

opinion

By Johan Fourie



EDUCATION

Private schools might just save SA

Private education *can* provide quality education to the masses. The Swedish example shows us how.

When I was an Economics student 12 years ago, the academic literature we read, by South Africa's leading economic thinkers and social scientists, was lamenting the poor performance of the then South African school system. There was little doubt that the quality of the schools had to improve for the 80% South Africans who were still stuck, despite massive transfers of resources to these schools, in a system crippled by apartheid-era policies.

Fast forward to 2017. A generation has now passed through the system, and there has been almost no improvement. Of 100 grade 1 students that go to school, only 37 can hope to pass matric. With teacher trade unions opposing policies that might improve teacher quality, our minister of basic education seems paralysed. Corruption often means that budgets are either unspent or spent inefficiently.

There is an alternative. Over the past few years, private schools have become an alternative for middle-income families wanting a better future for their children. Take Northern Academy in Polokwane, run by the JSE-listed Curro Group. Despite school fees that are around R21 000 a year, with a similar amount for boarding, the school has over 5 000 students, 111 classrooms and 66 hostels. In the 2016 matric exams it was the top-performing independent school in the province.

Curro now has schools across all provinces. In the past four years, its share price has

tripled. Its profit motive means it must satisfy its clients: if it performs poorly by employing underqualified teachers, clients will go elsewhere. That is the miracle of the market system that Adam Smith identified: profits signal that a firm is doing something right. If profits fall, the firm better improve or it will go out of business. If profits rise, like Curro's, other firms will notice and enter the market.

One fear is that Curro will monopolise the market, charging fees that allow them to earn monopoly profits. This is unlikely in the education sector, though, as there are few barriers to entry. Consider the **SPARK schools**, with tuition also around R21 000 per year, that have opened since 2013 in Gauteng and the Western Cape.

A second fear is that a well-run private school system will create further divisions in a country characterised by high levels of inequality; those that are able to afford the high school fees of good education vis-à-vis kids from poor households forced to attend poor-quality public schools. This is likely to happen if private schools are limited to those that can afford them. But they need not be.

In Sweden, where equality of opportunity is almost a religion, more than 10% of kids are enrolled in private schools. A major education reform in 1992 allowed schools to receive public funding based on the number of students enrolled. Schools are not allowed to discriminate or require admissions exams, or to charge parents additional school fees. (They may accept donations, often used to expand school facilities or offer financial support for poor students.)

Anyone can start a for-profit school in Sweden. Many offer an alternative curriculum, or provide a service to international, religious or language groups. Others are designated sports or artistic schools. It is simple: If a public school is not providing the services its community wants, an entrepreneur will identify the gap and step in.

We need this in SA too. The 2017 Budget allocated R243bn (16% of our total consolidated spending) to the department of

basic education. With 11.2m school-going kids, that is slightly more than R21 000 a child.

What if every parent received a government voucher of R21 000 per student to use at any school they want, public or private? A larger amount could be given to those living in rural areas or previously disadvantaged areas. This empowers parents to choose the schools which they believe will serve the interests of their kids best.

There are concerns with private education too, of course. One wants to ensure facilities are of good quality, and teachers and curricula meet certain standards. But the concerns pale

in comparison to the atrocious outcomes of the current school system, where facilities are often non-existent and teachers unqualified.

Imagine the opportunities this will create for entrepreneurs. A community leader in an area with poor public schools can take the initiative, appoint educators from within the community and use the vouchers to pay their salaries. Imagine Cricket

South Africa (CSA) partnering with an entrepreneur to build a chain of elite cricket schools, with CSA providing the facilities and coaches and the vouchers paying for high-quality education.

Important research literature suggests that mother-tongue education is critical for student success: with a voucher system, if there is a demand for secondary education in Sesotho in a specific community, expect an entrepreneur to spot the gap. Private school chains will have an incentive to train their own teachers, either on the job or by investing in teacher training colleges.

We need a new plan for education. I'd hate to see my colleagues 12 years from now write papers still lamenting the poor state of our education system. We keep throwing money at a problem that cannot be fixed by money alone. The Basic Education budget grew 7.3% in 2017. If we continue doing this, we are likely to fail a second post-apartheid generation. ■
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SPARK Rynfield, in Benoni, east of Johannesburg, opened in January 2016 and is the seventh school in the SPARK Schools network.