



Privatization of Education



Definition

- The term ‘privatization’ is an umbrella term referring to many different educational programmes and policies. As an overall definition, privatization is the transfer of activities, assets and responsibilities from government/public/institutions and organizations to private individuals and agencies.’ Also, privatization often thought of as ‘liberalization’- where agents are freed from government regulations or as ‘marketization’ – where new markers are created as alternatives to government services or state allocation systems.

Why privatization ?

What do I mean by privatization?

➤ Increasing role for private sector in educational

Provision of facilities

Funding

Regulation

In general, it is helpful to think of privatization in three forms

1.Private provision

2.Private funding

3.Private regulation, decision-making and accountability



Private Provision

Education can be provided by private agencies; such as privately owned and managed schools or universities. It need not be provided through government-run institutions; instead, religious groups could operate private schools, for-profit entrepreneurs, charities, or other interested parties.

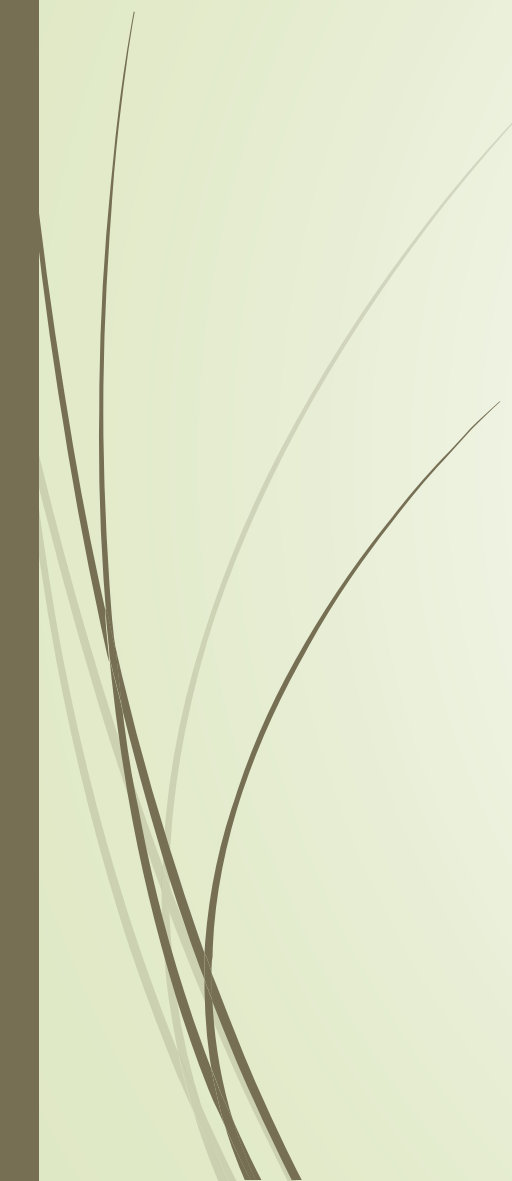


➤ Private Funding

Education can be funded by private individuals rather than through government subsidies. Privatization may therefore mean that parents pay for schooling rather than the government (via tax revenues). Often, private schools are supported directly through tuition fees paid by students' families, but in many cases, both families and governments contribute funds in a cost sharing approach.



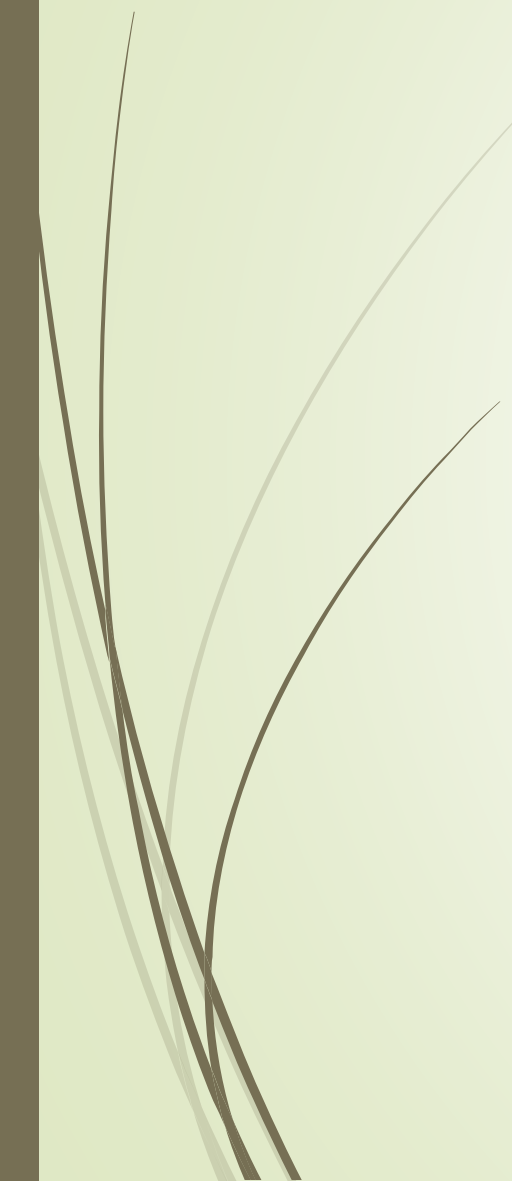
Private Regulation, Decision-making and Accountability




Education services can be monitored by those who receive the services directly, i.e. the students and their families. They will make sure that the education is of satisfactory standard – either by refusing to enroll at poor quality schools (‘exit’) or by demanding a better service . Thus, privatization can include giving parents more choice over what goes on in schools, or what types of school are available, even where all these choices are within the public sector. Also, governments can regulate education: States often set compulsory schooling laws and monitor schools’ performance through inspection systems, audits and accountability frameworks.



Most privatization policies fall into one of the above three forms. So, privatization of education can be undertaken by either:

- a) increasing the number and proportion of private providers;
 - b) raising the amount of funds contributed directly by the users of the services (i.e. students and their families) and lowering the amount contributed through subsidies;
or
 - (c) enhancing parental monitoring of schools and school choice over government rules and regulations. Each of these approaches may be taken simultaneously.
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Hence: two approaches to privatization

➤ **Public-private partnership(PPP)**

Contracting out of state schools

Vouchers(state)

➤ **Extending access to private education**

Private schools for the poor

Private vouchers

Tax credits and scholarships

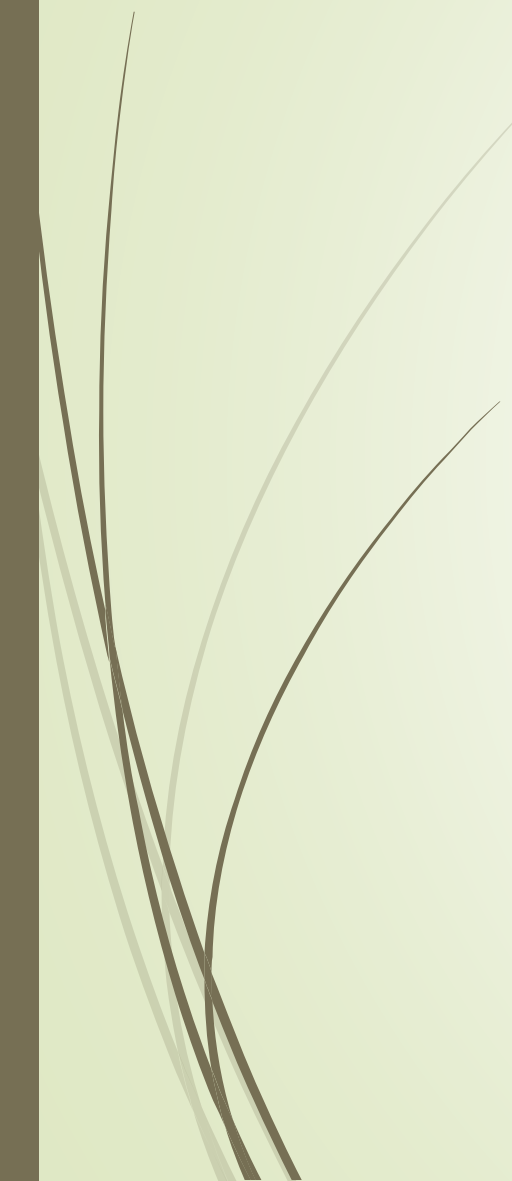


ADVANTAGES:

- Better quality of education
 - Progress
 - Extra activities
 - Management: proper planning
 - Good facilities
 - Quick implementation
 - Rise to foreign education
 - Good output or result
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Why privatization? Efficiency and cost effectiveness

- ▶ World bank studies show the proportional gain in achievement score if a randomly selected student, with the characteristics of an average public school student, attends a private rather than public school, holding constant that student's background.
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DISADVANTAGES:

- Higher fees
 - Control over organization
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GOVERNMENT EDUCATION:

ADVANTAGES

- Low cost
- Government tag

DISADVANTAGES

- Corruption
- Lack of management
- Poor teaching



THANK YOU