education sector has grown significantly around the world, largely in response to demand from students, parents, and communities. From 1990 to 2010, private enrollment as a percentage of total primary enrollments in low-income countries doubled, from 11 to 22 percent (Baum et al. 2013). This growth in private provision is closely connected to the boom in access that has taken place in low-income nations over the past two decades: primary net enrollment as a percentage of total primary enrollment increased from 55 to 80 percent between 1990 and 2010 (Ibid.). The private education sector in Sub-Saharan Africa reflects this global trend: private enrollment rates at the primary level increased from 11 percent in 1999 to 17 percent in 2011 (figure 4). At the secondary level, private enrollments increased from 14 percent in 1999 to 18 percent in 2011 (EdStats). Ghana’s growth in private primary and secondary enrollment (that is, the proportion of students being educated in non-government schools) slightly surpasses the overall global and Sub-Saharan African trends, with impressive growth over the past three decades.
years, from 7 percent in 1999 to 16 percent in 2013 (EdStats).

The private sector is also an important contributor of education services at the pre-primary level in Ghana. Although pre-primary schooling falls outside the scope of this study, box 2 provides information from a case study of this education market in Ashaiman, Accra.

Box 2. Preschools in Ashaiman, Accra

**Share of private sector preschool services**
Education services at the pre-primary level in Ghana are largely provided by the private sector, except for kindergarten. Household surveys carried out by Innovations for Poverty Action (2013) in Ashaiman, a town in Accra, found that an estimated 91 percent of preschool students attend a private preschool.

**Perceptions of quality**
The study found strong evidence that parents perceived private preschools to be of better quality than public preschools, and expensive private schools to be better than low-cost private schools.

**Affordability**
Over 60 percent of parents chose preschools based on proximity or cost, although factors such as teacher quality were important. On average, parents knew of 3.6 preschools that their child could walk to.

**Registration of schools**
Some 23 of the 24 private schools in the sample said that they were registered with either Ghana Educational Services or the Ashaiman Municipal Council. There seems to be a relatively high level of government oversight of preschools, though public schools were both more likely to have been visited in the last year and, if visited, were visited more often.

The demands on infrastructure and social services will continue to grow. Population projections suggest that with its current 2.2 percent annual growth, Ghana’s population will increase from 25 million people in 2012 to nearly 30 million by 2020 and 45 million in 2050 (EdStats; Darvas and Balwanz 2014). This growth will particularly impact urban areas, which are expected to grow by 10 percent between 2010 and 2025 (UN DESA 2013). In some cities, annual population growth is even higher than 10 percent. For example, the average annual growth rate between 2000 and 2010 in the city of Amanfrom was a staggering 83 percent (table 2). In absolute terms, the population of the city has increased nearly ten-fold. Meanwhile, in Mandela, annual growth averaged 63 percent, making it the second fastest-growing city in Ghana (table 2).
Table 2. Ghana’s Fastest-Growing Cities between 2000 and 2010a

<table>
<thead>
<tr>
<th>City</th>
<th>2000 population</th>
<th>2010 population</th>
<th>Average annual growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amanfrom</td>
<td>12,803</td>
<td>119,467</td>
<td>83%</td>
</tr>
<tr>
<td>Mandela</td>
<td>8,458</td>
<td>61,880</td>
<td>63%</td>
</tr>
<tr>
<td>Budumburam</td>
<td>18,713</td>
<td>50,560</td>
<td>17%</td>
</tr>
<tr>
<td>Gbawe</td>
<td>28,989</td>
<td>69,356</td>
<td>14%</td>
</tr>
<tr>
<td>Hohoe</td>
<td>35,277</td>
<td>73,641</td>
<td>11%</td>
</tr>
<tr>
<td>Kasoa</td>
<td>34,719</td>
<td>69,384</td>
<td>10%</td>
</tr>
</tbody>
</table>

Note: a. See Section 2.A. for details on estimated population calculations.

Given that rising enrollment rates have not been accompanied by gains in student learning, parents may be choosing private schools because they perceive that private schools provide a better quality of schooling. However, this perception has not been validated by empirical evidence.

National education assessments suggest low levels of learning from early grades through junior high school. According to the Early Grade Reading Assessment (EGRA) carried out in 2013, the vast majority of public school students could not read with comprehension in either a Ghanaian language or English by the end of grade 2 (figure 5). Furthermore, in the case of both languages, at least half of the students in grade 2 could not read a single word correctly (Kochetkova and Brombacher 2014). This poor performance persists in Junior High School. Since eighth-graders in Ghana’s public schools began to participate in TIMSS (Trends in International Math and Science Study) a decade ago, the results have consistently placed the country at the extreme low end in both math and science in a global comparison (figure 6).

Figure 5. Reading Comprehension: Percentage of Pupils Scoring Zero, by Language and Region, Grade 2

Source: Kochetkova and Brombacher (2014).

Figure 6. Math Performance of Lower-Middle-Income Countries on TIMSS 2011
(standard deviations below international mean)

Source: Mullis et al. (2012).

Ghana’s scores on TIMSS improved from 2003 to 2007, and again in 2011; however, the country still remains below the low benchmark (figure 7). In fact, in 2011 Ghana’s average achievement could not be reliably measured because the percentage of students whose achievement was too low to be estimated exceeded 25
percent in math and 15 percent in science (Mullis et al. 2012; Martin et al. 2012).

**Figure 7. Ghana’s Performance in Mathematics on TIMSS, Public Schools Only**

![Graph showing Ghana's performance in mathematics on TIMSS, public schools only.](image)

**Source:** Edstats.

**Note:** No private schools participated.

**Quality is the main reason cited by parents for choosing private schools, but robust impact evaluations on private school performance have not been conducted in Ghana.**

Despite insufficient evidence and a lack of clear information on student performance in private schools, parents in Ghana cite school quality as the primary motivation for sending their children to private schools (Heyneman, Stern, and Smith 2011). Proximity also influences the decision to send a child to a private school. According to qualitative fieldwork conducted in the country, 38 percent of parents surveyed cited school location as a reason for choosing a private secular school (Shojo and Wodon 2013).

Research that investigates comparative quality differences between public and private education in Ghana is sparse. A study by Akaguri (2011), which compared achievement differences between public and low-fee private schools in rural Mfantseman District, found no systematic differences in student performance after controlling for student background characteristics. Fieldwork carried out by Heyneman and others (2011) also indicated that in national examinations, private schools were on par with nearby public schools. Private schools actually tended to have less-qualified teachers, but they also had smaller class sizes, which translated into increased teacher attention for each student. In Tooley and Dixon’s (2007) study of private schools in Ghana’s Ga district, higher raw test scores were found for students in private schools. However, these results failed to account for any differences in student characteristics between sectors. As such, the results do not present reliable estimates of the true achievement differences between public and private schools.

The National Education Assessment (NEA) of 2013 also suggests that higher-performing pupils are more likely to be attending a private school, although the assessment did not account for student characteristics. More than 80 percent of students in private schools who took the NEA 2013 achieved minimum competency in math in both grades 3 and 6. In comparison, nearly 50 percent of pupils in public schools failed to achieve minimum competency in either grade (figure 8). The differences in performance were even greater in English than in math due to the fact that students in private schools tended to be more likely to speak English at home. For instance, in grade 6 English, 74 percent of students in private schools were proficient, compared to 30 percent of their peers in public schools (Ghana MOE 2014a).
Children from poorer households are less likely to attend school and poorer districts are less likely to deliver high-quality outcomes, leading some parents to choose private schools even though they face a substantial financial burden to do so. Gains in enrollment over the past 15 years have been particularly significant among the poorest pupils. What is noteworthy about the increase in enrollment in basic education over the past 15 years is that enrollment gains have been realized in all regions, by all genders, among urban and rural children, and among rich and poor alike (Darvas and Balwanz 2014). For example, while overall primary enrollment increased by 11 percent between 2003 and 2008, the poorest households—households in the lowest two wealth quintiles—made enrollment gains of 17 and 12.8 percent, respectively (Darvas and Balwanz 2014). As for gender, differences in national enrollment rates for primary and secondary education were negligible (EdStats).

Large gaps remain in access for the poorest students and children living in rural areas, particularly in the three regions of northern Ghana.

Despite a high rate of primary enrollment in the country, approximately 470,000 children of primary-school age were still out of school in 2012, with marked differences according to household income and geographic location (figure 9). Some 11 percent of primary-school aged children in Ghana do not have physical access to a primary school; this figure rises to 30 percent in the northern regions (Darvas and Balwanz 2014). Children from poor households, children living in the three northern regions, and children who were orphaned or living with a relative or guardian were most likely to be unenrolled (EdStats; UNICEF 2010). The three northern regions in Ghana are particularly impacted, as they account for the majority of households in the poorest two wealth quintiles (Darvas and Balwanz 2014).
to their peers in the lowest wealth quintile—62 percent versus 22 percent (EdStats).

Ghana has nearly achieved gender parity in primary and secondary education enrollment. However, girls’ completion rates drop off significantly in junior and senior high school, with just 26 percent of girls completing both levels, as opposed to 43 percent of boys (EdStats). This is partially a result of poor families having to “sacrifice” girls’ education due to financial constraints or the need for girls to aid in household chores (World Bank 2010). Other factors include poor sanitation facilities, distance to school, and early marriage.

**Students from rural areas and/or lower socioeconomic backgrounds have the lowest levels of learning.**

Among children who graduate from primary school every year, an estimated 350,000 to 400,000 students (or 65 percent of sixth-grade students) do not reach proficiency in English or mathematics. The majority of these pupils are from Ghana’s three northern regions, deprived districts, poor and rural households, and/or ethnic and linguistic minorities (Darvas and Balwanz 2014). In math, the 2013 National Education Assessment found that outside Greater Accra, fewer than 25 percent of students attained proficiency in either grades 3 or 6 (Darvas and Balwanz 2014).

On average, student performance declines as household wealth decreases. For instance, on the NEA 2007, performance in English declined as district average household income decreased. For the wealthiest districts, the average score was 46, decreasing to 37 for the poorest districts (figure 10). Each bar in figure 10 represents a district and shows variation in student scores within districts with the same average household wealth, which nevertheless highlights the overall downward trend as wealth decreases.

**Private schools are serve the poorest, yet affordability is a challenge.**

Ghana’s Education Sector Performance Report for 2012 notes that students in deprived districts are enrolled in private schools at half the rate of the country at large (Ghana MOE 2012). However, evidence from household surveys suggests that private schools in the country may not be providing services only to the wealthiest students. A decade ago, 11 percent of poor and 5 percent of extremely poor enrollments were in private schools, both across Ghana and in rural areas (table 3).
Table 3. School Type Attended by Children Aged 6–17, by Household Poverty Status, Rural and All Ghana, 2005

<table>
<thead>
<tr>
<th>Poverty status</th>
<th>School type</th>
<th>No school</th>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All Ghana</td>
<td>36%</td>
<td>59%</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>38%</td>
<td>58%</td>
<td>5%</td>
</tr>
<tr>
<td>Extremely poor</td>
<td>All Ghana</td>
<td>20%</td>
<td>69%</td>
<td>11%</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>21%</td>
<td>68%</td>
<td>10%</td>
</tr>
<tr>
<td>Poor</td>
<td>All Ghana</td>
<td>13%</td>
<td>60%</td>
<td>27%</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>16%</td>
<td>67%</td>
<td>17%</td>
</tr>
<tr>
<td>Non-poor</td>
<td>All Ghana</td>
<td>23%</td>
<td>61%</td>
<td>17%</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>28%</td>
<td>62%</td>
<td>10%</td>
</tr>
</tbody>
</table>


This is not to suggest, however, that private schooling is an affordable option for all students. On the contrary, findings from household surveys carried out in three poor rural communities in the central region of Ghana suggest that the poorest families in the country may spend up to 30 percent of their household income on private school costs (Akaguri 2011). This can be compared to the 16 percent of household income that the poorest households spend on public schools (Ibid.).

Ghana is currently facing additional fiscal pressures in the education system due to low levels of accountability, inefficient allocation of resources, and plans to expand upper secondary provision. The public sector in Ghana exhibits low accountability and measures to increase it have yet to be evaluated.

One identified issue contributing to low efficiency and poor quality in the education sector is teacher absenteeism. Data from several studies suggests that teachers in Ghana are absent an estimated 43 school days per year and are behind on the curriculum by 40 days (Abadzi 2007; Darvas and Balwanz 2014). Some of the main reasons for this high absentee rate include lack of supervision, sickness and/or medical care, collection of salaries at a bank located far away, long distances to school, lack of school facilities (especially sanitation), and the fact that rural teachers supplement their incomes by engaging in activities related to farming (World Bank 2010). Recent efforts to improve accountability by implementing school report cards, school performance improvement plans (SPIPs), and school performance assessment meetings (SPAMs) show promise, but the effectiveness of these interventions has not yet been evaluated (World Bank 2010).

Public resource allocations for education are uneven throughout the country; targeting to the poor could be improved.

Although the Ghanaian government has striven to improve equitable access to education through new programs and policies, government resources are currently unevenly distributed across regions in terms of spending per pupil as well as the allocation of teachers. Whereas in the regions of Ashanti, Volta, Eastern, and Greater Accra, 70 to 90 percent of the teaching force is comprised of trained teachers, only around 40 to 50 percent of teachers are trained in the Western, Upper East, Northern, and Brong Ahafo Regions (figure 11). In terms of per-child expenditure (PCE), the southern one-third of districts receive 72 percent of national PCE expenditure at the primary level, and 68 percent at the junior secondary level (World Bank 2010). Government efforts to increase support for children from disadvantaged households have been criticized for unsuccessful targeting. For example, in the case of the Ghana School Feeding Program, only 21 percent of total program disbursements benefited the poor (Wodon 2011).
Ghana currently has a budget deficit and faces simultaneous pressure to raise education quality.

Ghana currently has a budget deficit of 10.8 percent of GDP, equivalent to GH₵ 9.5 billion (US$ 3.1 billion) (Ghana GNA 2014d). The budget target for 2013—to reduce the deficit from 11.8 percent in 2012 to 9 percent—was not met. Failure to reach the target was influenced by “shortfalls in revenue and grants, higher spending on wages and salaries, as well as interest costs” (Ibid.). The budget deficit is expected to continue, despite ongoing efforts to lower it.

Although Ghana has made impressive progress in increasing access to basic education, this has placed significant pressures on infrastructure and staffing. Growth in basic education services has been stretching the public system to its limit of effective service delivery (World Bank 2010). Currently, the education sector employs around 40 percent of all civil servants.

Recognizing these physical and financial pressures on the system, efforts to raise the quality of education services in Ghana will require additional investments. For example, the cost of achieving desired learning outcomes is more than double the cost of meeting primary completion goals. Based on data from 2011, the cost of producing a pupil who has completed primary school was estimated at GH₵ 1,427, compared to GH₵ 3,670 for producing a sixth-grader proficient in English (Darvas and Balwanz 2014).

The government also has plans to build 200 upper secondary schools to expand access, placing further pressure on the government budget.

The current government has plans to construct 200 new community senior high schools across the country. The initiative aims both to cater to a growing population, as well as to support a policy of at least one senior high school per district (Ghana GNA 2013).

In March 2014, construction of the first 50 senior high schools began. Each of the schools are set to have 24 classrooms, 3 laboratories, 2 libraries, 8 offices for heads of departments, and internet facilities (Ghana GNA 2014c). In one municipality, the construction of one new school was estimated to cost GH₵ 11 million (Ghana GNA 2014a). However, costs may vary depending on the accessibility of a particular school location (Ghana GNA 2014c).

The government also planned to abolish fees for senior high day students in the 2015–16 academic year. In February 2014, the president indicated that these fees would be abolished “at an estimated cost of GH₵ 71 million in the 2015/2016 academic year” (Ghana GNA 2014b). Fees will remain in place for boarding students at senior high schools.
In-Depth Analysis of the Education Market in Kasoa, Ghana

This section analyzes the role of the private sector in one specific locality in Ghana, Kasoa, and provides a detailed overview of the types of education providers and their delivery and financial models. Kasoa is a market town with a significant percentage of poor and daily market workers. Residents of Kasoa come from different ethnic groups, with most belonging to low- and middle-income households. School mapping and surveys of public and private schools were carried out in the town in order to assess the local education market (appendix A).

High levels of migration and a severe undersupply of public education services in Kasoa have led to a substantial increase in the supply of private schools. Kasoa’s population expanded rapidly between 1984 and 2000 and continues to grow at a rapid rate.

Kasoa serves as the business center for five major urban centers that make up the Awutu Senya District of Ghana (Nyasulu 2012). Awutu Senya had an estimated population of 274,584 in 2009—more than double the estimated district population of 124,028 only a decade earlier, in 2000 (Ghana MOFEP 2012). This fast growth is attributed to urbanization, increased levels of immigration, and overall population growth in the Central District (Nyasulu 2012).

Data suggests that, similar to overall district patterns, Kasoa is a town undergoing rapid expansion and population growth. Only 40 years ago, Kasoa was a village with a population of under 1,000 inhabitants. Between 1970 and 1984, the village grew at an average annual rate of 14 percent per year, reaching a population of 2,500 in 1984. Between 1984 and 2000, however, this growth became exponential, averaging 78 percent per year (figure 12). In the previous decade, population growth has begun to slow somewhat, although the town’s 10 percent annual growth still represents one of the most rapid in Ghana (Ghana Statistical Service 2013). Between 2000 and 2010, Kasoa’s population doubled in size, from 34,719 to 69,384.

Figure 12. Average Annual Population Growth of Kasoa, Greater Accra, and Ghana, 1970–2010

The government’s supply of school places has not kept pace with demand in Kasoa; similar trends may be occurring in other rapidly growing cities.

Kasoa’s population growth has created rapidly increasing demand for education services that, to the present day, have not been met by government supply. The city’s first government school was established in 1968, when its population was still under 1,000.⁵ In 1970, there were 863 people living in Kasoa with one government school to provide education services. By 2010, only six additional government schools had been established, making for a population-to-public school ratio of 9,912:1 (figure 13).

---

⁵ Government schools refers to only those that were still in operation as of data collection for this report.
Figure 13. Population-to-Public-School Ratio in Kasoa, 1970–2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>863:1</td>
</tr>
<tr>
<td>1984</td>
<td>2,597:1</td>
</tr>
<tr>
<td>2000</td>
<td>6,944:1</td>
</tr>
<tr>
<td>2010</td>
<td>9,912:1</td>
</tr>
</tbody>
</table>

Source: Authors’ calculations from based on Ghana MOE (2011).

These figures are calculated using the most recent census estimates of the population of Kasoa. However, the GPS survey of Kasoa, conducted by the World Bank and the Centre for Remote Sensing and Geographic Information Services (CERSGIS), provides evidence that the 2013 population—and thus the population-to-public-school ratio—may in fact be much larger than the officially reported 2010 estimate.

The World Bank-CERSGIS census identified 211 public and private schools in the town with a total student population of 50,539 (Ibid.). Such a large student body hints at a population that is likely (much) larger than 69,384. Based on this data, this report provides an estimate of the population of the census area.

Variability in the true population, calculated using the current size of the student body, is expected due to: (i) the prevalence of non-attendance of school and (ii) the age distribution of the population in Kasoa. Assuming that Kasoa has an age distribution (35 percent of the population between the ages of 5 and 19) and rate of school non-attendance (roughly 26, 18, and 50 percent at the pre-primary, primary, and secondary levels, respectively) that are similar to the rest of Ghana, a simple estimate of population size is possible. As noted above, this calculation yields a significantly larger estimated population size than that of the official census.

If Kasoa experiences out-of-school rates similar to the rest of Ghana, the 50,539 students observed who are currently in school in the town indicate a total school-age population of 73,204. And if the age distribution of Kasoa is similar to the rest of Ghana, the data further suggest a total population of 209,154. This population, together with the 7 currently operating public schools, indicates an estimated population-to-public-school ratio of 29,879:1, or three times larger than the ratio based on the official Kasoa population figure.6

The population-to-public-school ratio serves as a useful indicator of equilibrium in the education market. A large ratio represents an opportunity to increase the supply of education services.

Regional data from Ghana provides further evidence of this assertion. The Greater Accra and Ashanti regions of Ghana have similar populations: 4.0 and 4.8 million, respectively. However, the supply of government education services in Greater Accra is less than half of that in Ashanti. In Greater Accra, the ratio of population to government schools is 2,626:1. In Ashanti, it is 1,238:1. Greater Accra has the largest ratio of any of Ghana’s regions. In parallel, a much larger share of Greater Accra’s basic education services is provided by private schools (figure 14) than that of any other region: 54 percent of its primary and secondary schools are private, compared to 34 percent of those in Ashanti (figure 14).

---

6 The difference in these population estimates could be explained to some degree by differing definitions of Kasoa’s city boundaries. However, official city borders notwithstanding, even if the census area used for the authors’ calculation represents a larger geographical area than that used for the national census, the number of schools located within the boundaries of this geographical area are reported with high expected reliability. Thus, identifying 50,539 students currently in school within these borders provides substantial evidence of a much higher-than-officially estimated population-to-public-school ratio. A lower-bound estimate for the population of the census area would result from the assumption of no out-of-school children. That is, if every child currently attending school, the total population estimate would be 144,397—still more than double the current official estimate of 69,384.
Having observed the relationship between population growth and the activity of the private education sector in Kasoa and Greater Accra, it is possible that non-state actors are also boosting the school supply in some of Ghana’s other rapidly growing cities (e.g., Amanfrom, Mandela, Budumbraum, Gbawe, and Hohoe).

The private sector has been able to rapidly expand to meet growing demand for education in Kasoa.

With a growing population creating increased demand for education services, and in the absence of a supply-side response from the government, one might expect non-governmental actors to step in. Data from the World Bank school survey in Kasoa provides evidence of a robust supply-side response from the private sector.

Whereas in 1991 there were 4 private schools operating in Kasoa, in 2013 there were 204 total private schools providing education services to roughly 27,000 primary and secondary students. Additionally, of these 204 primary and secondary schools, 184 also provided pre-primary services to 14,719 students. There were a mere 7 public schools in Kasoa at the time of data collection.

Between 2000 and 2012, the private school sector added, on average, 13.5 new primary and secondary schools per year (figure 15). Between 1991 and 2012, overall, the average annual growth rate of the private education sector in Kasoa was 18 percent.

At the school level, private providers in Kasoa have responded quickly to demand. Private schools surveyed for the study have, moreover, experienced substantial growth in the few years that they have been in operation (figure 15). On average, schools had 8 students when they were established; after 6 years of operation, the median number of students had risen to 160, representing an annual student growth rate of 23 percent.
These results may demonstrate that the private sector has an advantage in being able to respond more quickly to the demands of the market than the government. Where government supply of education services lags behind population growth, the private sector can offer an efficient response.

Private schools in Kasoa have fewer students and smaller class sizes than public schools, suggesting spare capacity; private schools are also operating at a substantially lower cost than public schools.

In Kasoa, the education market is primarily driven by single-proprietor for-profit providers. Nearly 90 percent of schools in the town are owned and operated by private businesses (figure 16). In total, non-state providers, including faith-based organizations, charities, and NGOs, own and operate nearly 97 percent of these schools. Among public schools, 5 of the 7 are owned by faith-based organizations, but funded and managed by the government.

Figure 16. Basic Education Providers in Kasoa, 2013

The majority of private schools in Kasoa enroll students at the pre-primary and primary level. Enrollments at these two levels make up 81 percent of all student enrollments in non-government schools. Nearly 15,000 students are enrolled in non-government preschools, and nearly 20,000 pupils in non-state primary schools (figure 17). The private sector also offers opportunities in higher grades, with 15 percent of private enrollments in junior high schools and 3 percent in senior high schools (figure 17). Private schools currently enroll just over 1,000 students at the latter level (figure 17). No public senior high schools currently exist in Kasoa.7

Figure 17. Total Student Enrollments in the Private Schools, by Subsector

As in other parts of Ghana, there is gender equity in both public and private school enrollments in Kasoa.

All schools (public and private) in Kasoa serve male and female students nearly equally. Girls make up a slightly higher percentage of the student body in both private and public schools, at 53 percent (figure 18). Gender

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7 Although there are no public senior high schools in Kasoa, students from the town can attend such a school elsewhere in the country, as students are placed in these schools throughout the country by computerized selection. Private senior high schools are also included in the computerized system, so that students not originally from Kasoa could be attending the private schools that exist in Kasoa. Currently, there are over 1,100 students studying in private senior high schools in the town.
parity continues at higher levels of education: girls also make up 53 percent of the students attending senior high schools in Kasoa.

**Figure 18. Gender Make-Up of Student Body in Public and Private Schools in Kasoa**

Source: Authors’ calculations based on SABER-EPS school survey results in Kasoa.

**Private schools are newer, have fewer students and smaller class sizes than public schools.**

On average, private schools tend to be newer, smaller, and less crowded than public schools in Kasoa. The average public school is three times older, has four times the number of students overall, and has twice the number of students in each class as the average private school (table 4).

<table>
<thead>
<tr>
<th></th>
<th>Government schools</th>
<th>Non-state schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>School age (median)</td>
<td>18.5 years</td>
<td>6 years</td>
</tr>
<tr>
<td>Number of students (mean)</td>
<td>923 students</td>
<td>218 students</td>
</tr>
<tr>
<td>Pupil-teacher ratio</td>
<td>25 : 1</td>
<td>12 : 1</td>
</tr>
</tbody>
</table>

**Table 4. Key Characteristics of Government and Non-State Schools in Kasoa**

Source: Authors’ calculations based on SABER-EPS school survey results in Kasoa.

The smallest 25 percent of private schools have fewer than 80 students, while half of private schools have fewer than 160 students (figure 19). However, some private schools have distinctly higher numbers of students, with the largest 25 percent of schools accommodating approximately 300 to 700 students. The largest private school surveyed in Kasoa had 1,102 students. Meanwhile, half of the town’s public schools have between 418 and 923 students (figure 19), with the largest having 1,392.

**Figure 19. Distribution of Total Number of Students, by School Type**

Source: Authors’ calculations based on SABER-EPS school survey results in Kasoa.

**Private education providers tend to have lower personnel costs than the public sector.**

Non-government schools in Kasoa employ, on average, 21 total staff, of which 17 are teachers. The median annual cost for staff expenses (salaries) is GH₵ 18,520. On average, school staff consist of 12 teachers with less than 5 years of experience, 5 teachers with more than 5 years of experience, 3 non-instructional staff members, and a principal (figure 20). Non-instructional staff receive the lowest salaries: GH₵ 90 a month. Teacher salaries increase with experience: on average, teachers with less than 5 years of experience receive a monthly salary of GH₵ 100, which increases to GH₵ 150 for teachers with more than 5 years of experience (figure 20). A principal’s monthly salary in Kasoa is 220 GH₵ on average.
Overall, non-government schools have dramatically lower staff costs than do public schools in Kasoa. On average, a teacher in a government school receives a monthly salary that is five times that of a teacher in a non-government school, GH₵ 892 to GH₵ 151 (table 5). Private schools are thus able to employ more teachers, but still maintain much lower staff costs than government schools: as mentioned earlier, the pupil teacher ratio is 12:1 in private schools, but over double that in government schools.

Table 5. Average Teacher Salary in Public and Private Schools in Kasoa (GH₵)

<table>
<thead>
<tr>
<th></th>
<th>Average Salary (GH₵)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>892 per month</td>
</tr>
<tr>
<td>Non-government</td>
<td>151 per month</td>
</tr>
</tbody>
</table>

The annual per-student cost of all teaching and non-teaching staff is three times higher in government than non-government schools in Kasoa. In government schools, annual staff costs per student amount to GH₵ 467, while at private schools they are GH₵ 124.

Unfortunately, research for this report did not collect data on the professional qualifications or certification levels of teachers in private schools.

The private education sector is using both profits and loans to finance expansion.

The majority of private schools in Kasoa are financially viable, with one-fifth of providers making a profit. Of the 204 private schools in the town, nearly 80 percent are earning enough either to sustain their operations (60 percent) or to make a profit (19 percent) (figure 21). Another one-fifth of private providers indicated that they were losing money. However, some of these providers could have been new to the market or they may have been waiting for returns on investments made in the school.

Virtually all private schools have assets in the form of their own land and buildings (95 percent and 96 percent, respectively). These assets are being used as leverage to borrow money to expand their operations. Additionally, over one-half of these schools, or 55 percent, plan to borrow money in the next year. The majority of these providers indicate that they plan to borrow funds from a bank or microfinance lender (79 percent) or an NGO (12 percent).
Only 20 percent of private schools reported having been rejected for a loan. In 50 percent of these cases, the primary reason was insufficient collateral and lack of trust on the part of the bank that the loan would be repaid. In a few cases, the number of students was too small or the loan terms and bank requirements were unfavorable.

The IDP Rising Schools Program offers an innovative microfinance model for addressing the lack of credit for school expansion (box 3).

**Box 3. IDP Rising Schools**

The IDP Foundation, Inc., in partnership with Sinapi Aba Trust (a Ghanaian microfinance institution), created the IDP Rising Schools Program to help low-cost private schools access credit and thus also expand access to schooling by poorer communities. In order to be eligible for funding, schools must serve the poorest households. School fees in these types of schools are on average US$ 15 per term. School proprietors must also take part in a training program to receive a loan. The training covers both financial and school management topics. IDP offers two types of loans: asset acquisition loans and working capital loans.

**Table B3.1 IDP Loan Types**

<table>
<thead>
<tr>
<th></th>
<th>Asset acquisition loan</th>
<th>Working capital loan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Common purposes</strong></td>
<td>Infrastructure construction or renovation (classroom or toilet), land acquisition, or school bus purchase</td>
<td>School feeding (bulk purchases), teachers’ salaries, stationary, or cash-flow problems</td>
</tr>
<tr>
<td><strong>Interest rate</strong> (per annum)</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Grace period</strong></td>
<td>1–4 months</td>
<td>1 month</td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td>Up to 2 years</td>
<td>Up to 6 months</td>
</tr>
<tr>
<td><strong>Loan amount</strong></td>
<td>Up to GH₵ 15,000</td>
<td>Up to GH₵ 4,000</td>
</tr>
<tr>
<td><strong>Repayment frequency</strong></td>
<td>Monthly</td>
<td>Monthly</td>
</tr>
</tbody>
</table>

As of 2017, 557 school proprietors have participated in the program, serving over 130,000 children. Nearly four hundred (400) loans have been disbursed and GHS has a repayment rate of 92 percent.

*Sources:* IDP Rising Schools website: http://www.idpfoundation.org/idp-rising-schools (accessed June 2017); interviews with program personnel.
The majority of private schools in Kasoa may not be affordable to the poorest students, especially at higher levels of education.

Tuition costs at private schools rise considerably between basic education and senior high school, limiting affordable options for the poorest students at higher levels of education.

The consumption of private education services in Kasoa requires substantial financial costs for households that increase from basic education to senior high school. On average, the tuition cost of attending a private primary school in Kasoa is GH₵ 212 (roughly US$ 106) per year. Fees grow by 41 percent (to GH₵ 299, or US$ 150) as a student moves to a private junior high school, and jumps an additional 64 percent (to GH₵ 489 or US$ 245) at the senior high school level (figure 22).

Figure 22. Average Private Tuition Fees in Kasoa Schools, by Level (GH₵)

For the poorest students, this means that attendance in a private school becomes increasingly difficult as a student progresses successfully through his or her schooling career. Keeping in mind the thresholds of low-cost (annual tuition and non-tuition fees under GH₵ 98 per year) and medium-cost (GH₵ 98–GH₵ 196) schools, it can be clearly seen that options become increasingly limited as students progress onto higher levels of education (table 6).

Table 6. Tuition Fee Bands in Private Schools in Kasoa, by Educational Level

<table>
<thead>
<tr>
<th>Number of schools</th>
<th>Primary</th>
<th>JHS</th>
<th>SHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quartile 1 (lowest cost schools)</td>
<td>GH₵ 15–120</td>
<td>GH₵ 21–180</td>
<td>GH₵ 75–300</td>
</tr>
<tr>
<td>Quartile 2</td>
<td>GH₵ 120–180</td>
<td>GH₵ 180–257</td>
<td>GH₵ 300–390</td>
</tr>
<tr>
<td>Quartile 3</td>
<td>GH₵ 180–270</td>
<td>GH₵ 257–360</td>
<td>GH₵ 390–705</td>
</tr>
<tr>
<td>Quartile 4 (highest cost schools)</td>
<td>GH₵ 270–1050</td>
<td>GH₵ 360–1,260</td>
<td>GH₵ 705–1,500</td>
</tr>
</tbody>
</table>

Annual student fees reflect a school accountability mechanism.

Private schools in Kasoa that are both registered and participate in standardized examinations charge fees that are, on average, 55 percent higher than schools that are not registered or have not yet been given a certification “grade.” Some 56 percent of schools in the survey were registered and had a certification grade (A–D). A further 21 percent were in the process of being registered, but had not yet been assigned a certification grade. Private schools that are certified and graded charge more at all educational levels than schools that are either not registered or not graded (table 7). The premium charged by registered schools is, on average, approximately GH₵ 100–150 at each level (table 7). The fee premium for certified schools can give an incentive for unregistered schools to strive for certification, although some schools may choose not to become registered in order to avoid tax liabilities.
Although schools that are registered charge, on average, higher tuition fees, not all lower-cost schools are unregistered. For instance, among private primary schools that charge the least in tuition fees (quartile 1), 41 percent are registered. An additional 18 percent are in the process of being registered, but have not yet been graded. The remaining 41 percent are not registered and do not participate in quality assurance mechanisms.

There are equity concerns about public schools because the poorest parents are still paying a substantial proportion of their incomes on out-of-pocket expenses in public schools.

Even though Ghana does not charge tuition fees in public schools, there are still considerable out-of-pocket expenses.

Due to Ghana’s legal framework and school funding mechanisms, parents do not pay tuition fees in public schools at the primary or junior high school levels in Kasoa. Despite the fact that basic education in Ghana is supposed to be free for all students, Kasoa’s public schools still charge non-tuition fees that could be burdensome for the poorest households. Notwithstanding their lack of tuition fees, the average public school in Kasoa charges GH₵ 50 per year for extra classes and a registration fee of GH₵ 45 per year (table 8).

By a large amount, the most significant cost of private school attendance is the tuition fee. After the tuition cost, two optional services available in Kasoa’s private schools constitute the next largest fees: school meals (GH₵ 59) and transport services (GH₵ 26). Remaining compulsory fees in the private sector include school registration (GH₵ 16), school uniform (GH₵ 13), examinations (GH₵ 6), and textbooks (GH₵ 3). Ghana’s government provides textbooks to all public schools; thus, there are no household costs associated with textbooks in these schools. However, in addition to fees for extra classes and registration—which, as mentioned above, are larger in the public than the private education sector—public school students pay an examination fee (GH₵ 6) equivalent to that charged to private school students, but a uniform charge three times smaller (GH₵ 4).

On average, the total tuition and non-tuition cost of attending a private school in Kasoa is GH₵ 266 per year (roughly US$ 11 per month), compared to an overall public school cost of GH₵ 108 per year (roughly US$ 4.5 per month). In addition to these comparable services in
public and private schools, many private schools offer school lunches and transportation services for an extra fee. In some schools, the cost of in-school meals is included in the tuition fee (box 4). However, on average, total fees in private schools are more than 2.5 times higher than in public schools (no comparison exists for senior high schools, as there are no available public options in Kasoa).

**While the cost of private schooling for the poorest students represents 15 percent of total household income, hidden costs in public schools amount to around 6 percent of total household income.**

Attendance at an average private school in Kasoa thus costs 15 percent of annual household income (per child) for households in the poorest quintile (figure 23). And these costs often do not include the price of the child’s meals during the school day.

**Table 9. Household Size and Annual Household Income, by Quintile**

<table>
<thead>
<tr>
<th>Income Quintiles</th>
<th>Mean household size</th>
<th>Mean annual household income²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorest</td>
<td>6.4</td>
<td>1,779</td>
</tr>
<tr>
<td>Second</td>
<td>5.1</td>
<td>2,493</td>
</tr>
<tr>
<td>Third</td>
<td>4.4</td>
<td>2,683</td>
</tr>
<tr>
<td>Fourth</td>
<td>3.7</td>
<td>3,086</td>
</tr>
<tr>
<td>Wealthiest</td>
<td>2.5</td>
<td>3,773</td>
</tr>
<tr>
<td>Ghana</td>
<td>4.0</td>
<td>2,974</td>
</tr>
</tbody>
</table>

Note: a. Data on household incomes have been adjusted for inflation to approximate 2013 prices.

What is clear is that sending a child to a private school can require a substantial financial commitment on the part of a household. As previously noted, evidence from Kasoa indicates that—despite a national commitment to free basic education—public school also imposes financial burdens on households. Poorer families in Kasoa can expect to pay around 6 percent of their household annual income (per child) on fees for school registration and extra classes in public schools, whereas the wealthiest families can expect to pay roughly 3 percent (per child). Even small costs like the 6-cedi and 4-cedi fees for examinations and uniforms in public schools can negatively impact demand for education and

Of course, costs related to school attendance are multiplicative, as households often have more than one child in school. Exacerbating these costs is the fact that the poorest households have nearly four more members than the wealthiest households (table 8). Thus, a family at this low income level with four children in private school would pay more than 60 percent of its annual income in school fees (the financial burden would be much higher if any children were attending senior high school). Additionally, the cost of sending a child to a private school is not trivial even in the highest income quintile, with 7 percent of household income required in that income quintile to pay private school fees.
thus discourage the participation of the poorest students.8

Moreover, it is important to keep in mind that, due to the severe undersupply of public school services in Kasoa, most children must pay to attend private school or attend no school at all.

Only nine percent of private schools in Kasoa are low cost.

Recent research on private schools for the poor has attempted to define thresholds for what constitutes a “low-cost” private school. Tooley and Longfield (2013) suggest that, since households in Sub-Saharan Africa tend to spend between 5 and 10 percent of their annual income on education expenses (Lewin 2007), private schools that charge less than 10 percent of household income for a family at the poverty line should be classified as low cost.9

The international poverty line, as defined by the World Bank, is US$ 2 per day, or US$ 730 per year (per person), which equates to GH₵ 1,475. For a household with two working parents, the poverty line would be GH₵ 2,950 per year. The mean household income for all of Ghana is GH₵ 2,974 (GLSS 2005–2006), meaning that about 50 percent of the population is living below the poverty line.

Following the above methodology, low-cost private schools would be defined as those charging less than GH₵ 295 (US$ 146) per year for all of a family’s children to attend. We use three children per family as the standard (see footnote 9). Thus, GH₵ 295 per year for three children is GH₵ 98 per child. As such, all schools in Kasoa charging less than GH₵ 98 per student per year would be considered “low cost.” By this definition, there are 19 low-cost private schools in Kasoa (9 percent of all private schools).

If we assume that a medium-cost school charges between 10 and 20 percent of household income (Tooley and Longfield 2013) for a family at the US$ 2 poverty line—that is, between GH₵ 295 and GH₵ 590 per year—then the range for medium-cost schools is between GH₵ 98 and GH₵ 196 in per-student fees per year. There are 37 private schools (18 percent of all private schools) in Kasoa with fees within this “medium-cost” range.

Some 73 percent of all private schools in Kasoa are consequently “high-cost” schools, that is, they charge more than GH₵ 196 in per-student fees per year. For a family living below the poverty line to send all of their children to one of these high-cost private schools would require more than 20 percent of their annual income.

According to these thresholds, public schools in Kasoa would be considered “medium cost,” as the average non-tuition fee in public schools (GH₵ 108) for three children represents 11 percent of annual income for a family living at the poverty line.

Omega Schools are one example of a low-cost private school model that is both expanding rapidly and operating more efficiently than public schools in Kasoa.

Twenty private schools in Kasoa are part of a chain. The majority of these schools are part of small chains of only two to four schools, some of which have a religious affiliation. One provider reported that it was part of Bakos Schools, which have a total of 70 schools, while another reported being part of Pentecost Schools, a chain that has 81 schools overall. Four schools in Kasoa are part of the Omega Schools chain, which has a total of 20 schools (box 4).

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8 A recent experimental evaluation in Kenya found that removing the cost of school uniforms increased student attendance by 44 percent for the average student, and 62 percent for students who did not previously own a uniform (Evans, Kremer, and Ngatia 2009). Provision of free uniforms also increased student learning by 0.25 standards deviations.

9 Schools must charge less than 10 percent of household income to enroll all children in the household. (The average family in Ghana living below the poverty line has three children).
Summary of Findings from Kasoa

It is clear that the private sector in Kasoa is making a substantial contribution to the delivery of primary and secondary education. While the findings of this report do not generalize to the country level, they contribute valuable information about the education market in one particular rapidly growing urban area of Ghana. Additionally, the commonalities that exist between this research and case studies from other parts of the country (Akaguri and Akyeampong 2010; Akaguri 2011; Akyeampong and Rolleston 2013; Heyneman, Stern, and Smith 2011; Tooley and Dixon 2007) suggest that the results of this report may be indicative of larger trends occurring within the education sector in Ghana.

A number of points can be made regarding (i) what we know and (ii) what we still don’t know, about the research in Kasoa. These points are summarized below:

What we know:

- Population growth and migration are causing rapidly increasing demand for education in Kasoa.

- Government supply of primary and secondary education services lags behind rapid population growth in Kasoa.

- As a result of this undersupply, Kasoa’s private education sector has expanded to meet the unmet demand.

- Private schools are providing education services at a fraction of the operating costs of public schools. This difference is driven in large part by substantially reduced salaries for teachers in these schools.

- The majority of private schools in Kasoa seem to offer limited accessibility to the poorest students due to their high financial cost.

- Public schools also impose costs on households; however, these are substantially less than the costs of private schools.

- There is insufficient information to draw conclusions about the quality of services in private schools and how they compare with public schools.
Box 4. Omega Schools: A Private School Chain

Model

One growing chain of private schools in Ghana offers one model for delivering school services in the country. Omega Schools, a for-profit school chain, opened their first private educational institution in 2008.

<table>
<thead>
<tr>
<th>Table B4.1 Comparison of Omega Schools, Other Private Schools, and Public Schools in Kasoa</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Number of students</strong></td>
</tr>
<tr>
<td>(mean)</td>
</tr>
<tr>
<td><strong>Pupil-teacher ratio</strong></td>
</tr>
<tr>
<td><strong>Monthly teacher salary</strong></td>
</tr>
<tr>
<td><strong>Yearly staff cost per-student (median)</strong></td>
</tr>
</tbody>
</table>

Cost to students

One of the stated goals of Omega Schools is to provide students with a quality private education for the same out-of-pocket cost of attending a local government school. One of the features of the Omega model is its all-inclusive payment system. Tuition at most of their schools is GH₵ 1.5 per day, adapted for the local context, where paying a small daily fee can be easier for families with daily cash flow. The total cost amounts to roughly GH₵ 270 per year, equivalent to the average private school fee in Kasoa.

Comparison of cost to public school expenses

In contrast, the total public school cost in Kasoa is GH₵ 108 per year. However, unlike other public or private schools in the area, for Omega, GH₵ 270 covers the student’s academic, material, and nutritional needs for the entire school year, including: (i) workbooks, (ii) two school uniforms, (iii) examination costs, and (iv) a daily meal for students. Moreover, the school does not charge students to attend extra classes.

Accounting only for the added cost of providing a daily lunch to students, a case could indeed be made that Omega is educating students for the same out-of-pocket cost as public schools. Where lunch is provided in other private schools, the average fee to students is GH₵ 180 per year. At this rate, were public schools in Kasoa to provide meals to students, the total school cost would be roughly equivalent to that of Omega’s model.

Cost efficiency

Low fees at these schools are made possible through a formula of high efficiency driven by large student bodies, large class sizes, and low teacher salaries. The teaching model for Omega uses standardized lesson plans that allow schools to hire teachers with lower levels of prior training and certification. Public schools in Kasoa deliver education services at seven times the staff-to-student cost of Omega schools. While Omega’s approach hints at being an innovative model, at present, there is not sufficient evidence to draw conclusions about the quality of services delivered in these schools.

Source: Results for Development, Center for Education Innovations. Innovations Profile for Omega Schools.
What we still do not know:

- No evidence from Kasoa sheds light on the school choice decisions of parents and students. Demand-side surveys could provide highly beneficial insight into the priorities of parents when choosing schools. Are household school choices driven by school quality, cost, proximity, or other factors? Would parents choose to send their children to public schools if they were made available?

- We have little to no reliable information on the quality of education being provided by private schools in Kasoa and in many other places in Ghana. In particular, reliable data from experimental and quasi-experimental evaluations of school outcomes are needed to determine the relative impact of public and private school provision. It would also be important to learn whether or not private school quality is conditioned on cost.

- Insufficient data is available on the schooling options at the senior secondary level for students in Kasoa. A large share of Ghanaian students at this level are assigned to boarding schools through a computerized system. Although there are no public senior high schools in Kasoa, students from Kasoa could thus be attending such a school elsewhere in the country. Moreover, as private senior high schools are also included in the computerized system, students not originally from Kasoa could be attending the private senior high schools in the town.

- There is no information on how well private schools serve children with disabilities and special needs. This is a significant issue, as a large share of the global out-of-school population are students with disabilities. It would be highly valuable to better understand the current contributions of the private sector in meeting the demands of these at-risk children’s groups.

- While we know that teacher costs in the private sector are substantially lower than in the public sector, we don’t know the potential implications of this cost differential for the quality of teachers and the teaching staff of both public and private schools. Are differences in teacher pay related to teacher motivation levels, teacher aspirations, satisfaction, professional development, and/or subject-matter knowledge? Are there differences in teacher career advancement, progression, and turnover in the public and private sectors? Do lower wages in the private sector impact the ability of schools to attract high-quality instructors? And what potential implications might this have for education quality?

- Are there differences in the student populations being served by public and private schools? How are student population differences influenced by education fees?

- National-level data shows that undersupply of public education is related to a high share of private enrollments in the Greater Accra region. This fact, coupled with the relationship between public undersupply and private expansion of education services in Kasoa, suggests that other rapidly growing areas of Ghana could also be experiencing supply-side responses from private providers. Further inquiry into other geographic areas with scarce supplies of public education could offer insight into the dynamics of the education market in Ghana.

As evidenced by the preceding discussion, what we have learned about the private sector in Kasoa, and in Ghana more broadly, merely scratches the surface. This research is not intended to provide an exhaustive investigation into the contributions of the private sector, but rather to offer a starting point on which to base continued inquiry into a holistic Ghanaian education system consisting of both public and private schooling. Much remains to be understood about how best to
provide unilateral access to high-quality education services for all Ghanaian children and youth. The questions and issues posed above can offer guidance on the types of research that could further understanding and actions pertaining to education markets in the country.
The Regulatory Environment

This section analyzes the current policies in place that regulate the private sector in Ghana, the degree to which these policies are implemented and whether or not additional barriers to market entry and operation of private schools exist beyond official policies. The findings are based on reviews of official policy documents, a survey of a sample of schools in Kasoa, and interviews with senior leaders of the following three national and two regional private school associations:

- Ghana National Association of Private Schools (GNAPS) (box 5)
- Deprived Private Schools Association (DEPSAG)
- Foundation for Education Research and Development (FERD)
- GNAPS (Ghana National Association of Private Schools) Volta Region
- GNAPS Eastern Region

For more details on the methodology, please see appendix 2.

Box 5. Ghana National Association of Private Schools (GNAPS)

The Ghana National Association of Private Schools (GNAPS) is the largest private school association in the country. GNAPS was founded in 1972 and currently represents over 5,000 private schools nationwide. The association is organized into national, regional, and local levels. It is recognized by the Ghana Education Service as the official representative organization for private schools in the country, giving it latitude to negotiate policies and increase the voice of the private sector. GNAPS sees itself as a partner to the Government of Ghana in the delivery and management of education in the country. The association provides professional development opportunities for its members, including workshops for the improvement of school management and teaching practices and the development of professional learning communities.

The Government of Ghana regulates the private sector but provides limited financial support.

Ghana has a government-wide public-private partnership (PPP) policy and its Education Sector Plan outlines the role of the private sector.

The National Policy on Public-Private Partnerships outlines the role of the private sector in supporting the Government of Ghana to meet its economic and social development objectives. Ghana’s Education Strategic Plan (ESP) 2010–2020 outlines the importance of the private sector in supporting the government provision, and more particularly, finance, of education services:

“The ESP identifies several areas where increased efficiency, cost sharing and decentralization provide cost savings to the Government of Ghana... Increased need to secure finance via fundraising at decentralized levels, cost sharing at government funded public schools (especially at the post-basic levels), and increased growth of private schools will likely be features of a system realizing significant enrollment expansion in all sub-sectors over the next decade” (Ghana MOE 2010).

The Education Act 778 regulates independent private schools. The government’s only support to the private sector is the provision of textbooks, examination fees, and in-service teacher training.

It is clear that the private education policies in Ghana establish a legal basis for independent private schools, that is, those that are owned, operated, and financed completely by non-government providers. In addition to the Education Act 778 of 2008, which outlines the legal basis for independent private schools, the following policy documents informed this report on the regulatory environment for schools, including private providers:
The government’s only support to private schools is the provision of textbooks and subsidies for exam fees; there is currently no explicit mechanism to give schools per-student funding. The Education Act specifies that the education minister is responsible for the regulation of schools that are owned by a community and for “private participation in education,” although the specific definition of “private participation” is not outlined. ESP also specifies that support will be provided “to primary and JH [junior high] schools by providing non-salary inputs (e.g. textbooks) and in-service training” (Ghana MOE 2010). The Ghanaian government also subsidizes the fees for the Basic Education Certificate Examination for students in private as well as public schools. This exam is used to determine which students are eligible to proceed from junior to senior high school. In 2012, the combined cost of these public and private subsidies was US$ 4.2 million (Ghana MOFEP 2013). Ghana’s Education Act establishes the role of private education providers and specifies that tax relief or subsidies may be provided to “duly registered private education institutions.” However, there is no policy that defines under what circumstance private schools are to receive these subsidies.

While policies establish the ability of the government to provide tax subsidies, textbooks, and in-service training to private schools, there are no stipulations to determine which schools should or should not receive support. In addition, no legal standards require schools that receive financial or material support to act any differently than unfunded schools.

Private schools are given a high degree of autonomy but this is not balanced by a high degree of accountability.

Private independent schools have a high degree of autonomy due to a lack of policies that outline the regulatory environment for these schools.

Due to a lack of explicit policies in the current regulatory environment, private independent schools have a high degree of autonomy in appointing, dismissing, and deploying teachers, as well as determining salary levels, teaching methods, and class sizes. The national curriculum is determined by the central government, but schools are free to determine their own structures and methods (e.g., pedagogy, learning materials, classroom hours) for achieving desired student learning standards. The only policy found to be restraining private school autonomy is a regulation in the Education Act of 2008 that requires independent private schools to follow centrally mandated teacher certification standards in order to maintain active registration. According to this regulation, at least one-third of teachers in all private schools must be professionally certified, with official teacher training diplomas. Additionally, it is worth noting that although the regulation of teacher qualifications does create some policy-based restrictions on the autonomy of private schools, it is less rigid than the regulation that requires all teachers in public schools to be professionally certified. International education research shows that teacher credentials—including factors such as years of experience, certification, and education—fail to predict student learning (Dobbie and Fryer 2011; Goldhaber and Anthony 2007; Goldhaber and Brewer 2000; Hedges, Laine, and Greenwald 1994; Hanushek 1997). Overall, methodologically rigorous studies that assess the impacts of local school autonomy on student learning outcomes generally find a positive relationship (Hanushek and Woessmann 2010; Bruns, Filmer, and Patrinos 2011).
Schools are required to take part in standardized exams, but confusion remains about the inspection regime.

The Basic Education Certificate Examination and the West African Senior School Certificate Examination determine student eligibility to advance to upper secondary and tertiary education, respectively. Students in the final grades of junior and senior high school sit for these exams annually in both public and private institutions. National Education Assessments are also administered annually in grades 3 and 6. No current policy stipulates that the results of these exams should be disaggregated by important demographic characteristics such as socioeconomic background, gender, and other types of student disadvantage.

According to the Education Act 778 of 2008, public and private schools are to be inspected on a “periodic basis” by the National Inspectorate Board, an independent inspection agency within the ministry of education. In practice, all private schools in Kasoa are subject to official school inspections on a term basis. All schools reported that the responsible agency for inspections is the Ghana Education Service. However, some schools reported that institutions such as GNAPS, the West African Examination Council, and the ministry of health are also responsible for inspections. Schools did not report being inspected by the National Inspectorate Board. According to policy, inspections should also outline the strengths and weaknesses of a school and suggest specific priorities for improvement (Ghana National Inspectorate Board 2012). Education policy in Ghana does not specify terms for the sanctioning of underperforming schools. One-third of the randomly-selected sample of private schools surveyed for this report stated that only in rare circumstances are sanctions levied on private schools. In these rare cases, penalties can include increased school supervision, removal of the right to administer school exams, and school closure.

The overall results of the policy benchmarking exercise are outlined in table 9. For a detailed overview of the methodology used to evaluate the key policy areas and the benchmarking process as a whole, see appendix 2.

Table 10. Ghana Policy Intent and Implementation

<table>
<thead>
<tr>
<th>Independent private schools – Policy goals</th>
<th>Policy intent</th>
<th>Policy implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Encouraging innovation by providers</td>
<td>Established</td>
<td>Established</td>
</tr>
<tr>
<td>2. Holding schools accountable</td>
<td>Emerging</td>
<td>Emerging</td>
</tr>
<tr>
<td>3. Empowering all parents</td>
<td>Emerging</td>
<td>Emerging</td>
</tr>
<tr>
<td>4. Promoting diversity of supply</td>
<td>Established</td>
<td>Emerging</td>
</tr>
</tbody>
</table>


Due to a lack of information, parents often have difficulty accessing high-quality education services, while new providers are hindered from entering the market and positively responding to the access challenge.

No policies specifically outline the right of parents to receive information about the quality of schooling; this hinders their ability to make informed choices.

Although the country administers standardized exams at the junior and senior high school levels, there are no policies in place to guarantee parents access to the results of these exams. Likewise, no policy requires that parents receive information on the results of school inspections. Schools reported that, although the government ranks schools based on the inspection process, parents are not provided with information on the results. According to current policy, policy requires students, but not parents, to be interviewed as part of the school inspection protocol.
With respect to other accountability mechanisms, official government policy grants tax relief to parents whose children attend independent private schools—a demand-side mechanism with the potential to incentivize school attendance.

**Lack of both transparency and access to certification standards may also be deterring new providers from entering the education market and increasing access.**

Overall, government policy supports the market entry and relatively unburdened operation of multiple providers in the education market. In Ghana, all types of providers are allowed to operate private schools. Government policy neither provides standardized school fee schedules, nor explicit restrictions on tuition; however, it does stipulate that fees must be approved by the education minister. The operating requirements for independent private schools in Ghana are more restrictive in practice than in policy. Official policy, as enunciated in Education Act 778, outlines a few minimal operating requirements, such as legal incorporation, minimum curricular standards, safe facility requirements, and submission of an annual report to the minister. These operational guidelines are not made publicly available, but must be obtained by individual request or through private school associations.

**Discrepancies exist between policy intent and policy implementation; private school associations question government support for the implementation of new policies.**

**Policies outline a number of stipulations that are neither implemented nor adhered to in practice.**

As shown in table 10, over one-quarter of private schools have not been able to use their autonomy to tailor the curriculum to meet the needs of their students. In practice, schools in the sample responded that the central government has legal authority over how the curriculum is delivered. Less than 20 percent of schools fulfilled the government requirement that one-third of their teachers be qualified. The law also requires that all private schools be certified, but in practice, only 76 percent of schools in Kasoa are. Some 78 percent of the schools that were registered took part in standardized exams, compared to 50 percent of non-registered schools. Only 55 percent of schools submitted a school improvement plan as part of the inspection process. Moreover, while students are required to participate in interviews as part of the inspection process, only 47 percent of schools appear to have interviewed students. In contrast to stated policy, in practice tax relief is not granted to parents of children at private schools. Finally, while policy decrees that the education minister has the final authority to approve tuition fees, only 0.5 percent of schools follow this stipulation.

**Table 11. Private Schools: Policy and Practice**

<table>
<thead>
<tr>
<th>Policy</th>
<th>Practice: % of schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curriculum</td>
<td>Schools able to adapt curriculum to meet needs of students 73%</td>
</tr>
<tr>
<td>Teachers</td>
<td>1/3 of teachers certified 18%</td>
</tr>
<tr>
<td>School certification</td>
<td>All schools certified 76%</td>
</tr>
<tr>
<td>Standardized exams</td>
<td>All schools at a secondary level 78% of registered 50% of unregistered</td>
</tr>
<tr>
<td>School improvement plans</td>
<td>All schools submit plans as part of inspection process 55%</td>
</tr>
<tr>
<td>Student participation in inspections</td>
<td>Student are required to be interviewed as part of inspection 47%</td>
</tr>
<tr>
<td>Tax relief</td>
<td>Given to parents of children at private schools 0%</td>
</tr>
<tr>
<td>Government oversight of tuition fees</td>
<td>Minister has final approval of fees 0.5%</td>
</tr>
</tbody>
</table>

Source: Responses based on SABER-EPS school survey results in Kasoa.

Discrepancies between policy intent and implementation might well also exist in the public
system, but such an examination is beyond the scope of this study.

Other policies that are implemented may be harming equity.

Schools select students based on academic ability in Kasoa, including public schools (5 of 7 public schools, or 71 percent). Four of these are faith-based public schools. Only 2 public schools (29 percent) select students on a first-come, first-served basis. These figures do not differ widely from the private sector, where 80 percent of schools (146 of 183) select students by academic ability and only 17.5 percent (32 of 183) admit students on a first-come, first-served basis. Selection based on academic ability usually favors students from more affluent backgrounds (Baum et al. 2013).

Other restrictions that hinder private sector engagement are not explicitly outlined in policy.

The Education Act outlines few minimum certification standards for the operation of a private school. The document, “Certification Guidelines Private Schools,” is currently being renewed, but surveyed schools reported additional certification requirements beyond those outlined in the Education Act. In practice, the government requires private schools to meet a number of operating requirements, which are not outlined in policy, to maintain their official operating status. Schools reported requirements such as playgrounds and outdoor space, dedicated classrooms (e.g., science labs), libraries, school medical services (e.g., first-aid center or sick bay), land and building ownership, and computers.

Official policy for independent private schools does not specify any fees; however, in practice schools must pay a number of fees, including administrative, ongoing certification, inspection, and structural site fees.

With regard to fee requirements, the financial situation faced by most independent private schools differs substantially from policy. Schools mentioned that they pay roughly GH₵ 730 in annual taxes (about US$ 315). The majority of schools pay three different taxes and/or fees, with a few schools reporting payment of four different taxes:

- Income tax (12 schools; median of GH₵ 400)
- Property rate (15 schools; median of GH₵ 350)
- Business operating levy (10 schools; median of GH₵ 160)
- Corporate tax (4 schools; no amounts reported)

Policy dialogue is focused at the national level, with lower levels of engagement at the regional level.

The government meets fairly regularly with the private school associations. The largest national school association, Ghana National Association of Private Schools (GNAPS), reported having 10 official consultation meetings per year with the government. Consultations are less frequent with smaller and regional associations: between two and four times per year.

Dialogue does not focus on how to effectively implement policy changes.

Private sector representatives acknowledge that the government openly recognizes the contribution of the private sector to delivering its policy objectives. Yet many representatives of the private education sector feel that they are not adequately included in discussions of potential policy changes. They also noted that there is little support provided to private providers to implement such changes. Overall, the private sector feels that relevant policy changes are not communicated clearly enough by the government. And while the national associations feel that they have been able to influence government policy through a collective voice, this is not the case for the regional associations.

Private school associations want more opportunities for joint teacher training and greater transparency of school registration guidelines.
Most private school representatives reported receiving good support from government inspectors for improving the quality of teaching and learning. However, they noted a general lack of opportunities for private schools to take advantage of teacher training programs or other professional development opportunities. Representatives also requested that transparency on school certification be improved. As previously noted, required procedures for registering and certifying a private school are not made easily available to current and potential providers. Most associations reported that these procedures are not clearly publicized. Currently, these procedures are only provided to the school associations and are not made publicly available (e.g., through brochures, gazettes, websites, etc.).
Budgetary Implications

The government has difficult financial decisions to make on educational priorities, particularly those (i) addressing migration within the country, (ii) improving the quality of the system, (iii) ensuring equitable access for the poorest students, and (iv) expanding senior high schools. Each of these four challenges and its budgetary implications is discussed below. Each scenario is a simplification of the problem and provides a brief summary of the complications and budgetary implications for the government.

It would be costly to meet increasing demand for education services solely through public supply.

The Ghanaian population will continue to grow, as will migration from rural to urban areas. This poses a problem for the government, as the supply of education will have to meet these requirements at an increasingly rapid pace. Meeting this growing demand solely through the provision of public school services would incur exorbitant financial costs.

As an example, suppose that the government wanted to accommodate the recent increase in demand for education in Kasoa (i.e., students that have recently been pulled into the private school sector) in the public school system. With 45,000 students currently in Kasoa’s private schools, and at an annual cost of GH₵ 490 per student, the recurrent cost to accommodate all existing private school students in public schools would be roughly GH₵ 22 million (table 11).

<table>
<thead>
<tr>
<th>Table 12. Recurrent Cost of Transferring All Private School Students to Public Schools in Kasoa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of students to be transferred from private to public schools</td>
</tr>
<tr>
<td>Average size of a public school</td>
</tr>
<tr>
<td>Number of new public schools needed&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Personnel costs</strong></td>
</tr>
<tr>
<td>Annual teacher costs per school, per year&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Annual principal cost per school, per year&lt;sup&gt;c&lt;/sup&gt;</td>
</tr>
<tr>
<td>Annual cost for other staff per school, per year&lt;sup&gt;d&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Total annual personnel costs, per school</strong></td>
</tr>
<tr>
<td><strong>Other operating costs</strong></td>
</tr>
<tr>
<td>Other operating costs, per school&lt;sup&gt;e&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Total recurrent cost</strong></td>
</tr>
<tr>
<td>Total recurrent cost per school, per year</td>
</tr>
<tr>
<td>Total recurrent cost per student, per year</td>
</tr>
</tbody>
</table>

Total recurrent cost for 45,000 students (49 schools)  
GH₵ 22 million  
US$ 7.3 million<sup>f</sup>

*Source:* Authors’ calculations based on SABER-EPS school survey results in Kasoa.

*Notes:*  
<sup>a</sup> The calculation is 45,000 students divided by the average public school size.  
<sup>b</sup> The average teacher monthly salary is GH₵ 892 (based on public school data from Kasoa). There are, on average, 37 teachers in a public school.  
<sup>c</sup> The average principal monthly salary is GH₵ 1,100 (based on public school data from Kasoa).  
<sup>d</sup> The average monthly salary of other (nonteaching) staff members is GH₵ 200 (based on public school data from Kasoa). There are, on average, 2 nonteaching staff members in a public school.  
<sup>e</sup> This figure is calculated based on the fact that staff salaries make up roughly 92 percent of public school spending (World Bank 2014); thus, an additional 8 percent is typically used for other operating costs.  
<sup>f</sup> Using the exchange rate of July 1, 2014: US$ 1 = GH₵ 3.00.
In addition, to accommodate 45,000 students, the government would either need to build new schools or expand existing schools. The public cost to build enough schools to accommodate all students in pre-primary, primary, and junior and senior high schools would be roughly GH₵ 57 million (see table 12 for a detailed estimation of costs).

Of course, substantial resources would be required to provide public school services for all students in Ghana’s other rapidly growing localities, a number of which have expanded at even quicker rates than Kasoa over the past two decades. The total population of Ghana’s five fastest-growing cities—Amanfrom, Mandela, Budumburam, Gbawe, and Hohoe—grew at an average annual rate of 26 percent between 2000 and 2010 (from 104,000 to 375,000). Assuming a sustained annual growth rate of 26 percent, these five cities’ total population would have been 749,949 in 2013. Based on Ghana’s national age distribution, we would expect roughly one-third of this population (or 249,983) to be of school age. To accommodate this number of students in the public system, roughly 271 schools would be needed, with estimated recurrent costs of GH₵ 122 million and construction costs of GH₵ 660 million (table 13).

### Table 13. Construction Cost of Building Public Schools for All Private School Students in Kasoa

<table>
<thead>
<tr>
<th></th>
<th>Preschool</th>
<th>Primary</th>
<th>Junior high school</th>
<th>Senior high school</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average class size in public school</td>
<td>37</td>
<td>54</td>
<td>75</td>
<td>N/A</td>
</tr>
<tr>
<td>Number of classrooms needed in a school</td>
<td>25</td>
<td>17</td>
<td>12</td>
<td>N/A</td>
</tr>
<tr>
<td>Cost of one school with 923 students</td>
<td>GH₵ 1.4 million</td>
<td>GH₵ 960,000</td>
<td>GH₵ 60 0,000</td>
<td>GH₵ 8.3 million</td>
</tr>
<tr>
<td>Students to be transferred</td>
<td>14,719</td>
<td>19,410</td>
<td>6,382</td>
<td>1,147</td>
</tr>
<tr>
<td>Number of schools needed</td>
<td>15.95</td>
<td>21.02</td>
<td>6.91</td>
<td>1.24</td>
</tr>
<tr>
<td>Total construction cost</td>
<td>GH₵ 22.3 million</td>
<td>GH₵ 20.2 million</td>
<td>GH₵ 4.2 million</td>
<td>GH₵ 10.2 million</td>
</tr>
<tr>
<td>Construction cost per student</td>
<td>GH₵ 1,515</td>
<td>GH₵ 1,041</td>
<td>GH₵ 658</td>
<td>GH₵ 8,952</td>
</tr>
<tr>
<td>Total cost of all schools</td>
<td>GH₵ 57 million (US$ 19 million)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors’ calculations based on SABER-EPS school survey results in Kasoa.

Notes:
- a. No public senior high schools exist in Kasoa.
- b. Average school size (923 students) divided by the average class size
- c. A six-classroom primary school costs GH₵ 340,000 (Ghana MOE 2014). The same cost has been used for preschools, as nearly all preschools are attached to a primary school in Kasoa. A school with 25 classrooms would cost GH₵ 340,000 x (25 ÷ 6).
- d. A six-classroom primary school costs GH₵ 340,000 (Ghana MOFED 2014b).
- e. A three-classroom junior high school costs GH₵ 150,000 (Ibid.).
- f. The estimated cost of one senior high school is GH₵ 12.9 million; however, the average public senior high school in Ghana has 1,441 students, so the school construction cost has been adjusted to reflect the standard average used in this table: 923 students (World Bank 2014).
- g. The number of students by level does not add up to the total number of students surveyed in Kasoa (45,000), due to the fact that some providers were unable to provide student numbers disaggregated by educational level.
- h. Students to be transferred divided by the average size of a public school (923 students).
Table 14. Estimated Public School Recurrent and Infrastructure Costs to Meet Rising Demand in Ghana’s Fastest-Growing Cities

<table>
<thead>
<tr>
<th>Item</th>
<th>Amanfrom, Mandela, Budumburam, Gbawe, Hohoe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated 2013 population</td>
<td>749,949</td>
</tr>
<tr>
<td>Estimated number of students in 2013&lt;sup&gt;a&lt;/sup&gt;</td>
<td>249,983</td>
</tr>
<tr>
<td>Estimated number of schools needed in 2013&lt;sup&gt;b&lt;/sup&gt;</td>
<td>271</td>
</tr>
<tr>
<td>Estimated recurrent costs per year&lt;sup&gt;c&lt;/sup&gt;</td>
<td>GH₵ 122 million</td>
</tr>
<tr>
<td>Estimated building costs</td>
<td>GH₵ 660 million&lt;sup&gt;d&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

Source: Cost figures based on citation for Ghana 2014b MOFED.

Notes: a. Roughly one-third of Ghana’s population is of school age (preprimary through senior high school).
b. Based on an average school size of 923 students.
c. Figure calculated by multiplying the number of students by the annual recurrent cost per student (GH₵ 490, see table 11).
d. This figure is obtained using the per-student construction costs by school level (preprimary through senior high school) from table 12, assuming an equal number of students at each grade level. Although it is likely that there would be a greater number of students per grade at lower education levels, assuming an equal number of students in each grade accounts for both lower current enrollment rates and lower current numbers of school facilities at higher grade levels.

These findings demonstrate the considerable costs associated with the expansion of public services required to meet the education demands of Ghana’s growing population. It may be unrealistic to assume that, given the current education environment, the Government of Ghana can adequately stretch the reach of its provision: the country is already spending a substantial share of its GDP on education (8.2 percent). Evidence suggests that the private sector is responding rapidly to the government undersupply of education services in Kasoa. It is likely that similar trends are occurring in some of the country’s other rapidly growing urban areas. Unfortunately, the government does not have accurate information on the extent of the private supply due to the rapid pace of growth and the number of unregistered schools.

Ensuring equity in the system will mean reaching out-of-school children and providing greater support to the poorest students.

Ghana has made significant progress in reducing the number of children out of school; however, 470,000 children of primary-school age still remain outside the education system. Building new primary schools to accommodate these children would incur a public cost of nearly GH₵ 500 million (table 14).

Table 15. Infrastructure Costs of Accommodating 470,000 Out-of-School Children in Public Primary Schools

| Number of out-of-school students of primary-school age (2013) | 470,000          |
| Construction cost per student (from table 11) | GH₵1,041       |
| Cost of building new public schools for all out-of-school students | GH₵ 489 million |

Source: See table 12.

Accommodating all of these students in the public school system would require a recurrent cost of GH₵ 230 million (table 15). Alternatively, the private education sector could accommodate these students at a much more affordable price. If, rather than supplying spaces in new or existing public schools, funds were provided through vouchers, scholarships, or conditional cash transfers for students to attend private schools, the government would experience an annual cost savings of up to GH₵ 105 million (table 15).
Ghana currently has a student population of 7.6 million students. Official statistics in 2006 showed that 24 percent of the population lived below the national poverty line.\(^{11}\) If the government were to cover the out-of-pocket expenses of the poorest students to attend public schools, based on figures from Kasoa, it would cost around GH₵ 200 million annually (table 16).

The cost of covering private school tuition has not been calculated in this section because data collection did not include information on how many students from the lower income quintiles were attending private schools.

### Expanding senior high schools has significant recurrent and infrastructure costs.

The government is engaged in the expansion of senior secondary education with the long-term goal of adding 200 new senior high schools. Building the infrastructure for these schools would cost the government an estimated GH₵ 2.6 billion (table 17). The cost of building one upper secondary school is estimated at US$ 4.3 million (GH₵ 12.9 million) (World Bank 2014). Additionally, the unit recurring cost of a senior high school was GH₵ 1,366 in 2013. The recurrent costs of 200 senior secondary schools would thus be GH₵ 273,200. If the private sector were to absorb some of the students targeted by the expansion of senior secondary schools, the government would defray a portion of the construction costs. In order to establish a new public-private partnership in which the government funds

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private schools, new governance and financial arrangements would need to be considered, as explored in the next section.

Table 18. Infrastructure and Recurring Costs of 200 Public Upper Secondary Schools

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Infrastructure costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of building one new upper secondary schoola</td>
<td>GH₵ 12.9 million</td>
<td>US$ 4.3 million</td>
</tr>
<tr>
<td>Cost of building 200 upper secondary schools</td>
<td>GH₵ 2.6 billion</td>
<td>US$ 860 million</td>
</tr>
<tr>
<td><strong>B. Recurring costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit recurrent cost of a senior high school, 2013</td>
<td>GH₵ 1,366</td>
<td>US$ 455</td>
</tr>
<tr>
<td>Total recurrent costs of 200 senior high schools</td>
<td>GH₵ 273,200</td>
<td>US$ 91,067</td>
</tr>
</tbody>
</table>

Note: a. The cost of building one new senior high school is estimated to be GH₵ 12.9 million (US$ 4.3 million) (World Bank 2014).
Recommendations

This report presents five critical goals:
1. Safeguarding access
2. Improving quality
3. Ensuring equity
4. Delivering cost efficiency
5. Increasing data availability

The private sector could help the government address some of these education sector objectives. This section outlines recommendations for doing so, among them, strengthening the regulatory environment, better targeting government funding, and mobilizing private sector resources to reduce the current fiscal burden on the government. These recommendations are supported by examples of other countries that have leveraged different types of private sector engagement and lessons learned that Ghana could use to more effectively leverage its own private sector in the future. More rigorous impact evaluations in Ghana are also recommended to assess the true impact of the private education sector on learning for all.

1. Safeguarding access

Recommendation 1: The government need not be the sole provider of education services but, in response to fast growing urban areas, should play a stewardship role and strengthen the current regulatory environment.

Due to current fiscal challenges, the Ghanian government will not be able to be the main provider of education in many rapidly growing urban areas, but still has a role as steward in the regulation of these schools. The findings from Kasoa showed that among 211 total schools, 204 were private and only 7 public. The government must strengthen the regulatory environment for independent private schools and increase access to information for both parents and education providers. The ministry of education has a key role to play in ensuring both quality and equity in the education system, regardless of the type of provision. The government can work with communities, private school associations, and non-governmental agencies to find solutions to these challenges, but strong partnerships are needed.

Increase information on school quality to parents, perhaps through school report cards, thus enabling information flows and informed choices.

Increase information to parents through school report cards for private schools, allowing them to make informed choices about their children’s schooling. These measures could be similar to those introduced in public schools so as to ensure comparability. It is also important that the parameters and indicators for measuring progress in education account for learning for all. To ensure that school choice decisions are based on accurate information on the quality of educational provision by a school, private providers should make information available to all parents in a way that is easily accessible and understood, even for parents and guardians who may not be literate. Such information sharing would support parents’ ability to use selection criteria (Fennell, Agbley, and Irfan 2010). Evidence from Pakistan shows that school report cards improve learning by 0.1 standard deviations and reduce fees by almost 20 percent. The largest learning gains (0.34 standard deviations) were made by initially low-performing (below median baseline test scores) private schools (Andrabi, Das, and Khwaja 2009).

The introduction of school report cards requires stronger partnerships between government and private schools. Private school associations can also play a key role by
encouraging their members to share vital information with the government.12

Country examples:

Parana state in Brazil was an early adopter of school report cards. Between 1999 and 2002, these report cards were introduced to inform school communities and stimulate their deeper involvement in the school improvement process. School report cards were disseminated to a wide range of stakeholders including all schools, Parent Teacher Associations, municipal education authorities, and all 70,000 state education employees (including 46,000 teachers). Overall results were reported in the state education secretariat’s monthly newsletter, used in teacher and PTA workshops, and disseminated via press releases and press conferences (EQUIP2 2013).

In the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua, a USAID-funded program, Civic Engagement for Education Reform in Central America (CERCA), implemented a school report card that focused on indicators in four areas:

1. Context: basic profile information (number of students in each grade, etc.) and access to services at the school (sanitation, electricity, etc.)
2. Inputs: class size, access to resources (notebooks, pens, etc.), and access to social services (school meals, health programs, etc.)
3. Processes: student and teacher attendance, school plan implementation, parent participation
4. Results: coverage and efficiency (i.e., repetition and retention rates)

The results of the School Report Card are used by communities to develop and monitor implementation of school action plans (Flórez Guío, Chesterfield, and Siri 2006).

Ensure certification requirements are transparent, easily accessible, and related to learning.

Schools in Kasoa reported a number of different certification criteria. Strict certification guidelines can discourage private providers from operating legally, or even operating at all in some cases (Härmä 2011). The government of Ghana is urged to simplify private school certification guidelines and make them more freely available. The requirements need to be sequenced and prioritized, for example, making adequate and safe premises and a suitable learning environment a first step, followed by less critical requirements at later stages. Meta-analysis of education studies in developing countries found that adequate numbers of textbooks, exercise books, blackboards, chairs, desks, and a high-quality roof, walls, floors, and electricity are more important. By contrast, no evidence was found on the importance of computers or other more costly interventions (Glewwe et al. 2011).

The government should also work with the private school associations to successfully implement any changes to the certification guidelines. Greater advice and guidance on how schools can meet certification standards may help speed up the certification process.

Country examples:

In New York City, the Department of Education oversees and supports new charter schools to improve learning opportunities and meet community needs. Charters have the autonomy to determine their own policies, design their own educational programs, and manage all human and financial resource aspects of their schools. When a new charter school is established, a five-year

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12 In 2015, Ghana introduced a school mapping portal for senior high schools, which is an online school report card for every public and private senior high school. For more information, click here.
performance contract, or “charter”, is set up to ensure high student achievement. There are no minimum strict criteria for registration; instead, performance standards are organized under four guiding questions:

1. Is this school an academic success?
   a. High academic attainment and improvement
   b. Mission and academic goals
   c. Responsive education program
   d. Learning environment
2. Is this school a fiscally sound, viable organization?
   a. Governance structure and organizational design
   b. School climate and community engagement
   c. Financial and operational health
3. Is this school in compliance with its charter and all applicable laws and regulations?
   a. Approved charter and agreement
   b. Applicable federal and state law
   c. Applicable regulations (such as safe and secure school facilities)
4. What are the school's plans for its next charter term?
   a. School expansion and model replication
   b. Organizational sustainability
   c. School or model improvements (New York City 2013)

In England, the government clearly outlines the guidelines for setting up a new publicly funded, privately managed Free School. A Separate NGO, the New Schools Network, has been established to provide advice and guidance on how to successfully set up a new free school.13

2. Improving quality

Recommendation 2a: Strengthen the implementation of quality assurance mechanisms in all schools.

Survey results from Kasoa show that only 78 percent of registered schools take part in national student assessments, and only 55 percent of schools submit required school improvement plans after an inspection. There is also confusion about the school inspection regime, specifically, about the body responsible for inspecting private schools. On average, students perform better in schools with higher levels of accountability to the state (Abdulkadiroğlu et al. 2011; Carnoy and Loeb 2002; Woessmann et al. 2007; Hanushek and Raymond 2005). Current inspection arrangements need to be clarified and strengthened for the education system as a whole, including for both public and private schools. Sanctions could be introduced and administered by the National Inspectorate Board to ensure high-quality education delivery in all private schools.

Strengthen the National Inspectorate Board so that it can focus on quality.

Ghana established the National Inspectorate Board (NIB) in 2008 to be responsible for overseeing educational attainment, performance standards, district inspections, and supervision. The government should ensure that the NIB, as an independent body, is empowered to carry out its quality assurance duties. This includes avoiding any duplication of effort, so that other parts of the Ghana Education Service are not playing a similar role. The use of school improvement plans should also be more rigorously enforced in order to continue to improve educational quality.

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Country examples:

In Thailand, the Office for National Education Standards and Quality Assessment (ONESQA) was established in 1999. ONESQA is an independent agency, ensuring its neutrality and integrity. External quality assessment evaluates to what extent the quality of education required by learners, society, and the state meets desired standards and efficiency targets. ONESQA is also monitored on its performance effectiveness, quality of service, and the efficiency of its financial and budgetary administration (ONESQA 2010).

Western Cape, South Africa requires schools to submit individual school improvement plans. Particular attention is given to those schools that did not achieve the required pass rate on state examinations. Since this requirement was implemented, the number of underperforming schools has declined every year, from 85 in 2009 to 26 in 2012 (Western Cape 2013). Along with Ghana, Western Cape is cited in a study that reviewed how the most improved schools continue to improve (Mourshed, Chijioke, and Barber 2010).

Introduce sanctions for underperforming private independent schools.

There are currently no clear sanctions for underperforming independent private schools in Ghana. The use of sanctions for poor school performance is a policy intervention that has helped raise the quality of education in many countries (Patrinos 2002; Barrera-Osorio and Raju 2010; Chiang 2009; Rockoff and Turner 2008). When schools face closure, re-organization, and other sanctions as the result of underperformance, they have strong incentives to make school improvements. Any sanctions would need to take into account the local context and how best to meet student needs.

Country examples:

In the Netherlands, if a school fails to improve after an improvement plan is implemented, school management receives an official warning. Subsequently, if the school still fails to improve, it is reported to the Minister, who can then impose administrative sanctions (OnderwijsInspectie 2010).

In Bogotá, Colombia, the government has been successful in increasing accountability for quality standards by allowing non-state organizations to manage public schools. The state mandates certain academic requirements and holds schools accountable for poor performance, imposing sanctions or even ending contracts for failure to reach determined standards (Patrinos 2002).

Recommendation 2b: Establish partnerships between high- and low-performing schools in order to improve quality across the system.

The government of Ghana could create a school-to-school learning network to deliver higher-quality education for all students. Such a network would allow it to leverage high-performing schools as mentors for low-performing schools. Many other countries are leveraging school-to-school learning in order to raise standards in all schools. Relationships are sometimes facilitated by the government, while in other cases schools themselves take the initiative to learn from their peers.

Country examples:

In Shanghai, China (one of the highest performers on PISA), high-performing schools support low-performing schools to help turn around the latter’s performance. This is done through a management contract, usually for a two-year period. Improved pedagogy and leadership are supported through exchanges of teachers and school
leaders between the schools. Matching is done by the government. The mentoring program is accompanied by a rigorous monitoring and evaluation system. The high-performing school receives payment for its support only if the lower-performing school meets the criteria outlined in the management contract. The contract can be terminated and payments withheld if it is not successful (Jensen and Farmer 2013).

In Mozambique, new non-state schools are mentored by public schools for their first two years of operation. Students in these new schools take their examinations in the mentor schools until the mentored school meets certain criteria. This program acts as a quality assurance mechanism for new schools (Mozambique MOE 1990, 1994).

3. Ensuring equity

Recommendation 3: Improve equity and efficiency by targeting resources to under-resourced households and locations.

Ghana has an estimated 470,000 out-of-school children of primary-school age, although this number could be much lower in light of the number of unregistered private schools in the country. Evidence from Kasoa and household budget surveys shows that parents from lower socioeconomic backgrounds are paying a higher proportion of their income in order for their children to attend either public or private schools, which incur expenses of 6 and 15 percent of their income, respectively. Many deprived areas also suffer from a lack of supply of and/or poorly performing schools.

Redistributive mechanisms can protect poorer students and increase equity in educational opportunity. Experiences from around the world have demonstrated that effective use of targeted interventions allow underserved populations to access education services in both public and private schools. For example, in Colombia, vouchers targeted to low-income students, who were able to go to the school of their choice, raised student test scores, increased completion rates, and decreased repetition rates (Angrist et al., 2002). Effective targeting is critical to support both equity and quality. The government of Ghana needs to carefully consider how vouchers and/or scholarships will be targeted, including the use of proxy measures, community rankings, or self-selection. Each method has its advantages and disadvantages and needs to be tailored to the Ghanaian context. The institutional arrangements to implement these measures are also equally important for making sure that the support effectively reaches the poorest students. The government may also consider using government-funded private schools in districts with particularly poor performance, while linking state funding to student outcomes.

Country examples:

Andhra Pradesh, India has a population of approximately 85 million and a rural poverty incidence of approximately 20 percent. A voucher program was implemented in five districts of the state, with students allocated to schools based on a lottery. The cost of delivering education through a voucher to private schools was one-third of the cost of the delivery in public schools. This cost difference was due to lower teacher salaries, albeit offset by the fact that private schools hire more teachers and have smaller class sizes and less multi-grade teaching. Unannounced visits also showed that private schools had a longer school day, a longer school year, a lower teacher absence rate, enhanced teaching activity, and better school hygiene. After two years, student outcomes—as measured by the average score across all subjects—showed that voucher recipients scored 0.13 standard deviations higher than those who did not receive a voucher. Students who attended private voucher schools scored 0.23 standard deviations higher (Muralidharan and Sundararaman 2013).

Evidence from Cambodia suggests that a two-step targeting approach works best when low-income students are targeted first, and then among those
targeted students, scholarships are given based on merit. Two evaluations of the impact of scholarships for lower secondary school have shown substantial increases in school enrollment and attendance as a direct consequence of the program. Recipients were 20–30 percentage points more likely to be enrolled and attending school as a result of the scholarships. Impacts on learning outcomes were, however, limited (Filmer and Schady 2008, 2009, and 2011). A new approach to scholarships at the primary level was subsequently tried with two different targeting mechanisms: one based on poverty level and the other on baseline test scores (“merit”). Both targeting mechanisms increased enrollment and attendance. However, only the merit-based targeting led to positive effects on test scores. The results suggest that in order to balance equity and efficiency, the two-step targeting approach (target low-income students first, then award scholarship based on merit) might be preferable (Barrera-Osorio and Filmer 2013).

In Bogota, Colombia the government developed a new type of private sector engagement known as Concession Schools. The Concession School Program is designed to broaden the coverage and quality of primary and secondary education in the country. It consists of a contract between a group of private schools and the public education system under which private actors provide education to low-income students in 25 schools for a period of 15 years. Schools must meet performance standards for both quantity and quality set by the secretary of education in order to quality for continued government funding. Rigorous impact evaluations have demonstrated positive results (Barrera-Osorio and Filmer 2013).

In Pakistan, the Punjab Education Foundation’s Assisted Schools (FAS) program provides monthly per-student cash subsidies and free textbooks to low-cost private schools. The program grew exponentially from 8,573 students and 54 schools in 2005 to over 1 million students and 3,000 schools in 2012. Participation in the program requires that schools achieve a minimum student pass rate on a semi-annual multi-subject exam, the Quality Assurance Test (QAT). At least two-thirds of tested students must score above 40 percent on the QAT. If a school fails to achieve the minimum pass rate on two consecutive QATs, it is permanently disqualified from funding. A rigorous evaluation of the program found that the threat of program expulsion had a positive causal impact on student learning. Schools threatened with losing access to subsidies were nearly always successful in raising student scores to meet the minimum pass rate on subsequent exams: where only 49 percent of schools in the study met the minimum pass rate in November 2007, nearly 100 percent of these same schools met it in March 2008.

The program also offers two cash bonus benefits. The first is a teacher bonus for a high level of school performance on the QAT. Once every academic year, a maximum of five teachers in each program school where at least 90 percent of students in tested classes obtained a score of 40 percent or higher on the QAT receive an award of 10,000 rupees (US$ 118) each. The second cash bonus is a competitive school bonus for top school test performance. Once every academic year, the program school in each of the seven main program districts that has the highest share of students with a score of 40 percent or higher on the QAT is awarded 50,000 rupees (US$ 588) (Barrera-Osorio and Raju 2010).

4. Delivering cost efficiency

Recommendation 4: Private finance initiatives could be used to mobilize private sector resources and reduce current government fiscal burdens, particularly with respect to expanding infrastructure at the senior high school level.

The private sector could be leveraged to help support the building of additional senior high schools. Private finance initiatives involve the construction, management, or maintenance of infrastructure. However, the design and procurement process and capacity of the government to
provide effective oversight are crucial to ensuring that program goals are met.

Country example:

In Brazil, the first public-private partnership (PPP) infrastructure project in education was awarded in 2012 with the goal of expanding and strengthening preschool and primary education in Belo Horizonte, Brazil’s third-largest city. A 20-year concession to construct 5 primary schools and 32 preschool facilities was awarded through a competitive tender process. The contractor will also provide non-pedagogical services, such as maintenance and security. The partnership, which has mobilized $95 million in private sector investment, will expand access to early education to an additional 18,000 students (IFC n.d.).

5. Increasing data availability

Recommendation 5a: Encourage more rigorous evaluations to determine the impact and cost of private sector delivery; pilot new PPP models to determine effectiveness before scaling.

Little is known about the impact of the private education sector on student outcomes or costs across the system. Rigorous impact evaluations focusing on learning outcomes need to be carried out in Ghana. In other countries researchers have set up randomized trials and other types of evaluations to understand the non-state sector’s role in delivering learning outcomes. Research from these evaluations can help identify successful delivery models; these lessons can then be transferred throughout the whole education system. For example, an evaluation of a successful charter school in the United States found five distinctive attributes that were positively related to student performance: increased instructional time, more effective teachers and administrators, frequent tutoring, data-driven instruction, and a culture of high expectations. One school district in the United States—Houston Public Schools District—adopted a policy to infuse these five attributes into each of their schools. The result was a significant increase in student math achievement in treated elementary and secondary schools—by 0.15 to 0.18 standard deviations per year (Fryer 2014).

Randomized evaluations are a valuable tool that can be used to obtain credible estimates of program impact. New educational programs in Ghana, such as the conditional cash transfers, vouchers, or government-funded private schools recommended above, should be piloted and evaluated using techniques that can accurately identify their impact. The relative quality of education provided by public and private schools can also be most accurately assessed using these methods.

In many circumstances, beneficiaries of pilot programs can be randomly selected from a targeted population, as many sites and individuals are equally good locations for such projects. Pilots evaluated in this manner would form a sound basis for decisions to scale up a project (Duflo 2004). Positive results can subsequently build political support for instituting a program at the national level, while negative results can either inform adjustments to a program or signal that the intervention would be ineffective nationally. Moreover, such evaluations can provide accurate information on the costs of particular education interventions.

Recommendation 5b: Improve national data availability on the number and location of schools; survey parents on their reasons for choosing schools.

The results from Kasoa highlighted that high levels of migration and the role of the private sector are often underestimated, given that many schools are unregistered. The government plans to engage in a countrywide GPS mapping of schools. Careful consideration should be given to including private schools in the survey, particularly those that are currently unregistered. The government’s ability to increase its information about where private schools currently operate and match this information with
migration and population trends will require much greater dialogue between the government and the private sector, as well as a more holistic view of the education system.

The government should also consider surveying parents to find out more about the factors that determine their choice of schools. The most recent survey data of this type is 2003. A new survey would allow the government to ensure education better meets the needs of its citizens.

**Country examples:**

In Lagos, **Nigeria**, a school census carried out in 2010 showed that 12,098 private schools and 1,606 government schools were operating in the state. The survey also showed that 961 schools were established in 2010 alone (Härma 2011). Based on the findings of the school census, the Developing Effective Private Education in Nigeria (DEEPEN) Program was launched in 2013. Its aim is to strengthen the partnership between the government and the private sector. The program focuses on regulation, not on financially supporting private schools, including clarity on operating rules, providing greater information, and raising the quality of private schools.

In **England**, the Office for Standards in Education (OfSTED) has launched an online portal, Parent View, which asks parents for their opinion on 12 aspects of their child’s school, such as the quality of teaching and dealing with poor behavior. The information provided by parents is available on the website so that parents can compare schools. The data is also used to inform the sequencing and timing of school inspections.15

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Establishing Priorities for Policy Recommendations

 Policies and programs should be tailored to meet the most pressing challenges in the system, although improving national data collection is imperative for the success of all policy decisions.

The policy interventions recommended in this section target specific challenges facing the education system in Ghana—namely, safeguarding access, improving quality, ensuring equity, and delivering cost efficiency. As such, this report suggests that the Government of Ghana sequence its policy priorities in a manner that best aligns with the political and financial realities of its education system. Improving the availability and accuracy of national data on the entire education sector is imperative in order to effectively address any challenge in the long term, especially as migration and population growth are increasing the demand for education. It is thus recommended that the government of Ghana immediately take steps to improve the availability of both (i) supply-side and (ii) demand-side data to better understand the current barriers and solutions to educational access and quality.

On the supply-side, national data should be obtained on the number and location of all government and non-government schools in the country. Additionally, the government should make efforts to gather accurate data on the infrastructure and operating costs of both public and private schools.

On the demand side, data on the school choice motivations of households would greatly enhance more effective regulation of and support for private education providers. By obtaining information from families on what drives their choice of schools (e.g., cost, proximity, quality, curriculum, safety, etc.), the government will be better placed to develop more effective state and non-state education programs. For example, providing cash transfers or vouchers to students will not influence enrollment if all schools are too far from the home. Likewise, building schools near where students live will not cause them to enroll if the financial costs of attending are too high.

In short, raising the availability of credible data should be pursued as an immediate priority, as it will enable the government to better understand and address the complex needs of a multifaceted education system.
Appendix 1. Private Sector in Kasoa—Methodological Approach

Introduction and method

This research sought to identify ways in which the policy and regulatory environment might be improved by increasing cooperation between the public and private sectors. It also tried to identify ways to improve the quality of information available to policy makers, multilateral agencies, and donors on the private sector contribution to education.

To this end, in-depth research was carried out between March and August 2013 to develop a better understanding of the policy and operating environment in which the private education sector currently works in Ghana. The bulk of the data was collected through surveys of school heads. Topics of key interest included the size, growth, and different operating models of the private education market. This effort generated data used to explore policy implementation and dialogue.

Given the time and cost constraints of carrying out nationally representative research, the study identified a single locality in the central region of Ghana—Kasoa—to investigate the existing public and private school market. The research focused on the activity and behavior of non-state education providers. Kasoa was identified as a region likely to have a large private sector, given its rapid growth as a peri-urban community bordering the Greater Accra Region, and was thus selected as the study locality for this in-depth research on Ghana.

Snowball and respondent-driven sampling

Accurate identification and location of each public and private primary and secondary school in the city was required. The first step entailed digitally identifying and mapping the borders of Kasoa. The total area of the town (about 60 sq. km) was then divided into three subareas to facilitate the mapping exercise. After obtaining municipality data on public and private schools— and cross-checking the information with data from the ministry of education database—all previously known schools in these defined areas were identified, located digitally on the map with exact addresses, and used as starting reference points.

Previously known schools were visited first. Additional schools in nearby streets and neighborhoods were then located through snowballing methods. Snowball sampling—otherwise known as chain-referral sampling—uses a small pool of initial informants (e.g., schools) and the community around them to nominate other participants who meet the eligibility criteria (private K–12 schools). Thus, study subjects and residents around the schools contribute their knowledge to identify additional subjects. In our sample, school heads were asked to identify their three nearest competitors, thereby identifying other neighboring institutions (box A1.1). As the sample was built up, enough data was gathered to complete the census. This technique, often used to identify hidden populations, worked well in Kasoa because many schools are not currently recorded in official records.

Box A1.1 “Snowballing” to Locate Private Schools

- Identify schools from official central government records, municipality information, associations’ member lists (likely to be subject to change, but indicative).
- Approach private school associations, residents, people walking by, shops, and ask for contacts.
- Ask each school about schools nearby and schools that are competing with them for students, then go on to school in reach.
- Continue snowballing with contacts to add additional stakeholders, if necessary.
- Ensure a diversity of contacts by widening the profile of persons involved in the snowballing exercise.

The study team trained local researchers from the University of Ghana to conduct the field work. The field
work included (i) locating and identifying the GPS coordinates for private and public schools (mapping that could prove very useful in planning future education projects in the country) and (ii) completing a provider survey in coordination with local private school associations. A team of field researchers (team advisor, supervisor, and four enumerators), together with a World Bank senior education specialist, conducted a full pilot survey that covered 45 schools in Kasoa during May 2013. During this pilot, three public schools were used as reference points and, through the use of snowballing, the team systematically located private schools in the area. GPS coordinates were recorded for all of these schools. For 34 schools, full information was obtained and for 4 additional schools, the survey instrument was partially completed, requiring additional visits to complete. For another 4 schools, data collection was rescheduled for another day at the request of the administrator. The cooperation of the community and the schools surveyed was very high: only one school headmaster refused to participate.

Field researchers continued the field work in consultation with the World Bank team in Ghana and Washington, DC. Data collection on private schools was completed in August 2013. More information was gathered on public schools in the area during the month of September 2013.
Appendix 2. Regulatory Environment—Methodological Approach

SABER-EPS assesses the extent to which policies facilitate the quality, access, and equity of private education services. SABER-EPS is intended to support governments in establishing a regulatory environment that engages private providers in a unified national effort to improve education service delivery and student outcomes in both public and private schools.

Key policy areas

SABER-EPS collects data on four key policy areas that international evidence has found effective for strengthening accountability mechanisms between citizens, policymakers, and providers (box 6). These policy goals were identified through a review of rigorous research and an analysis of top-performing and rapidly improving education systems; they are effective mechanisms for guiding governments to raise incentives and accountability for the provision of high-quality education services in their countries.

Box A2.1 Key Private Sector Engagement Policy Goals

i. Encouraging innovation by providers: Local decision making and fiscal decentralization can have positive effects on school and student outcomes. Most high-achieving countries allow their schools substantial autonomy over managing resources, personnel, and educational content. Local school autonomy can improve the power of the poor in determining how local schools operate.

ii. Holding schools accountable: If schools are given autonomy over decision making, they must be held accountable for the outputs they produce. Increases in autonomy should be accompanied by standards and interventions to increase access and improve quality. The state must hold all providers in the system accountable to the same high standards.

iii. Empowering all parents, students, and communities: When parents and students have access to information on relative school quality, they have (i) power to hold schools accountable and (ii) voice to lobby governments for better-quality services. For empowerment to work equitably, options for parents and students should not depend on wealth or student ability.

iv. Promoting diversity of supply: By facilitating the market entry of a more diverse set of providers, governments can increase responsibility for results, as providers subsequently become directly accountable to citizens as well as to the state.

Across the world, governments can improve education outcomes by adopting numerous strategies to support the non-state provision of education. SABER-Engaging the Private Sector benchmarks the key policy goals across the four most common models of private service delivery:

1. Independent private schools: schools that are owned and operated by non-government providers and are financed privately, typically through fees.
2. Government-funded private schools: schools that are owned and operated by non-government providers, but receive government funding.
3. Privately managed schools: schools that are owned

16 For more information on the global evidence underlying these policy goals, see the SABER framework paper, “What Matters Most for Engaging the Private Sector in Education” (Baum et al. 2013).
and financed by the government, but operated by non-government providers.

4. **Voucher schools**: schools chosen by students to which the government provides funding; these can be government or non-government providers or both, depending on the system.

**Data collection process for policy intent, implementation, and dialogue**

The data collection process includes a review of policies regulating non-state education providers and implementation of those policies. For each policy goal described above, the country receives a score between 1 and 4, representing four levels of private sector engagement: 1 (Latent), 2 (Emerging), 3 (Established), or 4 (Advanced). A score of Established is the desirable minimum outcome for each policy goal. It is advised that countries aspire to the Advanced level in those areas that most contribute to the national vision or education priorities.

At the level of policy intent, countries are scored expressly on their laws, policies, and other officially documented regulatory norms. In Ghana, data for policy intent benchmarking was collected from the following official government policy documents:

- Education Act 778 of 2008
- Ghana Education Service Act 1995
- Education Strategic Plan 2010–2020
- Quality Indicators for Evaluating School Performance at the Pre-Tertiary Education Level in Ghana
- Guidelines for School Inspection and Code of Conduct for School Inspectors

For policy implementation, countries are scored by means of surveys of school providers, who describe the ways in which policies are actually practiced in their schools. Data for policy implementation benchmarking was collected in the survey of a random sample of schools in Kasoa, using the same questionnaire tool as policy intent. Data for policy dialogue was obtained from surveys conducted with the five largest private school associations in Ghana: GNAPS, Depshe, GNAPS Region 1, GNAPS Region 2, GNAPS Region 3.

**Benchmarking levels**

![Figure A2.1 SABER Rubric Benchmarking Levels](source)

The overall score for each policy goal is computed by aggregating the scores for each of its constituent indicators. For example, a hypothetical country receives the following indicator scores for one of its policy goals: Indicator A = 2 points; Indicator B = 3 points; Indicator C = 4 points; Indicator D = 4 points. The hypothetical country’s overall score for this policy goal would be: (2+3+4+4)/4 = 3.25. The overall score is converted into a final development level for the policy goal, based on the following scale:

- **Latent**: 1.00 – 1.50
- **Emerging**: 1.51 – 2.50
- **Established**: 2.51 – 3.50
- **Advanced**: 3.51 – 4.00

In reality, education systems are likely to be at different levels of development in different areas. For example, a system may be **Emerging** in *Holding Schools Accountable* but **Advanced** in *Promoting Diversity of Supply*. While intuition suggests that it is probably better to be further along in as many areas as possible, the evidence is
unclear as to whether it is necessary to be functioning at Advanced levels for all policy goals. Therefore, one might view the Established level as a desirable minimum outcome to achieve in all areas, with goals beyond that level limited to those areas that most contribute to the national vision or education priorities. In line with these considerations, the ratings generated by the rubrics are not meant to be additive across policy goals. That is, they are not meant to be added together to create an overall rating for engaging the private sector.
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The **Systems Approach for Better Education Results (SABER)** initiative collects data on the policies and institutions of education systems around the world and benchmarks them against practices associated with student learning. SABER aims to give all parties with a stake in educational results—from students, administrators, teachers, and parents to policymakers and business people—an accessible, detailed, objective snapshot of how well the policies of their country's education system are oriented toward ensuring that all children and youth learn.

This report focuses specifically on policies in the area of engaging the private sector in education.