



How Private Schools Educate the Poor

Guest: James Tooley

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James Tooley is the director of the E.G. West Centre and the author of [The Beautiful Tree: A Personal Journey into How the World's Poorest People Are Educating Themselves.](#)

WOODS: After I had Pauline Dixon, also of the E.G. West Centre, as a guest earlier this year, I got a bunch of emails saying, well, now you obviously have to have James Tooley on to continue this conversation. What she told us in that appearance was quite surprising, and I'm sure you get the same response when you go around telling people about a phenomenon, namely low-cost private schools in the developing world, that no one would have any way of knowing about.

TOOLEY: It's still extraordinary to me. I have been talking about this actually for nearly 14 years now. Fourteen years ago I first came across this phenomenon. I've been talking about it almost since the day I found it, and I still get people who are surprised by it, even in their own country. So I'm in India recently, I tell people—still there they don't know about it. And certainly when I go to new countries to do further work—I've been recently in Liberia, South Sudan, and Sierra Leone, a country that's going through a terrible time at the moment—but the same phenomenon exists, but even there you talk to people in government or NGOs, non-government organizations, or middle-class people, and they don't know about it. So it is extraordinary. The poor are doing something for themselves all over the world, and yet somehow people refuse to accept that they are doing it.

WOODS: And in the book *The Beautiful Tree*, you give us an overview of what's going on in a number of countries, and that is interesting, too: we're not dealing with an odd cultural attribute of one particular people in one part of the world. This phenomenon seems to replicate itself among cultures that have not interacted with each other. It seems to be going on all over the place.

TOOLEY: Yes, that is an extraordinary finding, isn't it? You've put it very, very well. I first came across this phenomenon, actually, it was in Hyderabad in India, and that's exactly what happened. People took words out of your mouth and said, oh, it's just a cultural phenomenon happening amongst the Muslims in the old city of Hyderabad, yeah, we know about it, but it's

not happening anywhere else. And then I got research money from the John Templeton Foundation. They trusted I was talking about something sensible. We went to Ghana, Nigeria, Kenya, Zimbabwe, India, several parts of India, and even rural China. The same thing was happening in each of these places, and the same response to inadequate government schooling or no government schooling. Poor people were setting up their own schools, charging roughly the same amount in each of these places relative to the income of the country. And the schools were performing better than the alternative. The similarities were even to the extent of the proportion of children in private schools in each of these places. In urban areas, think of the great majority—65 to 75% of children in these low-cost private schools in urban areas and perhaps a quarter to a third in rural areas. The same picture—you can drop in any country, and you'll find the same thing going on. It's quite remarkable.

WOODS: One of the reasons that it must be hard for some people to imagine is that we know that the daily income of these people is so low that the amount of money they could possibly have that we could conceivably think of as disposable income would be vanishingly small to nothing. How can a private school sustain itself under those conditions?

TOOLEY: Poverty is terrible, of course, but never overdo it, because remember the cost of living in these countries is incredibly low as well. And so the amount of money people have is enough, it turns out. It's not an *a priori* argument. It's not sort of sitting here saying, what can people afford? It turns out that even those on the poverty line, and we've done a lot of work in our recent studies in Sierra Leone, Liberia, and South Sudan, and Nigeria looking at the poverty line—that internationally respected poverty line of \$1.25 per day, that poverty line—even on that, families can afford private school for their children. The fees are incredibly low, which means, now critics say this, so I will jump at it straight away, they'll say, ah, it means the teachers are paid very little, and therefore you are exploiting the potential teachers. Well, it's true: the teachers are paid considerably less than teachers in the government schools, maybe a third, some places even a smaller fraction than that. But typically, there's no shortage of teachers wanting that work for that price. So it suggests that these schools are not exploiting their staff. They're actually providing employment for local teachers in those communities and doing a valuable job there. So, yes, they are very low cost, and typically we're talking in African cases maybe five to ten U.S. dollars per month equivalent. That's the figure we're looking at. Maybe three to seven, eight dollars per month equivalent in India. But it can be provided. It's a fact it's there, and when you look through the accounts of these schools, you can say, oh, yes, I see how you do it. I see how it's affordable. We see what you're doing.

WOODS: Americans, and I suppose, British people as well have certain expectations when they hear the word "school." They can picture the schoolhouse. They know it goes from about 9:00 a.m. to 3:00 p.m. That there are certain subjects that are taught. So I suppose that what we're dealing with in many of these cases is something rather different. What kind of subject matter is discussed? How long are they in the schools? I bet there's no one answer to this question given the diversity of places.

TOOLEY: Yeah, but again, I would challenge you on what you just said. These are recognizably schools. They're recognizably a school building, which starts whether it's 8:30—8:00 to 9:00—whatever it is, and carries on until 3:00 to 4:00 in the afternoon. It has timetabled lessons. The subjects are very familiar to a British or an American audience: mathematics, English, science, social science, and of course, local languages. And the building: they vary in quality, of course, immensely as you would expect. But nonetheless, there is a recognizable building on a recognizable plot of land doing a recognizable curriculum. So this is not something that American listeners will think, oh, I won't even be able to spot this. No, you will spot it. You will see it. You will recognize it very much as a school as you know it.

WOODS: I wanted to give you a chance to answer that question because I could imagine that one criticism would be, maybe you're defining schools so liberally that a small co-op of parents qualifies as a school. I wanted to make clear that this actually would be a school environment that would not be altogether remote from the experience of many people listening to this program.

TOOLEY: Yes, it's very important to stress that. In our research, whenever we publish research in academic journals, whenever we specify that we are not describing what other people might call non-formal, after-school, alternative education. No, no, we are describing regular schools, and they are everywhere. Maybe 300,000 of these local, private schools in India alone. Maybe 100,000 in Anglophone West Africa—an amazing phenomenon, but very much schools as you know them.

WOODS: Now, what's going on in this regard in China? It's surprising that there would be a chapter on China. I could understand some countries aren't engaged in formal education simply because maybe they lack the infrastructure to do it, and the parents have to fend for themselves, but I would think with a regime like China, education serves a very important ideological service. So what's going on there? How can they allow any sort of competition to that?

TOOLEY: Very interesting, and China, as you say, is a chapter in *The Beautiful Tree*, and I have done work since then in China. There are two sorts of low-cost private schools in China, and they are both very much, as you say, under the radar. A bit like the independent churches you might get there. They are a similar sort of phenomenon tolerated by the government, but perhaps one day there might be some more pressure on them, as there is in a lot of countries, But the two types: one is the one I described in *The Beautiful Tree*. These are in the remote mountains or the foothills of the Himalayas. We were in Gansu Province, one of the poorest provinces in northwest China, but there there is a public school provided. It's not terrible. In India or in the African countries, the public schools are terrible, but this school is not terrible. The teachers are just about turning up there. It's okay, but it's too far away. The children might live two, three, four hours walk away in further mountains. They are not going to be able to go to that school every day. They can't afford to board, or the parents need them at home. So

therefore, these entrepreneurs set up private schools in their own villages. So government schools are there. Public schools are there, but they are too far away.

The second type, and this is very interesting, is in the city, and so big cities like Shanghai, Beijing, and so on, and that's where the migrant workers—the floating population, as the Chinese culturally call them—from the rural areas come to the cities. Now in China, they're not really legal citizens of the cities. They're not really supposed to be there, so they come in, and they can't really access public schools, or if they do, are discriminated against, and in any case, they may have more than one child. So some of the children won't even be, as it were, legal children. But, again, entrepreneurs have low-cost private schools in the poorer parts of the major cities catering for the migrant population. So it's very interesting. Again, very much the government is controlling schools still with the curriculum and so on, so they still will transfer the sort of ideological message required. But nonetheless, there are entrepreneurs working there. Very fascinating.

WOODS: One of the questions I asked Pauline Dixon involved the quality of the education, and it turns out that there has actually been work done whereby you have a benchmark of comparison. You can compare these schools in some cases to government-run schools where the students are of the same demographic. You've got as close to a controlled experiment as you could ask for, and these low-cost private schools seem to come out quite well.

TOOLEY: Yes, we've done quite a lot of studies ourselves. I think in *The Beautiful Tree* I report on the studies from Kenya, Nigeria, Ghana, and a few parts of India and China. We have now done studies from Sierra Leone, Liberia, South Sudan as well, and there are many other people, as it were, coming in on this, giving evidence, and a recent review from the British government—Department of International Development, DEPID—came and said this was one of the most robust findings. Private schools, especially as low-cost private schools, outperform government schools. It's a robust finding across many countries and many studies and in the vast majority of the subjects there. As you say, we've tested many, many children. You're able to control for the background variables. So they are not just looking at the raw test scores where the kids in the private schools are doing better. No, this is controlling for family background, mother's education, income in the family, proxies for wealth, and so on, but these private schools are doing better, and when you go to government schools in these places, it really is not much of a surprise. A few government schools might be okay, but in most of them the teachers are not turning up on time, they're not teaching when they should be, they're getting the kids to do stuff for them or leaving them to play. So it's not really such a surprise in schools where the teachers are on task, the kids will be doing better, or they are doing better, and it's wonderful. One can celebrate this private entrepreneurship at the grassroots doing something for themselves and doing it better than the government alternative, which has got, amongst other things, billions of dollars of aid thrown at it in order to improve. It's not working.

WOODS: Now, this is a wonderful story, but I wonder if you've ever had any critics who have said: this is a nice story you're telling, but I think James Tooley has an ideological agenda here.

His main subject matter really is not the developing world, it's the Western world. He probably wants to cut education funding in the Western world, and he's using this as one of his arguments to do it.

TOOLEY: Yeah. Let's be honest. One has a lot of critics, and a lot of critics will throw whatever they can at you, including these sort of *ad hominem* attacks and ideological attacks and so on, but I think it comes across in *The Beautiful Tree*: I didn't go out there to find this. I grew up as a young man who was very much against this sort of thing. My doctoral thesis was supposed to be against the privatization of education. It was really reading, studying philosophical arguments, and then seeing this evidence that has led me to the position where I am now. So I didn't come ideologically predisposed to find this, but the evidence when you see it is pretty overwhelming. But as for coming back to America, coming back to the UK—as it happened, I spent most of my time over the last 10 years or so overseas, away from the developed West. I am interested in America. I am interested in Britain. I have papers coming out in *Social Philosophy and Policy* journal there, where I actually say could this be relevant to America too, and it's based on the realization—of course, you've got charter schools, you've got various initiatives which are giving choice and alternatives to poor parents, but these charter schools have huge waiting lists, and I remember reading about these waiting lists and thinking, okay, those parents, now they're being frustrated. Maybe they would like some low-cost alternative. Could you create a low-cost private school alternative in America that could attract those parents? I'm interested in that. But it's certainly not the basis of my work. But nonetheless, it could be an interesting result of what I'm talking about.

WOODS: Well, given the nature of my audience, I can't help asking about some other work you've done where you've evaluated some of the common claims about the need for government provision of education, and you've responded to them. So would you mind walking us through some of them? I have an audience that is very hardcore libertarian. It's a very big audience, and it's very hardcore libertarian, and I think this is one of the issues when they are talking to their friends they run into the greatest objections. They run into the most brick walls. Their friends say, look, I understand we don't want price controls on milk. We get that. But we do need government provision of schools, because otherwise everyone would be illiterate and worshipping Thor.

TOOLEY: The answer to that is it's not true. I can't talk about the American evidence from memory. I can tell you the evidence from Britain from memory, and the evidence from America is somewhat similar, but before the state got involved in England and Wales in 1870, there was almost universal provision from the private sector. That includes the churches, it includes the philanthropists, and it included these much-maligned what we called dame schools, but they were, in effect, low-cost private schools. So this movement was there in England and Wales before the government got involved. Similar evidence is from the American states as well, and the government got involved and eventually crowded out the system. So the first argument is, no, it's not true that without the state you can't have any educational opportunities. In fact,

educating your children is as natural to parents, including poor parents, as feeding and clothing them. As soon as they got any chance of social mobility, they want their children educated. The vast majority do. Only a small minority, a tiny minority, maybe 5% in England and Wales in the 19th century were not getting their children educated. The second argument is, okay, people then talk about equality, or equity, or social justice. Taboo words, perhaps, for your audience, but nonetheless, this is the argument they'll get thrown their way. What about social justice? What about the poor? That is why my work is so valuable for this argument, because first of all you say, well, social justice is not served by public education anywhere in the country we are working in, and I bet a lot of people feel the same way about poor parts of America, too.

Social justice is not being served by the public sector. The middle classes, the richer, the elite, they can always get the better public schools. They can have school choice through house prices—that's the case in England—and obviously, they can afford something else. But what this work is saying is the poor can afford private schools which cater to the needs, are responsive, and the social justice argument about the poorest of the poor, well, you can have targeted assistance for those families, for those students, maybe through some sort of targeted vouchers, scholarships. But also, allowing entrepreneurship to flourish because entrepreneurship in a competitive market can bring down prices. And this is what we're seeing in some of work in West Africa in particular, where we're working with entrepreneurs and seeing how actually you can bring down the price even more to make them even more affordable to the poor. So I think there's a couple of arguments. Historically, it certainly wasn't true that the state was needed to provide educational opportunities, even in Britain and America, and certainly social justice is not met by public education, but it can be met through private schools, which are responsive to the needs of the poor, plus some targeted philanthropy.

WOODS: James, before I let you go, you are director of the E.G. West Centre at Newcastle University, and this question that I just asked you I think is a nice segue into discussing just for a minute, if you would, the work of E.G. West—who, of course, did work on the history of education in its pre-state and post-state provision.

TOOLEY: Exactly, and of course, it was his work I was citing just now when I spoke about the history of the education system, as it were, the private system in Victorian England and Wales, and he's also got evidence from New York and Massachusetts as well as New South Wales in Australia. Professor Edwin George West: he finished his career as professor at Carleton University in Ottawa, but he began his career in this building where I am speaking to you from now, in Newcastle. It was here, he was a lecturer in economics. He wrote his masterpiece really in 1965, *Education and the State*, which was published by the Institute of Economic Affairs here. It's been republished by Liberty Fund in America. He really put the cat amongst the pigeons of the statisticians who came up with those sort of arguments—oh, you need government to bring education. And he was the major influence on my life. I hinted early when I started my Ph.D. I wanted to be writing against the privatization initiatives in education or the so-called

privatization there. I read E.G. West's *Education and the State*. It changed my life, because it made me think the status quo of public education—we take it for granted so much, and we assume any modification to it has to be justified. Eddie West said the status quo of state education has only been there a hundred years. It's only been there for a while, and it was imposed upon a free market of educational provision. It needs to be justified. It has to be justifying itself, not us trying to move away from it. That was the key insight that Eddie West's work brought to me.

WOODS: Well, the book we've been talking about is *The Beautiful Tree: A Personal Journey into How the World's Poorest People Are Educating Themselves*. James, if people want to follow your work, should they go to the E.G. West Centre online? Where should I send them?

TOOLEY: Yeah, go to the E.G. West Centre online, and have a look there. I do tweet—@james_tooley, but yeah, come visit us online. Email me: james.tooley@ncl.ac.uk. I'm really interested in hearing people who are interested in this work. It's a terrific journey I've been on. There's lots more to do.