

**School Choice And Policy Response: A Comparative Context Between Private And
Public Schools In Urban Ethiopia**

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Executive Summary: Given today's appetite and search for better quality education in Ethiopia, coupled with meager educational budget available for the sector, little attention has been given to see the comparative advantage of demand side financing in education. In the 1960s, 1970s and 1980s, the state-run education system was criticized for being elitist, rigid and irresponsible. Today, more than ever, there is a constant public out cry for access to quality educational services both in urban and rural settings. The starting point for school choice is the availability of private schooling. School choice is believed to increase the efficiency of educational services by encouraging competition and sharpening innovations in the sector. On top of that, it will help to strengthen public-private partnership to supplement the limited government capacity to expand educational opportunities and better target public subsidies to the poor. Many economists also think that school choice will bring about consumer satisfaction and could be regarded as the best measure of a product's quality. The 1994 Education and Training Policy of Ethiopia also claim to establish conditions to encourage and support private investment in education. However, there is a view that its implementation has problems and little has been achieved in this direction.

The purpose of this paper is, therefore, intended to contribute to the existing and emerging dialogue on the need for greater private sector involvement and demand side financing of education in Ethiopia in respect of provoking important policy issues among planners, policy makers, implementers, end users, journalists and the academia. The paper focuses on school choice and policy response by way of establishing a comparative context between the private and public (government) school systems in urban settings. Addis Ababa is a case in point. It also aims to mirror challenges facing the private sector involvement and tries to discuss some reform options, opportunities and appropriate points for intervention in the Ethiopian context. A descriptive survey method was employed to mirror the relative merits of public and private schools in urban Ethiopia.

Focus group discussions, interviews, observation of the actual situation and documentary review were used to collect pertinent information to analyze and interpret data.

Results of the study showed that the existing private education sector in Addis Ababa emerged in response to excess demand for quality education. The present trend shows that the demand for private schooling substantially exceeds supply as a result of which, the number of private schools and enrollment have been rising rapidly over the last ten years. In 2001/02 the number of privately owned and managed schools in Addis Ababa accounted for 98, 78, 53, 41, and 67 percent of the total schools in the city at pre-primary, primary, secondary, technical and vocational and college levels, respectively, compared to almost nil in 1994. Parents have showed a reasonable degree of satisfaction in student performance, safety, discipline and school climate in private schooling. In spite of this rapid growth, however, there seems to exist an unmet demand for private education as evidenced by a long waiting list for admission, indicating a universal desire of parents for private schooling. The rating appeared to be number one choice for the majority of parents under the survey. In fact, these private schools vary with respect to academic quality, resources and pricing, ranging from the successful ones to those which are likely to survive in business and management terms. Administratively, most private schools tend to be more flexible and do not suffer from heavy and excessive bureaucratic administrations like government-led schools do.

It was also found that most private schools operate at a level of quality superior to or better than government-led schools and seem to be even cost effective in financial terms. The willingness of parents to pay for a quality education service was found high, but variations in school attributes, proximity, limited admissions and fees are factors which affect whether or not parents send their children to private schools. Thus, private school utilization tends to increase with income level rather than other factors.

However, though not serious there is an ideological impediment to the expansion of private schools from certain interest groups, stemming out of the fear that the state will forget its prime responsibility. Parents and students also have a fear that if the ethics of a

free market is pursued, school fees may be raised beyond reasonable price and the venture could be turned into exploitative practices. They mentioned the recent student protest against Unity College who raised school fee without prior notice to users.

Other barriers to private investment in education in Addis Ababa were related to difficulties in obtaining school land, poor credit opportunities, excessive bureaucratic interferences and delays in responding to outstanding issues of the sector. In view of the high capital and operating costs required for effective functioning of the education system, it has been found that access to land and financial sources are extremely difficult and discouraging for many who wish to invest in the education sector, particularly at the secondary level. Legal and regulatory mechanisms, as well as the structure for incentives, were also reported to be less consistent and ad hoc in nature.

Despite the constraints results of the study strongly support the need for an increased involvement of the private sector in the delivery of educational services. Given the ever-increasing appetite for quality educational services, there is a need for the introduction of an appropriate incentive structure and effective supervisory mechanisms to enhance the participation of the private sector in education. The peculiarities specific to the social sector as opposed to the commercial also make it necessary to design a privatization strategy specific to the education sector in its own context. The problems observed in the state-run schools by themselves are also factors that may propel the wave for privatization in education.

Therefore, it is recommended that reforms have to focus on an enabling policy environment to reduce barriers to entry, provision of incentive structures, the design of a demand driven safety net programs, and introduction of an effective contract monitoring system by removing all unnecessary bureaucratic bans and restrictive legal and regulatory frameworks with more focus on performance, monitoring and quality maintenance.

1. Background of the Study

Education is a premier indicator of development and a sign for the quality of growth in a given society. Attacking poverty and sustaining development is also unthinkable without a sound education system. The centrality of education as a core and principal engine for development and nation building is, therefore, unquestionable. However, in Ethiopia, despite a long tradition of education and a century old history of modern schooling, the education system remains backward and far behind the expectations. The 1999 UNICEF report ranked Ethiopia as the third to last country in primary education enrollment in the world, leave alone secondary, technical/vocational and tertiary education.

In the academic year 2000/01, access to preprimary education was only 2 percent; the gross enrollment ratio at the primary level was 57.4 percent and 12.9 percent at the secondary level (MOE, 2001). The illiteracy rate is also one of the biggest in the world (78 percent). The disparity of educational opportunities along regional, spatial and gender lines are also disturbing. Despite a marked increase in enrollment over the past ten years, the Ethiopian education system has experienced severe neglect in terms of coverage, access, equity, quality, relevance, and efficiency at all levels.

The educational policies and practices exercised over the years are the main reasons for the crisis of education in Ethiopia. In view of the disappointing record of the education system in Ethiopia, some educational thinkers relate the failure with the process of policy formulation. Tekeste (1990), argues that the Ethiopian education policies have always been formulated ‘behind a closed door’ referring to a practice once contributed to a social upheaval (the Education Sector Review); and Seyoum (1996), has reached a conclusion that, attempts at the process of policy making in education has been “a top down approach” rather than “a bottom up approach” in which the interest of the needs and interests of the beneficiaries were not fully addressed. From these conclusions one can infer that in the process of educational policy formulation, broad participation of stakeholders was missing.

In response to the problems, the 1994 Education and Training Policy and the subsequent Education Strategy and Sector Development Plans have acknowledged and realized the need for public-private partnership and collaborative effort to enhance the delivery of quality, responsive, and efficient educational services managed under a decentralized system of administration. In the Policy it is stated: “The government will create the necessary conditions to encourage and give support to private investors to open schools and establish various educational and training institutions” (TGE, 1994).

Following the policy several privately owned schools and training institutions have began to operate in urban centers, the biggest of which is observed in Addis Ababa. As indicated in the 2001/02 Education Statistic Annual Abstract of the Ministry of Education (MOE), there were about 299 Kindergartens, 366 Primary Schools, 58 Secondary Schools, 17 Technical and Vocational Education and Training centers (TVETs) and 15 Colleges functioning in Addis Ababa. Of these 292 (98%) kindergartens, 287 (78 percent) Primary Schools, 31(53 percent) Secondary Schools, 7 (41 percent) TVETs and 10 (67 percent) Colleges were privately managed educational institutions (MOE, 2001; Addis Ababa Education Bureau, 2001). Prior to the issuance of the 1994 Education and Training policy, the existence of private educational institutions was almost nil in the country (Seifu, 2000), due to the prohibitive nature of the private schooling under the socialist regime. The number of private Kindergartens, Vocational and Technical Schools as well as Tertiary level education and trainings are the most rapidly growing private educational institutions in the city.

However, despite the remarkable growth in number, there is a view that private investment in education is not encouraging for many due to lack of proper incentive structures. Studies conducted by the Policy and Human Resource Development Office (PHRDO) in 1996, and Seifu (2000), have disclosed the fact that private investment in education is unsatisfactory and bound to suffer from lack of clear policy directives. As cited in Seifu (2000), out of the total 4,344 project applications, education accounted for only 2.7 percent (119 projects) up to 1999 (Ethiopian Investment Authority, 1999). The major reasons mentioned include: lack of legal enforcement; unclear, inconsistent and

confusing regularatory mechanisms; poor incentive structures and discouraging and inefficient bureaucratic systems.

World wide studies have also shown that the design of a politically sound, socio-culturally acceptable and fiscally affordable reform policy is difficult in education, and the implementation experience has not always been encouraging in many developing countries. According to these studies the private sector as an alternate to the state-run school system has faced problems in many fronts. One of the problems stems from the resentment of vested interest groups, and suspicions resulting from ideological underpinning. Another set of problems is related to unclear policies, lack of access to land and financial resources, excessive bureaucratic interferences and control, which often has a negative impact on private sector initiatives (Torres and Mathur, 1995).

Despite all the constraints, the situation has demanded the need for rethinking the importance of private involvement in education and training. The factors that have been responsible for propelling the wave for private investment in education include; fiscal constraints, poor performance of government led schools, technological change, change in the economic and cultural environment and successful international experiences (Seifu 2000). Therefore, there exists an urgent need to identify the need for private education, assess key constraints and suggest appropriate reform options for intervention in Ethiopia.

2. Purposes and Scope of the Study

This paper is intended to contribute to the emerging dialogue on private sector involvement in education. It is designed to address the need for private schooling in relation to demand, opportunities, key constraints, reform options and appropriate points of intervention in the Ethiopia context.

The specific objectives of the paper are therefore:

- i) To show the potential role and contribution of the private sector in the advancement of education in Ethiopia;

- ii) To assess parental choice and the demand for private sector's operation in education in urban settings with special emphasis on Addis Ababa;
- iii) To provide insights and provoke workable policy dialogue between and among key stakeholders, and
- iv) To recommend a course of action for establishing the necessary policy conditions/options, incentive structures and supervisory mechanisms for improved sector performance and greater private participation in the education sector of Ethiopia.

3. Significance of the Study

Public private partnership is one of the most acknowledged strategies for effective decentralization and enhanced service delivery in today's development programs. However, the role the private sector in the advancement of education seems to be less understood in Ethiopia. The government of Ethiopia should make advantage of the private sector skills and knowledge to improve the century old efficiency problems of educational service delivery and at the same time need to gain additional access to finance for new investments. This requires careful designing of supporting policies and a well taught planning arrangement for the private sector.

Therefore, it is the belief of the writer that this paper may be of great help to policy makers, planners, development partners, implementers, end users and the academia to provoke sound policy ideas that may serve as a starting point to draw practical policy decisions, regularity frameworks and operational guide for effective public-private partnership in education in Ethiopia. It could also add some insights and empirical evidence to what has been known already and could serve as a springboard for further in-depth study, documentation and dissemination of new findings.

4. Research Design and Methodology

The design and methodology of a research is based on the purpose of the study (Morra and FriendLander, 1999). The primary purpose of this paper is to generate policy dialogue on the need for greater involvement of the private sector in education in Ethiopia. The paper seeks to mirror trends, opportunities, and challenges in the provision of private educational services in relation to school choice, private sector contribution and the enabling environment by way of identifying major barriers to its growth. Thus, a descriptive survey method was employed as an appropriate methodology to describe the situation, and synthesize lessons learned in line with the current wave of decentralization in the country.

At the time of the survey, there were about 755 schools in Addis Ababa running from kindergarten through tertiary level, out of which 83 percent (627) were private schools. Except in zone six, private schools have been operational in all the five zonal Administration of the city in privately owned residential villas. Of the total private schools functioning in Addis Ababa, 30 schools were taken as a sample for the study based up on simple random sampling. Documents, interviews, focus-group discussions, actual observations, available reports and literature review were the main sources of data. As regards to respondents a representative sample of 120 parents, 6 school owners, 24 teachers and supervising experts were considered in the study. Both qualitative and quantitative data analysis method were employed. The obtained data was tallied, tabulated and categorized using percentages, rank orders, frequency counts and a Likert type scale to discuss, analyze, and interpret available information.

5. The Context for Private Sector Involvement

Private sector involvement is one of the key aspects in the process of effective decentralization and attacking poverty programs for enhanced service delivery. Countries around the world have initiated major reforms that raised the issue of who should be

providing certain public services. As such, several governments have attempted to reduce the size of their civil service, which was seen as too large, too costly, inefficient and not sufficiently innovative. Studies have also shown that, many public functions could be performed better, more cheaply and efficiently by the private sector or at least by the public sector using private sector service delivery method (World Bank, 1995).

Stokes (1999) has underscored that private delivery of education is better serving the educational needs of the population in many countries than government led schools. Besides complementing state-run education in the overall expansion of educational opportunities, private participation could free public resources, sharpen educational innovations and provide new scope for high standards in education.

Selected country experiences also show that the private sector has played a significant role in the advancement of education. In Tanzania and Kenya the provision of private educational services have exceeded government (public) schools both in terms of enrollment and quality (World Bank, 1995). In Chad private and community schools cater for about 15 percent of the total enrollment. In Zimbabwe 94 percent of the schools belongs to the nongovernmental sector. In other regions too one can see similar trends (James, 1991)

Privatization as used in the social sectors, does not necessarily imply an out right sale of public assets to private entrepreneurs. It is rather any form of expanded private sector participation to promote efficient and responsive quality services to the citizenry. The activities can take the form of private sector ownership, financing, management or any combination of the three. This does not imply a smaller role for the government.

There could be a number of reasons for government intervention in the delivery of educational services. Not all society members can afford the direct and indirect costs of education. It is argued that, if education is totally left to a market conditions, only those who can afford to pay could benefit. This will lead to social injustice and under

investment from the social point of view that may widen income inequalities between the “haves “and” “have-nots” (Stokes, 1999; Torres and Mathur, 1995).

However, there are also several authorities that do not share this opinion and opt for private sector provision. This group of educational thinkers advocates that, the private sector could even better address equity issues as far as some sort of safety nets programs are set in place. The adoption of demand side financing mechanisms using voucher systems, scholarships, stipends, competition grants, exemption from certain taxes and other incentive structures are proposed as a policy option for government involvement to support low-income households.

Countries like Bolivia, Brazil, Pakistan, Peru, Senegal, Japan, Indonesia, Kenya, Liberia, and the Philippines provide partial subsidy in the form of cash grants, low rent buildings or shared facilities, assignment of additional teachers and catering of free training services. Other countries like Jordan, Japan, Republic of Korea, Algeria, Italy, and Sweden provide relief from import duties, exemption of property or income taxes, and also arrange low interest rates or guaranteed loans and scholarships for needy students to allow them attend schools of their choice. Belgium, Denmark, France, the Netherlands, Norway, the United Kingdom, Germany, Lesotho, and Togo pay the salary of teachers as well as provide some recurrent and capital costs to private schools depending up on enrollment (James, 1999).

As a result, private education is becoming one of the biggest growth industries around the world. Merrill (1999) had estimated educational investment at \$2 trillion in 1999. The year 2000 has also marked a global sign for increased market in education. The World Trade Organization (WTO) has already signaled the need for recognizing trade in educational services and products in a global market. The emerging market forces and the contribution of the private sector in its own has thus, begun to force governments to search for appropriate reform options and implementation strategies for private sector involvement in education. Getting a good private sector involvement in education, therefore, requires genuine partnership, assessment of the market forces, creation of an

enabling environment, ensuring greater allocation efficiency, establishment and maintenance of effective supervisory, management mechanisms and support systems to succeed.

6. Findings and Discussion

6.1 Review of Legal and Historical Perspectives

The existence of non-government schools in Ethiopia began to surface by the advent of Christian missionaries in 1906 (Solomon, 1997). However, the first official recognition of the non-government schools, including the private ones appeared in the 1940s by Proclamation 1943, Article 27 (Getachew and Lulseged, 1996). Following that, Decree Number 2 of 1944, issued on 21 November, 1936 and in accordance with the provision of Article 23. C of amendment Number 2 order Number 16 of the 1966, the second proclamation was passed in September 1973. Accordingly, the then Ministry of Education and Fine Arts provided the first clear and detailed regulation on non-government schools; defining private, mission and community schools with terms and conditions for operation in Meskerem 1966 (Ministry of Education and Fine Arts, 1973).

Unfortunately, this regulation was short lived as a result of Proclamation Number 54, 1975, which outlawed the existence of private schools in Ethiopia (Getachew and Lulseged, 1996; Seifu, 2000). This policy ordered the confiscation and nationalization of all private schools transferring their management and ownership to the public ownership.

After twenty years, the Transitional Government of Ethiopia (TGE) allowed the establishment and operation of private schools in 1995. The Council of Ministers as per Article 4 (2) of the definition of Powers and Duties of the Prime Minister, under the Council of Ministers' Pursuant to Proclamation Number 2/1991 issued a new regulation entitled the "Licensing and Supervision of Private Educational Institutions" in Ethiopia (TGE, 1995, Council of Ministers, Regulations Number 206/1995. This policy has opened the door for the re-emergence of private institutions in Ethiopia, particularly in

big urban centers. The following table illustrates trends in the Growth of private schools in Addis Ababa.

6.2. Trends of Growth

Table 1. Trends in The Growth of Private Schools in Addis Ababa

School Level	Year	
	1994/95	2001/02
Kindergartens (KGs)	52	292
Primary Schools	-	287
Secondary Schools	5	31
TVET Schools	0	7
Colleges	0	10

Source: Ministry of Education, Education Statistics Annual Abstract 2000/01

As indicated in table 1 above, the number of private schools seems to increase in an alarming rate after 1994. Within seven years time, the number of private schools grew rapidly and far exceeded the expansion of government schools at all levels in the city. Reportedly, parental demand for quality educational services was the major reason for this rapid growth of private educational institutions in urban Ethiopia.

Table 2: Comparison of Private and Government Schools in Addis Ababa (2001/02)

School Level	Total schools	Government schools	Private schools	Percent (Private schools)
Kindergartens	299	7	292	98.3
Primary Schools	366	79	287	78.4
Secondary Schools	58	27	31	53.4
TVETs	17	10	7	41.2
Colleges	15	5	10	66.6
Total	755	128	627	83

Source: Ministry of Education, Education Statistics Annual Abstract 2000/01

As shown in Table 2 above, the number of private educational institutions are much more greater than government-led schools especially at Kindergarten, Primary and College levels. In 2000/01 there were 292 KGs, 287 primary schools, 31 secondary schools, 7 TVETs and 10 colleges officially registered and privately managed educational institutions in Addis Ababa, accounting for 98, 78, 53, 41, and 67 percent, respectively; compared to almost nil in 1994. In spite of this rapid growth, there is still an unmet demand as evidenced by long waiting lists for admission to private schooling. The present trend shows that the demand for private schooling substantially exceeds supply and as parents are opting for more private schools with in their locality. The developments of these private schools, however, vary with respect to academic quality, resources, and pricing ranging from the successful ones to those, which are likely to survive in business and management terms. The observation signals a universal desire of families for more private education on one hand and the mismatch between demand and supply on the other.

It was reported that the development of private educational institutions could have showed much more positive results if the government have had created a positive investment climate for the sector. Analysis of the trends in the growth of private sector education in Addis Ababa also exhibits spontaneous and un even distribution. Most schools are concentrated in zone three followed by zone four, where demand and space availability might have attracted investors. In zone six one cannot find private schools and there is only one in zone two.

Lack of proper incentive structures and encouragement has limited the growth of private education, particularly at the secondary level. The concentration of private schools at the pre-primary and primary school levels might be related to ease of investment and acquisition of school space. According to Getachew and Lulseged (1996), and Seifu (2000), the Investment Policy, Regulation Number 206/1995 is not encouraging for private sector involvement in education.

6.3. Schools Enrollment Profile

Table 3. Enrollment Profile of Schools by Type, Level and Sector in Addis Ababa (2001/021)

School Level	Total enrollment	Government schools	Private schools	Percent (private schools)
Kindergartens	38,055	761	37,294	98
Primary	385,093	202,206	182,887	47.5
Secondary	122,421	11,3201	9,220	7.5
TVET	17,097	16,109	988	5.8
College	16,452	4,240	12,212	74.2
Total	579,118	336,517	231,601	40

1. Ministry of Education, Education Statistics Annual Abstract 2000/01

2. Addis Ababa Education Bureau, Education Annual Abstract 2000/01

As depicted in table 3 above, the private sector accounts for 40 percent of the total enrollment in the City in 2001/02. The private sector is the major contributor, covering 98 percent of the total enrollment share at the pre-school level. This might be the result of government policy, which left the operation of the pre-primary schools entirely to the private sector and the community. At the primary and tertiary level the enrollment share of the private sector constituted 47.5 and 74 percent, respectively. Enrollment trends in the secondary and TVET levels are only 7.5 percent and 5.8 percent, mainly due to lack of space and investment capital. As one goes higher in the education ladder the enrollment trend for private schools drops down dramatically. The major reasons cited by school owners were lack of access to school land, credit facilities and proper incentive structures.

Table 4. Student- Section and Student- Teacher Ratios in Schools of Addis Ababa by Type and Level (2000/01)

School Level		School Type		
		Government	Private	
KGS	SSR	DNA	1:30	
	STR	DNA	1:25	
Primary	SSR	1:69	1:35	
	STR	DNA	1:35	
Secondary	SSR	1:81	1:23	
	STR	DNA	1:23	

**Source: Ministry of Education. Education Statistics Annual Abstract 2000/01*

- *SSR – Student Section Ratio*
- *STR- Student-teacher Ratio*
- *DNA- Data not Available*

The data on student-section ratio and student teacher ratio are not specifically available for all the school levels and type. However, from the available data, interviews and observations made, it was found that, both student-section and student -teacher ratios were much more higher in government schools than in the private and other non-government schools. In government schools classes were highly crowded, accommodating up to 120 students per class room, and the time teachers spend to deal with each student was found to be very minimal leading to poor performance that might have contributed to low quality education. In the private schools, classes were found small in size 30 to 40 on average, and the time a teacher spends with students was much higher than what is observed in government schools. The smaller the class sizes the better student-teacher interaction and this in itself would have a very positive effect on student performance. It was also noted that private schools have a better quality and up to date school facilities compared to the

government schools in terms of workshops, information communication technology, shops, libraries and laboratories.

6.4. Educational Efficiency

Table 5. Educational Wastage in the form of Repeaters by School Type and Level in Addis Ababa (2000/01)

School Type	Repeaters	
	Primary	Secondary
1. Government	(11.24%)	(11.3%)
2. Nongovernmental including private	(6.14%)	DNA, but reportedly minimal

Source: Ministry of education, Education Annual Abstract 2002

Table 5 above shows repeaters in primary and secondary schools of Addis Ababa. As depicted in the table, though data was not available for the private sector at the secondary level, reportedly it was revealed to be higher in government schools than in private schools. The repetition rate at primary level was 11.24 percent and at the secondary level 11.3 percent for government schools, while it was found 6.14 percent at the primary level for private secondary schools in the academic year 2000/01. This reveals the fact that private schools are more efficient in retaining children than do government schools. This finding is in line with what Getachew and Lulsged have found in 1996.

6.5 Costs

The 1993 E.C. share of the national education budget for Addis Ababa was 1,327.75 million birr (MOE, 2001). The total share for primary education estimated at 50% will be 663.875 million birr. Based on the number of children at government primary schools

the total cost per child per year was calculated at about 3,421 birr and/or 342.10 birr per month per child. When one considers the annual recurrent costs, excluding capital costs for the same level, the annual direct educational expenditure per student was calculated at 1,431 birr per child per year which means roughly birr 143.10 per child per month.

On the other hand, the direct educational cost per student in the visited private schools ranged from 50 to 250 birr per child per month. If we take the average it is about birr 140 per child per month. This cost includes both capital and recurrent cost for the private sector. Thus, from this one can conclude that, private schools are more cost efficient and can do a better job for equal costs or could do the same for less cost in the education sector.

Parents were also asked about the cost of private schools and their willingness to pay for school fees. The majority 52 percent responded that the school fees are reasonably fair compared to the services rendered. 30.5 percent said the fees are not expensive and even said cheaper than the transportation cost incurred, while 17.5 percent did not agree with it. Seifu also discovered similar finding from parents in the year 2000.

6.6 Teachers Qualification, Experience and Satisfaction

Table 6. Responses on Teachers Qualification, Experience and Satisfaction in Private Schools.

Item	Respondents # 30			
	School Owners # 6	Supervisors # 12	Teachers # 12	Total
1. Teacher qualification in private schools is comparable with the Ministry's standard				
a) Agree	6 (100%)	10 (83%)	11 (92%)	27 (90.7%)
b) Do not agree	_____	2(17%)	1 (8%)	3(10%)
c) I don't know	_____	_____	_____	_____
2. Private School teachers				

<i>compared to government schools are more younger and have lesser experience in teaching</i>				
<i>a) Agree</i>	<i>4(66.7%)</i>	<i>9(75%)</i>	<i>7(68.3%)</i>	<i>20 (66.6%)</i>
<i>b) Do not agree</i>	<i>2(33.3%)</i>	<i>3(25%)</i>	<i>5(41.7%)</i>	<i>10 (33.3%)</i>
<i>c) I don't know</i>	_____	_____	_____	_____
<i>3. Teachers Satisfaction in salary, benefits & job security:</i>				
<i>Low</i>	<i>1(16.7%)5</i>	<i>8(66.7%)</i>	<i>10(83 %)</i>	<i>19 (63.3%)</i>
<i>Medium</i>	<i>5(38.3)</i>	<i>4(33.3%)</i>	<i>2(17%)</i>	<i>11 (36.5%)</i>
<i>High</i>	_____	_____	_____	_____

* #: Number; * %: Percent

Teachers' qualifications in all the surveyed private schools were found to be comparable to the government schools and fall within the ministry's standard as indicated by 90 percent of the respondents. In rare cases one can find over qualified teachers in private schools, holding for example second degree at the primary level.

As regard to experience, teachers in government schools tend to have longer experience compared to private schools. Age wise private schools tend to have younger age group than government schools as indicated by 66.6 percent of the respondents.

Teachers' satisfaction in terms of the general school climate was rated satisfactory for private schools, while benefits, salary and job security in most of the private schools was found to be unsatisfactory as rated by 63.3 percent of the respondents. This might have to do with the current civil service reform provisions for training and promotion or may be related to the newly introduced incentives and career structures in government led schools.

6.7. School Choice by Parents

Table 7. Parent Responses on School Choice

Chosen school	# 120
	First Choice
Private	89 (74%)
Government	20 (17%)
Public School	11 (23%)

Interviews made with 120 parents in Addis Ababa and analysis of documents in private schools has shown an interesting result on the issue of school choice. Parents were first asked to indicate where their children are currently enrolled in any of the schools. Except few 25 (21 percent), the rest have indicated that their children are enrolled in all the school types (government, private, public and other nongovernmental schools). This gave the writer to test parental choice among the existing types of schools.

Then, given equal chances, they were asked to indicate their preferred choice of school type in terms of their priority. As shown in table 7 above the majority of parents 89 (74 percent) marked the private schools as their number one choice and the least preferred school was government school. Interestingly enough, the children of almost all officials, planners, decision, merchants and well to do families including government school teachers have been enrolled in private schools and a great majority are seeking for admission in the private schools except at tertiary level. However, the position of this top level officials makes one wonder why they do not find a means for the poor child to have access into these schools rather than insisting the poor to remain in government schools. They could have arranged a scheme for school choice by giving parents the freedom to use the share of educational budget assigned for each child to enroll their children in the school of their choice. This implies the need to establish a safety net program for those in need and the development of a sound regulatory framework for private provisions of educational services.

The major reasons for wanting their children attend private schools as indicated by parents were quality, school discipline, safe school climate and better school parent contact over the education of their children. The degree of their satisfaction was as follows:

Table 8. Satisfaction of Parents in Government and Private Schooling

Items	Private schools #120		Government schools # 95	
	Satisfied	Not Satisfied	Satisfied	Not satisfied
a). Satisfaction with academic standard	87 (72.5%)	33 (27.5%)	4(4.2)	91(95.8)
b). Satisfaction with school discipline	86 (71.6)	34 (28.3%)	10(10.5%)	95(89.5)
c). School-parent contact	81 (67.5)	39 (32.5%)	12(12.6)	93(87.4)
d). Safe School Climate	75 (62.5)	45 (37.5)	18(18.9)	77(81.1)

Parents' satisfaction in terms of academic standard, school discipline, school-parent relationship and school climate were all rated satisfactory for the private schools, whereas it was disturbingly unsatisfactory for the government schools. As shown above in Table 8, parents were more satisfied with academic standard or the performance of their children as indicated by 72.5 percent of the respondents. It was almost the believe of all respondents that private school students have had a substantial advantage in terms of success in national exams and a better chance to go higher in the educational ladder. The school climate was another important discovery in this study. 75 (62.5 percent) of parents, and the informally questioned children responded that, they have never noticed violence against school children. This might have resulted from the fact that parent involvement in the education of children might have created safe school climate in private schools than in government led schools. Some parents also witnessed that exposure to crime/ threats is far more less in private schools than in government schools.

6.8. Factors Affecting School Choice

Table 9. Parent Responses on Factors Affecting the Choice of Private schools

Factors	Responses	
	# 120	Percent
1. Proximity of residence	48	39.6
2. Access (admission)	46	38.3
3. Income level (school fee)	16	13.8
4. Quality	10	8.3
Total	120	100

Parents who exercised some experience on school choice indicated proximity of residence and access to private schools (admission) as the two major factors affecting their choice for private schooling as responded by 48 (39.6 percent) and 45 (38.3 percent), respectively. This shows the fact that residence or proximity of schools could facilitate or impede private school choice followed by the difficulty in admission to private schools. The researcher himself has observed the long waiting list of applications in some of the surveyed private schools. In most of the private schools admission was found to be very difficult for new entrants and in most of the cases registration is over before June even for those students who have already being enrolled.

6.11 Key Constraints for Private Investment

Table 10. Key Constraints for Private Investment in Education in Addis Ababa.

Key constraints	Responses # 30			
	School owners #	Teachers #	Education experts & Authorities #12	Total
1. Lack of school land	6 (100%)	10 (83%)	8 (67%)	24 (80%)

2. Lack of clear regulations	6 (100%)	11 (92%)	5 (42%)	22 (73%)
3. Poor credit opportunities	5 (83%)	6 (50%)	9 (75%)	20 (67%)
4. Lack of proper incentives	5 (83%)	10 (83%)	7 (58%)	22 (73%)
5. Excessive bureaucracy and administrative Interferences	5 (83%)	9 (75%)	4 (33%)	18 (60%)

** %: Percent*

A key challenge in private sector investment in education was found to be lack of school land, followed by lack of clear regulations and proper incentives as responded by 80 and 74 percent of the respondents as disclosed during interviews and focus group discussions. The barriers seem to limit the growth of the private sector involvement in education, particularly at the secondary level, where land and higher capital costs are the major determinant factors for private owners for the expansion and development of the sector.

According to the interview made with teachers and school owners there was no clear regulatory framework for private schools to adequately serve the needs of the society. School owners indicated the fear they have on the capacity and transparency of the public service to support private engagement in the field. Incentives were also found to be less consistent and ad ok in nature. Furthermore, it was pointed out that some interest groups tend to disturb the school climate in different ways and at different forms. This might have resulted from the tendency that the government should take care of educational services may be a reflection of the socialist education system and may be in fear of the consequences a free market in educational services. Some mentioned the case of Unity College where the owner raised school fee all of a sudden without prior consult of the learners.

6.12 Attitude of Students Towards Private Schools

Table 11. Responses on Attitudes of Students towards Private Schools

	Item	Responses								
		School Owners, Teachers and Authorities # 30			Parents # 120			Total in Percent		
		High	Medium	Low	High	Medium	low	High	Medium	low
1	Growth in interest towards learning	25	5	-	75	25	20	67	20	13
2	Come prepared to learning	23	6	1	81	30	9	69	24	7
3	Absenteeism									
4	Interaction and positive self-expression	-	10	20	-	32	88	-	28	72
5	Verbal abuse and disrespect of teachers & colleagues	22	8	-	70	40	10	61	32	7
		4	5	21	10	35	75	9	32	64

The behaviors of students in private schools were reported to be much better than the behavior of government and public schools students in the over all teaching-learning process of schools. Students of private schools were found to have better interest and positive attitude towards learning; came prepared to school; have better attitude and interaction with peers, teachers, and parents; and had low absenteeism record as can be seen from Table 10. It was also disclosed by many of the respondents that parents who pay and send their children to private schools are highly involved in the education of their children as opposed to a fee free government led schools.

6.11. School Organization and Management

School Organization, leadership and management was another area of concern for this study. Almost all schools have some sort of strategic planning. They tend to forecast the future more strategically with a vision to be center of school excellence. Responses from teachers, education experts, parents and authorities were gathered to see the efficiency and effectiveness of private schools. The majority (63.3 percent) responded that principals and owners of private schools have good conceptual, technical, and human skills in school management. According to the responses, private schools were at a better position to exercise school-based management and have had demonstrated influence over school policies than government-led schools. Their system of administration, financial strategy and management system was found to be more functional and customer oriented. Their system of service delivery was also found to be relatively free from heavy bureaucratic administration and tends to follow market ethics for customer satisfaction.

Private schools also exhibited better use of educational technology, especially computers to motivate learners, in the organization of educational visits and school events for over all development of the child, as well as in the coordination of school-parent contact. In aggregate terms, most private schools tend to assign professionals in school administration and are acknowledged for using resources wisely than government schools, particularly in the use of instructional time.

7. Conclusions and Recommendations

Now, more than ever, education is being considered as society's best investment. Research has revealed that there is no more effective social investment than in education. Several studies have shown the social and private rate of return to education as being rewarding. For example, the economic rates of return to primary and secondary education are estimated at or above 10 percent a year than what the same person could have earned without education (Psacharopoulos, 1994). Given the importance and benefits of education, however, access to

quality educational opportunities is limited to the few, especially in the developing world in which Ethiopia is part.

When one looks at the delivery of educational services, people at large, rarely think the benefits entailed in the provision of private education. Many people believe that only the government can provide educational services to the public. However, results of this study and lessons from many developing countries as well as developed nations show that private education is better serving the educational needs of the population than government-led schools. Besides complementing state-run education by expanding educational opportunities overall; private schools can free public resources, sharpen innovation in the classroom, and provide new scope for high standards of education on a competitive base. As a result, in recent years attention has been given to what has come to be known as the “education industry” consisting of schools, services and products (Stokes, 1999). Yet, despite this benefits, private investment in education contributes very little in Ethiopia. The provision of education in Ethiopia was and still monopolized by the state and the chance for school choice is very limited. Of course, public intervention in education has been justified on several counts, especially equity. However, there is a strong feeling that public spending on education is often inefficient and inequitable as seen in the century old history of modern education in Ethiopia.

Given the appropriate incentive structures and effective supervisory mechanisms, private investment in education could go a long way towards improving the present condition of the Ethiopian education system. The study strongly supports the need for an increased involvement of the private sector in the delivery of educational services in Ethiopia. The peculiarities specific to the social sector as opposed to the commercial make it necessary to design a privatization strategy specific to the education sector. The problems observed in the state-run schools by themselves are also factors that may propel the wave for privatization in education. If we have to acknowledge the involvement of the private sector to improve access, equity, relevance and the efficiency of service delivery in education, reform has to focus on the following core areas of intervention:

1. An enabling policy environment to reduce barriers to entry through strong public awareness campaign, and the designing of an effective political marketing strategy for consensus creation;
2. Establishment of an appropriate, flexible, and stable investment climate so that private investors are encouraged to do what they can for the improvement of the education sector;
3. Enabling private investors to have ease of access to land and diversified financial resources would help to attack the highly manifested educational poverty in this country. The government has to change its role and focus on the monitoring and maintenance of quality standards; has to assume a lead role in defining standards, accreditation, and establishment of an effective monitoring and enforcement mechanisms than assuming the wasteful and little rewarding monopolistic ventures in education;
4. Removing or simplifying all unnecessary bureaucratic bans and restrictive legal and regulatory framework by focusing only on performance could pave the way for increased value for money in education;
5. Provision of incentive structures in land provision; exemption of taxes; provision of subsidies or introduction of demand driven financing mechanisms or safety net programs to allow parents enroll their children in the school of their choice; arrangement of an effective contract monitoring system such as targeted stipends, matching grants, voucher system, sponsorship, low rate loans, introduction of cost recovery or income generation schemes, and searching mechanisms for donor assistance in the development of private education.

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