Global Labour Column
http://column.global-labour-university.org/
Number 228, February 2016

Corporate-backed private school chains for the poor: The South African experience

By Sonia Languille

Since the 2000s, there has been an impressive growth in basic education enrolment in the global South. However, the quality of education has remained low for the majority of learners. Against this undisputed diagnosis, advocates of education privatisation argue that access to quality education in developing and emerging countries calls for an expansion of private provision through so-called 'low-cost' or 'low-fee private schools for the poor' (Tooley and Dixon 2005). While private education has been reserved for a wealthy elite for decades, low-fee private schools would purportedly serve the educational needs of the 'bottom of the pyramid'. This article provides critical insights into emerging 'affordable' private-school chains in South Africa.

Commodification of education: a global trend

Over the past decade, private schooling has been on the rise in low and middle income countries. However, the actual scope of the low-fee schools phenomenon remains difficult to assess: education censuses cover private institutions imperfectly, and some low-fee schools remain unregistered. Notwithstanding this statistical uncertainty, the spread of low-fee, for-profit private schools epitomises a global trend: over the past three decades, worldwide, profit-oriented investment in the field of education has increased, although the intensity of education privatisation, in its various forms, has differed according to national contexts.

Across the South, there have been two main moments in the low-fee private schools movement. The first wave has been characterised by the creation of individual small schools following a family business model. More recently, corporate-backed branded chains of low-cost private schools formed a second wave (Srivastava 2016). These educational business ventures have been supported by multinational companies, equity funds, domestic corporations and private investors. In an emblematic manner, the Pearson Corporation's Pearson Affordable Learning Fund (PALF) was set up in 2012 to provide seed money to prospective 'edu-preneurs' in emerging and developing countries to expand their businesses. Pearson is the world's leading publishing and media multinational.

Today's most famous branded chains are certainly Omega Schools in Ghana, which has 38 schools with 28 000 learners and is backed by the PALF, and Bridge International Academies, which has 400 schools in Kenya, Uganda and Nigeria with 100 000 learners, which is financially supported by Omydiar Network and international development agencies such as Department for International Development United Kingdom (DFID) and the International Finance Corporation (IFC), the World Bank's private sector wing.

Typical market-ideology arguments have been mobilised to support the low-fee private schools: they would be immune from the ills that supposedly afflict public schools such as teachers' absenteeism, powerful teachers' unions resistant to change, corruption, and an inept education bureaucracy. They would be affordable to the poor; they would be more cost-effective than public schools, especially because they would be accountable to parents; they would deliver better quality education, especially due to their ability to innovate. Unleash the forces of the market and you would 'unleash learning', promised *The Economist* (2015) recently.

A nascent phenomenon in South Africa

A growing literature on the first wave of low-fee private schools highlighted the lack of a scientific basis for most claims in favour of private schooling for the poor (Ashley et al. 2014). However, the second wave has hardly been subject to scholarly investigation. In South Africa, it is still a nascent phenomenon. Three self-proclaimed 'affordable' branded chains have emerged in recent years. The oldest, Curro Meridian Schools, had seven schools with 6 000 learners in 2015, from age 5 to grade 12. It is part of Curro Holdings, which is listed on the Johannesburg Stock Exchange. Spark Schools, a chain of pre-primary and primary schools, was set up in 2012. It had four schools in 2015 with about 1 000 pupils from grade R to grade 4. In 2014, Pearson invested R28 million (€2 million) in the chain, through PALF. Pioneer Academies is the most recent addition to the market. Their first school opened in January last year. The three school chains have developed exclusive business relations with other companies for the provision of uniforms, school meals and after-school care.

Profit and social justice in education: a doubtful conciliation

To achieve cost efficiency, all these chains follow a similar model: reducing the number of teachers, who are partially replaced by technology and low-paid academic assistants; deprofessionalising teachers through close supervision of teaching by curriculum specialists; and equating quality with digital schooling. These chains profit from South Africa's labour market conditions: a high level of unemployment that allows them to employ academic assistants on a stipend and to deprive teachers of social benefits that are granted in the public sector, such as medical aid, housing allowance or pension plans. By contrast, Curro's CEO received emoluments of about R8 million (about €570 000) in

2014 (Curro 2015).

This blatant exploitation of the 'reserve army of labour' may, however, go hand in hand with work enjoyment for teachers through career development initiatives, training and adherence to a collective vision. Sustainable business profitability also depends on educators' professional fulfilment.

The three chains, which operate on a strictly for-profit basis, claim to be 'affordable'. This is one of their main marketing arguments. However, defined from the perspective of the majority of South Africa's population, their fees are set at a level incommensurate with affordability. In 2015, the least expensive chain, Curro Meridian Schools, charged R15 360 a year. In 2012, 55% of the population and 73% of Africans were considered poor. Based on the last available poverty line (R1 319 per capita per month in 2015), a R15 000 school fee would represent about 50% of the yearly income of a poor household made of two adults and two school-going children.

To date, Spark Schools and Pioneer Academy have not benefited from public funding. However, domestic and international public entities have financially supported the development of Curro Meridian schools. The Public Investment Corporation (PIC) is the largest investment manager in Africa, wholly owned by the South African government. Its clients include South Africa's largest pension fund, the Government Employees Pension Fund. In 2011, the PIC partnered with Old Mutual, the largest financial service provider in Southern Africa, to set up the Schools and Education Investment Impact Fund of South Africa, known as the School Fund. The PIC invested R1 billion in the School Fund, which provided Curro with R440 million concessions to develop eleven new Meridian schools (Curro 2015). In 2010, the IFC had already directly participated in Curro's strategic expansion through a 10-year concessional loan of US$9.4 million.

The South African case confirms analyses developed in the scant literature on corporate-backed school chains (Srivastava 2016, Ball and Junemann 2015, Riep 2014). Far from a miracle solution to the low quality of public education provided to poor children, these schools must be understood in the context of the rise of the middle class in the global South and its consumption patterns and redistributive preferences.

The profit drive of these educational ventures transforms the nature of education and the teaching profession. But commodification is not restricted to the teaching and learning process: school chains nurture a network of other education-related private firms. Their business model relies heavily on a low-paid and non-unionised teaching force and it seems unlikely that it could be scaled up to become a credible alternative to mass public education without a massive injection of public money or deepening tensions between capital and labour. Their subsidisation by domestic and international public bodies certainly testifies to the role of the state in promoting capital-specific interests in the neoliberal era. But in a context of scarce public resources, is it legitimate to subsidise, directly or indirectly, the education of a relatively small and affluent segment of the population while contributing to the generation of corporate dividends, to the personal enrichment of a handful of edupreneurs and the consolidation of a low-wage labour market for the educated youth?

In the last instance, the discursive and material promotion of 'low-fee schools for the poor' by the state conveniently obscures the fundamental question about the appropriate development model and tax regime that would sustain the provision of quality public education for all in South Africa and the rest of the global South.

Sonia Languille is currently an independent researcher and post-doctoral associate to the Department of development studies in the School of Oriental and African Studies (SOAS, University of London). In 2015, she was a postdoctoral research fellow at the University of Johannesburg (Faculty of Education) when she started her research on low-cost private schooling for the poor in South Africa. She holds a PhD in development studies from SOAS and a master in development economics from the University of Paris I (France).

References

Ashley, L.D. et al. (2014) *Education Rigorous Literature Review. Role and impact of private schools in developing countries*, London: DFID.

Curro (2015), *Integrated annual report 2014*, Durbanville: Curro.

Junemann, J. and Ball, S.J. (2015), *Pearson and PALF: The mutating giant*, Brussels: Education International.

Riep, C. (2014) 'Omega Schools Franchise in Ghana: "affordable" private education for the poor or forprofiteering?', *in* Macpherson, I., S.Robertson and G. Walford (eds) *Education, Privatisation and Social Justice: Case studies from Africa, South Asia and South East Asia* Oxford: Symposium Books Ltd: 259-278.

Srivastava, P. (2016) 'Questioning the global scaling-up of low-fee private schooling: the nexus between business, philanthropy and PPPs, *in* A. Verger, C. Lubienski, & G. Steiner-Khamsi (Eds.), *World Yearbook of Education 2016: The global education industry*, New York: Routledge (in press).

Tooley, J. and Dixon, P. (2005), *Private education is good for the poor: A study of private schools serving the poor in low-income countries*, Washington, DC: CATO Institute.

The Economist (2015), 'Low-cost private schools. Learning unleashed', (www.economist.com/.../21660063-where-governments-ar) *(accessed 10 August 2015).*