



THE ROLE OF THE PRIVATE SECTOR IN LAGOS, NIGERIA

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

Husein Abdul-Hamid, Donald Baum,
Oni Lusk-Stover, and Hugo Wesley

Contents

Executive Summary: Analytical Findings.....	3
I. Private Education Market in Lagos: Policy Implications	3
II. Education Markets for the Poor: Policy Recommendations.....	6
The Education Context in Lagos State.....	10
I. Education in Nigeria.....	10
II. Education in Lagos	13
Analysis of the Education Market in Ajeromi-Ifelodun, Lagos State	19
I. Methodology.....	19
II. The Education Market in Ajeromi-Ifelodun, Lagos State	20
III. Assessing Changes in the Education Market in Ajeromi-Ifelodun	34
IV. Summary of Findings from Ajeromi-Ifelodun	35
The Regulatory Environment	38
I. Current Policies Regulating the Private Education Sector of Lagos.....	38
II. Critical Discrepancies between De Jure and De Facto Policies in Lagos State.....	41
Policy Recommendations.....	44
Appendix 1: Private Sector in Ajeromi-Ifelodun, Lagos State—Methodological Approach	50
Appendix 2. Regulatory Environment—Methodological Approach	52
Acknowledgments.....	55
References	55

Executive Summary: Analytical Findings

Promoting equitable access to education while improving the quality of education services

I. Private Education Market in Lagos: Policy Implications

This study addresses the need for more information on the private education sector in Lagos, given that private schools are the lead education provider in the state.

Private schools are currently educating the majority of primary and secondary education students in Lagos State, Nigeria. As such, Lagos is one of the largest private school markets in the world. Notwithstanding the influence of this sector, not enough is known about the operations of private schools in Lagos State, their impact on student learning opportunities, and their overall implications for the economic and social development of Nigeria. This report presents results from analyses of: (i) the regulatory environment governing private education provision, (ii) implementation of existing regulations, and (iii) the provision of private school services in Lagos. The results of this research can be used to inform the government on how to effectively regulate and engage with the private education sector.

Non-state schools in Lagos are responding to unmet demand for education services.

Sustained population growth, high population density, and a severe undersupply of public education services in Ajeromi-Ifelodun—the most densely populated area of Lagos State—have led to a substantial increase in the supply of private schools there. Ajeromi-Ifelodun has over 103,000 people per square kilometer and the population growth has created rapidly increasing demand for education services that, to the present day, have not been met by government supply.¹ In 2006, there were 74 public primary schools in Ajeromi-Ifelodun

among the 1,045 public primary schools in Lagos State. In that year, the population to primary school ratio was 16,797:1 in Lagos State and 19,395:1 in Ajeromi-Ifelodun. In 2011, there were 34,707 pupils in public schools in the local government area; research for this report recorded 94,099 students attending private schools.

The school survey conducted for this report in Ajeromi-Ifelodun by the World Bank with support from the United Kingdom's Department for International Development (DFID) found 726 schools with 94,099 enrolled students in pre-primary, primary, lower secondary and upper secondary education. Approximately 91 percent of pre-primary, primary, and secondary schools in the local government area were non-state schools. Among these schools, 85 percent were owned and operated as private businesses. In the absence of supply of public schools, private providers have entered the market to meet increasing demand for education services by parents and students. Data from the school census in Ajeromi-Ifelodun provide evidence of a robust supply-side response by the private sector. Based on school census information, in 1964 there were 49 private schools operating in Ajeromi-Ifelodun, by early 2014 there were 726 total private schools providing education services.

Registration is the key policy issue in Lagos.

The policy analysis led by the World Bank highlighted a recurrent theme already identified in the literature: the high incidence of unregistered schools. In part, the large number of such schools is due to arduous registration criteria that many small providers find difficult to meet. The majority of private schools in Ajeromi-Ifelodun are not approved by the government. Among the 726

¹ For population data, see "Nigeria: Administration Division; States and Local Government Areas," City Population website, Federal Republic of Germany,

<http://www.citypopulation.de/php/nigeria-admin.php> (accessed July 2015).

schools surveyed in the local government area, only 11 percent were officially registered/approved.²

Analysis of the school survey conducted in Ajeromi-Ifelodun utilized a stepwise multiple linear regression to study the effects of various education inputs on the tuition fees of pre-primary, primary, and secondary schools.³ One key finding of this report is that school registration influences tuition fees. Registered schools have higher tuition fees than their unregistered counterparts. The results indicate that different factors contribute to and explain the pre-primary, primary, and secondary school tuition fees, with school registration status an important predictor of school fees overall.

While it is important to register private schools, it should be noted that registration increases the cost of these schools. Because the data suggest that registered private schools charge more than unregistered schools, it is therefore crucial not only to increase private school registration and thus improve educational quality, but also to enable low-income families to send their children to such schools through targeted financing.

Critical discrepancies exist between *de jure* and *de facto* policy.

While registration criteria constitute the key policy priority for private schools in the Lagos education market, other discrepancies exist between policy intent and implementation. Policies in Lagos State, and thus in Ajeromi-Ifelodun, outline a number of stipulations that are neither implemented or adhered to in practice at the school level. Among the policy areas affected by this discrepancy are:

- **Teacher certification.** Only 49 percent of teachers in all private schools in Ajeromi-Ifelodun were certified. Lagos State legislation, however, requires teaching

staff to be professionally qualified, that is, to possess an official teacher training diploma.

- **Learning standards.** While policy in Lagos specifies that the government plays a key role in determining what students learn, only about 61 percent of schools in Ajeromi-Ifelodun participate in national or state examinations.
- **School fees.** Lagos legislation outlines that schools can operate if they pay four or more types of fees. However, less than one percent of schools in Ajeromi-Ifelodun pay at least four different types of fees to operate. While this is an encouraging sign—showing that schools have a lesser financial burden—it highlights that legislation is not being followed at the school level.

The government has made efforts to include private schools in the education system.

Private school registration and other official policies are showing discrepancies between intent and implementation. While these discrepancies have been ongoing topics in the policy dialogue between public and private education stakeholders in Lagos State, this study confirms that empirical progress has been made.

In 2011, DFID published the first comprehensive private school census carried out in Lagos State. The DFID and World Bank censuses share similarities, including the type of data collected and disaggregated by the Local Government Area of Ajeromi-Ifelodun within Lagos State. Consequently, parts of both datasets can be compared and analyzed, highlighting a positive evolution in the government's regulation of private schools in the education system. Between 2011 and 2014, the number of unregistered schools decreased from 50 to 43 percent, while the number of schools undergoing the approval process increased from 37 to 46 percent. These findings

² Among the 726 schools surveyed in Ajeromi-Ifelodun, 11 percent have been approved, 46 percent were in the process of being approved, and 43 percent were unapproved.

³ In stepwise (or statistical) multiple regression, independent variables are entered according to their statistical contribution to explaining the variance in the dependent variable.

show the efforts of the Lagos government to strengthen the regulatory environment. Similarly, the number of private schools inspected at least once increased from 21 percent in 2011 to 74 percent in 2014.

The evolving regulatory environment and role of the government as regulator has led to the decision to include private schools in the next Lagos State comprehensive school survey.

Private schools in Ajeromi-Ifelodun have fewer students and smaller class sizes than public schools.

On average, private schools tend to be smaller and less crowded than public schools in Ajeromi-Ifelodun, suggesting that they may be operating with spare capacity. The average public school has slightly over six times the number of students overall and nearly five times the number of students in each class as the average private school.

Private schools also operate at a substantially lower cost than public schools.

The majority of private schools in Ajeromi-Ifelodun are financially viable, with 81 percent of providers making a profit. Overall, nongovernmental schools have dramatically lower staff costs than public schools in Ajeromi-Ifelodun. Nongovernment schools in the local government area employ, on average, four total staff, of which just over half are teachers. The median annual cost for staff expenses (i.e., salaries) is ₦117,600. There are 953 uncertified teachers in Ajeromi-Ifelodun—more than the 773 recorded certified teachers.

Approximately 18.6 percent of the non-state schools that offer pre-primary education and 7 percent of those that offer primary education can be considered low-cost. There are no low-cost non-state schools at the secondary level.

The data analysis conducted for this study includes an analysis of school costs in Ajeromi-Ifelodun and school affordability for parents. This analysis aims at informing policy recommendations for the targeting of low-income families, who could send their children to private schools at lower cost.

Research on private schools for the poor has attempted to define thresholds for what constitutes a “low-cost” private school. Since households in Sub-Saharan Africa, on average spend between 5 and 10 percent of their annual income on education expenses (Lewin 2007), Tooley and Longfield (2013) suggest that private schools that charge less than 10 percent of household income for a family at the poverty line should be classified as low cost.⁴

With this definition in mind, at the time of data collection, low-cost private schools would be defined as those charging less than ₦27,000 (US\$146) per year per family. Thus, all schools in Ajeromi-Ifelodun charging less than ₦9,000 per student per year would be considered “low-cost.”⁵ Using this definition, the following breakdown of private schools in the local government area can be considered low cost:

- **Pre-primary:** 129 schools (18.6 percent) of all schools, including those that offer a pre-primary level.
- **Primary:** 47 schools (7 percent) of all schools, including those that offer a primary level.
- **Secondary (lower and upper):** no schools.

Out of these identified low-cost schools, none were officially registered and only 26 percent of low-cost pre-primary and 16 primary schools were going through the approval process.

While the analysis shows that low-cost schools are vital for providing education services to the poor, this report

⁴ Schools must charge less than 10 percent of household income to enroll all children in the household.

⁵ Under the assumption that the average household in Ajeromi-Ifelodun has three children.

recommends that private schools need to maintain their ability to offer educational service to low-income families while increasing system accountability and educational quality. The recommendation section below highlights this dual goal of promoting equitable access to education while improving its quality.

II. Education Markets for the Poor: Policy Recommendations

Lagos State currently faces improvement challenges in four areas, namely, access, quality, equity, and affordability. The private sector could help the government move towards meeting these goals. Recommendations aim to provide solutions for the government as well as for schools, associations, and the community. The recommendations are catered to the specific education context of the state and are grouped into six (6) key areas:

- Establish priorities for policy interventions.
- Ensure that private schools are registered to further system accountability and promote learning.
- Encourage partnerships and innovative models to include unregistered schools in the education system.
- Target subsidies to low-income households.
- Promote quality through inspections and improvement plans.
- Strengthen data collection and information flows.

Recommendation 1: Establish priorities for policy interventions.

Policy interventions must target specific challenges facing the education system in Lagos, namely, safeguarding access, improving quality, ensuring equity, and furthering cost efficiency. This report suggests that the government of Lagos State sequence its policy priorities in a manner that best aligns with the political

and financial realities of the education system. This said, improving the availability and accuracy of education sector data is imperative to effectively address any challenge in the long term, especially as population growth will impact the demand for education. It is recommended that steps be taken to further the availability of both supply- and demand-side data to better understand the current barriers to, and thus potential solutions for, educational access and quality.

Recommendation 2: Ensure that school registration criteria enables safe learning environments and prioritizes high quality teaching and learning.

While the observations made in this report highlight private school registration improvements, the government of Lagos State could further improve access to private schools and the quality of education services that they provide by placing a greater emphasis on schools showing evidence of improved learning outcomes.

Current regulation imposes strict requirements on school facilities, land, capital, and staffing. That is, registration guidelines focus on inputs rather than processes and outcomes. Easing the current requirements on infrastructure and land could enable more private schools to become approved, providing students greater access to schools with standardized exit examinations, expanding schools access to financing and quality-assurance support, and making schools more accountable for the quality of teaching and learning.

Recommendation 3: Encourage partnerships and innovative models to increase the number of approved schools while keeping costs down.

To tackle the dual goals of increasing private school registration and addressing equity within the system, Lagos State government could encourage partnerships among different school providers. Private schools could pool assets and cooperate to set up schools that could

respond to the demand for private low-cost education services. The data collected in Ajeromi-Ifelodun points to the existence of small schools with a mean teacher-to-pupil ratio of 1:16, compared to a ratio of 1:74 in the public sector. The aim here is not to promote school chains, but to encourage innovative models for providing quality education services at a lower cost.

Recommendation 4: Target subsidies to low-income households.

Lagos State government could empower poorer households at a relatively low cost by targeting resources, via vouchers or conditional cash transfers, to less affluent families to enable their children to access quality education services.

Parents from lower socio-economic backgrounds spend substantial proportions of their incomes for their children to attend school (whether public and private). Additionally, there is a lack of high quality instruction in many deprived areas, and in certain places, few schools 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. Such targeting can take the form of scholarships, vouchers, or direct cash infusions to poorer students. Making funds available for use in both public and private schools could provide incentives for new providers to enter the market, thus increasing the available supply of services.

Recommendation 5: Promote quality through school inspections and school improvement plans.

To raise the accountability of private schools, Lagos State could use inspections to focus on schools that need greater monitoring and accountability. The inspection process could be revised so that underperforming schools are visited multiple times in a given school year while high-performing schools are inspected once per

year. Lagos State could thus move toward a risk-based inspection system, whereby schools that are performing below average are inspected more often than well-performing schools.

School improvement plans have been an important part of multiple successful education programs in developing countries (Bruns, Filmer, and Patrinos 2011). The introduction of school improvement plans must, however, be accompanied by the empowerment of school leaders as facilitators of change. School leaders must ensure that improvement plans are meaningful to all stakeholders and that purposeful actions are taken throughout a school (Fullan 2007).

Recommendation 6: Strengthen data collection and information flows.

Better state-level data collection can inform and strengthen future policy decisions. Improving the availability and accuracy of data on the entire education sector will enable the government to address education challenges over the long term, especially as population growth impacts the demand for education.

Increase information available to parents.

Access to comparative information about private schools would enable parents and students to make informed decisions. Based on current policies, the State of Lagos could increase the information on school quality by creating a mechanism to inform parents and communities about school exam results and performance, inspections, and other information of interest to them. The state government could also create a forum for discussions where different stakeholders could exchange experiences and opinions on the performance of private schools.

Improve information on private school costs and survey parents on their reasons for choosing schools.

The results from Ajeromi-Ifelodun show rapid population growth and high population density. The results also indicate that the role of the private education sector is often underestimated because a majority of the schools are unregistered. The government's ability to increase its information on where private schools currently

operate and the cost of these schools—and matching this information to population trends—is crucial and will require much greater dialogue between the government and the private sector, as well as a more holistic view of the education system.

Table 1. Lagos State, Nigeria Findings and Recommendations

	Situation	Findings	Recommendations
Access	Population growth has led to an undersupply of school places, leading to an increase in private school enrollments.	<ul style="list-style-type: none"> The severe undersupply of public education services in Ajeromi-Ifelodun has led to a substantial increase in the supply of private schools. Private schools in Ajeromi-Ifelodun have fewer students and smaller class sizes than public schools. Parents have difficulty accessing high-quality schools due to a lack of information on school quality; new providers are hindered from entering the market and expanding access due to a lack of information on certification criteria. Only 10.4 percent of private schools in Ajeromi-Ifelodun are approved, leading to difficulties in access because of the lack of information about the education market. The government currently provides limited support to private schools. Expanding this support by providing additional per-student funding in the fastest-growing areas would significantly add to the government's fiscal burden and is not sustainable. 	<p>Recommendation 1: Establish priorities for policy interventions.</p> <p>Recommendation 2: Ensure that school registration criteria enables safe learning environments and prioritizes high quality teaching and learning.</p> <p>Recommendation 3: Encourage partnerships and innovative models to increase the number of approved schools while keeping costs down.</p>

Quality	<p>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 respective student populations could differ substantially. There remains significant space for improved learning in both public and private schools.</p> <p>Parents perceive private schools to be of higher quality.</p>	<ul style="list-style-type: none"> Nearly 90 percent of the schools in Ajeromi-Ifelodun were not approved in 2014, but 46 percent were undergoing the approval process. The number of schools undergoing the approval process was increasing. Having unapproved schools leads to quality issues as these schools are not regularly monitored. Unapproved schools are inspected less frequently than approved schools, have fewer students taking national state exams, and have fewer certified teachers. Unapproved schools experience greater difficulties in securing loans and being able to finance the many school components needed to meet the State criteria for approval. Clear, easily accessible guidelines for school inspections and school improvement plans are not available. Information on private school performance and costs are not shared with parents and students. 	<p>Recommendation 3: Encourage partnerships and innovative models to increase the number of approved schools while keeping costs down.</p> <p>Recommendation 5: Promote quality through school inspections and school improvement plans.</p> <p>Recommendation 6: Strengthen data collection and information flows.</p>
Equity	<p>Children from poorer households are less likely to attend school and poorer districts are less likely to deliver high-quality educational outcomes, leading certain parents to choose private schools while incurring a substantial financial burden to do so.</p>	<ul style="list-style-type: none"> The majority of private schools in Ajeromi-Ifelodun may not be affordable to the poorest families, especially at higher levels of education. Non-tuition fees in non-state schools are high and represent an additional burden for households, which, nevertheless, must carry this burden due to the undersupply of public education providers. 	<p>Recommendation 3: Encourage partnerships and innovative models to increase the number of approved schools while keeping costs down.</p> <p>Recommendation 4: Target subsidies to low-income households.</p>

The Education Context in Lagos State

I. Education in Nigeria

With a population of 173.6 million people in 2013, Nigeria is the most populous country in Africa. A recent re-evaluation of its markets has valued the country's economy as the largest on the continent.⁶ However, eleven (11) countries in sub-Saharan Africa have per capita GDP higher than Nigeria's US\$3,010 (World Bank 2013). According to the 2013 UNDP Human Development Report, Nigeria ranked 153 out of 187 countries. Over the last decade, the country's exponential population growth has put immense pressure on its resources and overstretched public services and infrastructure. With children under 15 years of age accounting for approximately 45 percent of Nigeria's population, the demand burden faced by education and other sectors has become overwhelming (UNDP 2013).

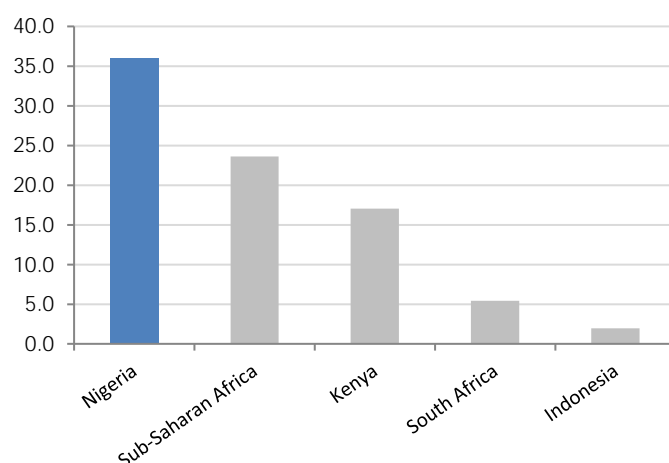
Nigeria has the most out-of-school children of any country in the world.

If one were to randomly select a child from the global population of out-of-school children of primary-school age, he or she would most likely be Nigerian. Of the estimated 58 million children worldwide who are currently not enrolled in primary school, 10.5 million (nearly one in five) are Nigerian. In comparison, the countries with the second- and third-highest numbers of out-of-school children—Pakistan and Sudan—have 5.4 million and 2.8 million students not enrolled at the primary level, respectively (UNESCO 2014).

In Nigeria, fully one out of every three children who should be enrolled in school is not. This share is high

compared to similar countries: the average for Sub-Saharan Africa is 24 percent, while for Indonesia—which has a population size, income level, and federal political system similar to those of Nigeria—only 2 percent of primary-age children are out of school (figure 1).

Figure 1. Share of Primary-Age Children Out of School (2009)



Source: EdStats.

Box 1. Definitions of Key Terms

Basic education refers to primary and junior secondary schooling in Nigeria.

Secondary education refers to both junior and senior secondary schooling.

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, nongovernmental, faith-based, and for-profit organizations.

⁶ As of the writing of this report, Nigeria's economy is estimated at US\$510 billion, versus the US\$370 billion of South Africa—the previous economic leader in Africa.

The estimated economic cost of Nigeria's current school under-enrollment is US\$6 billion.

The high level of school under-enrollment in Nigeria has massive implications for the country's economy. Research conducted by the Results for Development Institute (R4D) notes that the economic impact of having 10.5 million children not in school is estimated to be 7.1 percent of current GDP, or US\$6 billion (R4D 2013).⁷ Only in The Gambia do we see higher GDP losses from current levels of foregone education (table 2). Nigeria thus stands to benefit greatly from improving access to basic education services.

Table 2. Estimated GDP Loss from Foregone Primary Education

	Share of children out of school	GDP loss from foregone primary education
Gambia	24.4	9.06
Nigeria	23.7	7.12
Senegal	19	6.41
Liberia	6.1	6.07
Burkina Faso	30	2.37

Source: Results for Development Institute 2013.

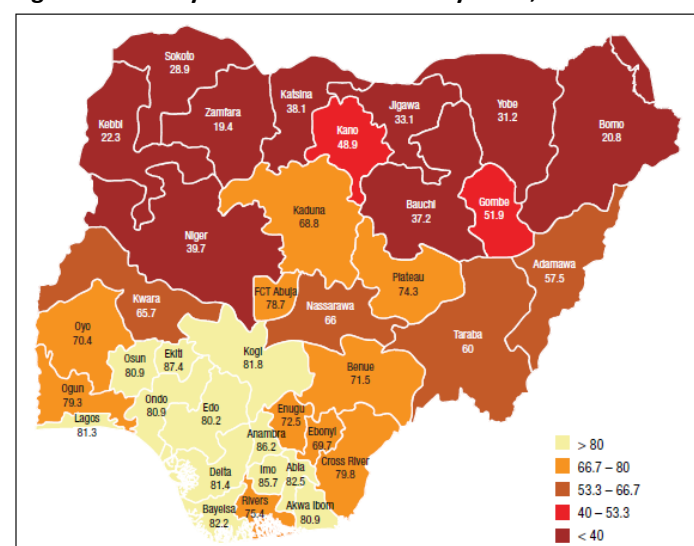
Nigeria faces great geographic disparities in access to schooling.

Data on out-of-school children in Nigeria highlights major disparities across geographical regions. There is a clear divide in access between Nigeria's northern and southern states, with the latter experiencing much higher school participation. The northern states are home to 57 percent of Nigeria's primary-school-age children and account for 87 percent of the country's total out-of-school population. In the northeastern state of Borno for example, 73.4 percent of children were out of school at the primary level in 2011. In the southwestern

state of Lagos, by contrast, only 4.3 percent of children at the primary level were out of school in the same year (table 2).

These disparities reflect more than simple differences in school supply. In Nigeria's predominantly Muslim north, demand-side barriers include cultural opposition to formal education, especially for girls.

Figure 2. Primary Net Enrollment Rate by State, 2010



Source: NPC & RTI International 2011.

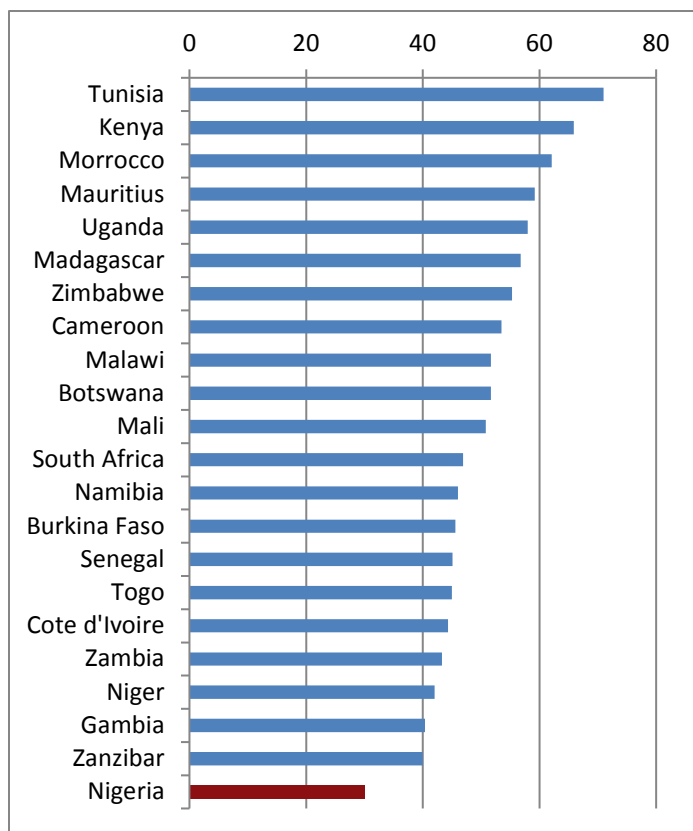
In addition to substantial deficits in access to education, Nigeria faces further barriers to the provision of high-quality learning for students.

Beyond the country's existing challenges in educational access, Nigerian students also demonstrate low proficiency in important measurements of student learning. The country participated in the UNESCO-UNICEF Monitoring Learning Achievement (MLA) project in 1996 and 2003, which measured student learning competencies in literacy, numeracy, and life skills in grades 4 and 6 across Sub-Saharan Africa. Nigeria was the lowest scoring nation of all participating countries on

⁷ That is, if these 10.5 million children were to complete primary education, upon entering the labor market, their additional education would add US\$6 billion to the Nigerian economy.

the African continent (figure 3). Furthermore, the country showed no significant performance improvement between 1996 and 2003.

Figure 3. Monitoring Learning Assessment Scores, Sub-Saharan Africa and North Africa



Source: World Bank 2003.

The U.S. Agency for International Development (USAID) conducted student assessments in Bauchi and Sokoto States in 2013, using The Early Grade Reading Assessment (EGRA). The reading competency results in both states showed that only a staggering 1 percent of pupils could read and understand grade-level text after two years of schooling (table 3) (USAID 2013a,b).

Table 3. Proportion of Pupils Who Can Read and Understand Grade-Level Text in Hausa

	Bauchi State	Sokoto State
Non-reader	71%	82%
Emergent Reader	18%	13%
Beginning Reader	10%	4%
Reader	1%	1%

Source: USAID 2013a and b.

Illiteracy remains a challenge for Nigeria, despite recent small improvements. Between 2003 and 2008, the adult literacy rate dropped from 55 percent to 51 percent and the youth literacy rate, from 69 percent to 66 percent. More data on learning outcomes in Nigeria is greatly needed, as the country lacks a national learning assessment system and does not participate in any international student assessment initiatives, such as the Programme for International Student Assessment (PISA) or Programme d'Analyse des Systèmes Éducatifs de la Confem (PASEC).

Available data suggests that current levels of government spending on education in Nigeria are low relative to other African countries.

Public spending on education in Nigeria is substantially lower than in many other African nations. Expenditure as a share of the total national budget dropped from 8.5 percent in 2012 to 7.9 percent in 2013 (UIS). In comparison, the educational share of the national budget was 18.1 percent in South Africa and 23.7 percent in Kenya in 2010 (Edstats). However, lack of information and data on government expenditures make an accurate depiction of the state of government educational expenditures in Nigeria difficult.

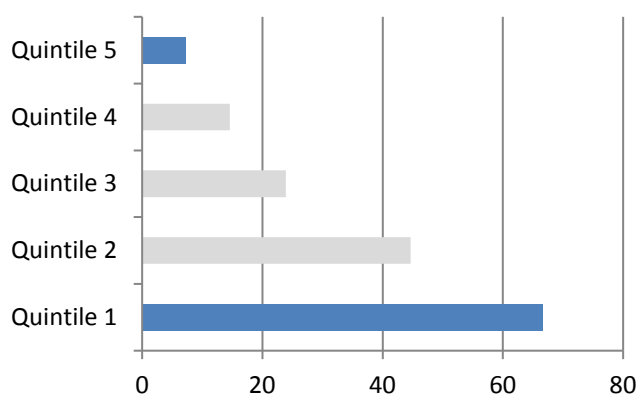
Nigerians face great disparities in access to education.

Participation in education in Nigeria is associated with child gender, household income, and geographical location. At the primary level 87 percent of urban children of primary age are in school versus 62 percent in

rural areas. Additionally, drop-out rates are generally 2 to 3 times higher in the Northern parts of Nigeria than in the Southern regions (NPC & RTI International 2011).

In 2010, only 58 percent of girls were enrolled in primary school compared to 69 percent of boys (World Bank 2014). And in 2008, 67 percent of children from the poorest quintile were out-of-school compared to only 7 percent of children from the richest quintile were (figure 4).

Figure 4. Proportion of Out-of-School Children at the Primary Level, by Quintile, 2008



Source: EdStats.

However, between 2004 and 2009, the survival rate to the last grade of primary school increased from 73 percent to 79 percent. And the survival rate for girls increased from 73 percent to 82 percent (Edstats).

Current and future challenges that affect education provision in Nigeria include demographic growth and rapid urbanization.

With annual growth of 2.8 percent in 2013, Nigeria's population is expected to reach 440 million by 2050. Of that number, 212 million are expected to be living in urban areas (UN DESA 2014). As noted above, this rapid

growth will lead to significant demands on infrastructure and social services that will only continue to grow in the future.

II. Education in Lagos

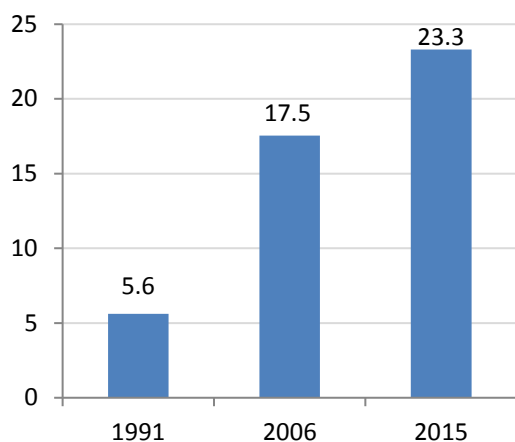
Lagos State is one of the 36 states of the Federal Republic of Nigeria. The state has 20 Local Government Areas (LGAs), and is located in the southwestern part of the country. Recent data put the population of the state at 17.5 million, with an annual growth rate of 3.2 percent (UNFPA 2014), making Lagos State the country's largest urban area. Lagos was formerly the administrative capital of Nigeria, but the seat of the central government was relocated to Abuja in 1991.

Lagos faces challenges in delivering public services, including responding to rapid population growth and a high incidence of poverty.

Most recent estimates suggest that just over half (53 percent) of all households in Lagos State live below the poverty line (Tooley and Yngstrom 2013). According to official census figures, the population of the state tripled between 1991 and 2006.⁸ Today, there are roughly 23 million people living there (figure 5), meaning that well over 10 million are living below the poverty line.

The city of Lagos—with a current population of roughly 13 million—is now the largest city in Africa. In fact, it is estimated to be one of the fastest growing megacities in the world, with an average population increase of nearly 500,000 inhabitants per year (UNDP 2014). Based on current projections, the city is expected to have a population of nearly 25 million in 2030.

⁸ Even though some discrepancies have been recorded in how these two official surveys were conducted, the comparative nature of the data remains valid.

Figure 5. Estimated Population Growth in Lagos State, 1991–2015 (millions)

Source: Nigeria NPC 1998 and Lagos State BoS 2011.

The latest school census (2010) found that roughly 387,000 primary students were enrolled in public schools in Lagos State, which employed 13,800 public primary school teachers—83 percent of whom were female. In the 12 months prior to the census, 15 percent of all public teachers in the state had received training. The census highlighted challenges faced by public schools in the state; for instance, one-half of primary schools lacked a source of safe water and one-half were operating without a toilet (Lagos State MoE 2010b).

Male and female students participate in basic education at equal rates in Lagos State. In both public and private schools, girls make up roughly 51 percent of the student body.

The state allocated 14.7 and 13.2 percent of the budget to education in 2012 and 2013, respectively. These allocations were mainly targeted at improving infrastructure in public schools, recruiting teachers to secondary schools, rehabilitating and procuring books for public school libraries, and establishing e-libraries and information and communication technology (ICT) facilities (Lagos State MEPB 2013).

In 2008, the Lagos State government and the World Bank initiated a project to improve the quality of public junior and senior secondary schools. The project supported the training of teachers and strengthened quality assurance procedures in secondary schools (box 2).

Box 2. Lagos Eko Secondary Education Project

The Lagos Eko Secondary Education Project involved two primary components:

- promoting secondary school effectiveness through school development grants, and
- enhancing quality assurance for junior and senior secondary schools.

The project, which ended in 2014, achieved or exceeded all of its targets, as seen in table B3.1.

Table B2.1 Project Development Objective Indicators

Indicator	Baseline	Target	Current
Percentage of public senior secondary school students with passing WASSCE grade in English, math, and biology	41 %	45 %	84 %
Percentage of public junior secondary school students with passing or greater JSCCE credit in English, math, and integrated science	41 %	45%	66 %

The project's intermediate results indicators also exceeded their targets. For instance, with respect to teacher training, the project enabled the training of 16,832 teachers (compared to the target of 5,385) in English, mathematics, and science. An additional 25,455 teachers were trained using school grants (a significantly greater number than the original target of 1,615 teachers).

Source: World Bank Operations project page for Lagos Eko Secondary Education Project.

Data on learning outcomes in Lagos State is scarce. However, recent West African Examinations Council (WAEC) results have provided insight and comparative

opportunities. In terms of learning outcomes, the state performed relatively well on the 2006 WAEC assessment, ranking 2nd among the 36 states in Nigeria; however, Lagos' ranking dropped to 7th on the 2014 examination, with an average student pass rate of 45.9 percent pass rate (table 4).

Table 4. 2014 WAEC Assessment Results for Lagos State

	Lagos
Total Pass rate	45.8
Current ranking (out of 36 states)	7
Previous ranking (2006)	2
Male pass rate	45.1
Female pass rate	46.6

Source: Based on preliminary 2014 WAEC results.⁹

Lagos State has one of the largest markets for private basic education services in the world.

Over 57 percent of the state's primary and secondary students are enrolled in more than 12,000 private schools. As such, Lagos makes up one of the largest markets for private basic education services in the world. In total, an estimated 1.5 million children go to private primary and junior secondary schools in the state (DFID 2012). Approximately 80 percent of households with children of school age have at least one child in private school (Tooley and Yngstrom 2013).

Many of Lagos' most vulnerable students are attending private schools; however, this attendance comes at a high financial cost and these schools are likely to be of low quality.

Recent research on private education provision in Nigeria, especially in Lagos State, indicates that households prefer private over government schools when they can choose. Government schools are filled by children from the poorest households (Ibid). Yet even many of the poorest households send their children to fee-based private schools. Indeed, 59 percent of children

from the poorest households in Lagos State, those with annual incomes of ₦193 per capita per day—the poverty line is ₦309 per capita per day—attend private schools. This is not to suggest that these schools are accessible to poor families. On the contrary, only 43 percent of these families agree that private schools are affordable—half the proportion who find government schools affordable (Ibid). Even if poor families were able to pay the required fees to send their children to private schools, significant evidence suggests that these private schools are not able to provide students with basic skills and competencies.

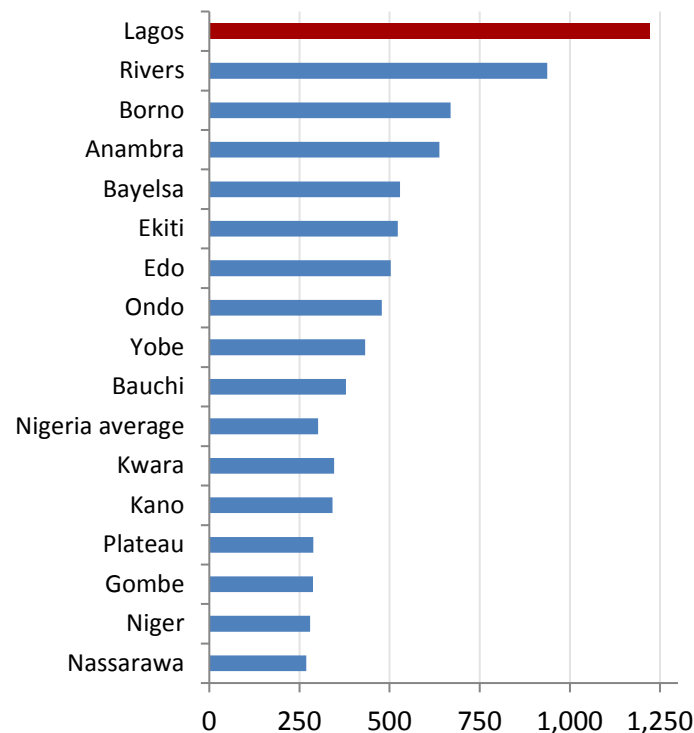
The private sector plays a crucial role in the delivery of basic education. Given high attendance in these schools, particularly by the most vulnerable students, it is critical that the government effectively monitor these schools.

Evidence suggests that inadequate supply of basic public education services is a driver of the robust market for private school services in Lagos State.

Lagos has, by a wide margin, the smallest supply of public school services of any state in Nigeria (figure 6). There are 1,200 primary-age children for every available public primary school. Evidence suggests, moreover, that student participation in public education has declined in certain years. Between 2009 and 2010, for example, enrollments in government schools decreased at all education levels. The number of students in public primary schools decreased by 4.6 percent in this single academic year, from 405,000 in 2009 to 388,000 students in 2010.

⁹ These were the available results at the time of publication drafting.

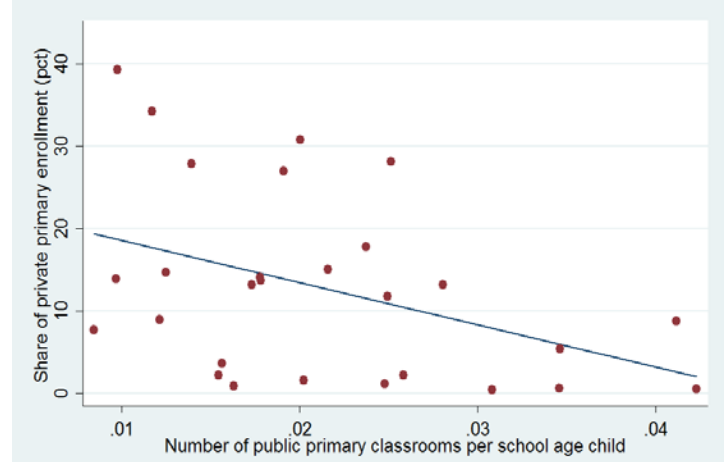
Figure 6. Ratio of Primary-Age Children to Public Primary Schools in Nigeria, 2011 (by state)



Source: Based on UNESCO 2012 and DEEPEN 2014.

There is a significant relationship between the availability of government school services and student attendance in private schools. Where government schools are less readily accessible, students are more likely to be in private schools. Figure 7 shows this relationship across roughly 30 countries in Sub-Saharan Africa (all for which data was available). This relationship holds within Lagos State, with nearly 60 percent of all primary and secondary students enrolled in private schools.

Figure 7. Correlation between Public School Supply and Private Enrollment in Select African Countries



Source: Adapted from Edstats data.

Such correlational relationships between public school supply and private participation can be explained by two possible scenarios:

Scenario 1. The market is responding to the small number of government schools by increasing the private supply of education services.

Scenario 2. The state has explicitly kept its supply of services small because students are already being served by private schools.

Scenario 2 implicitly assumes that the state: (i) is aware of the activity and scope of the private education sector, and (ii) accepts to some extent the private sector as a viable education provider (otherwise, it would likely continue to expand public capacity, notwithstanding market saturation).

Researchers have suggested that the market supply response in Lagos State (Scenario 2) is responsible for large private school enrollment (Adelabu and Rose 2004; Tooley and Dixon 2006; Umar 2008). However, by nature of the correlation, it is difficult to identify a causal (directional) relationship between public supply and private participation. Notwithstanding this fact, much of

the available evidence seems to support Scenario 1: the private market is responding to limited government supply. For instance, it is unlikely that the state could have been actively responding to existing private supply because until 2011, there was no accurate information on the number of private schools in operation.

Nearly 60 percent of all primary and secondary students attend a non-state school.

In 2007, it was estimated that roughly two unapproved private schools were operating in Lagos State for each approved private school (Rose and Adelabu 2007). However, data from a 2011 census of all private schools in 2011 found that there were actually three unapproved schools operating for every approved school. That is, roughly 9,000 unapproved schools were in operation versus the 6,000 that had been previously estimated (Härmä 2011). And while the primary net enrollment rate was calculated as 86 percent in 2006 (Lagos State MoE 2010a), the figure was closer to 97 percent—the estimated figure for the State as of 2013 (Tooley and Yngstrom 2014; World Bank Edstats).

Table 5. Enrollment by School Type

	Number	Percentage
Government	451,798	26%
Private unregistered	577,024	33%
Private registered	737,599	42%
Total	1,766,421	100%

Source: Lagos State MoE 2010b.

In comparison, there were 1,606 total government schools in 2011: 991 primary schools (of which 957 also provided nursery classes), 308 junior secondary and 307 senior secondary schools, respectively (Lagos State MoE 2010b). In the past, government schools have been found to be much bigger than their private counterparts. Based on the latest available information, the average public school serves 644 pupils, while an average private school serves 97 pupils.

Unapproved private schools are operating illegally, that is, outside the bounds of government regulations (Lagos State MoE 2010a). The high incidence of unapproved schools is partly due to registration criteria that are unrealistic for small providers. For example, prior research has demonstrated the high cost of both registration approval and renewal in Lagos State compared to other states in Nigeria (table 6).

Table 6. Related Costs for Non-State Schools in Abuja, Lagos, and Enugu (₦)

	Abuja	Lagos	Enugu
Name search	0	5,000	0
Purchase of form	40,000	15,000	2,000
Pre-inspection	0	5,000	0
Approval	N/A	25,000	5,000
Annual renewal	10,000	15,000–100,000	2,000–3,500

Source: Adelabu and Rose 2004.

The low quality of public education is also a possible contributor to private school attendance, although there is no credible evidence on the relative quality of private schooling in Lagos.

Research suggests that one contributing factor to the growth of the private sector has been the low quality of the public education system (Adelabu and Rose 2004). When parents in Lagos State are asked about their reasons for sending their child to a particular school, they cite school quality, affordability, and proximity as key determinants. In a 2011 survey (Härmä 2011), 77 percent of parents with children in private schools cited quality as a reason for selecting their child's school. Only 44 percent of parents with children in government schools cited quality as a determining factor (table 7). School affordability and proximity are also important determinants of school choice.

Table 7. Parental Reasons for Choosing a Specific School in Lagos State

	Gov't.	Private	All schools
School quality	44	77	75
Closeness to home	33	31	31
Affordability	33	28	28
Recommendation	11	22	22
Relationship with owner	1	15	15

Source: Adapted from Härma 2011a.

Other research finds that the factors of school quality, affordability, and proximity hold roughly equal weight in the average household's school selection decisions; however, poor families are much more likely to be constrained by cost when choosing a school (Tooley and Yngstrom 2014).

A 2005 census of the private and public schools in a few areas of Lagos State found that private school students did better in English and mathematics compared to their public school peers (Tooley and Dixon 2006). However, these findings did not account for the nonrandom selection of students into schools, accordingly, this private school advantage cannot be attributed to any particular superiority of private schools themselves, but may simply reflect systematic differences between students in the two sectors—especially as students in public schools are much more likely to come from the least privileged households. Recently initiatives have been launched to deepen knowledge of the private education sector and improve the quality of education that they offer, especially those that serve the most vulnerable students (box 3).

Box 3. Developing Effective Private Education—Nigeria (DEEPEN)

Developing Effective Private Education—Nigeria (DEEPEN) is a five-year program implemented beginning in October 2013 by the United Kingdom's Department for International Development (DFID). The goal of the project is to support improved learning outcomes for girls and boys at the primary and junior secondary levels in Lagos State by:

- **Facilitating change** is the major component of the project. DEEPEN is highly innovative and experimental, applying a market-systems approach to improving educational quality for the first time and emphasizing sustainable, systemic change on a large scale. A portfolio of interventions will tackle the major constraints to school investments in better learning conditions and teaching practices.
- **Supporting innovation** is the minor component of the project. This component provides financial support for developing and deploying innovative business models for low-cost private education.

By 2020, DEEPEN expects that:

- Almost 1.5 million girls and boys will benefit from improved learning.
- Girls will benefit at least as much as boys.
- Some 30 percent of children with improved learning outcomes will be from households below the poverty line.
- Average test scores in literacy and numeracy will increase by 6 percent.

DEEPEN is striving to deliver these results at an estimated cost per child of £12.50. The program's anticipated outcomes will be better learning conditions and teaching practices in private schools, especially among those that serve poor children, as a result of increased investment, better management, better pedagogy, and innovation. These aims will be brought about through the creation of a more enabling environment for schools operate, one that builds both the incentives for and the capacity of schools to improve.

Source: Developing Effective Private Education Nigeria (DEEPEN) program website

Analysis of the Education Market in Ajeromi-Ifelodun, Lagos State

I. Methodology

The data in this section was collected through surveys of school heads. Topics of key interest included the size, growth, and different operating models of private education providers. Given the time and cost constraints of carrying out nationally representative research, it was decided to conduct a census of all private schools in one of Lagos' Local Government Areas (LGAs): Ajeromi-Ifelodun.

This methodology was selected as the only approach capable of measuring market growth, since a prior statewide census of private schools was completed in 2011. One primary aim of the research was to investigate the activity and behavior of the nonstate education market. The SABER-EPS team thus sought a research location with a robust private education sector. Ajeromi-Ifelodun was selected as the study site for the census due to its rapid growth as an urban community within Lagos State, its high population density, and its large number of low-income households (indicating a local government area more likely to have so-called "low-cost" private schools).

For more information about the methodology used for data collection, please see appendix 1.

The SABER-Engaging the Private Sector (EPS) Framework assesses the extent to which policies facilitate equitable access to quality education for all children, with a specific focus on nonstate providers. The tool aims to support governments in establishing a regulatory environment that enables nonstate actors to contribute to the national education system, with the goals of improving education service delivery and student outcomes in both public and private schools. The SABER-EPS Framework includes three levels of analysis:

Level 1: Policy Intent. This level of analysis identifies which types of private education activity exist by examining the official, documented policies of a country (or state, as in the case of Lagos). This systematic analysis examines the extent to which the current regulatory environment supports four education policy goals: (i) encouraging innovation by providers; (ii) holding schools accountable; (iii) empowering parents, students, and communities; and (iv) promoting a diversity of supply.

Level 2: Policy Implementation. This level of analysis builds upon the results of the policy intent exercise by (i) identifying the extent to which existing policies are being carried out on the ground, and (ii) investigating the driving mechanisms of policy implementation to provide insight into the processes, actors, and institutions that influence private education policy. The policy implementation framework was derived from a synthesis of key conceptual models in the policy implementation literature. This analysis not only assesses the extent to which policies are carried out on the ground, but also illuminates the political relationships, organizational constraints and capacity of, and channels of communication between critical actors in the education system.

Level 3: Provider level. The final level of analysis involves GPS mapping and surveying of private and public schools in a given locality to gain a thorough understanding of the supply side of the education market. It aims to provide insights into important issues such as the affordability of education services, the drivers of growth in the private education market, the relative efficiency of public and private schools, school registration and inspection requirements, the operating models and

financial viability of various schools, and other critical issues related to private school provision.

SABER-EPS provides detailed, systematic analysis of the existing regulatory environment with primary data on the operation of private school providers in a low-income country. The end goal is to expand collective knowledge of private sector involvement in the provision of education services in countries around the world and identify key policy options for governments that seek to better engage the private sector in delivering quality education services especially to vulnerable populations.

For more information about the conceptual framework, please see appendix 2.

II. The Education Market in Ajeromi-Ifelodun, Lagos State

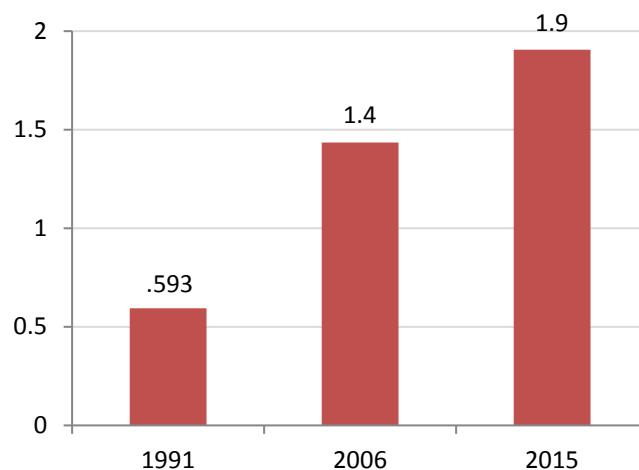
This section analyzes the role of the private sector in a single Local Government Area of Lagos Nigeria—Ajeromi-Ifelodun—and provides a detailed overview of the types of education providers and their delivery and financial models.

Ajeromi-Ifelodun is the second most populous Local Government Area in Lagos State and continues to grow rapidly.

Of the 17.5 million people living in the 20 Local Government Areas (LGAs) of Lagos State, 1.4 million reside in Ajeromi-Ifelodun (Lagos State BoS 2006), making it the second most populous LGA in the state. Ajeromi-Ifelodun is the most densely populated local government area in Lagos, with over 58,000 inhabitants

per square kilometer.¹⁰ Population projections for the LGA estimated that its population would reach nearly 2 million in 2015, based on an average annual population growth rate of 3.2 percent (figure 8). According to official census estimates, the population of Ajeromi nearly tripled between 1991 and 2006.¹¹

Figure 8. Estimated Population of Ajeromi-Ifelodun, 1991–2015 (millions)



Source: Nigeria NPC 1998 and Lagos State BoS 2011
Note: Figures for 2006 and 2015 are estimated.

In Ajeromi-Ifelodun, population growth has created rapidly increasing demand for education services that, to present day, have not been met by government supply. In 2006, 74 of Lagos State's 1,045 public primary schools were located in Ajeromi-Ifelodun. That same year, there were roughly 3,023 children of primary-school age for every government primary school in Lagos State,¹² and 3.491 for every such school in Ajeromi-Ifelodun in 2010, these numbers increased to 3,331 and 3,767 for Lagos and Ajeromi-Ifelodun, respectively. The child-to-public-school ratio can serve as a useful indicator of equilibrium

¹⁰ "Nigeria: Administration Division; States and Local Government Areas," City Population website, Federal Republic of Germany, <http://www.citypopulation.de/php/nigeria-admin.php> (accessed July 2015).

¹¹ Even though some discrepancies have been recorded in how these two official surveys were conducted, the comparative nature of the data remains valid.

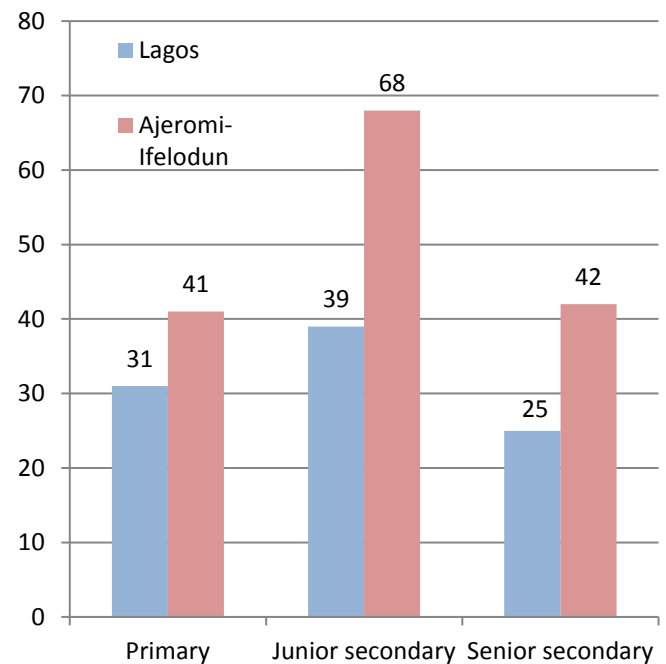
¹² This figure is calculated by dividing the state population by the number of public schools, then multiplying by 0.18, as 18 percent of the total population was of primary-school age (Lagos State BoS 2010; Lagos State MOE 2010)

in the education market. A large ratio represents opportunity for private providers to increase the supply of education services.

Public schools in Ajeromi-Ifelodun are experiencing a certain level of overcrowding, particularly at the junior secondary level.

Official statistics also provide a clear indication of the pupil-to-teacher ratio in Lagos State and its various LGAs. Ajeromi-Ifelodun suffers from high municipal pupil-teacher ratios—well above the average across Lagos State (figure 9). In the academic year 2010–11, while the average pupil-teacher ratio was 31:1 in Lagos State, it was 41:1 in Ajeromi-Ifelodun. The difference in these ratios at the junior secondary and senior secondary levels is also worth noting, with a ratio of 39:1 in Lagos State, compared to 68:1 in Ajeromi-Ifelodun, at the junior secondary level; and ratios of 25:1 and 42:1, respectively, at the senior secondary level.

Figure 9. Pupil-Comparison of Teacher Ratios at the Primary, Junior Secondary and Senior Secondary Levels, Lagos State and Ajeromi-Ifelodun, 2010–11 School Year

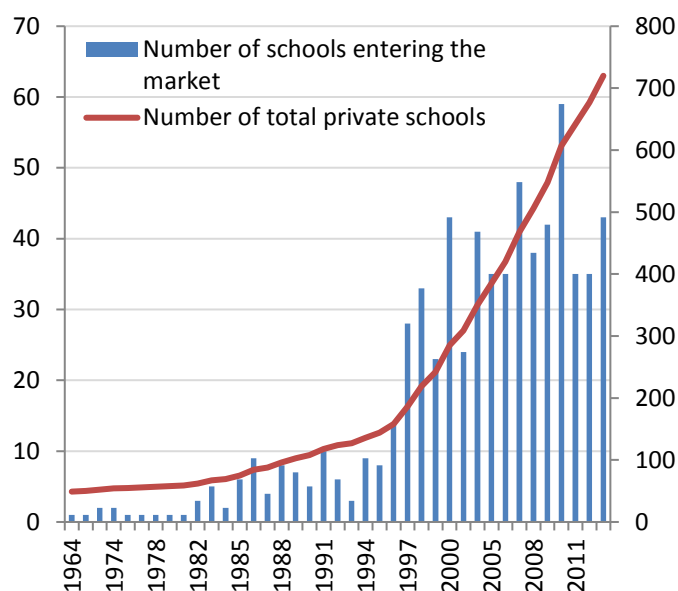


Source: Adapted from Lagos State MOE 2012

In the absence of a sufficient supply of public schools, private providers have entered the market to meet increasing demand on the part of parents and students. Data from the school census conducted in Ajeromi-Ifelodun for this study provides evidence of a robust supply-side response by the private sector. Whereas in 1964 there were 49 private schools operating in Ajeromi-Ifelodun, there were 720 total private schools providing education services in 2013 (World Bank 2014?).

The greatest number of private education providers in Ajeromi-Ifelodun entered the market in 2010, with 59 new private schools established that year. The increase in private education had previously jumped in 1997, with 28 new schools and 186 total providers established. Between 1997 and 2013, the number of private schools in Ajeromi-Ifelodun grew from 186 to 720, representing an average annual growth rate of 11 percent, with a peak growth rate of 18 percent in 2000 (figure 10).

Figure 10. Growth of Non-state Education providers (Primary and Secondary), Ajeromi-Ifelodun



Source: World Bank 2014

Note: The figure does not include certain data collected in January 2014, which showed that four new private providers had already been established in Ajeromi-Ifelodun since the 2014 survey.

At the school level, private education providers in Ajeromi-Ifelodun have been able to respond quickly to demand. Private schools surveyed for this study have experienced substantial growth in the few years that they have been in operation. On average, schools had 20 students when they were established, whereas, based on the survey conducted for this report, their current median number of students is 91.

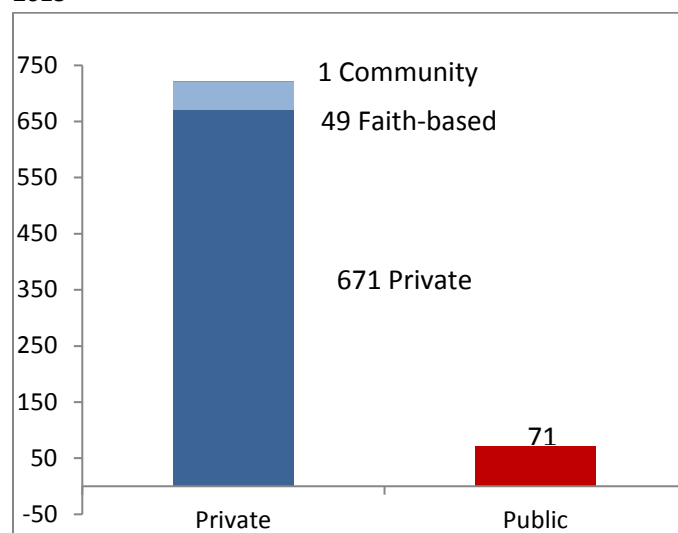
These results demonstrate the private sector's likely competitive advantage over government: being more able to respond quickly to the demands of the market.

Some 91 percent of schools in Ajeromi-Ifelodun are operated by non-state providers.

A total of 721 private school heads in the local government area provided information on the ownership of their respective schools. Of these 721 schools, 671 were owned by private businesses, 49 were

run by faith-based organization, and 1 was a community school. Official statistics suggest that there are an additional 71 public schools in Ajeromi-Ifelodun. Therefore, 91 percent of all primary and secondary schools in the LGA are owned and operated by non-state entities; some 85 percent of these entities are private businesses (figure 11).

Figure 11. Basic Education Providers in Ajeromi-Ifelodun, 2013

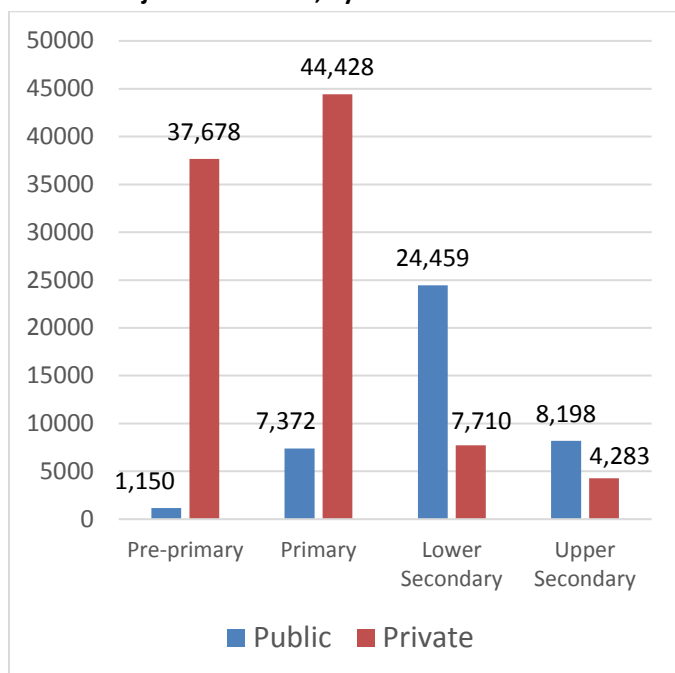


Source: Authors' research on private providers; Lagos State MOE 2010b.

A total of 724 schools in Ajeromi-Ifelodun currently enroll 94,099 students across four levels of education: preprimary, primary, lower secondary and upper secondary.

The majority of private schools in Ajeromi-Ifelodun enroll students at the pre-primary and primary levels. Enrollments at these two levels make up 87.3 percent of all student enrollments in nongovernment schools. Out of a total of 94,099 students, 37,678 are enrolled in non-government preschools, and nearly 45,000 in non-state primary schools (figure 12). The private sector also offers opportunities in higher grades: over 7,700 students (8.1 percent) of private enrollments in the LGA are in lower secondary schools and over 4,200 students (4.6 percent) are in upper secondary schools (figure 12).

Figure 12. Total Student Enrollment in Public and Private Schools in Ajeromi-Ifelodun, by Subsector

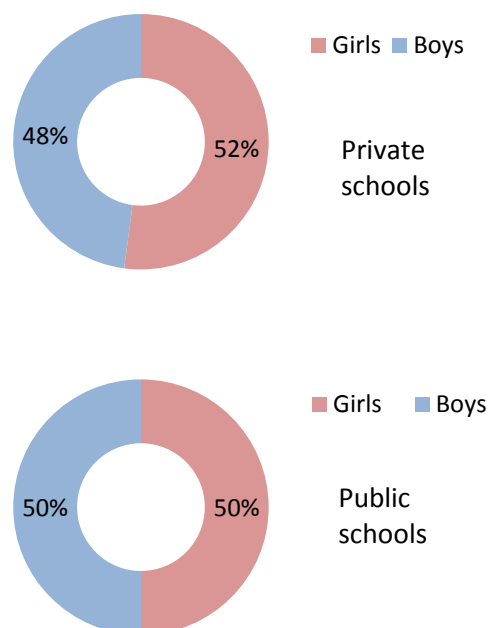


Source: Authors' research on private providers

In Ajeromi-Ifelodun, like in other parts of Nigeria, there is gender equity in both public and private schools.

In Ajeromi-Ifelodun, all schools (public and private) equally serve male and female students. Girls make up a slightly higher percentage of the student body in private schools—52 percent—while public schools in Ajeromi-Ifelodun have an exactly equal share of girls and boys (figure 13).

Figure 13. Gender Make-Up of Student Body in Public and Private Schools in Ajeromi-Ifelodun



Source: Authors' research on private providers

Non-state schools in Ajeromi-Ifelodun tend to be newer and less crowded than government schools. However, even though private schools positively compare to public schools, certain private schools tend to have small numbers of students, meaning that they could cater to more pupils. Indeed, the median age of nongovernment schools is nine years, which is more than three-and-a-half times lower than the 32-year median age of government schools. Furthermore, there are over six times more students in government than in nongovernment schools in the local government area, which have a mean total number of 803 and 130 students, respectively.

Finally, as noted earlier, the pupil-teacher ratio is far higher in government than in nongovernment schools, 74:1 compared to 16:1 (table 8).¹³ The low pupil-teacher

¹³ The pupil-teacher ratio shown here is higher than that shown in figure 9, which averaged slightly over 50:1. This is because the school survey data

included data on preprimary schools and 30 government schools out of a total of 71 officially recorded in the 2010–11 school year.

ratio of private schools suggests available capacity for expansion, while the high ratio for government schools clearly indicates overcrowding.

Table 8. Key Characteristics of Government and Nongovernment Schools

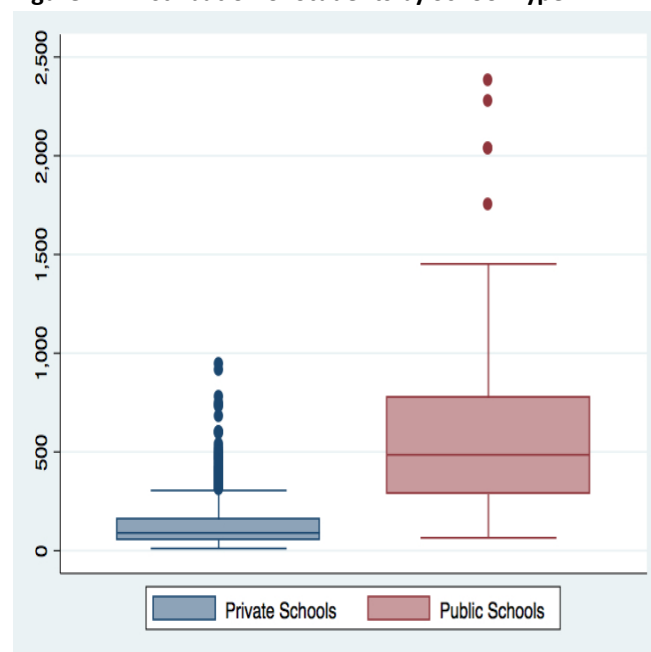
	Government schools	Nongovernment schools
School age (median)	32 years	9 years
Number of students (mean)	803	130
Pupil-teacher ratio	74:1	16:1

Source: Authors' research on private providers

Note: All 724 private schools in Ajeromi-Ifelodun were surveyed, as were 30 randomly selected government schools out of a total of 71.

Among private schools, one-quarter have fewer than 56 students, while half have fewer than 90 (figure 14). However, one-quarter accommodate an average of 441 students and 10 percent averaged less than 230. The largest private school surveyed in Ajeromi-Ifelodun had 947 students. Meanwhile, one-half of public schools have between 485 and 2,038 students (figure 14), with the largest had a student body of 2,383.

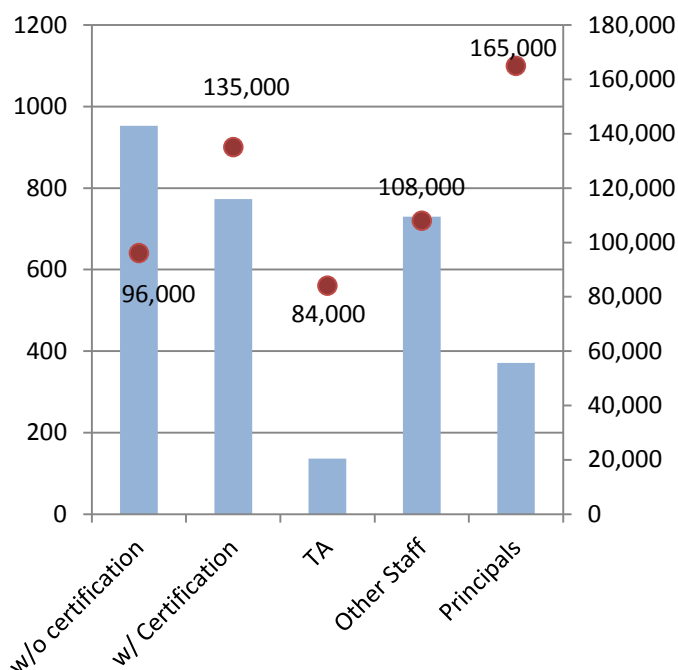
Figure 14. Distribution of Students by School Type



Source: Authors' research on private providers

Non-state schools in Ajeromi-Ifelodun employ more uncertified than certified teachers.

Nongovernment schools in the LGA employ, on average, a total staff of four, of which just over half are teachers. The median annual staff salary cost was ₦117,600 in 2014. The school survey in the local government area recorded 953 uncertified versus 773 certified teachers (figure 15). Non-instructional staff received the lowest salaries: ₦84,000 per year, on average. Teacher salaries varied depending on whether the teacher was certified, with an average yearly salary of ₦96,000 for uncertified teachers and ₦135,000 for certified teachers. Principals had, on average, the highest salaries: ₦165,000 per year (figure 15).

Figure 15. Staff Numbers and Annual Salaries in Private Schools

Source: Authors' research on private providers

Notes: Salaries are median figures.

TA – Teaching Assistants.

Primary school teachers in public schools are paid on average ten times more than those in private schools.

The difference in teacher salaries in public and private schools in Ajeromi-Ifelodun are quite stark. Indeed, according to the result of the World Bank survey conducted in Ajeromi-Ifelodun, certified public primary teachers receive a yearly average salary of ₦120,430, while certified private primary teachers receive ₦11,642—or ten times less. Certified public upper secondary teachers are paid, on average, ₦72,667 a year, while certified private upper secondary teachers are paid ₦20,357 per year.

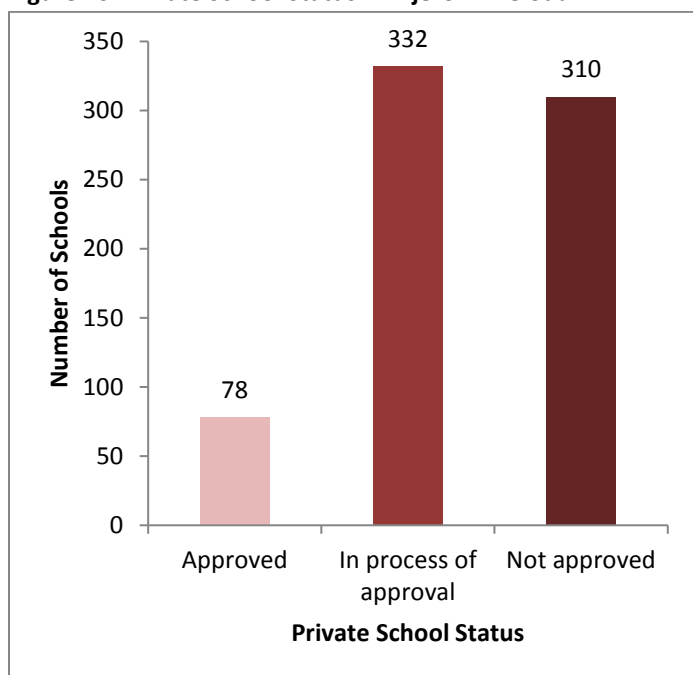
Access to capital is a major constraint for private schools.

The World Bank survey found that 51 percent of schools planned to borrow money in the next academic year.

However, access to finance is not easy for private schools in Ajeromi-Ifelodun; some 18 percent have been previously rejected for a loan. Of the private schools surveyed, 81 percent were making a profit. Despite this, nearly one in five had been rejected for a loan. The unavailability of funding is a substantial obstacle for many private schools. Private schools and private school associations commonly cite credit constraints as one of main factors keeping them from expanding their services.

Private schools cited insufficient collateral and unapproved school status as the reasons for being denied loans.

Only a minority of private schools in Ajeromi-Ifelodun have assets, with 24 percent owning their own land and 34 percent owning their own buildings. As figure 16 demonstrates that the majority of private schools in the local government area have not attained the “approved” status. Out of the 720 schools surveyed, 78 (11 percent) had been approved, while 332 (46 percent) were in the approval process and 310 (43 percent) were unapproved.

Figure 16. Private School Status in Ajeromi-Ifelodun

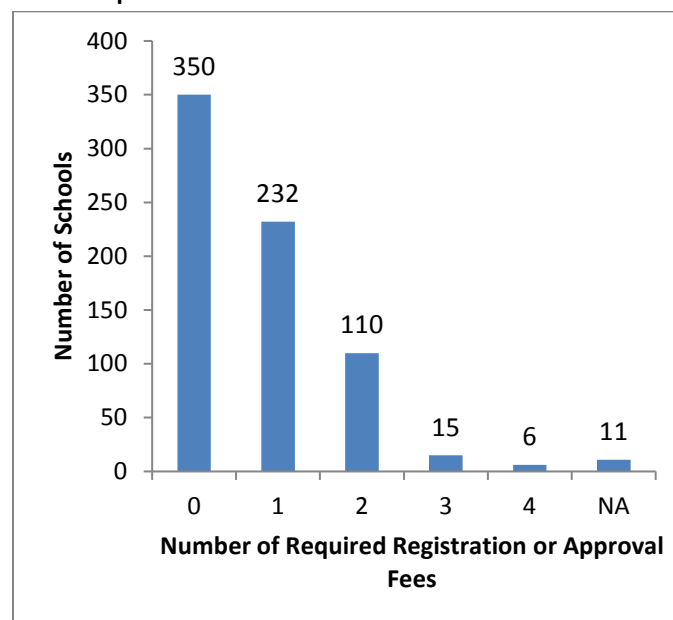
Source: Authors' research on private providers

Approximately 97 percent of private schools in Ajeromi-Ifelodun pay only two or fewer registration and/or approval fees.

According to the private school survey conducted in Ajeromi-Ifelodun, 350 out of 724 schools, or 48.3 percent, declared that they do not pay any fees (e.g., fees for a name search, site inspection, ongoing certification, etc.).¹⁴ Given that legislation in Lagos State requires private schools to pay several fees in order to register and operate (Adelabu and Rose 2004), this figure reinforces the assumption that a majority of private schools are either not registered or not fully registered and therefore operate outside prescribed regulations. In fact, only 15 schools, or a mere two percent, declared having paid three types of fees and only six schools (less than one percent) declared having paid four types of fees. And while legislation in the state officially lists five types of required registration and/or approval fees, only six schools declared having paid four types (figure 17).

¹⁴ Schools that responded that they pay no fees included those that did not want to disclose this information.

This finding underlines that even approved schools pay fewer fees than are legally prescribed and indicates a lack of transparency about the fees required for schools to operate in Ajeromi-Ifelodun and in Lagos State more generally.

Figure 17. Number of Required Registration and/or Approval Fees to Operate a Private School

Source: Authors' research on private providers

Approved private schools have more highly educated teachers, are more consistently inspected and more likely to participate in national exams. Subsequently, they charge much higher student fees than public schools and are thus accessible only to higher-income households.

Box 4. Private School Registration Status in Lagos State

Schools in Lagos State fall into one of three regulatory categories: approved, in the process of approval, and unapproved.

Unapproved schools are not recognized by the Lagos State government and operate outside the law. They do not appear in official statistics. Their students may not sit for national exams and leave school without a recognized qualification. Their sites have never been inspected and could pose a health and safety risk to students. Neither are they subject to inspections to ensure educational quality. Less than 4 in 10 teachers at unapproved schools have undergone teacher training. These schools may charge lower fees than approved schools, however, and may consequently be more affordable for the poorest households. Some 43 percent of private schools in Ajeromi-Ifelodun were unapproved in 2014.

Schools in the process of approval have begun, but not completed, the certification process. As such, their students may encounter similar disadvantages to those in unapproved schools. Approval costs US\$251 in registration fees, excluding the cost of purchasing land; and constructing classrooms, sanitation blocks, specialist teaching rooms, and a library; and purchasing equipment. To maintain approval status, schools pay between US\$75 and US\$500 per year. Approval is a costly process that may impact the price of tuition and compulsory nontuition fees. Just over 46 percent of schools in Ajeromi-Ifelodun are in the process of approval.

Approved schools have successfully completed all official registration processes, including administrative procedures, site inspection, and payment of all required registration fees. These schools are recognized by the state government and their data is included in official records. They are subject to laws regarding all aspects of their operation, liable to pay taxes and fees, and required to undergo regular inspections to ensure educational quality. Approved schools are more likely to be granted loans should they wish to invest in developing facilities or capacity. Students at approved schools are allowed to sit for national exams, which lead to recognized qualifications, and more likely to be taught by qualified teachers. Due to the relative scarcity of approved schools, approved private schools may charge higher tuition and compulsory nontuition fees, and thus may be out of reach of poor students.

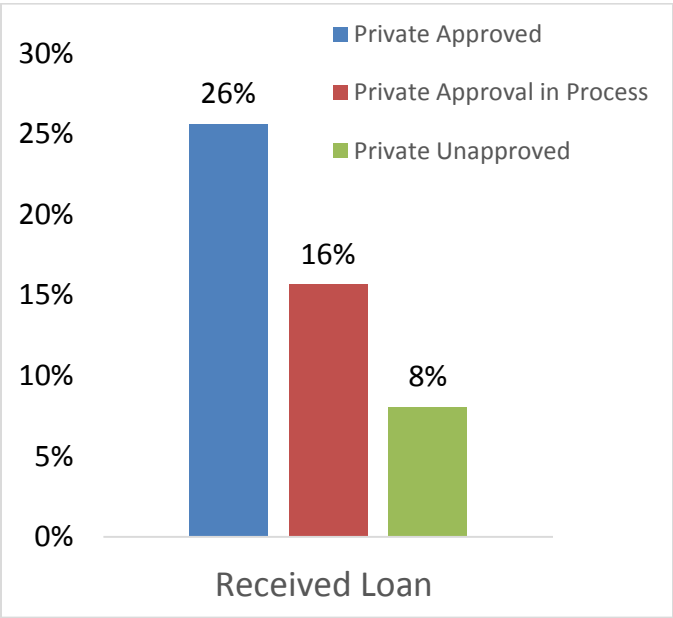
Table B4.1 Comparison of Private Schools with Differing Registration Status

	Approved schools (n = 78)	Schools in the process of approval (n = 332)	Unapproved schools (n = 310)
Inspected in previous 1–2 years	94%	21%	13%
Participate in state exams	83%	72%	43%
Share of teachers with college degree	36%	13%	6%
Average cost to student	₦49,365	₦25,400	₦18,925

Source: Authors' research on private providers

The findings from the Ajeromi-Ifelodun survey point out great disparities between approved and unapproved schools in terms of access to finance. Indeed, 26 percent of the approved schools had received a loan, in addition to 16 percent of those in the approval process, but only 8 percent of unapproved schools had (figure 18). Considering that unapproved private schools in Ajeromi-Ifelodun represent almost 90 percent of all private schools in the LGA and the low likelihood that such schools will receive a loan, it can be surmised that majority of private schools in both the LGA and Lagos State have difficulties in accessing finance.

Figure 18. Probability of Private Schools in Ajeromi-Ifelodun Receiving a Loan

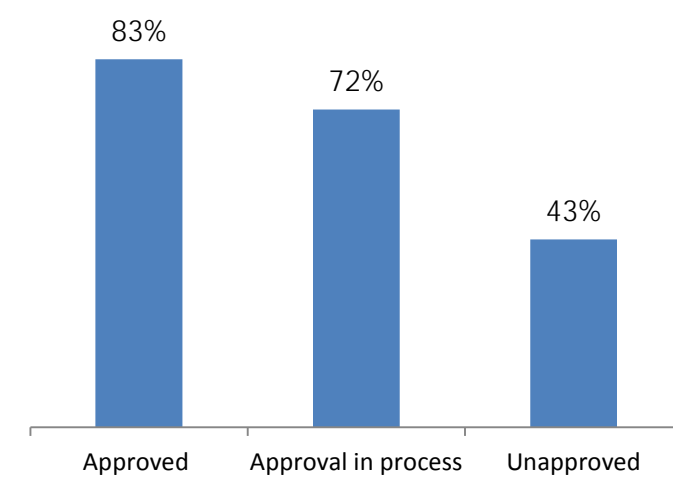


Source: Authors’ research on private providers

The recognition status also has an impact on a student’s options for certification in Ajeromi-Ifelodun. One of the key aspects of quality with regards to the non-state sector of education concerns learning outcomes and whether students attending private schools can sit on national and state examinations and validate what they have learnt. In Ajeromi-Ifelodun, 83 percent of students attending private schools that are approved sit on national or state examinations while only 43 percent of

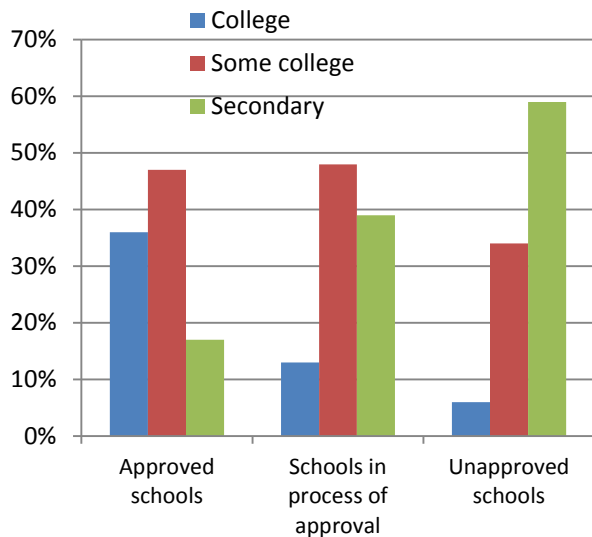
the students attending unapproved schools do (Figure 19). There is thus a tremendous gap in terms of how effectively students attending private schools can validate their learning according to which school they attend; learning outcomes have been identified as a key challenge in Ajeromi-Ifelodun when assessing the education market.

Figure 19. Percentage of Schools Participating in Standardized National/State Examinations, by Certification Status



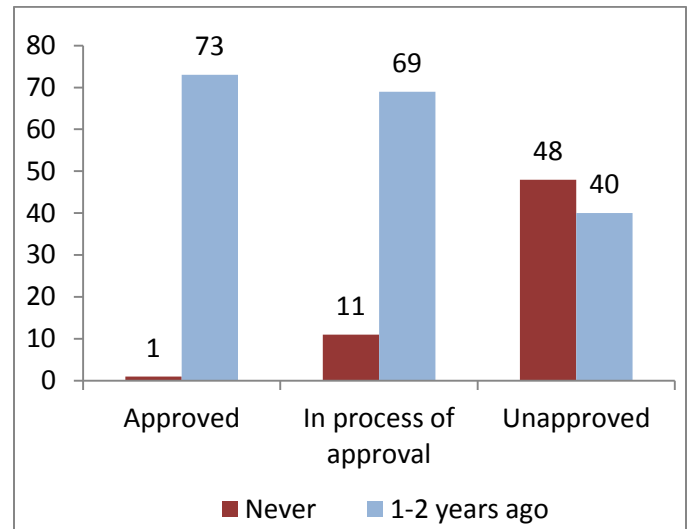
Source: Authors’ research on private providers

In terms of the quality of schooling, some differences can be observed with regard to the registration status of a private school. While 70 percent of teachers in approved primary schools were certified, only 36 percent of teachers were in unapproved primary schools. In unapproved upper secondary schools, only 45 percent of teachers were certified. Further, 59 percent of teachers in unapproved schools had secondary school degrees, 6 percent had college degrees. By contrast, 36 percent of teachers in private approved schools had a college degree and 17 percent, a secondary degree (figure 20).

Figure 20. Teacher Certification Levels in Private Schools

Source: Authors' research on private providers

Another observation related to the registration status of private schools in the local government area concerns inspections. According to the World Bank survey, 48 percent (149 schools) of private unapproved schools had never been inspected, pointing to the fact that the authorities do not monitor either the quality of infrastructure or teaching within these schools. On a more positive note, the survey highlighted that when private schools were approved, 99 percent had been inspected—73 percent at least once in the past one to two years (figure 21).

Figure 21. Private School Inspections by Regulatory Status

Source: Authors' research on private providers

The poorest households are spending substantial proportions of their income to send their children to non-state schools.

Pursuant to the legal framework and school funding mechanisms in Lagos State, parents do not pay tuition fees in public primary or secondary schools in Ajeromi-Ifelodun. A registration and uniform fee is still required that amounts to an average of ₦785 (roughly US\$4.30) per year per child.

Low-cost private schools, which charge both tuition and nontuition fees, may be substantially more expensive than public schools, potentially excluding the poorest children from accessing the education system. The most significant cost of private school is the tuition fee (table 9). After tuition cost, the next most significant costs in Ajeromi-Ifelodun's private schools are optional services: a textbook fee (₦1,707), uniform fee (₦1,633), and extra class fee (₦935). The remaining compulsory fees in the private education sector related to school registration (₦270), feeding (₦124), examinations (₦567), and extracurricular activities (₦468). Lagos State government provides textbooks to all public schools, so there are no

household costs associated with textbooks in Ajeromi-Ifelodun's government schools.

Households pay an average of ₦5,918 (roughly US\$31) per child per year on nontuition fees alone. As noted, the cost of nonstate schools may therefore place a great burden on household budgets and is likely to influence school choice decisions.

Table 9. Average Annual Household Costs per Child, Public and Private Schools in Ajeromi-Ifelodun (₦)

Cost Item	Public	Private
Tuition fees		
Pre-primary tuition fee	0	15,341
Primary tuition fee	0	19,404
Junior secondary tuition fee	0	37,445
Senior secondary tuition fee	0	46,460
Avg. tuition total cost per child	0	9,562
Nontuition fees		
Registration	618	270
Feeding	0.0	124
Transportation	0.0	214
Exam	0.0	567
Textbook	0.0	1,707
Uniform	167	1,633
Extra Class	0.0	935
Extracurricular	0.0	468
Avg. nontuition total cost per child	785	5,918

Source: Authors' research on private providers

Tuition costs in private schools increase considerably between the primary and secondary levels, limiting affordable options for the poorest students at higher levels of education.

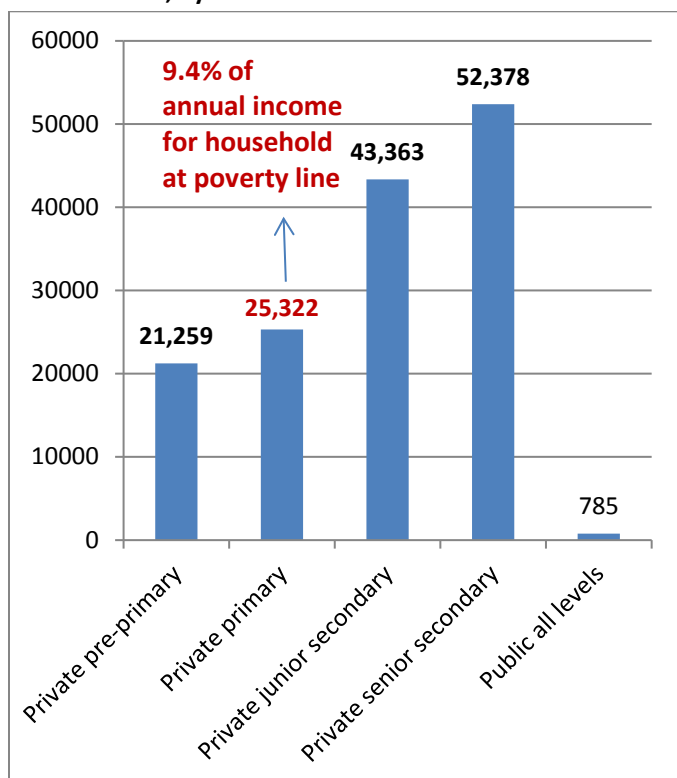
The costs incurred by households for private education services in Ajeromi-Ifelodun increase substantially between primary and secondary education. On average,

the annual cost (tuition and nontuition) of attending a private preprimary school in Ajeromi-Ifelodun is ₦21,259 (roughly US\$111). Fees grow to ₦25,322 (roughly US\$132) as a student moves to private primary school. The average cost of yearly tuition for a lower secondary school in Ajeromi-Ifelodun is ₦43,363 (roughly US\$227), an increase of 71.2 percent over the cost of primary school, and ₦52,378 (roughly US\$273) for the upper secondary level, an increase of 106.8 percent over the primary level (figure 22).

The international poverty line, as defined by the World Bank, is US\$2 per day, or US\$730 per year (per person). Converted to Nigerian Nairas, the poverty line is ₦135,013 per person per year. For a household with two working parents, the poverty line would thus be ₦270,026 per year.¹⁵ As seen above, the total average cost for sending one child to a private school in Ajeromi-Ifelodun is ₦25,322, or 22.4 percent of the annual income of a household at the poverty line.

¹⁵ A Lagos State household survey conducted in 2010 showed that the bottom 40 percent of the population in Ajeromi-Ifelodun earned less than ₦22,000 per

year (Härmä 2011). Corrected for 20 percent inflation through 2014, the figure becomes ₦264,000 per year.

Figure 22. Total Annual Private School Fees in Private and Public Schools, by Education Level

Source: Authors' research on private providers

Poor households in Ajeromi-Ifelodun are highly constrained by the cost of services and likely able to access only low-quality private schools.

Research on private schools for the poor has attempted to define the thresholds for what constitutes a “low-cost” private school. Tooley and Longfield (2013a,b) suggest that, since households in Sub-Saharan Africa tend to spend between 5 and 10 percent of their annual income on education expenses, private schools that charge less than 10 percent of household income to a family at the poverty line should be classified as low-cost.¹⁶

Following the above methodology, low-cost private schools would be defined as those charging less than

₦27,000 (US\$146) per year for all children in a given family to attend. We use three children per family as the standard, as the average family in Lagos has three children (Nigeria NBS, UNICEF, and UNFPA 2011). Thus, ₦27,000 per year for three children is ₦9,000 per child. As such, all schools in Ajeromi-Ifelodun charging less than ₦9,000 per student per year would be considered “low cost.” By this definition, 8.4 percent of the private schools in Ajeromi-Ifelodun can be considered low-cost private schools.

If we assume that a medium-cost school charges between 10 and 20 percent (Tooley and Longfield 2013a,b) of household income for a family at the US\$2 per day poverty line—that is, between ₦27,000 and ₦54,000 per year—then the range for medium-cost schools is between ₦9,000 and ₦18,000 in per student fees per year. Some 29 percent of all private schools in Ajeromi-Ifelodun fall into this “medium-cost” range.

A little over 62 percent of all private schools in Ajeromi-Ifelodun are consequently “high-cost” schools, that is, they charge tuition of more than ₦54,000 per student per year. For a family under 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.

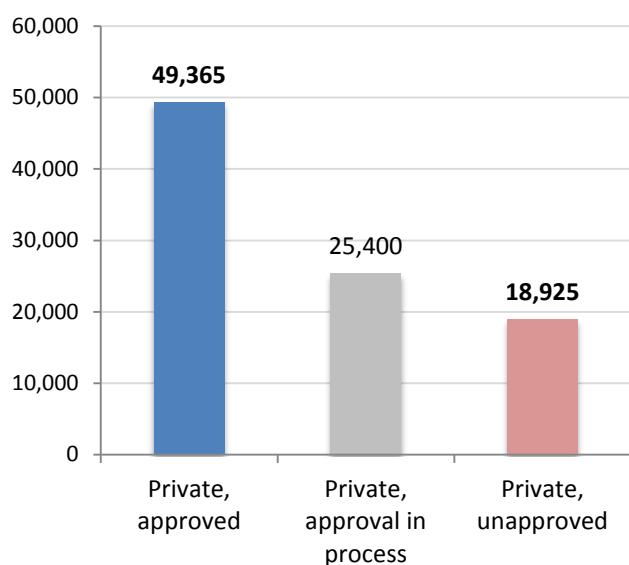
Although some research lauds the potential of an unregulated private school market to provide equitable opportunities for the poor (Tooley and Longfield 2013a,b), such an approach would raise serious concerns about accessibility. For example, poor households would only be able to choose among 19 percent of schools in Ajeromi Ifelodun (comprising both public schools and low-cost private schools), whereas the wealthiest students can choose from 100 percent of available schooling opportunities.

¹⁶ Schools must charge less than 10 percent of household income to enroll all children in the household.

The poorest students are also restricted in their ability to access the highest-quality schools. Unapproved private primary schools in Ajeromi-Ifelodun, for example, charge an average annual tuition fee of ₦18,925 (roughly US\$102), while approved private primary schools charge ₦49,365 (roughly US\$267), or more than twice the cost (figure 23).

In terms of equity, this poses great challenges for poorer households, who find it difficult to send their children to approved schools, given their high tuition fees. This is important, as shown above, because at least some rough proxies of school quality suggest that approved schools provide better educational opportunities to their students. Approved schools are much more likely to be inspected, meaning quality assurance occurs, and are much more likely to participate in national exams (and thus capable of advancing their students from primary to junior secondary school, and from junior secondary to senior secondary).

Figure 23. Annual Private School Fees, by Approval Status (₦)



Source: Authors' research on private providers

Determinants of school fees in Ajeromi-Ifelodun.

Stepwise multiple linear regression was used to study the effects of various education inputs on the tuition fees for preprimary, primary, and secondary schools. The results indicate that different factors contribute and explain preprimary, primary, and secondary tuition fees, with school registration status an important predictor of school fees overall.

Preprimary Tuition Fees. School registration is an important determinant that positively influences tuition fees. Schools that are registered or in the process of being registered have higher tuition fees than schools that are not registered. One standard deviation increase in schools whose registration has been approved results in an increase of tuition fees by a 0.32 standard deviation, and a one standard deviation increase in schools going through the registration process results in a 0.15 standard deviation increase, compared to their counterparts. Thus registered schools have higher tuition fees than nonregistered schools. School size (represented by the total number of students in a school) also positively increases tuition fees. Increasing the number of students by one standard deviation results in a 0.12 standard deviation increase in tuition fees. Finally, teacher certification also affects tuition fees. Schools where more than 40 percent of the teachers have a certification have tuition fees a 0.10 standard deviation higher than their counterparts. The Pupil-teacher ratio negatively affects tuition fees: that is, an increase in the ratio results a decrease in fees by a 0.15 standard deviation, reflecting that teachers in these schools are underpaid.

Overall, four key findings emerge from the analysis of school costs:

1. Factors that influence tuition fees differ across education cycles.
2. School registration influences tuition fees across the education cycle. Registered schools have higher tuition fees than their counterparts.
3. Other determinants that increase tuition fees include school size, number of students, teacher certification levels, and participation in national exams.
4. The pupil-teacher ratio is the only determinant that reduces tuition costs. However, this is only true for preprimary schools, where it has a significant effect on tuition fees.

Table 10. Determinants of Preprimary School Tuition Fees in Nigeria

Pre-Primary Tuition Fees	Beta	Coeffs.	Standard Error	T statistic
School is approved ^a	0.32	12,102.3	1,730.79	6.99***
School in process of approval ^a	0.15	3,114.4	922.10	3.38**
Pupil-teacher ratio	-0.15	-162.9	46.35	-3.52***
Number of students (school size)	0.12	10.5	4.20	2.51*
More than 40 percent teachers certified	0.10	21,30.9	884.65	2.41*
Constant	.	13,868.0	1,092.13	12.7***

Source: Authors' research on private providers

Note: a. Reference group is an unapproved school.

Primary Tuition Fees. Again, school registration is an important factor affecting primary tuition fees. Registered schools have higher fees compared to their counterparts (a 0.32 standard deviation increase when school registration is approved and a 0.15 standard deviation increase when school registration approval is in process). In addition, a one standard deviation increase in schools that conduct national examinations results in 0.09 standard deviation increase in tuition compared to their counterparts. An increase in school size (total number of students) increases tuition fees by a 0.15 standard deviation.

Table 11. Determinants of Primary Tuition Fees in Ajeromi-Ifelelodon

Primary Tuition Fees	Beta	Coeffs.	Standard Error	T statistic
Number of students	0.15	18.4	5.58	3.30***
School is approved ^a	0.32	17,025.4	2,402.24	7.09***
School in process of approval ^a	0.10	3,108.2	1,343.06	2.31*
School participates in national exam	0.09	2,758.8	1,315.32	2.10*
Constant	0.00	12,517.1	1,104.16	11.34***

Note: a. Reference group is unapproved school

Secondary Tuition Fees. In the case of secondary education, the only factor that influences tuition fees is whether or not schools are registered. A 1 standard deviation increase in registered schools results in a 0.58 standard deviation increase in tuition cost.

Table 12. Determinants of Secondary Tuition Fees in Nigeria

Secondary Tuition Fees	Beta	Coeffs.	Standard Error	T statistic
School is approved	0.58	20,547.13	3,136.62	6.55***
Constant	0.00	33,052.87	1,737.41	19.02***

III. Assessing Changes in the Education Market in Ajeromi-Ifelodun

The private education market in Ajeromi-Ifelodun is growing rapidly, seen in an increasing number of schools and rising enrollment since 2011.

In 2011 the U.K. Department for International Development (DFID) published the first comprehensive private school census carried out in Lagos State. The DFID and World Bank censuses share similarities, including data collected and disaggregated by the Last State LGA. Consequently, parts of both datasets can be compared and analyzed. The following section will show the evolution of the nonstate sector in Ajeromi-Ifelodun from the time of the comprehensive State government survey funded by DFID (Lagos State Government 2011a) to the World Bank private school census (2014) presented and analyzed in this report.

The DFID-funded school census identified 622 private schools in Ajeromi-Ifelodun in 2011, while the World Bank census identified 724 schools in 2014, indicating a significant increase in the number of providers over this three-year period.

Enrollments also grew between 2011 and 2014, with the number of preprimary students doubling from 18,330 to 37,678. The number of senior secondary students, however, decreased by 28.7 percent, from 6,005 students in 2011 to 4,283 in 2014. This confirms the trend that the private education sector mainly covers the early years of education, namely, the preprimary and primary levels, while public provision is still largely dominant at the secondary level.

While the number of pupils per classroom in approved schools increased by an average of two per classroom, it decreased by an average of eight per classroom in unapproved schools, pointing to a rapid mushrooming of these small private, unapproved schools. The number of qualified teachers working in nonstate schools increased by almost 3 percent between 2011 and 2014.

Some improvements have been made in terms of registration status of nonstate schools in Ajeromi-Ifelodun.

Between 2011 and 2014, the share of unregistered schools in Ajeromi-Ifelodun decreased from 50 percent to 43 percent, while the share of schools in the process of approval increased from 37 percent to 46 percent. These findings show that the registration status of nonstate schools in Ajeromi-Ifelodun has improved.

Another great improvement that can be observed between the 2011 and 2014 surveys is the number of schools that have undergone at least one inspection. In 2011 only 21 percent of the schools in Ajeromi-Ifelodun had ever been inspected, while 74.2 percent of the schools had been inspected by 2014—an increase of 53.2 percentage points. In addition to being an important tool for accountability in approved schools, school inspections are an important part of the school approval process.

Furthermore, the number of schools represented by a private school association has also increased by 2.8 percentage points and there are a growing number of private school associations. While only four schools had listed “other” types of associations in 2011, 99 schools did so in 2014, pointing to the fact that the number of actors and diversity of stakeholders has grown in between those years.

Table 13. Evolution of Private Schools, 2011–2014

Indicators	2011	2014	Change
No. of schools 622		724	+ 102
Enrollments			
Preprimary (PP)	18,330	37,678	+ 105.5 %
Primary (P)	44,770	44,428	- 0.8 %
Junior secondary (JS)	6,841	7,710	+12.7 %
Senior secondary (SS)	6,005	4,283	- 28.7 %
Distribution of schools by level			
PP, P	538	670	+ 24.5 %
JSS, SSS	42	90	+ 114.3 %
Pupils per classroom by approval status			
Approved	21	23	+ 2
Unapproved	18	10	- 8
All schools	19	17	- 2
Number of teachers			
Qualified	2,820 (51.1 %)	3,098 (54 %)	+ 2.9 %
Unqualified	2,698 (48.9 %)	2,635 (46 %)	- 2.9 %
School building ownership			
Granted for free	11 (1.78 %)	N/A	N/A
Owned	240 (38.9 %)	243 (33.7 %)	- 5.2 %
Rented	366 (59.3 %)	478 (66.3 %)	+ 7 %
Registration status			
Approved	73 (12.3 %)	78 (10.8 %)	- 1.5 %
In process of approval	221 (37.3 %)	332 (46.1 %)	+8.8 %

Not approved	298 (50.4 %)	310 (43.1 %)	- 7.3 %
Inspections			
Schools ever inspected	131 (21 %)	535 (74.2 %)	+ 53.2 %
Private school associations			
No. of schools part of an association	472 (78.8 %)	586 (81.6 %)	+ 2.8 %
NAPPS	102 (21.6 %)	87 (14.8 %)	- 6.8 %
AFED	330 (69.9 %)	368 (62.8 %)	- 7.1 %
League of Muslim School Proprietors	36 (7.6 %)	32 (5.5 %)	- 2.1 %
Others	4 (0.8 %)	99 (16.9 %)	+ 16.1 %

Sources: Source: Authors' research on private providers and Lagos State Government 2011a

IV. Summary of Findings from Ajeromi-Ifelodun

It is clear that the private sector is making a substantial contribution to the delivery of primary and secondary education services in Ajeromi-Ifelodun. While our findings do not generalize to the country level, they contribute valuable information on the education market in one particular densely populated and rapidly growing urban area in Nigeria. Additionally, the commonalities that exist between this research and other case studies on different parts of the state suggest that these findings may be indicative of certain larger trends occurring within the education sector in Lagos State.

A number of points should be made regarding what we know and what we still don't know, based on the research in Ajeromi-Ifelodun. These points are summarized below:

What we know:

- **Population growth** is causing rapidly increasing demand for education in Ajeromi-Ifelodun.
- **Government supply** of primary and secondary education services lags behind the LGA's rapid population growth.
- As a result of this undersupply, the **private sector has expanded** to meet the unmet demand for education.
- Many nonstate schools in Ajeromi-Ifelodun are unregistered, confirming that **registration criteria for market entry are too strict** and that the policy environment does not cater to market needs.
- There is insufficient information to draw conclusions about the **quality of education** in private schools, and how it might compare with public schools. However, some proxies of school quality suggest that the private schools most affordable for the poor are likely to be on the lower end of the quality spectrum.
- There are differences in the respective student populations being served by public schools and low-, medium-, and high-cost private schools. **Government schools and low-cost private schools mostly serve students living under the poverty line.**
- For the poorest households, **accessibility to educational opportunities is highly constrained by cost.**

What we still do not know:

- We do not have enough reliable information on the **quality** of education being provided by private schools in Ajeromi-Ifelodun, and in Lagos state more widely. 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 is also important to learn whether or not private school quality, as measured by student learning outcomes, is conditioned on cost.

- There is no information on how well private schools serve **children with disabilities** and other students with **special needs**. This is a significant issue, as large shares 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 to meeting the demands of these at-risk groups.
- While we know that teacher costs in the private sector are substantially lower than in the public sector, we don't know what potential implications this has for the **quality of teachers** and the teaching forces 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? What potential implications might this have for education quality?

As evidenced by the preceding discussion, what we have learned about the private education sector in Ajeromi-Ifelodun, and in Nigeria more broadly, has merely scratched the surface of what education stakeholders would like to understand. This research is not intended to provide an exhaustive investigation of the contributions of the private education sector, but rather, to offer a starting point for continued inquiry into a holistic Nigerian education system (consisting of both public and private schooling opportunities). Much remains to be learned about how best to provide

unilateral access to high-quality education services to all children and youth in Nigeria. The questions and issues posed above offer guidance on the types of research that could carry forward our understanding of the education markets in Lagos.

The Regulatory Environment

I. Current Policies Regulating the Private Education Sector of Lagos

This section analyzes current policies in place that regulate the private education sector in Lagos State, Nigeria, the degree to which these policies are implemented and whether additional barriers to the sector exist beyond official policies.

The data collection process for this section included a review of policies regulating nonstate education providers and the implementation of those policies. SABER-EPS collects data on four key policy areas that international evidence has found effective for strengthening accountability mechanisms among citizens, policymakers, and providers. These policy goals were identified through a review of rigorous research and analysis of top-performing and rapidly improving education systems;¹⁷ they are effective mechanisms for guiding governments to raise incentives and accountability for the provision of high-quality education services in their countries. For each policy goal, 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 accepted as a desirable minimum outcome for each policy goal. Beyond this, it is advised that countries aspire to the *Advanced* level in those areas that most contribute to their national vision and/or priorities for education.

At the level of policy intent, countries are scored expressly on their laws, policies, and other officially-documented regulatory norms. The findings are based

on reviews of the following official policy documents in Lagos State:

- Guidelines for Public and Private Schools in Lagos State 2011
- Guidelines on the Establishment and Operation of Private Nursery, Primary, Secondary and Vocational/Remedial Schools in Lagos State
- National Policy on Education 2004
- Child Right Act (2003)
- Universal Basic Education Act 2004

For more details on the methodology used in this section, please see appendix 2.

It is clear that the private education policies in Lagos establish a legal basis for independent private schools, that is, those that are owned, operated, and financed completely by nongovernment providers. Lagos State does not provide direct financial incentives to parents sending their children to private schools. However, legislation does stipulate that the state Ministry of Education provide support to private sector schools in terms of inspection services, teacher development plans, equipment, testing of children, state-funded research and technical, and operational support that might affect families indirectly.

In Lagos, education policies allow for a high degree of school-level autonomy in terms of decisions about resources, personnel, and how the curriculum is delivered.

Effective provision requires giving schools decision-making power over the factors shown to be important in

¹⁷ 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. 2014).

delivering high-quality education. In Lagos State, education policies allow independent private schools a high degree of school-level autonomy. Policy provides no restrictions on the setting of teacher wages, with decisions made at the school level. However, the regional government does set private schools' class sizes. According to section 10 of the Guidelines for the Establishment of Private Schools in Lagos State (Lagos State Government 2011b), "The school shall employ adequate number of teachers at all times to cater for pupils, and the ratio of teacher to pupils per class shall be 1:25 in the nursery, while it shall not be more than 1:35 for both primary and secondary levels."

Private schools in Lagos have a high degree of autonomy in key personnel decisions beyond setting salary levels. These schools are free to appoint, redeploy, and dismiss teachers, as needed, without restrictions. However, section 10 of the abovementioned guidelines requires teaching staff to be professionally qualified, with official teacher training diplomas.

Even though private schools have *de jure* authority over curriculum delivery, they must adhere to the prescribed national curriculum content, which sets the clear framework under which the curriculum is taught in private schools. In addition to section 10 of the guidelines identified above, a regulation of the Education Act of 2008 also requires independent private schools to follow centrally mandated teacher certification standards in order to maintain their active registration. Both of these policies act to restrain private school autonomy. International education research shows that teacher credentials, including years of experience, certification, and education levels, 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 between the two

(Hanushek and Woessmann 2010; Bruns, Filmer and Patrinos 2011).

In terms of establishing private school accountability to the government, Lagos State policies represent relatively good practice. Schools are required to take part in standardized exams, but confusion remains about the inspection regime.

According to article 7(a) of the Guidelines for Public and Private Schools in Lagos State (Lagos State Government 2011b), "[T]he curriculum shall be geared towards achieving the state government policy on curriculum for all aspects and levels." Further, article 7(f) adds, "Schools and institutes shall provide for continuous assessment of their pupil/students."

The guidelines stipulate that "periodic inspection, monitoring, and supervision" should be conducted by the Lagos State Ministry of Education (MoE) Quality Assurance Department (i.e., education inspectorate). However, the guidelines do not specify how often these inspections should take place.

Part 3 of the same guidelines describes how schools should be graded as part of the inspection process; the mechanism is the shared responsibility of the MoE QA (inspectorate) and the schools themselves. Policy requires a school's strengths and weaknesses be included in the inspection follow-up report, as shown in table 14.

Table 14. Grading Mechanism for Private Schools in Lagos

Grade	Description
A	Schools providing education comparable to that provided by schools that employ best national and international practice. These are leading state and federal government schools, international schools, and private schools whose students excel in evaluations of national and international curricula.
B	Schools that provide sound education to a broad range of students and have adequate infrastructure and resources. Curriculum provision should follow the Nigerian curriculum.
C	Low-cost schools that provide functional education for low-income communities whose children often live within walking distance. Annual fees (tuition and other) must not exceed ₦50,000. This figure may be adjusted periodically in line with prevailing economic criteria.

Source: Guidelines for Public and Private Schools in Lagos State (Lagos State Government 2011b)

Ultimately, the state has authority over the fate of a school following an inspection. Indeed Article 19 of the Guidelines for Public and Private Schools in Lagos State underlines that inspections can result in the closure of a school by the Honorable Commissioner of Education “if/when any of the existing guidelines and regulation is contravened” (Lagos State Government 2011b).

Parents have difficulty accurately assessing school quality due to a lack of systematically available information.

Article 21(d), (e), and (f) of the above-cited guidelines outlines the government’s role in providing information to parents. The guidelines stipulate that information must be available to parents and be made public on the ministry’s website. Information may also be advertised by the school, “included on their notice boards, letter-headed paper and other external branding documents and artifacts.” However, no policies have been found that address whether or not parents and students should be part of the inspection process.

Lagos State does not provide any support to families whose children attend private schools. As noted earlier, Article 20 of the cited guidelines does state that the MoE will provide support to private schools in terms of inspection services, teacher development plans, equipment, testing of children, state-funded research, and technical and operational support. This type of regulation may impact families, but only indirectly.

Excessive registration criteria and fees hinder the state’s ability to adequately regulate private schools and facilitate quality outcomes.

Although the state of Lagos officially allows all types of private education providers to operate, the legislation governing the market entry of new providers is restrictive. Article 5.2 of the above-cited guidelines outlines the requirements for the creation of a primary school and article 5.3, of a secondary school. These articles set criteria that are not linked to education outcomes and restrict the market entry of new providers via land and facilities requirements. Furthermore, according to a DFID study, non-state schools in Lagos State are able to operate only when they have paid four fees (Adelabu and Rose 2004). Table 15 outlines the number and amount of compulsory fees that schools must pay in order to operate.

Table 15. Fees Required to Create a New School in Lagos State (₦)

Fee	Cost in ₦
Name search	5,000
Purchase of form	15,000
Pre-inspection	5,000
Approval	25,000
Annual renewal	15,000–100,000

Source: Adelabu and Rose 2004.

Even though market entry for new providers is burdensome and restrictive, once they have done so, private independent schools may set their own tuition

fees—subject to review by the state government. Article 16(e) of the same guidelines notes, “[T]he Honorable Commissioner of Education may give official, general, or specific directives on approved fees as may be deemed fit.” Furthermore, paragraph (c) adds that schools are not allowed to increase their fees during an academic year.

II. Critical Discrepancies between De Jure and De Facto Policies in Lagos State

Discrepancies exist between policy intent and the existing situation at the school level. Policies outline a number of stipulations that are either not implemented or adhered to in practice at the school-level in Ajeromi-Ifelodun.

Decision making power at the school level is important for promoting school autonomy and encouraging the delivery of quality education.

Education delivery necessitates decision making at the school level. Lagos State policy on class size is implemented and occurring in practice. The policy states that the ratio of pupil-teacher to pupils per class shall be 25:1 at the pre-primary level and not more than 35:1 at the both primary and secondary levels. In Ajeromi-Ifelodun, 92 percent pre-primary schools have a ratio of 25:1 or less; some 93 percent of junior secondary and 91 percent of upper secondary schools have a ratio of 35:1 or less, showing that practice does correspond to existing policies. However, in terms of teacher standards, only 49 percent of teachers in all private schools in Ajeromi-Ifelodun were certified, while state legislation requires all teachers to be professionally qualified. Only 47 percent of primary school teachers in non-state schools were certified. Therefore, in practice, schools in Ajeromi-Ifelodun have relative autonomy in practice with respect to teacher hiring and qualifications.

In terms of holding schools accountable, some differences exist between the policy intent and reality at the school level in Ajeromi-Ifelodun.

In terms of holding schools accountable, international best practice indicates that a strong accountability system requires government, parents, and educational professionals to work together to raise outcomes. The government must play a role in ensuring that superior education quality is delivered by schools; specifically, it ensures what students must learn and by when. While Lagos State policy specifies that the government shall play a key role in determining what students learn, only 60.6 percent of the schools in Ajeromi-Ifelodun participate in national or state examinations. Furthermore, a strong accountability system is rooted in an inspection system where the government, or the relevant government agency, inspects schools as determined by school need. While inspections are required by regulation in Lagos State, even though no term is specified, approximately 25.8 percent of schools have never been inspected in Ajeromi-Ifelodun. Another 17 percent were inspected more than two years prior to the 2014 survey conducted for this report. There is clearly a great gap between what the policy requires and what is practiced, as well as differences in how schools are included in the inspection system.

Quality learning opportunities for all students can be achieved by empowering parents, students, and communities. While legislation governing this policy goal indicates latent practice, results show some discrepancies at the school level.

While legislation in state requires that school information be made publicly available, including to parents, 42.6 percent of schools in Ajeromi-Ifelodun reported that school performance was not communicated to parents. As noted earlier, the state government does not provide tax subsidies to families whose children attend private schools, indicating a lack

of government response to equity challenges in the non-state education sector. The school survey in Ajeromi-Ifelodun accordingly found no indication that parents receive any type of government funding.

The education market has reacted to the lack of public supply, but the lack of clear, open, affordable, and unrestrictive certification standards has led to discrepancies between non-state providers in Ajeromi-Ifelodun.

As previously discussed, the supply of private education in Lagos State and Ajeromi-Ifelodun is not a problem. State policy allows all types of school providers to operate and all types have been found by the school survey in Ajeromi-Ifelodun. This evidence indicates that the market has responded to the lack of public supply, resulting in a very high enrollment rate in the state as a whole. However, the policies governing the approval of non-state schools have already been identified as a

challenge. Even though state registration regulations clearly outline that all private schools should be certified (i.e., approved) and comply with strict market entry requirements, 89.2 percent of these schools remained uncertified or in the certification in process as of 2014. In these terms, there is a great discrepancy between what is required by state legislation and what is happening in practice. The education market has responded to the demand for education services, but most of the private schools in Ajeromi-Ifelodun and Lagos State in general are not fully integrated into the education system, highlighting quality and equity challenges. Furthermore, state legislation requires that schools pay more than four types of fees to operate, but only 0.8 percent of the schools in Ajeromi-Ifelodun pay at least four. While this is an encouraging sign—showing that schools incur a smaller financial burden to operate than anticipated—it still highlights that legislation is not being followed at school level.

Table 16. Private Schools: Discrepancies between Policy and Practice

De Facto		De Jure ^a
Encouraging innovation by providers		
Teacher standards	Lagos State requires teachers to have official teacher training diplomas	Certified teachers by level: PP= 37 %; P = 47 % JS = 55 %;UP = 57 % Average = 49 %
Pupil-teacher ratio	25:1 in pre-primary, not more than 35:1 for both primary and secondary levels	92 % pre-primary schools = 25:1 or less 93 % junior secondary and 91 % upper secondary = 35:1 or less
Holding schools accountable		
Learning standards	Government sets standards on what students learn and by when	60.6 percent of the schools participate in national/state exams
Inspections	Inspections are mentioned in policy, but no term is specified	25.8 percent of the schools had never been inspected 17 percent had been inspected more than 2 years prior
Empowering all parents, students and communities		
Performance data	Information must be made publicly available, including to parents	42.6 percent of the schools reported that school performance was not communicated to parents
Government subsidies	Government does not provide tax subsidies to families whose children attend private schools	No indication of any government subsidies for households
Promoting diversity of supply		
School certification	All schools certified	89.2 percent of schools are uncertified or in certification process
School fees	Schools must pay 4 + types of fees to operate	Less than 1 percent of schools pay 4+ fees
Types of providers	All types of providers allowed	All types allowed in Lagos

Notes: a. Discrepancies between policy intent and implementation might well exist in the public system also, but such an examination is beyond the scope of this study. PP – pre-primary school; P – primary school; JS – junior secondary school; US – upper secondary schools.

Policy Recommendations

Lagos State currently faces educational challenges in four areas that require improvement, namely, access, quality, equity, and affordability. The private sector could help the government move some way towards meeting these goals. The recommendations are catered to the specific education context of Lagos State and are grouped into six (6) key areas with select country examples provided for further guidance:

- Establish priorities for policy interventions.
- Ensure that private schools are registered to further system accountability and promote learning.
- Encourage partnerships and innovative models to include unregistered schools in the education system.
- Target subsidies to low-income households.
- Promote quality through inspections and improvement plans.
- Strengthen data collection and information flows.

Recommendation 1: Establish priorities for policy interventions.

The policy interventions recommended in this chapter target specific challenges facing the education system in Nigeria, namely, safeguarding access, improving quality, ensuring equity, and delivering cost efficiency. As such, this report suggests that the government of Lagos State sequence its policy priorities in a manner that best aligns with the political and financial realities of its system. Improving the availability and accuracy of national data on the entire education sector is, however, imperative for effectively addressing any challenge in the long term, especially because population growth will continue increase the demand for education. It is thus recommended that the government of Nigeria immediately take steps to improve the availability of

both supply-side and demand-side data to better understand the current barriers, and thus necessary solutions, to education access and quality.

On the supply side, national data should be regularly collected on the number and location of all government and nongovernment schools in the country. Additionally, the government should make efforts to collect accurate data on the infrastructure and operating costs of both public and private schools.

On the demand side, more effective regulation of and support for private education providers would be greatly enhanced by data on the school choice motivations of households. Obtaining information from families on what drives their choice of schools (e.g., cost, proximity, quality, curriculum, safety, etc.) would allow the national government to develop more effective education programs involving both state and non-state providers. For example, providing cash transfers or vouchers to students will not influence enrollment if all schools are too far from students' home. Likewise, building schools close to residential areas will not result in higher enrollment if the financial costs of attendance are too high.

Recommendation 2: Ensure that school registration criteria enables safe learning environments and prioritizes high quality teaching and learning.

Observations made in this report highlight an improvement in terms of the registration of private schools and their inclusion in the education system. The government of Lagos State could further improve both access to private schools and the quality of education that they provide by linking school approval and certification legislation to educational outcomes.

In existing regulation, strict requirements on school facilities, land, capital, and staffing emphasize inputs rather than learning processes and outcomes. Easing current requirements for infrastructure and land could enable more private schools to become approved, providing students greater access to standardized exit examinations, expanding private schools' access to financing, enabling support for school quality assurance, and making private schools more accountable for their results.

Existing research already indicates that a majority of private schools in Lagos State are not registered. The survey conducted in Ajeromi-Ifelodun and the findings discussed in this report confirm this situation. Indeed, out of the schools surveyed in the LGA, 11 percent declared that their registrations had been approved, 46 percent reported being in the process of approval and 43 percent declared that they were not registered.

Non-state schools are also required (in theory) pay five types of fees to operate. These fees cover the costs of, respectively, a name search, the purchase of forms, pre-inspection, approval, and annual renewal. By easing its criteria for school registration as noted above, the state could support the market entry of a more diverse set of providers and increase both school numbers and education provision. Regarding fees, the school survey conducted in Ajeromi-Ifelodun found that only 2.8 percent of the schools were paying three or more types of fees per year. This finding reinforces the suspicion that there is a lack of incentives for nonstate to become registered, especially as the number required of fees mandated by Lagos State legislation is very high—even compared to other states in Nigeria (Adelabu and Rose 2004). The government of Lagos State could ease the number of required fees that schools must pay to operate, therefore allowing more existing schools to become registered.

Access to finance is problematic for private schools in Ajeromi-Ifelodun, with 18 percent of private schools having been rejected for a loan. In 41 percent of these cases, the primary reason was insufficient collateral. In 29 percent of cases, being an unapproved school was the reason.

Easing registration criteria on private schools would help those that have been rejected for a bank loan precisely because they were not officially registered and/or approved. The state government could also develop initiatives to inform schools about financing mechanisms as a complement to easing registration requirements and reducing the number of required registration fees. Such additional initiatives would aim at moving nonstate schools into a virtuous circle of registration and access to sound financing.

Country example:

In the UK, the government clearly outlines guidelines for creating a new publicly funded, privately managed school, known as a Free School. A separate nongovernmental organization, the New Schools Network, was also established to provide advice and guidance on how to successfully do so (UK DfE 2016).

Recommendation 3: Encourage partnerships and innovative models to increase the number of approved schools while keeping costs down.

To tackle the dual goal of including private schools in the education system through increased school registration and implementing targeted subsidies, the government could encourage partnerships among different schools. Partnerships would enable private schools to pool assets and cooperate in creating larger, more efficient schools to respond to the demand for private, low-cost education. The data collected in Ajeromi-Ifelodun pointed to the existence of small schools with a mean

pupil-teacher ratio of 16:1, compared to 74:1 in public schools.

The government could specifically favor partnerships between schools and private stakeholders such as school associations. These stakeholders could act as communication agents, promoting partnerships and a quality private school market to parents and communities in an easily accessible manner. The aim here is not to promote school chains, but to encourage innovative models that can provide quality education services.

Recommendation 4: Target subsidies to low-income households.

Lagos State Government could empower poorer households at a relatively low cost by targeting resources in the form of vouchers or conditional cash transfers to less affluent families, enabling them to access quality education services.

Evidence from Ajeromi-Ifelodun and household budget surveys show that parents from lower socioeconomic backgrounds pay a higher proportion of their incomes for their children to attend either public or private schools. There is also a lack of supply and/or poorly performing schools in many deprived areas. Experiences from around the world have demonstrated that effective use of targeted interventions allow underserved populations to access education services provided by both public and private schools. For example, vouchers targeted to low-income students in Colombia that allowed the students to choose any school raised student test scores, increased completion rates, and decreased repetition rates (Angrist et al. 2002). Effective targeting is critical for supporting equity and quality.

The government of Lagos State needs to carefully consider how vouchers and/or scholarships will be targeted, whether by proxy measures, community

ranking, or self-selection. Each method has advantages and disadvantages and needs to be tailored to the Lagos context. The institutional arrangements to implement vouchers and/or scholarships are also equally important for ensuring that support effectively reaches the poorest students. The government may also consider establishing government-funded private schools in districts where non-state schools have particularly poor performance and link 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 a voucher to private schools was one-third of the cost of delivering the same education in public schools. This cost difference was due to lower teacher salaries, albeit was offset by the fact that private schools hire more teachers and have smaller class sizes and less multigrade 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 scholarships are awarded to the targeted student group 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 programs. 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 were 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 (targeted low-income students first, then awarding scholarship based on merit) might be preferable (Barrera-Osorio and Filmer 2013).

In Bogota, Columbia 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 qualify for continued government funding. Rigorous impact evaluations have demonstrated positive results (Barrera-Osorio 2006).

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 multisubject 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 superior 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).

Recommendation 5: Promote quality through school inspections and school improvement plans.

Strong accountability systems consist of more than minimum standards; they also require mechanisms to continually improve school performance. A review of quality assurance and school monitoring systems across eight Asian Pacific countries found that a number of countries go beyond basic minimum standards and effectively use accountability mechanisms to ensure continual improvement (Mok et al. 2003). The Office for Education Standards in Education (Ofsted) in England, the Education Review Office in New Zealand, and the National Inspectorate in the Netherlands have all moved to a risk-based inspection approach, which allows schools that are performing well and continually improving to undergo less frequent inspections, while

schools performing below standard are inspected more frequently and rigorously (Onderwijs Inspectie 2010). This approach reinforces accountability relationships at two levels: it provides autonomy to superior performers and targets accountability to schools in greatest need. An effective inspection process, including appropriate follow-up, can be an important means of school improvement. Inspection frameworks should outline the strengths and weaknesses of schools as well as priorities for improvement. Improvement planning can facilitate positive change as a school strives to deliver better educational outcomes for all students. Sanctions and rewards can then be used to reinforce the accountability mechanism.

Inspections should outline priorities for improvement, which should be more closely linked to school improvement plans. Strengthening the role of inspectors would help ensure that school action and/or improvement plans are submitted and enacted to facilitate change at the school level.

To raise the accountability of private schools, Lagos State could ensure that inspections are focused on schools that need the most scrutiny. This means revising inspection procedures so that underperforming schools are visited more frequently and high-performing schools only inspected on a longer-term basis. The Guidelines for Public and Private Schools in Lagos (Lagos State Government 2011b) describes a mechanism for grading schools. The lowest grade indicates that the grading system considers the type of school and the community it represents in its results. Indeed, this grade refers to “[l]ow-cost schools providing functional education for low-income communities, whose children are often within walking distance of the school.”

Recommendation 6: Strengthen data collection and information flows.

Improving state-level data collection is important for the success of all policy decisions. Improving the availability and accuracy of data on the entire education sector is imperative for effectively addressing education challenges in the long term, especially because population growth will continue to shift the demand for education.

Based on current policies, Lagos State could increase the information on school quality provided to parents on school quality. Central governments ought not to be the only monitors of school performance. Access to comparative information could also enable parents and students to have increased choice and influence through direct voice to providers. School report cards can provide quality information in one place, allowing parents to easily compare schools in their area. Such information usually includes school demographics, classroom assessment results, examination results, and inspection reports. Evidence from Pakistan found that school report cards improved learning outcomes by 0.1 standard deviations and reduced fees by almost 20 percent. The largest learning gains (0.34 standard deviations) were for initially low-performing (below median baseline test scores) private schools, with the worst of these more likely to close (Andrabi, Das, and Khwaja 2009).

In Lagos State, a mechanism could be created to inform communities about school results, performance, and inspections, as well as other information of interest to parents and communities.

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).

In Andhra Pradesh, India, the Vidya Chaitanyam intervention used citizens to monitor schools and advocate for higher-quality service delivery by government and nongovernment providers of basic education. This initiative was intended to strengthen the oversight function in the state, given a lack of capacity in

local education offices responsible for carrying out school inspections. The program used members of women's self-help groups, who were often illiterate and semi-literate, to assess the quality of basic education provision through the use of school scorecards. Scorecard results were then shared with district officials, the local school management committee, and at local meetings of the women's self-help groups (Galab et al. 2013).

Increasing the flows of information on private school costs and performance can empower households and communities to select among multiple providers and influence the quality of services available. Obtaining accurate information on household demand and capacity to pay for fee-based education services can help the state target available resources to students with the greatest need.

The school survey results from Ajeromi-Ifelodun highlighted rapid population growth and high population density. The private education sector's role is often underestimated as a majority of schools in the local government area are unregistered. The state government's ability to increase its information on where private schools are currently operating and their operating costs, and then match this information to population trends, is crucial. Improving this information will require much greater dialogue between the government and the private sector and 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 school. Such data would allow the government to ensure that the education system better meets the needs of its citizens.

Appendix 1: Private Sector in Ajeromi-Ifelodun, Lagos State—Methodological Approach

Introduction and Method

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

To this end, school-level surveys were administered research was carried out between January and June 2014 to develop a better understanding of the market and operating environment in which the private education sector currently works.

Snowball and Respondent-Driven Surveying

One of the primary aims of this study was to carry out a census of the school market in Ajeromi-Ifelodun. This effort required accurate identification and location of each public and private primary and secondary school in the city. The first step entailed identifying the borders of Ajeromi-Ifelodun, using the existing census enumeration boundaries. Next, data was obtained on all the existing public schools and all the known (approved and unapproved) private schools within these boundaries—using existing data from the Ministry of Education database. All previously known schools were then identified, located digitally on the map with exact GPS coordinates, and used as starting reference points.

These previously known schools were visited first, and 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 locate additional subjects. In our sample, school heads were asked to identify their three nearest competitors, thereby identifying other neighboring institutions (box A1.1). The census was completed once all public and private schools within the identified enumeration area had been identified. This technique, which is often used to identify hidden populations, worked well because many schools were not currently represented in official records.

Box A1.1 Snowballing Steps in Locating Private Schools

- Identify schools from official central government records, municipality information, associations member lists (likely 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 move on to schools in reach.
- Continue snowballing with contacts to gain more stakeholders, if necessary.

Ensure a diversity of contacts by widening the profile of persons involved in the snowballing exercise.

The team trained local enumerators to conduct the field work. The field work included (1) locating and identifying the GPS coordinates for private and public schools (this mapping could prove very useful in planning future education projects in the country) and (2) completing a survey in coordination with local private school associations. A team of field researchers (a team advisor, a supervisor, and four enumerators), together with a World Bank senior education specialist conducted a full pilot in Ajeromi-Ifelodun in December 2013. During this pilot, previously known schools were used as reference

points and, through the use of snowballing, the team moved around systematically locating private schools in the area. For these schools, the GPS coordinates were recorded.

In total, 724 private schools in Ajeromi-Ifelodun were identified and surveyed. Of the existing 71 government schools in the Local Government Area, 30 were randomly selected and surveyed.

Appendix 2. Regulatory Environment— Methodological Approach

SABER-EPS assesses the extent to which policies facilitate quality, access, and equity of private education services. It is intended that SABER-EPS support governments in establishing regulatory environments that contribute to a unified national effort towards improving 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 the accountability mechanisms between citizens, policymakers, and providers (see box A2.1). These policy goals were identified through a review of rigorous research and an analysis of top-performing and rapidly improving education systems;¹⁸ they are effective mechanisms for guiding governments to improve 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 in 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 that 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 market entry by 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 undertake numerous strategies to support non-state education provision with the goal of improving education outcomes. SABER-Engaging the Private Sector benchmarks the key policy goals across the four most common models of private service delivery:

¹⁸ 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. 2014).

1. **Independent private schools:** schools that are owned and operated by nongovernment providers and are financed privately, typically through fees.
2. **Government-funded private schools:** schools that are owned and operated by nongovernment providers, but receive government funding.
3. **Privately managed schools:** schools that are owned and financed by the government, but operated by nongovernment providers.
4. **Voucher schools:** schools chosen by students to whom the government provides funding; voucher schools can be government or nongovernment 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 and implementation of those policies regulating non-state education providers. 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 accepted as a desirable minimum outcome for each policy goal. Beyond this, it is advised that countries aspire to the *Advanced* level in those areas that most contribute to the national vision or priorities for education.

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

- Guidelines for Public and Private Schools in Lagos State
- Guidelines on the Establishment and Operation of Private Nursery, Primary, Secondary and Vocational/Remedial Schools in Lagos State
- National Policy on Education 2004
- Child Right Act (2003)
- Universal Basic Education Act 2004

For policy implementation, countries are scored through surveys of school providers, who describe the ways in which policies are actually practiced in their schools. Data for the policy implementation benchmarking was gathered via surveys of a random sample of schools in Ajeromi-Ifelodun, using the same questionnaire tool used to measure policy intent.

Benchmarking levels

Figure A2.1 SABER Rubric Benchmarking Levels



Source: World Bank 2013.

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

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, but aspire to levels beyond that only in those areas that most contribute to the national vision or priorities for education. 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 to create an overall rating for engaging the private sector.

Acknowledgments

This SABER-EPS in-depth country report was prepared by Husein Abdul-Hamid, Donald Baum, Hugo Wesley, and Oni Lusk-Stover, with critical and timely inputs from Minju Choi and Wenna Price. Additional team support was provided by Rachel D. Cooper and Kanupriya Misra. The report benefited from the guidance and support of the SABER Secretariat: Jessica Cross Seely, Jung-Hwan Choi, Peggy McInerney, Cassia C. Miranda, Tara Danica Siegel and Qianjing Wang. The report presents country data collected by Ms. Abiola Lawal using the SABER-EPS policy intent data collection and provider survey instruments.

The report was prepared in consultation with the Government of Nigeria and the Lagos State Government under the guidance of the World Bank Education Nigeria Team. The SABER-EPS team gratefully recognizes the support, suggestions, and feedback of the World Bank Education Nigeria Team led by Dr. Olatunde Adetoyese Adekola. The SABER-EPS team acknowledges the support of all who have contributed to the report. Any inaccuracies are the sole responsibility of the authors.

The SABER-EPS team would also like to thank the United Kingdom Department for International Development (DFID) for its ongoing support of the Education Markets for the Poor research study in the region.

References

- Abdulkadiroğlu, A., J. D. Angrist, S. M. Dynarski, T. J. Kane, and P. A. Pathak. 2011. "Accountability and Flexibility in Public Schools: Evidence from Boston's Charters and Pilots." *The Quarterly Journal of Economics* 126 (2): 699–748.
- Adelabu, M., and P. Rose. 2004. "Nigeria: Study of Nonstate Providers of Basic Services. World Bank, Nigeria Office, Abuja?
- Andrabi, T., J. Das, and A. Khwaja. 2009. "Report Cards: The Impact of Providing School and Child Test Scores on Educational Markets." Policy Research Working Paper 7226. Human Development and Public Services Team, Human Development Network, World Bank, Washington, DC.
- Angrist, J., E. Bettinger, E. Bloom, and E. King. 2002. "Vouchers for Private Schooling in Colombia: Evidence from a Randomized Natural Experiment." *American Economic Review* 92 (5): 1535–58.
- Barrera-Orsorio, F. 2006. "The Impact of Private Provision of Public Education: Empirical Evidence from Bogotá's Concession Schools." World Bank Policy Research Working Paper 4121. Education Unit, Human Development Network, World Bank, Washington, DC.
- Barrera-Orsorio, F., and D. Filmer. 2013. "Incentivizing Schooling for Learning Evidence on the Impact of Alternative Targeting Approaches." World Bank Policy Research Working Paper 6541. Development Research Group, Human Development and Public Services Team, and Education Team, East Asia and Pacific Region, World Bank, Washington, DC.
- Barrera-Orsorio, F., H. A. Patrinos, and Q., Wodon, eds. 2009. *Emerging Evidence on Vouchers and Faith-Based Providers in Education: Case studies from Africa, Latin America, and Asia*. Directions in Human Development Series. Washington, DC: World Bank.
- Barrera-Orsorio, F., and D. Raju. 2010. "Short-Run Learning Dynamics under a Test-Based Accountability System: Evidence from Pakistan." World Bank Policy Research Working Paper 5465. Education Unit, South Asia Region, and Education Unit, Human Development Network, World Bank, Washington, DC.
- Barro, R. J., and J.-W. Lee. 2012. "A New Data Set of Educational Attainment in the World, 1950–2010." *Journal of Development Economics* 104 (September): 184–98.
- Baum, D., L. Lewis, O. Lusk-Stover, and H. A. Patrinos. 2014. "What Matters Most for Engaging the Private Sector in Education: A Framework Paper." SABER Working Paper 8. SABER, Education Global Practice, World Bank, Washington, DC.
- Björkman, M. 2007. "Does Money Matter for Student Performance? Evidence from a Grant Program in

- Uganda.” IGIER (Innocenzo Gasparini Institute for Economic Research) Working Paper 326. Bocconi University, Italy.
- Bruns, B., D. Filmer, and H. A. Patrinos. 2011. *Making Schools Work: New Evidence on Accountability Reforms*. Washington, DC: World Bank.
- Carnoy, M., A. K. Gove, S. Loeb, J. H. Marshall, and M. Socias. 2008. “How Schools and Students Respond to School Improvement Programs: The Case of Brazil’s PDE.” *Economics of Education Review* 27 (1): 22–38.
- Carnoy, M., and S. Loeb. 2002. “Does External Accountability Affect Student Outcomes? A Cross-State Analysis.” *Educational Evaluation and Policy Analysis* 24 (4): 305–331.
- CERCA (Civic Engagement for Education Reform in Central America). 2006. “CERCA School Report Card: Communities Creating Education Quality.” Academy for Educational Development, Washington, DC. Available at <http://files.eric.ed.gov/fulltext/ED520080.pdf>.
- Coulson, A. 2009. “Comparing Public, Private, and Market Schools: The International Evidence.” *Journal of School Choice* 3: 31–54.
- De la Croix, D., and M. Doepke. 2009. “To Segregate or to Integrate: Education Politics and Democracy.” *The Review of Economic Studies* 76 (2): 597–628.
- Di Gropello, E., and J. H. Marshall. 2005. “Teacher Effort and Schooling Outcomes in Rural Honduras.” In *Incentives to Improve Teaching*, ed. E. Vegas, 307–56. Washington, DC: World Bank.
- Dobbie, W., and R. G. Fryer. 2011. “Are High-Quality Schools Enough to Increase Achievement Among the Poor? Evidence from the Harlem Children’s Zone.” *American Economic Journal: Applied Economics* 3 (3): 158–87.
- Duflo, E. 2004. “Scaling Up and Evaluation.” Paper presented at the Annual World Bank Conference on Development Economics 2004, May 3–4, 2004, World Bank, Washington, DC. <http://economics.mit.edu/files/766>.
- Edstats (database). World Bank, Washington, DC. www.worldbank.org/education/edstats.
- EQUIP2. 2013. “Increasing Accountability in Education in Paraná State, Brazil.” Policy Brief. EQUIP2, Washington, DC. <http://www.epdc.org/sites/default/files/documents/Increasing%20Accountability%20in%20Parana%20State%20Brazil.pdf>.
- Filmer, D., and N. Schady. 2008. “Getting Girls into School: Evidence from a Scholarship Program in Cambodia.” *Economic Development and Cultural Change* 56 (3): 581–617.
- . 2009. “School Enrollment, Selection and Test Scores.” World Bank Policy Research Working Paper 4998. World Bank, Washington, DC.
- . 2011. “Does More Cash in Conditional Cash Transfer Programs Always Lead to Larger Impacts on School Attendance?” *Journal of Development Economics* 96 (1): 150–157.
- Flórez Guío, A., R. Chesterfield, and C. Siri. 2006. “The CERCA [Civic Engagement for Education Reform in Central America] Report Card: Communities Creating Education Quality; Final Report.” CERCA, Academy for Educational Development, Washington, DC.
- French, R., and G. Kingdon. 2010. “The Relative Effectiveness of Private Government Schools in Rural India: Evidence from ASER Data.” Department of Quantitative Social Science Working Paper 10-03. Institute of Education, University of London, UK.
- Fryer, Jr., R. 2014. “Injecting Charter School Best Practices into Traditional Public Schools: Evidence from Field Experiments.” Research paper. Department of Economics, Harvard University, Cambridge, MA. http://scholar.harvard.edu/files/fryer/files/2014_injecting_charter_school_best_practices_into_traditional_public_schools.pdf.
- Fullan, M. 2007. *The New Meaning of Educational Change*. 4th ed. New York: Teachers College Press and Abingdon, UK: Routledge.
- Galab, S., C. Jones, M. Latham, and R. Churches. 2013. “Community-Based Accountability for School Improvement: A Case Study from Rural India.” CfBT Education Trust, Reading, UK.

- Gertler, P., H. A. Patrinos, and M. Rubio-Codina. 2012. "Empowering Parents to Improve Education: Evidence from Rural Mexico." *Journal of Development Economics* 99 (1): 68–79.
- Glewwe, P., E. Hanushek, S. Humpage, and R. Ravina. 2011. "School Resources and Educational Outcomes in Developing Countries: A Review of the Literature from 1990 to 2010." National Bureau for Economic Research (NBER) Working Paper 17554. NBER, Cambridge, MA. <http://www.nber.org/papers/w17554>.
- Goldhaber, D., and E. Anthony. 2007. "Can Teacher Quality be Effectively Assessed? National Board Certification as a Signal of Effective Teaching." *The Review of Economics and Statistics* 89 (1): 134–150.
- Goldhaber, D. D., and D. J. Brewer. 2000. "Does Teacher Certification Matter? High School Teacher Certification Status and Student Achievement." *Educational Evaluation and Policy Analysis* 22 (2): 129–45.
- Hanushek, E. A. 1997. "Assessing the Effects of School Resources on Student Performance: An Update." *Educational Evaluation and Policy Analysis* 19 (2): 141–64.
- Hanushek, E. A., and M. E. Raymond. 2005. "Does School Accountability Lead to Improved Student Performance?" *Journal of Policy Analysis and Management* 24 (2): 297–327.
- Hanushek, E. A., and L. Woessmann. 2013. "Does School Autonomy Make Sense Everywhere? Panel Estimates from PISA." *Journal of Development Economics* 104 (September): 212–32.
- Härmä, J. 2011. *Study of Private Schools in Lagos. Abuja, Education Sector Support Programme in Nigeria*. <http://www.esspin.org/index.php/resources/abs/lagos/295/LG%20303%20Study%20of%20Private%20Schools%20in%20Lagos>
- . 2013. "Private Response to State Failure: The Growth in Private Education (and Why) in Lagos, Nigeria." Occasional Paper 215, National Center for the Study of Privatization in Education, Teachers College, Columbia University, New York.
- Hedges, L. V., R. D. Laine, and R. Greenwald. 1994. "Does Money Matter? A Meta-Analysis of Studies of the Effects of Differential School Inputs on Student Outcomes." *Educational Researcher* 23 (3): 5–14.
- Heyneman, S. P., and J. Stern. 2014. "Low-Cost Private Schools for the Poor: What Public Policy is Appropriate?" *International Journal of Educational Development* 35: 3–15. Available online at <https://my.vanderbilt.edu/stephenheyneinan/files/2011/09/IJED-low-cost-private-schools.pdf>
- Himmler, O. 2007. "The Effects of School Choice on Academic Achievement in The Netherlands." Georg-August-Universität, Göttingen, Germany.
- Hossain, N. 2007. "Expanding Access to Education in Bangladesh." In *Ending Poverty in South Asia: Ideas that Work*, ed. D. Narayan and E. Glinskaya, 304–25. Washington, DC: World Bank.
- Hoxby, C. M. 2003. "School Choice and School Competition: Evidence from the United States." *Swedish Economic Policy Review* 10: 9–65.
- Jimenez, E., and Y. Sawada. 1999. "Do Community-Managed Schools Work? An Evaluation of El Salvador's EDUCO Program." *World Bank Economic Review* 13 (3): 415–41.
- . 2003. "Does Community Management Help Keep Kids in Schools? Evidence Using Panel Data from El Salvador's EDUCO Program." CIRJE (Center for International Research on the Japanese Economy) Discussion Paper F-236. CIRJE, University of Tokyo, Japan.
- King, E. M., and B. Özler. 2005. "What's Decentralization Got to Do with Learning? School Autonomy and Student Performance." Discussion Paper 54/21COE. Interfaces for Advanced Economic Analysis, Kyoto University, Japan.
- Lagos State (Nigeria), Government of. Bureau of Statistics. 2011. "Lagos State Government: Digest of Statistics." Bureau of Statistics, Ministry of Economic Planning and Budget, Lagos, Nigeria.
- . 2010a. "Annual Education Sector Performance Report." MoE, Lagos, Nigeria.
- . 2010b. "Lagos Annual School Census Report, 2010–11." MoE, Lagos, Nigeria.

- . 2011a. "Lagos State School Census Report 2010-2011". Unpublished government report, Lagos: Lagos State Ministry of Education.
- . 2011b. "Guidelines for the Establishment of Private Schools". Unpublished government document, Lagos: Lagos State Ministry of Education.
- . MEPB (Ministry of Economic Planning and Budget). 2013. "Lagos State Government Budget Analysis." MoEPB, Lagos, Nigeria.
- LaRocque, N. 2011. *Nonstate Providers and Public-Private Partnerships in Education for the Poor*. Bangkok, Thailand: UNICEF East Asia and Pacific Regional Office and Asian Development Bank.
- Levin, H. M., and C. R. Belfield. 2003. "The Marketplace in Education." *Review of Research in Education* 27: 183–219.
- Levin, H. M., and P. J. McEwan, eds. 2002. *Cost-Effectiveness and Educational Policy*. Yearbook of the American Education Finance Association. New York: Routledge.
- Lewin, K. M. 2007. "The Limits to Growth of Non-Government: Private Schooling in Sub-Saharan Africa ." CREATE Research Monograph 5. University of Sussex, UK.
- Lewis, M., and M. Lockheed. 2007. *Exclusion, Gender, and Education: Case Studies from the Developing World*. Washington, DC: Center for Global Development.
- McLoughlin, C. 2013. "Low-Cost Private Schools: Evidence, Approaches and Emerging Issues." EPS Peaks, UK. Available online at: https://http://www.enterprise-development.org/wp-content/uploads/Low-cost_private_schools.pdf.
- Mok, K.-H., and A. R. Welch, eds. 2003. *Globalization and Educational Restructuring in the Asia Pacific Region*. London: Palgrave MacMillan UK.
- Mourshed, M., C. Chijioke, and M. Barber. 2010. "How the Most Improved School Systems Keep Getting Better." McKinsey & Company, London, UK.
- Muralidharan, K., and V. Sundararaman. 2013. "The Aggregate Effect of School Choice: Evidence from a Two-Stage Experiment in India." NBER Working Paper 19441. NBER, Cambridge, MA.
- Nechyba, T. J. 2009. "The Social Context of Vouchers." In *Handbook of Research on School Choice*, ed. M. Berends. M. G. Springer, D. Ballou, and H. J. Walberg, 289–308. New York and Abingdon, UK: Routledge.
- Nigeria, Government of the Federal Republic of. 1999. Constitution of the Federal Republic of Nigeria. Official Gazette, Federal Republic of Nigeria, Abuja.
- . 2003. Child Right Act. Official Gazette, Federal Republic of Nigeria, Abuja.
- . 2004. Universal Basic Education Act. Official Gazette, Federal Republic of Nigeria, Abuja
- . FMOE (Federal Ministry of Education). 2004. "National Policy on Education 2004." FMOE, Abuja.
- . 2007a. "Education Reform Act." FMOE, Abuja.
- . 2007b. "10-Year Strategic Plan." FMOE, Abuja.
- . 2008. "Inclusive Learning in Nigeria." Paper presented at the 48th session of the International Conference on Education, November 25–28, 2008, Geneva, Switzerland.
- . 2009. "Roadmap for the Nigerian Education Sector." Consultative draft. FMOE, Abuja.
- . NBS (National Bureau of Statistics). 2010. "Annual Abstract of Statistics. Federal Republic of Nigeria." NBS, Abuja, Nigeria.
- . NPC (National Population Commission). 1998. Population Census of the Federal Republic of Nigeria–1991. NPC, Abuja.
- . NPC (National Population Commission) and RTI International, 2011. Nigeria Demographic and Health Survey (DHS) EdData Profile 1990, 2003, and 2008: Education Data for Decision-Making. 2011. Washington, DC.
- Nigeria, Government of the Federal Republic of, NBS (National Bureau of Statistics); UNICEF (United Nations Children's Fund); and UNFPA (United Nations Population Fund). 2011. "Multiple Indicator Cluster Survey: Main Report." NBS, Abuja, Nigeria. https://www.unicef.org/nigeria/Multiple_Indicator_s_Cluster_Survey_4_Report.pdf.
- Onderwijs Inspectie (Dutch Inspectorate of Education). 2010. "Risk-Based Inspection as of 2009 Primary and

Secondary Education.” Onderwijs Inspectie, Utrecht, The Netherlands.

Orazem, P. F., and E. M. King. 2007. “Schooling in Developing Countries: The Roles of Supply, Demand, and Government Policy.” *Handbook of Development Economics* 4: 3475–3559.

OECD (Organisation for Economic Co-operation and Development). 2009. *PISA 2009 Results: What Students Know and Can Do; Student Performance in Reading, Mathematics and Science*. Vol. 1. Paris: OECD.

———. 2012. *Education at a Glance 2012: Highlights*. Paris: OECD.

Pal, S., and G. G. Kingdon. 2010. “Can Private School Growth Foster Universal Literacy? Panel Evidence from Indian Districts.” Discussion Paper 5274. Institute of the Study of Labor (Forschungsinstitut zur Zukunft der Arbeit), Bonn, Germany.

Pandey, P., S. Goyal, and V. Sundararaman. 2009. “Community Participation in Public Schools: Impact of Information Campaigns in Three Indian States.” *Education Economics* 17 (3): 355–75.

Patrinos, H. A. 2002. “A Review of Demand-Side Financing Initiatives in Education.” Unpublished draft. World Bank, Washington, DC.

———, ed. 2012. “SABER: Strengthening the Quality of Education in East Asia.” Education Unit, Human Development Network, World Bank, Washington, DC.

Patrinos, H. A., F. Barrera-Orsorio, and J. Guáqueta. 2009. *The Role and Impact of Public-Private Partnerships in Education*. Washington, DC: World Bank.

Results for Development Institute. 2013. *Exclusion from Education: The Economic Cost of Out-of-School Children in 20 Countries*. Washington, DC.

Rose, P. 2007. “Supporting Non-state Providers in Basic Education Service Delivery.” CREATE (Consortium for Research on Educational Access, Transitions, and Equity) Research Monograph 4. Centre for International Education, Department of Education, University of Sussex, Falmer, UK. http://www.create-rpc.org/pdf_documents/PTA4.pdf.

Rose, P., and M. Adelabu. 2007. “Private Sector Contributions to Education for All in Nigeria.” In *Private Schooling in Less Economically Developed Countries: Asian and African Perspectives*, ed. P. Srivastava and G. Walford, 67–87. Oxford Studies in Comparative Education. Oxford, UK: Symposium Books.

Reinikka, R., and J. Svensson. 2005. “Fighting Corruption to Improve Schooling: Evidence from a Newspaper Campaign in Uganda.” *Journal of the European Economic Association* 3 (2–3): 259–67.

Umar, A. 2008. “Nigeria”. In *Low-cost Private Education*. Ed. B. Phillipson. London: Commonwealth Secretariat.

Skoufias, E., and J. Shapiro. 2006. “The Pitfalls of Evaluating a School Grants Program Using Nonexperimental Data.” Policy Research Working Paper 4036. World Bank, Washington, DC.

Swedish School Inspectorate, 2009. Sweden, Government of. Swedish School Inspectorate (Skolinspektionen). 2015. “The Swedish Schools Inspectorate for International Audiences.” Swedish School Inspectorate, Stockholm, Sweden. <https://www.skolinspektionen.se/globalassets/0-si/09-sprak/the-swedish-schools-inspectorate.pdf>

Tooley, J., Dixon, P. 2006. ‘*De facto*’ privatisation of education and the poor: implications of a study from sub-Saharan Africa and India. *Compare* 36 (4), 443–462.

Tooley, J., P. Dixon and O. Olaniyan. 2005. “Private and Public Schooling in Low-Income Areas of Lagos State, Nigeria: A Census and Comparative Survey.” *International Journal of Educational Research* 43 (3): 125–46.

Tooley, J., and D. Longfield 2013a. “Private Primary Education in Western Area, Sierra Leone.” E.G. West Centre, Newcastle University and Development Initiatives Liberia Inc., UK.

Tooley, J., and D. Longfield 2013b. “Private Education in Low-Income Areas of Monrovia: School and Household Surveys.” E.G. West Centre, Newcastle University and Development Initiatives Liberia Inc., UK.

- Tooley, J., and I. Yngstrom. 2014. "School Choice in Lagos State—Final Summary Report." Report submitted to DFID Nigeria. <http://bit.ly/2doKOJ5>.
- UIS (UNESCO Institute of Statistics). Database. UIS, Montreal, Canada. <http://uis.unesco.org/>.
- UN DESA (United Nations Department of Economic and Social Affairs). 2015. "World Urbanization Prospects: The 2014 Revision." Population Division, UN DESA, New York. <https://esa.un.org/unpd/wup/Publications/Files/WUP2014-Report.pdf>.
- UNDP (United Nations Development Programme). 2013. Human Development Report 2013; The Rise of the South: Human Progress in a Diverse World. New York: UNDP.
- UNESCO (United Nations Educational, Scientific, and Cultural Organization). 2010. "World Data on Education, VII Ed. 2010/11: Nigeria." Bureau of International Education, UNESCO, Paris." http://www.ibe.unesco.org/fileadmin/user_upload/Publications/WDE/2010/pdf-versions/Nigeria.pdf.
- UNFPA (United Nations Population Fund). 2014.
- United Kingdom. DoE (Department for Education). 2016. "How to Apply to Set up a Free School: Guidance." DfE, London. <http://bit.ly/2vrRnCE>.
- USAID (U.S. Agency for International Development). 2013a. Results of the 2013 Early Grade Reading and Early Grade Mathematics Assessments (EGRA & EGMA) in Bauchi State Nigeria Northern Education Initiative (NEI). USAID, Washington, DC.
- USAID (U.S. Agency for International Development). 2013b. Results of the 2013 Early Grade Reading and Early Grade Mathematics Assessments (EGRA & EGMA) in Sokoto State Nigeria Northern Education Initiative (NEI). USAID, Washington, DC.
- Western Cape, Government of. 2013. "Plan to Address the Needs of our Underperforming Schools." Press Release, March 24, 2013. Government of Western Cape, Cape Town, South Africa.
- Wodon, Q. 2014. "Education in Sub-Saharan Africa: Comparing Faith-Inspired, Private Secular, and Public Schools." Unpublished paper. World Bank, Washington, DC.
- Woessmann, L., E. Ludemann, G. Schutz, and M. R. West. 2007. "School Accountability, Autonomy, Choice, and the Level of Student Achievement: International Evidence from PISA 2003." Education Working Paper 13. OECD, Paris.
- World Bank. 2003. *World Development Report 2004: Making Services Work for Poor People*. Washington, DC: World Bank.
- . 2011. "Education Strategy 2020 Learning for All: Investing in People's Knowledge and Skills to Promote Development." World Bank, Washington, DC.

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.

This work is a product of the staff of The World Bank with external contributions. The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the views of The World Bank, its Board of Executive Directors, or the governments they represent. The World Bank does not guarantee the accuracy of the data included in this work. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of The World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

