



# SABER

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# What Matters Most for Engaging the Private Sector in Education: A Framework Paper

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All remaining errors are the sole responsibility of the authors.

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## Abstract

This paper provides an overview of *what matters most for engaging the private sector in basic education*. In many countries, private schools educate a substantial and growing share of the student population. The goal of this paper is not to advocate for private schooling, but to outline the most effective evidence-based policies that governments can use to orient these non-state providers toward promoting learning for all children and youth. The paper grounds the program, the World Bank's *Systems Approach for Better Education Results – Engaging the Private Sector (SABER-EPS)*, in the global evidence base and discusses the guiding principles and tools for analyzing country policy choices in light of this evidence.

SABER-Engaging the Private Sector (EPS) builds upon the framework for effective service delivery outlined in the World Bank's World Development Report 2004, *Making Services Work for the Poor*, as well as in the World Bank's Education Sector Strategy 2020, *Learning for All*. An education system is composed of all the learning opportunities that are available in a society—not only those provided by government schools, but also those offered by a diverse range of providers (government, communities, faith-based organizations, for-profit organizations, private institutions, non-governmental organizations) and funders (public and non-public). Because education is a human right and because it has social benefit beyond its private returns, governments must take responsibility for the outcomes of the entire education system, not only for the publicly provided services. SABER-EPS is a guide for governments that are committed to improving service delivery for all children and youth and have determined that non-state education providers have a role to play in achieving these efforts.

To assist countries in improving their policy frameworks for private education, SABER-EPS analyzes and benchmarks four policy goals that, according to the global evidence, can strengthen provider accountability and promote learning for all. These policy goals are: (1) encouraging innovation by providers; (2) holding schools accountable; (3) empowering all parents, students, and communities; and (4) promoting diversity of supply. Each of these policy goals is benchmarked across four common models of private service delivery: (a) independent private schools, (b) government-funded private schools, (c) privately managed schools, and (d) voucher schools. The purpose is not to encourage government uptake of any of these specific non-state mechanisms, but simply to guide governments that are currently utilizing these non-state provision approaches towards effective policy practices. For this reason, in its country-level application of the framework and tools, SABER-EPS assesses only the modes of private delivery that already exist in each country.

## **Rationale**

### **The state is responsible for guaranteeing quality education services for all children.**

The benefits of providing access to quality education services for a country's citizens are widespread and well-documented. At an individual level, education enhances people's ability to sustain a livelihood, be better parents, live healthy lives, make informed decisions, and exercise their rights (World Bank 2011). The right of every individual to receive a quality education is guaranteed by the Universal Declaration of Human Rights (1948) and the Convention on the Rights of the Child (1989). Nationally, education plays a critical role in creating responsible citizens, enhancing social cohesion, raising civic participation and environmental awareness, preparing skilled workers, promoting economic growth, and reducing poverty (World Bank 2011). These growth and development payoffs should give governments a strong rationale for providing equitable access to quality education for all children and youth

Throughout the world, governments are held responsible for ensuring the provision of quality basic education services. Public funding of education corrects the failure of the market to provide sufficient resources to education—an important role, as basic education has considerable social value beyond the benefit to the educated individual. Public funding also expands access to those who could not otherwise afford an education (Commission on Growth and Development 2008). Thus, public education investment is necessary to protect both the rights of individual children and youth and the interests of the nation.

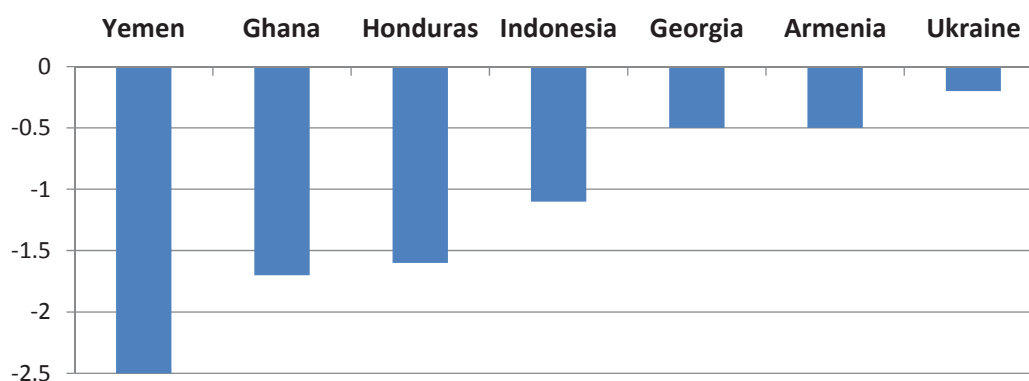
### **Despite global efforts to increase access to education, 57 million children remain out of school.**

Concerted international effort, combined with effective education policies and sustained national investments in education, has led to considerable growth in access to schooling across the globe (World Bank 2011). Between 1990 and 2011, the proportion of children in low-income countries who completed primary school increased from 46 percent to 68 percent (World Bank 2013). During this same time period, the primary net enrollment rate in low-income countries increased from 55 percent to 80 percent (World Bank 2013). Globally, however, 57 million children remain out of school; 30 million of those children are in Africa (United Nations 2013).

### **Learning remains a major challenge.**

Despite the growth in educational enrollment around the developing world, many children acquire little knowledge and few skills during their time in school. For example, in India roughly 47 percent of students in grade 5 were unable to read a grade 2 text (Pratham 2010). A study in Peru found that only half of all students in grade 2 could read at all (Crouch 2006). On the OECD's 2009 Programme for International Student Assessment (PISA), 90 percent of students in lower-middle-income developing countries and 73 percent of students in upper-middle-income countries failed to reach the threshold of the most basic numeracy skills (400 points). In OECD countries, by contrast, only 22 percent of students failed to reach this threshold. Of the seven lower-middle-income nations to participate in the 2011 Trends in International Mathematics and Science Study, all scored below the international mean in mathematics (Figure 1).

**Figure 1. Math performance of lower-middle-income countries on TIMSS 2011: standard deviations below international mean**



Source: Mullis et al. (2012)

### **School access and quality are determined by student background characteristics, leading to inequitable educational opportunities.**

In many places, school access and learning are still driven largely by factors such as household income, geography, and gender. Rural girls, marginalized groups, students with disabilities, and students from poorer households are less likely to attend school (UNESCO 2013). For example, in Pakistan, students from the poorest 20 percent of families have, on average, 4 fewer years of schooling than students from the wealthiest 20 percent of families. In Malawi, students from the poorest 20 percent of families complete primary schooling at a rate of 42 percent, compared to 98 percent for the wealthiest students. In Uganda, rural students have, on average, 2 fewer years of schooling than their urban counterparts (World Bank 2013). Students from poorer households and students from rural communities are less likely to begin schooling and more likely to drop out. Overcoming these disparities will require targeted strategies. The highest-performing school systems in the world are able to provide high quality education to all students, regardless of family background (OECD 2010a).

### **These challenges will not be solved by increasing resources alone; proper allocation of resources is critical.**

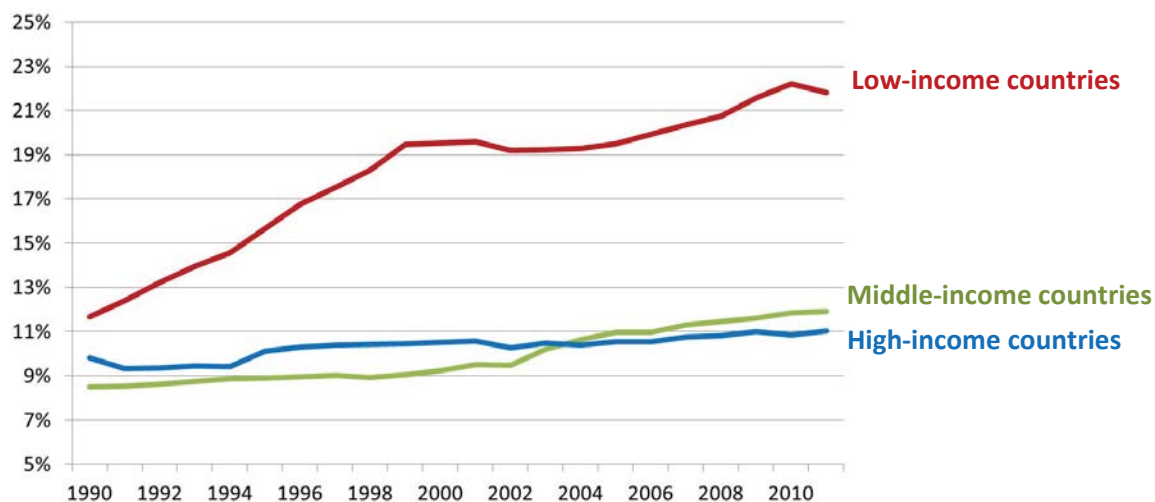
Addressing the obstacles that keep governments from adequately providing education requires more than allocating additional resources to education. Adequate funding for education is important, but increased spending is not strongly correlated with improvements in critical schooling outcomes such as student learning. For example, the United States essentially doubled the amount it spent on education between 1970 and 2000 without any significant increase in student educational achievement (Hanushek 2006). Effective use of education resources hinges upon the incentives and accountability mechanisms that exist between the key actors in the system (Bruns, Filmer, and Patrinos 2011). Misallocation of resources for education is one problem common to many national funding strategies. Certain demographic groups, such as ethnic minorities and indigenous students, low-income students, and girls, are disproportionately excluded from education opportunities, and these students therefore require a disproportionate share of resources and targeted policies to help them catch up to their classmates. Unfortunately, education funding in developing countries typically favors privileged social groups who are more likely to obtain access to basic education services even when education is ostensibly free (UNESCO 2013; Omwami and Omwami 2010).



## The private sector is playing an increasingly important role in expanding school enrollment for all students, including traditionally underserved children and youth.

In recent years, the private sector in education—including a vibrant mix of for-profit, non-profit and faith-based organizations—has grown significantly around the world. In the last two decades, the percentage of students in low-income countries attending private primary schools doubled, from 11 to 22 percent (Figure 2). This growth in private provision is closely connected to the boom in access that has taken place in low-income nations over the past two decades: primary net enrollment increased from 55 to 80 percent between 1990 and 2010.

**Figure 2. Private enrollment as a percentage of total primary enrollments, by country income level**



Note: For information on the World Bank process of classifying economies, visit [data.worldbank.org/about/country-classifications](http://data.worldbank.org/about/country-classifications)

Source: World Bank (2014)

The goal of SABER-EPS is not to advance the agenda of the private sector, and the analytical work does not suggest that countries should transition from public to private service delivery. However, SABER-EPS is premised on the evidence that, in many countries, private educators provide a significant contribution to education and that improved interaction between government and private schools is essential for increasing equity and quality. A census in Lagos State, Nigeria, found that 57 percent of all basic education students are educated in private institutions (Härmä 2011). In Pakistan and India, roughly 32 percent and 28 percent of basic education students attend private schools (World Bank 2013; Pratham 2012). While the share of private enrollments is not high in all countries, in many, the number of students in private schools is significant. In over 70 of the world's countries, more than 20 percent of students at either the primary or secondary levels attend private schools (World Bank 2013).

As countries redouble their efforts to achieve learning for all at the primary and, eventually, secondary levels, the private sector will continue to provide a significant share of services. As such, it falls squarely within the public interest and responsibility of the state to ensure that all children—including those in both the public and private education sectors—are provided equitable access to quality education opportunities. Current research provides examples of many governments that have successfully improved education access and quality, by increasing oversight of and cooperation with private education providers (Barrera-Orsorio and Raju 2011; French and Kingdon 2010; Patrinos et al. 2009; Barrera-Orsorio 2006).



**The government must provide stewardship for the whole education system, which encompasses all learning opportunities and provider types.**

The traditional view of the education system, which views the government as the sole provider and funder of education services, is incomplete. An education system is composed of all the learning opportunities that are available in a society—not only those provided by government schools, but those offered by a diverse range of providers (government, community, faith-based, and for-profit) and funders (public and non-public)—and includes all stakeholders and beneficiaries (teachers, administrators, employees, students, and their families).

Governments, therefore, are responsible for every student of schooling age within their borders and should be accountable for each student’s learning outcomes. This does not imply that the state need always be the direct provider and financier of all educational services. In many countries, governments have great success sharing the responsibility of provision with faith-based, community, and for-profit organizations, or even directly with parents themselves (Barrera-Osorio, Patrinos, and Wodon 2009). Box 1 provides a list of some of the major types of providers found around the world.

Box 1. Types of education providers	
Provider	Example
Government school	<ul style="list-style-type: none"><li>• Traditional public schools</li></ul>
Faith-based school	<ul style="list-style-type: none"><li>• Islamic (madrasa) schools in Bangladesh</li><li>• Fe y Alegría schools in Latin America</li></ul>
NGO school	<ul style="list-style-type: none"><li>• BRAC schools in Bangladesh</li></ul>
Community school	<ul style="list-style-type: none"><li>• EDUCO schools in El Salvador</li></ul>
Private, for-profit school	<ul style="list-style-type: none"><li>• Bridge academies in Kenya</li><li>• Omega schools in Ghana</li><li>• Beaconhouse schools in South &amp; East Asia</li></ul>
For more details on the effectiveness of these different types of schools, please see the following sources: Asadullah, Chaudhury, & Dar (2009), Allcott & Ortega (2009), Hossain (2007), Jimenez and Sawada (2003), Rangan and Lee (2010), and Stanfield (2012)	

This paper uses the terms ‘private’ and ‘non-state’ interchangeably to refer to any school that is not operated, owned, and financed by the government. In some circles, the term ‘private’ is associated only with for-profit ventures. In both this paper and the World Bank’s work, the notion of a private provider moves beyond this for-profit connotation. ‘Private’ denotes a service provided by any non-state entity which may include any of the non-government providers listed in Box 1 above (for-profit and non-profit organizations, NGOs, faith-based groups, and community organizations). In a number of countries, for-profit schools constitute a minority of the private education providers. For example, 70 percent of primary school students in the Netherlands attend private schools, yet less than one percent of these schools are for-profit organizations (Hirsch 2002). In Zimbabwe, over 85 percent of primary school students attend not-for-profit non-government schools (Government of Zimbabwe 2005).

In the large majority of cases, education systems include a combination of public and private providers, and the evidence does not suggest that there is any uniquely effective mix of the two. Instead, what matters most is whether government policies governing the public and private sectors enable effective accountability relationships, establish relevant incentives and promote high-quality, equitable service delivery.

**SABER-EPS will improve our understanding of the private sector’s role in education and help governments to engage the private sector more effectively to promote equitable learning for all.**

Non-state providers offer substantial contributions to the education efforts of many countries as described above. However, in many countries, the extent and activity of the private sector in education is largely undocumented and unknown. SABER-EPS is working to help change that. SABER-EPS assesses how well a country’s policies are oriented toward ensuring that the services of non-state providers promote learning for all. This paper outlines the most effective policies for governments that choose to involve non-state providers in delivering basic education services. Ultimately, the responsibility falls upon every government to ensure that the country’s objectives for school quality, equity, and access are met, irrespective of service provider.

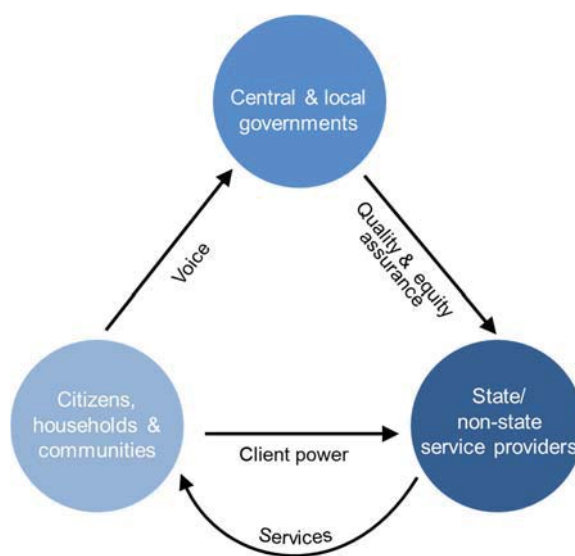
## **Conceptual Framework**

**Effective service provision requires that providers be able to innovate and that they be held accountable for results—in terms of access, quality, and equity.**

The World Bank’s 2004 World Development Report, *Making Services Work for Poor People* (World Bank 2003), outlines an analytical framework that explains the components necessary to effectively deliver critical social services such as healthcare and education. The framework focuses on three groups of actors: (1) citizens, households, and communities; (2) central and local governments; and (3) state and non-state service providers (schools), and the relationships and interactions that should exist between them to create effective systems of service delivery (Figure 3). This framework suggests that to make services work for citizens, particularly the poor and marginalized, there must exist effective channels of accountability between citizens and providers, between citizens and policymakers, between policymakers and providers, and that the different types of providers—state and non-state—innovate to ensure that those services meet the needs of all students in the education system.

In what the *World Development Report* (WDR) refers to as “the long route of accountability,” citizens are able to hold the state accountable by using their voice through the established political process. The state, in turn, calls the providers to account for their outputs/outcomes. As shown in Figure 3, this long route to accountability is a two-step process, requiring the state to demand high quality services on behalf of its citizens (through channels of voice and quality assurance). Alternatively, the short route of accountability requires providers to answer directly to their clients, thus increasing the client power of citizens. When a service is competitively provided and information on its quality is freely available, client power is strong, and this short route is sufficient to ensure satisfactory service delivery.

**Figure 3. Relationships of accountability for successful service delivery**



Source: Adapted from World Bank 2003

**SABER-EPS focuses on four policy goals that assess how effectively the government is engaging the non-state sector in education, however the country has decided to engage the non-state sector.**

The framework, which is supported by findings from rigorous research and an analysis of the world's top-performing and rapidly improving education systems, shows the importance of accountability relationships in establishing effective systems of service delivery (World Bank 2003; World Bank 2011; Bruns, Filmer, and Patrinos 2011; Patrinos et al. 2009). The most effective school systems in the world are those that are able to set appropriate incentives and strengthen accountability to deliver an education that gives young people the right job-market skills and prepares them to play an active role in society.

The aim of this paper is not to advocate a particular approach to delivery, but to outline the most effective policies for those governments seeking to strengthen service delivery by engaging with the private sector. SABER-EPS assesses how well a country's policies are oriented toward ensuring that the services of non-state providers promote learning for all.

SABER-EPS identifies four policy goals that, according to a survey of evidence from around the world, can strengthen accountability mechanisms and improve education access and quality. The policy goals are: (1) encouraging innovation by providers; (2) holding schools accountable; (3) empowering all parents, students, and communities; and (4) promoting diversity of supply (see Box 2). Each of these policy goals is benchmarked across four common models of private service delivery: (a) independent private schools, (b) government-funded private schools, (c) privately managed schools, and (d) voucher schools.

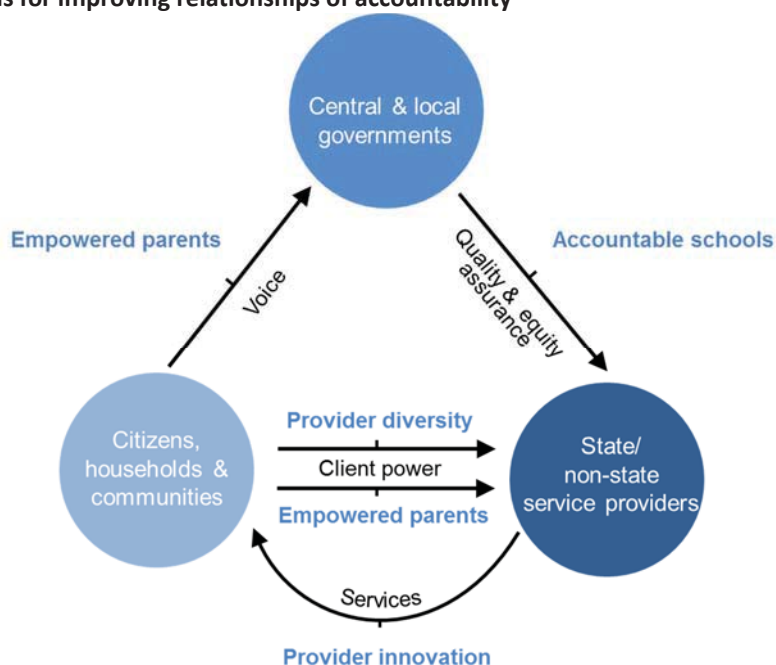
**Box 2. Four policy goals are crucial for ensuring that the private sector promotes learning for all**

1. **Encouraging innovation by providers:** Local decision-making and fiscal decentralization can improve school and student outcomes. Most high-achieving countries allow their schools substantial autonomy over managing resources, personnel, and educational content. Local school autonomy can improve the power of the poor in determining how local schools operate.
2. **Holding schools accountable:** If schools are given autonomy over decision-making, they must be held accountable for the outputs they produce. Increases in autonomy should be accompanied by standards and interventions to increase access and improve quality. The state must hold all providers in the system accountable to the same high standards.
3. **Empowering all parents, students, and communities:** When parents and students have access to information on the relative quality of schools, they have the power to hold schools accountable and the voice with which to lobby governments for better quality services. For empowerment to work equitably, options for parents and students should not depend on wealth or student ability.
4. **Promoting diversity of supply:** By facilitating market entry for a more diverse set of providers, governments can increase the responsibility for results, as providers subsequently become directly accountable to citizens as well as to the state.

**Pursuing the four policy goals can help governments create effective service delivery mechanisms.**

The four policy goals allow the government to increase innovation and strengthen accountability between the critical actors in the education system (Figure 4). Empowering parents, students, and communities enhances the ability of parents to express their opinions and hold policymakers accountable for results. Additionally, when parents are empowered, their client power is increased, and they have greater direct influence over provider behaviors. Increasing school accountability strengthens the quality and equity assurance mechanisms between the state and providers. Encouraging innovation and promoting diversity of supply on the other hand, allow providers to respond to locally based needs. Increasing school-level autonomy over critical decision-making will improve the services provided to students. Allowing a diverse set of providers to enter the market will increase client power and enable citizens to choose from a wider range of provider models (see Figure 4).

**Figure 4. Four policy goals for improving relationships of accountability**



Source: Adapted from World Bank (2003)

The first three of these policy goals—(1) encouraging innovation by providers, (2) holding schools accountable, and (3) empowering all parents, students, and communities—are appropriate goals for any education system, whether or not the government is the primary service provider. The extent to which each is currently implemented varies widely, along with the quality of service delivery across nations. In systems of predominant public provision, when client power is absent, the state mediates the relationship of accountability between citizens and providers. When parents have no influence over school behavior directly, they must work through the political process to demand government regulatory action. In many education systems, this means that parents, students, and communities have a limited role in directly influencing what takes place in the schools. There are a number of ways by which governments can increase client power, and make schools more directly responsive to the needs of parents and students. Some government education programs allow parents to be members of local school councils or participate in school inspections and planning processes. This enables parents and community members to influence change through school-level decision-making and quality assurance procedures. Many of these approaches have been successful in increasing school accountability to stakeholders (World Bank 2007).

The fourth policy goal of promoting diversity of supply emphasizes strengthening client power by increasing the choice options that parents and students have among educational providers. International evidence has shown that an increase in choice of school is an effective approach for increasing client power and improving results. Promoting diversity of supply creates vibrant competition among private providers themselves. Governments must also ensure that private provision in itself does not become a replacement monopoly. In the Netherlands, the government has incorporated a monopoly test as around 70 percent of student enrollments are private. An advisory committee reviews any mergers or local markets where monopoly power is questioned (Netherlands Merger Test 2011). As demonstrated in Figure 4, the existence of multiple providers from which citizens can choose their services strengthens the power of the clients, enabling them to hold their providers accountable for the processes and outputs of the school. In such a scenario, when a parent is unsatisfied with one school, she has the power to send her child to another. This power can make both schools more directly responsive to the needs of the parent and

student. By facilitating participation of a more diverse set of providers, governments can increase the responsibility for results, as providers become directly accountable to citizens for their results.

The emphasis put on each policy goal can vary between systems. For example, in Finland, the state is the predominant provider of education. The country has only 1.5 percent and 8.3 percent private enrollment at the primary and secondary levels and roughly 75 percent of secondary students attend schools as determined by geographic catchment areas (Pöder and Kerem 2012). Schools and teachers in Finland have high levels of autonomy over curriculum, assessment, and school management, and are held accountable for results by parents and communities who have close interaction with schools and influence over processes (OECD 2010b). This model has resulted in high-quality services due to the accountability relationships between providers, policymakers, and clients. Finland has one of the best-performing school systems in the world; of the 65 countries assessed using PISA 2009, Finland's 15-year-old students were ranked 2nd, 3rd, and 6th in science, reading, and math achievement respectively. Finland achieves these strong results by fostering client power through parental involvement in the school and through more informal mechanisms of accountability rather than through inspections and high stakes student testing.

In contrast, the Netherlands has an education system where over 70 percent of students are educated in private schools. Here, strong channels of client power are created through open school choice and a high degree of competition between schools; schools must produce desirable outcomes in order to retain their students. High-performing schools receive an influx of student enrollments, while low-performing schools suffer from student flight (Koning and Van der Wiel 2010). This is accompanied by strong regulatory procedures such as school inspections and an emphasis on standardized tests. The Netherlands performs relatively well on international assessments, ranking 11<sup>th</sup>, 10<sup>th</sup>, and 11<sup>th</sup> in science, reading, and math achievement out of 65 countries on the PISA 2009. Finland and the Netherlands demonstrate the multiple ways by which governments can support effective service delivery by guaranteeing quality assurance, voice, and client power in the system to produce quality education results. Strong relationships of accountability can be developed between the key stakeholders by using either public or private education services.

### **SABER-EPS empowers governments, donors, and the public with new data and insights for use in crafting and implementing education policies that engage the private sector.**

The SABER-EPS tool allows countries to systematically evaluate how well their policy frameworks are aligned toward achieving these four policy goals. SABER collects and analyses policy data on education systems around the world, using global evidence to highlight the policies and institutions that matter most to promote learning for all children and youth. This information is compiled in a comparative database where interested stakeholders can access detailed reports, background papers, and other resources that describe how different education systems engage with the private sector. The data and information generated by SABER-EPS aims to support governments in engaging non-state providers so that they can contribute to improving education results. The SABER-EPS information is uploaded to the SABER website alongside the other SABER policy domains: [www.worldbank.org/education/saber-eps](http://www.worldbank.org/education/saber-eps). Equipped with this information, governments can make better use of non-state education interventions to improve education quality and access for all children and youth.

### **The SABER-EPS framework is informed by the criticisms and failures of private education and includes measures by which policy can best protect the needs of the vulnerable.**

Given the substantial role that the private sector plays in many education systems, it is necessary for governments to establish policies that protect the interests and rights of all children. However, when considering private delivery of a public good, it is critical to address and account for risks and market failures that may interfere with the public interest. Private involvement in education raises a number of legitimate concerns and any approach to private



engagement must account for these. The primary critiques surrounding private education provision include the following:

- (i) **Private education exacerbates social inequities.** Overall, the bulk of criticism levied against private education interventions addresses matters of social justice and inequality. This perspective does not claim that private education strategies are incapable of increasing school access or improving student performance, but that these strategies, by and large, favor the more privileged social groups and perpetuate social power relations (Apple 2001; Whitty et al., 1998; Ambler 1994). As noted by Bonal (2004), “rather than being a strategy for fighting poverty, education seems to be a sphere in which the ravages of poverty are laid bare and made visible” (p. 658). Myriad empirical studies and essays substantiate the argument that private education services are often plagued by inequitable access (Waslander et al. 2010; Hsieh and Urquiola 2006; Söderström and Uutsitalo, 2010; Witte et al., 2008; Allen 2007; Fiske and Ladd 2000). A well-documented impediment to accessing private schools is poverty (Bangay and Latham 2012). For example, there is overwhelming demand for low-fee private schooling in India, but access to such schools is limited for many students (Härmä 2009). Across PISA 2000 countries, increased income inequality is related to lower participation in public schools (Croix and Doepke 2009). PISA 2009 shows that attendance in government-funded private schools is significantly associated with higher levels of student wealth (Baum 2013). Government-funded private schools are also more likely to base admissions on student wealth and previous academic performance. If the opportunity to attend private schools is not widely shared, expansion of these services will widen gaps between advantaged and disadvantaged social groups (Carnoy 1998).
- (ii) **Expansion of private education represents government abdication of its responsibility for education and continued World Bank support of free-market neoliberalism.** Some scholars see increases in private education as an attempt by the state to shift responsibility for results and blame for education failures from itself to private actors, schools, parents, and children (Apple 2001). In line with this idea, some critics of the World Bank’s approach to private education argue that the institution’s education policy is driven by a neoliberal ideological dogma (Klees 2012). Neoliberalism is founded on the idea that competitive free markets with minimal government intervention are the social institutions most capable of reaching the optimal social welfare outcomes (Vlachou and Christou 1999). Within such a framework, the state maintains emphasis on liberalization, deregulation, privatization, market fundamentalism, and minimal intervention (Stiglitz, 2003; Rose, 2003). In the context of education, the singular policy objective that fits this description is a pure education free market, that is, a universal voucher system with no government intervention (Friedman 1997; Hoxby 1996).
- (iii) **The profit motive in education favors economic over academic interests.** The concern that increasing private education provision will potentially turn the service into a commodity which is bought and traded rather than provided affordably to all is one of the primary concerns associated with private education (Lewin and Sayed 2005; Gauri, 2003). As discussed above, for-profit schools make up only a portion of what we consider to be ‘private’ education providers. The profit motive is absent from the operating models of many non-state providers. With regard to private proprietors whose businesses depend upon making a profit, there is some legitimate concern that interests of financial viability do not coincide with interests of the public good. Such concerns are also closely tied to worries of financial corruption.

While these critiques are typically cited to argue against expansion of private education, they also demonstrate the need for improved government policymaking for private education. For, as demonstrated by the current international context above, the private sector will remain a substantial contributor to learning for all efforts in the future, and without proper oversight from government, these contributions will work less to serve the needs of those most in need. This paper outlines a number of private-sector-focused policies that can assist governments in this effort. The subsequent section outlines the SABER-EPS policy goals. Within each of these goals are recommended policies that will assist governments in counteracting the key concerns regarding private education.



This framework recommends that the state protect its public interests through strong state regulatory policies of accountability and quality assurance, which provide the government with ultimate control over educational outcomes.

The framework offers protection for vulnerable groups by recommending targeted funding strategies (e.g. tax subsidies, scholarships, and cash transfers), limiting student fees in schools that receive public funding, and restricting school admissions practices that promote cream skimming. A number of documented private education programs have been successful in allowing poorer families to take advantage of private education services (Patrinos, 2002; Malik, 2010; Uribe et al. 2006; Barrera-Osorio, 2006).

Rather than supporting a neoliberal approach of non-interventionism, under the guidelines of the SABER-EPS framework, the state assumes a strong role in ensuring accountability of both public and private providers. The occurring shift is not from state responsibility to market responsibility. Rather, the state shares responsibility for the delivery of education services and, in turn, strengthens its role in funding, enabling, regulating, and primarily ensuring that services are affordable, non-discriminatory, and accessible to all (LaRocque 2011). To consider the private sector as a possible contributor towards learning for all, governments should design policies and programs that address these risks and promote inclusive education.

The conceptual framework discussed above naturally addresses the profit motive and potential corruption concerns. With the correct policies in place—suggested later in this paper—all school providers, whether for-profit or not-for-profit, become accountable to parents and to the state. To accomplish this, recommended policies include (i) making information on the quality of services available to all families, with particular mind to vulnerable populations, and (ii) tying school admissions policies and quality outcomes to rewards and sanctions for schools. These relationships of accountability enable the state and its citizens to demand equitable and quality services from all service providers. As such, the profit motive becomes inextricably linked to motives of quality and accessibility. To address issues of financial corruption, SABER-EPS recommends policies requiring government-funded private schools to report on their use of public money. Careful consideration and implementation of all of these policies by governments will lead to improved oversight of the private sector with outcomes that more equitably meet the needs of all students.

## Policy Goals

The SABER-EPS four policy goals were identified through a review of rigorous research and an analysis of top-performing and rapidly improving education systems. This section outlines the international evidence for each of the policy goals. SABER-EPS seeks to emphasize the evidence, broken down by key indicators within each goal that will be used to assess government engagement with the country's non-state providers.

### Policy goal 1: Encouraging innovation by providers

Local decision-making and fiscal decentralization can have positive effects on school and student outcomes. Most high-achieving countries allow their schools substantial autonomy over managing resources, personnel, and educational content. Local school autonomy can improve the power of the poor in determining how schools operate.

The highly particular and contextualized nature of education delivery necessitates decision-making at the school level. In order to be aware of and adapt to changing student needs, school leaders require autonomy over the most critical managerial decisions. Schools with greater autonomy can use it to improve education quality by (1) making selection decisions over education professionals; (2) adapting pay and conditions to reward high-quality staff; (3) allocating resources as deemed appropriate by local school decision-making bodies; and (4) adjusting classes to fit

available school resources and student needs. Non-state schools receiving public funding often operate under different autonomy structures than traditional public schools. By granting autonomy to these schools, governments increase the potential for innovation. However, the effect of autonomy on student achievement is tied closely to the level of accountability for results. As such, by simultaneously enhancing policies of school autonomy and accountability for non-state schools, governments can improve the quality of education service delivery.

## *Evidence*

The methodologically rigorous studies assessing the impacts of local school autonomy on student learning outcomes generally find a positive relationship (Hanushek and Woessmann 2010; Bruns, Filmer, and Patrinos 2011). A number of studies find evidence that local autonomy for school leaders is associated with increased student achievement, as well as reduced student repetition and failure rates (King and Özler 2005; Jimenez and Sawada 2003; Gertler, Patrinos, and Rubio-Codina 2012).

In the case of community-managed schools, which are run by non-government entities, increased levels of autonomy have been found to promote better use of teacher resources, higher rural coverage, increased student intake, and learning outcomes on par with traditional schools, even among poorer and more rural student populations (Di Gropello and Marshall 2005). Rigorous research on EDUCO community schools in El Salvador finds positive impacts on rural access and student persistence (Jimenez and Sawada 2003). Parker's (2005) impact evaluation of Nicaragua's autonomous schools finds mixed results of the local autonomy effect on student math achievement. In Mexico's AGE (*Apoyo a la Gestión Escolar*) school program, increased local decision-making decreased grade repetition and grade failure by 4 to 5 percent (Gertler, Patrinos, and Rubio-Codina 2012). This study found no impact of curricular or pedagogical choices on student achievement. Filmer and Eskeland (2002) find the interaction of school autonomy and parental involvement in schools in Argentina to be positively associated with sixth- and seventh-grade math test scores; the effects are stronger among poorer schools and as strong for poorer children. Community management of schools in Nepal has been successful in reducing repetition and increasing school progression, particularly for disadvantaged castes (Chaudhury and Parajuli 2009).

Some streams of research have distinguished the types of school autonomy that seem to matter most for influencing student learning. King and Özler (2005) find that broad school autonomy in Nicaraguan public schools has no impact on student achievement scores; however, schools with greater levels of autonomy specifically over teacher staffing, salaries, and incentives are more effective in positively impacting student performance. Higher levels of school autonomy over staffing were associated with improved student performance on the PISA 2003 (Woessmann et al. 2007), while school autonomy in delivering curriculum was positively related with student performance on PISA 2009 (OECD 2010c).

Research evidence also supports giving schools autonomy over determination of class sizes and teacher qualifications. Class-size policy regulations have been supported by many governments seeking to improve student learning outcomes. The importance of school autonomy in determining class sizes has been debated in the literature. Perhaps the most consistent conclusion pertains to the cost of class size reductions, which finds the strategy to be a relatively expensive education intervention (Brewer et al. 1999; Yeh 2009; Normore and Ilon 2006). Regarding the impact of class size on student learning, the findings are mixed (Hoxby, 2000; Woessmann and West 2006; Angrist and Lavy 1999; Schanzenbach 2006; Jepsen and Rivkin 2009; Dobbie and Fryer 2011). Lazear (2001) finds that the relationship between class size and student performance depends on the behavior (or discipline) of the students in the class. The logical implication is that top-down class size restrictions are limited in their student learning benefits, as student behavior cannot be adequately assessed and managed from a centralized policy standpoint. This, combined with the high financial cost of small class-size strategies and the mixed effects of class size on student achievement, leads to the conclusion that school autonomy over class-size decision-making is

perhaps a more important policy mechanism than system-wide class-size restrictions. A similar logical argument can be made for increasing school decision-making power with regard to teacher qualification standards. The substantial literature on effective teachers generally does not find that standard measures of teacher credentials—including years of experience (beyond the first few years of teaching), certification, and education—are associated with better student learning achievement (Goldhaber and Brewer 2000; Goldhaber and Anthony 2007; Hanushek 1997; Hedges et al. 1994; Dobbie and Fryer 2011). As such, it is preferable for schools to determine their own standards for hiring teachers as opposed centrally imposed teacher qualification standards.

There is a lack of rigorous research into the effects of autonomy over school budgets on student achievement. For private schools in particular, greater empirical evidence is needed to see whether higher levels of school autonomy over budgets impacts student achievement. A study that uses cross-country data from PISA 2003 finds that privately operated schools perform better when they are autonomous in formulating school budgets and making staffing decisions (Woessmann et al. 2009). Multi-country research using cross-sectional and panel data has found mixed results on the benefits of increasing levels of budget autonomy for public schools and combined samples of public and private schools (Hanushek et al. 2013; OECD 2009; Fuchs and Woessmann 2007; Hanushek et al. 2010). Although there is little empirical evidence on the subject, conceptual reasoning offers some relevant guidance. When the state involves private parties in the delivery of educational services, it lessens its own role in direct provision, yet has the potential to increase its influence in oversight, regulation, and quality assurance (Patrinos et al. 2009). If policy structures are in place to hold providers accountable for their results, greater levels of autonomy can be afforded to providers at lower risk than would apply to similarly autonomous public schools. Evidence supports the notion that, for private providers, higher levels of autonomy and accountability lead to improved student learning outcomes (Woessmann et al. 2007; Hanushek and Woessmann 2007). By raising school freedom over governance, budgeting, staffing, and other important decisions, schools can adapt processes and pursue strategic priorities through innovation to raise the efficiency and quality of services (Lewis and Patrinos 2011).

The charter school model of private management in the United States has produced some successful student learning outcomes, in part, due to the increased autonomy granted to schools. Charter schools are publicly funded, but operate outside of the regulatory framework of traditional public schools. These schools are given increased levels of autonomy over their budgets, staffing, governance, and curriculum, among other things; in return, they are subject to heightened levels of accountability. Although the empirical findings of the impact of charter schools have been mixed on a macro level, a few high-performing models provide evidence of the potential impacts of increased school autonomy over outcomes. In Boston, charter school lottery winners were found to perform up to 0.4 standard deviations better than control group students on English and math exams (Abdulkadiroglu et al. 2009). The Knowledge Is Power Program (KIPP) operates a network of 125 charter schools across the United States. An evaluation of 43 KIPP middle schools found an average estimated impact of 0.36 standard deviations in math (representing roughly 11 months of learning) (Tuttle et al. 2013). In addition, KIPP schools have had success increasing levels of student and parent satisfaction. Students attending the Promise Academy middle school in Harlem, New York, gain 0.28 and 0.06 standard deviations in math and English learning every year as compared to analogous students in public schools. The implications of these results are substantial: black primary students attending Promise Academy perform as well as their white counterparts in neighboring public schools (Dobbie and Fryer 2011).

However, not all charter schools are found to be effective. Although rigorous research has more often found positive effects for charter schools (Betts and Tang 2008), some findings demonstrate non-significant and even negative effects of charter schools on student achievement. Evidence from North Carolina finds that students in charter schools experience smaller academic gains than they would have in traditional public schools (Bifulco and Ladd 2006). A recent evaluation of 36 charter schools across 15 states in the United States, all of which utilized random assignment of students, found no difference between charter and public schools in improving math or reading test scores, attendance, grade promotion, or student conduct (Gleason et al. 2010).

The overall conclusion seems to be that, as in public schools, there is considerable heterogeneity in the quality of education services provided amongst charter school operators (CREDO 2013; Furgeson et al. 2012; Hanushek 2007). There is compelling evidence that in some locations, grades, and subjects, charter schools significantly outperform traditional public schools, while in others, charter schools significantly underperform (Betts and Tang 2008). Perhaps more important than determining whether charter schools are “better or worse” than public schools is determining why certain charter schools seem to be effective and others not. Research attempting to better explain this heterogeneity has shown that in some cases charter schools produce positive results in combination with other school-level policy measures such as open enrollment (Hanushek 2007), data-driven assessment (Dobbie and Fryer 2011b), and school autonomy over human resources (Abdulkadiroglu et al. 2011). However, the amount of research seeking to understanding the heterogeneity of performance across charter schools is still sparse. Future research can be expected to provide greater understanding. For now, we combine the bodies of evidence on autonomy from across all non-government school types (including community and faith-based non-profit providers, charter schools, independent schools, government-funded schools and voucher schools) to develop the critical indicators by which governments can better encourage innovation by providers.

## Indicators

As part of the effort towards targeting evidence-based practice in education policymaking, the SABER-EPS project not only identifies policy goals, but also identifies key indicators of whether the government is using policy levers that can help reach those goals. For example, the evidence cited above suggests that to encourage innovation by providers, governments should employ the policy levers listed in Table 1. In particular, innovation for effective provision requires that schools have autonomy over key decisions, such as human resources, resourcing at the classroom level, and delivery of the curriculum.

**Table 1. Policy indicators – Encouraging innovation by providers**

Policy Goal	Indicators
Encouraging innovation by providers	<ul style="list-style-type: none"> <li>• Teacher qualification standards are set at the school level.</li> <li>• Appointment and deployment of teachers are decided at the school level.</li> <li>• Teacher salary levels are set at the school level.</li> <li>• Dismissals of teachers are decided at the school level.</li> <li>• How the curriculum is delivered is decided at the school level.</li> <li>• Class-size decisions are made at the school level.</li> <li>• Management of operating budgets is conducted at the school level.</li> </ul>

Granting autonomy to schools to support local decision-making is important for realizing the promise of private provision, but it alone will not ensure learning for all. Evidence suggests that the effect of autonomy on student achievement is tied closely to the level of accountability in the school system (Abdulkadiroglu et al. 2009; Woessmann et al. 2007; OECD 2009). That is, for school autonomy to have the strongest positive effect on student performance, it must be accompanied by strong mechanisms of accountability. Local decision-making works best in contexts where schools are held accountable for their results (Hanushek et al. 2013). And in systems with low levels of school accountability, increasing local autonomy may actually have negative impacts on student outcomes (Woessmann 2005). This underlines the need for government to balance its efforts between the four SABER-EPS policy goals and not to pursue them in isolation.

## Policy goal 2: Holding schools accountable

If schools are given autonomy over decision-making, they can be held accountable for the outputs they produce. Where more providers exist, the state can be assertive in requiring high performance. Increases in autonomy should be accompanied by standards and interventions to increase access and improve quality. The combination of increased levels of school autonomy and accountability has been found to positively impact student performance.

Research demonstrates that, for both public and private schools, the school-level factor that contributes most significantly to student success is teacher quality—but in both sectors, schools find it challenging to ensure that students are taught well. During a year of schooling, students with a poor teacher typically master less than 50 percent of the curriculum, while students with a good teacher average one year of progression and those with great teachers can master the curriculum from 1.5 grade levels (Hanushek and Rivkin 2010). But while good teaching is essential, many systems do not have effective mechanisms in place to encourage it. Because it is difficult to predict teacher effectiveness at the time of hiring, schools need to have the autonomy to manage teachers effectively (Clotfelter et al. 2007; Hanushek 1997). In addition, high accountability standards for overall school performance are required to ensure quality outputs. Raising school accountability requires strengthening the quality-assurance mechanisms that are in place between the government and school providers. This entails setting standards for teacher and school academic outcomes. In cases where non-state schools receive government funding, these resources can be tied to quality assurance standards to ensure accountability for results. Other effective approaches for raising accountability include school inspections and quality-assurance procedures, sanctions for underperformance, school management and monitoring of student outcomes.

### *Evidence*

In the United States, research across state, within states and within cities has shown that higher levels of accountability are positively related to higher levels of student performance. Cross-state research from the United States has shown increased levels of school accountability (as measured by the presence of a high-school exit exam; rewards for student achievement; and risk of principal transfer, loss of students, or reconstitution for underperformance) to be positively associated with student performance on the National Assessment of Educational Progress (NAEP) (Carnoy and Loeb 2002). Between 1996 and 2000, states with higher levels of school accountability experienced considerably larger score gains, across all ethnic groups. Schools with the highest levels of accountability experienced test score gains over one standard deviation greater than the least accountable schools. Similar results were found by Hanushek and Raymond (2005). They showed that U.S. schools which were early adopters of accountability reforms and attached consequences to school performance such as monetary rewards and takeover threats, experienced more rapid gains in student achievement levels on the NAEP assessment. In Florida, sanction threats based on student performance had positive effects on elementary math scores (lasting through years 1 and 2 of secondary school) (Chiang 2009). Rockoff and Turner (2008) found that schools in New York City which received a low performance grade on a new accountability system significantly increased student performance in both English and mathematics.

The charter school experience in the US shows the importance of pairing autonomy with accountability. As noted above, students who attended charter schools in Boston after winning the school-entry lottery performed 0.2 and 0.4 standard deviations better than control group students on English and math exams (Abdulkadiroglu et al. 2009). These schools operated under the traditional charter model of high autonomy/high accountability. By contrast, Boston also had ‘pilot schools’ that were given the same levels of autonomy as charter schools but were not subject to the rigorous accountability standards applied to charters. Students in these low-accountability schools performed no better than students in traditional public schools.



Research shows that standardized assessments are an effective accountability mechanism that increases student learning outcomes across multiple country contexts. Evidence from multiple international student assessments shows that students perform significantly, and in some cases substantially, better in education systems with external exit exams. These results are found using the 2000 and 2003 PISA exam, the 1995 and 1999 TIMSS exams, and the TIMSS-repeat exam (Woessmann 2003; Bishop 2006; Woessmann 2001). Some research has demonstrated that private schools in particular benefit from external inspection and performance comparisons with other schools (Woessmann et al. 2007).

Strong accountability systems consist of more than minimum standards; they also require mechanisms to continually improve school performance and supply transparent information to stakeholders. A review of quality assurance and school monitoring systems across eight Asian Pacific countries found that most countries across the region use minimum standards, although some go beyond this basic measure and effectively use accountability mechanisms to ensure continual improvement (Mok et al. 2003). The Office for Education Standards in Education (Ofsted) in England, the Education Review Office in New Zealand, and the National Inspectorate in the Netherlands have all moved to a risk-based inspection approach, which allows schools performing well and continually improving to face less frequent inspection, while schools performing below standard are inspected more frequently and rigorously (Dutch Inspectorate of Education 2013). This approach reinforces the accountability relationships at two levels, providing autonomy to high performers and targeting accountability to schools in greatest need.

An effective inspection process, including appropriate follow-up, can be an important means of school improvement. Inspection frameworks should outline strengths and weaknesses of schools and priorities for improvement. Improvement planning can facilitate positive change as a school strives to deliver better educational outcomes for all students. An education reform in Brazil that required schools to develop a school plan had positive impacts on school management practices (Carnoy et al. 2008). School improvement plans have been an important piece of multiple successful education programs in developing countries (Bruns, Filmer, and Patrinos 2011). In particular, inclusion of parents in the development of school improvement plans can significantly increase their influence over school governance and student outcomes (see subsequent policy goal, ‘empowering all parents, students, and communities’, for more evidence on parental involvement). Improvement plans traditionally outline a school’s goals, its strategies to achieve those goals, and the practical actionable steps needed to be taken by each individual within the school. (Schmoker & Marzano 1999; Reeves 2006; Collins 2005). Changes at the school level, however, will only occur when relationships in the school are also strengthened. School leaders must ensure that improvement plans are meaningful to all stakeholders and purposeful actions are taken throughout the school (Fullan 2007).

For non-state providers, when government funding (such as vouchers or subsidies to non-state schools) is tied to accountability standards, it creates an incentive for schools to perform more efficiently (Patrinos 2002). In Bogotá, Colombia, for example, the government has been successful at increasing accountability for quality standards by allowing non-state organizations to manage public schools. The state mandates certain academic requirements and holds schools accountable for poor performance, offering sanctions or even ending contracts for failure to reach determined standards (Patrinos 2002). The key here is the role of the state in ensuring quality by connecting performance standards with incentives.

Another example of a program that effectively links performance standards with incentives is the Punjab Education Foundation’s Assisted Schools (FAS) program. The FAS program provides monthly per-student cash subsidies and free textbooks to low-cost private schools. The program grew exponentially from 8,573 students and 54 schools in 2005 to over 1 million students and 3,000 schools in 2012. Participation in the program requires that schools achieve a minimum student pass rate in a semi-annual multi-subject exam—Quality Assurance Test (QAT). At least two-thirds of tested students must score above 40 percent on the QAT. If a school fails to achieve the minimum pass rate on

two consecutive QATs, it is permanently disqualified for funding. A rigorous evaluation of the program found a positive causal impact of the threat of program expulsion on student learning. Schools threatened with losing access to subsidies were nearly always successful in raising student scores to meet the minimum pass rate on subsequent exams—only 49 percent of schools in the study met the minimum pass rate in November 2007, but nearly 100 percent of these same schools met it in March 2008 (Barrera-Osorio and Raju 2010).

This finding highlights the importance of the accountability relationship between the financier and the provider of school services. When the state ties quality assurance standards to education financing, it can improve the quality of educational outcomes from private providers. The FAS program is capitalizing on this accountability by continually raising the minimum pass rate requirement. Additionally, by comparing schools that were just above and just below the initial FAS entrance requirements, rigorous research has shown that the program improved school facilities, lowered teacher-student ratios, and increased student learning, (Barrera-Osorio and Raju 2011). The FAS program has also increased test scores in math and science by 0.4 and 0.5 standard deviations.

### *Indicators*

On average, students perform better in schools with higher levels of accountability to the state. A strong accountability system requires that government, parents, and educational professionals work together to raise outcomes. For non-state education providers, particularly those receiving financial support from the government, there are strong incentives in place for schools to meet the explicit and implicit accountability standards set by governments and parents. As such, the state can be assertive in requiring high performance. Increases in autonomy should be accompanied by standards and interventions to increase access and improve quality of schooling. Raising school accountability requires increasing the quality and equity assurances that are in place between the government and school providers. This entails setting standard school academic outcomes and providing access for all students regardless of background characteristics.

The government must ensure that children learn in schools and that the education they receive is of high quality. SABER-EPS assesses multiple policy indicators to determine how well a country holds its private schools accountable. A list of the key indicators is provided in Table 2.

**Table 2. Policy indicators – Holding schools accountable**

Policy Goal	Indicators
Holding schools accountable	<ul style="list-style-type: none"> <li>• Government sets standards regarding what students need to learn, including deadlines for meeting these standards.</li> <li>• Students are required to take standardized examinations; results are disaggregated by school, socioeconomic status, gender, etc.</li> <li>• Schools are required to report on the use of public funds as a condition for continued funding.</li> <li>• Government or an external agency performs inspection of schools as determined by school need.</li> <li>• Schools produce school improvement plans.</li> <li>• School performance leads to rewards and escalating sanctions.</li> </ul>

Overall, the results are compelling and show the importance of school accountability in increasing the quality of education services. However, central governments are not the only monitors of school performance. The wider economics literature on the importance of information for general product quality suggests that information disclosure has a strong influence over the quality of service delivery (Figlio and Loeb 2011). Students and parents



must use their agency to influence providers and local governments to improve service delivery (Bruns, Filmer and Patrinos 2011). This policy goal is outlined in the subsequent section.

### Policy goal 3: Empowering all parents, students, and communities

When parents and students have access to information on relative school quality, they have the power to hold schools accountable and the voice to lobby governments for better quality services. For empowerment to work equitably, options for parents and students should not depend on wealth or student ability.

Empowering all parents, students, and communities forms a foundational piece of providing quality learning opportunities for all students. Poor and marginalized children and youth disproportionately lack access to quality education services. To overcome this obstacle, governments need to use various mechanisms to increase providers' accountability to all clients and to under-served groups in particular. First, ensuring that information on school performance is made available and letting families respond to that information through open enrollment policies can be a powerful means of equalizing opportunities (World Bank 2011). Second, providers can grant parents more direct influence over what takes place in the school. For example, parents and students can be involved in the school inspection and school improvement planning processes. Third, ensuring that all students are afforded the same opportunities sometimes requires redistributive action. The government can remove barriers to school access, such as tuition fees, additional parental contributions, and consideration of student academic performance in admissions. Such targeted actions can open up the private sector to marginalized groups. These means-tested approaches are critical if the non-state sector is to reduce inequality in educational access rather than exacerbate it.

### Evidence

Central governments ought not to be the only monitors of school performance. Parents are often best placed to monitor the day to day activities of a school in order to ensure it meets the needs of all students in the community. Empowering parents through increased information and supporting their understanding of school operations can lead to greater transparency and enable them to influence school quality through both the short and long routes of accountability. To exercise their voice and client power effectively, parents need detailed, current information on school quality. Interventions which give access to school performance information have had significant impacts in both developed and developing countries. In Punjab, Pakistan, an education initiative to provide school achievement results to parents, communities, and teachers raised student performance up to 0.15 standard deviations in both state and non-state schools. Additionally, the program reduced fees in high-quality private schools by 21 percent (Andrabi, Das, and Khwaja 2008). A recent program in three Indian states, Uttar Pradesh, Madhya Pradesh, and Karnataka, increased community knowledge about the roles and responsibilities of the school oversight committee. The program had positive and significant impacts on student learning in all three states (Pandey, Goyal and Sundararaman 2009). A public information campaign in Uganda was effective in not only increasing student performance (by 0.4 standard deviations), but also in decreasing system corruption and improving the rate by which government funds reached schools (from 20 to 80 percent) (Björkman 2007; Reinikka and Svensson 2005). In New Zealand, information was given to parents and zoning removed. This led to parents and students from Maori and Pacific Island backgrounds making considerable use of school choice following the government intervention (LaRocque 2004).

Public information interventions do not always benefit families equally. Researchers have found, in some cases, that open school choice benefits middle- and high-income students as they are more adept at gathering and using

the information available to them. If lower-income families face higher costs of gathering and interpreting statistics on academic achievement, they may choose schools based on easier-to-determine characteristics such as proximity, instead of school quality. However, by improving the information that is available on relative quality and increasing its dissemination, private school initiatives can reach traditionally marginalized students and equalize educational opportunities between social groups (Hastings and Weinstein 2008). Governments must consider how to ensure that lower income and disadvantaged groups are able to use the information. The SABER-EPS framework suggests implementation of policy that provides accurate information on schools to parents. In particular, emphasis is placed on establishing programs that actively disseminate the information to hard-to-reach groups. Evidence suggests that in a number of the well-established school choice environments in the United States—Milwaukee, Wisconsin, and Washington DC—small information gaps between lower and higher income families have enabled school choice policies to benefit poor and wealthy families quite evenly (Teske, Fitzpatrick, and Kaplan 2006). Some countries have used information centers to target lower-income or disadvantaged groups.

Increased parental influence in the school is another tool that can be used to improve educational performance of schools and students. Evidence from a number of education initiatives documents the value of high parental involvement in school decision-making and quality assurance processes (Skoufias and Shapiro 2006; King and Ozler 2005). In El Salvador, enhanced parent involvement in community schools diminished student absences and improved language achievement (Jimenez and Sawada 1999). In Mexico, when parents were more involved in the schooling process and were able to voice their opinions on school matters, grade repetition and grade failure fell by 4 to 5 percent (Gertler, Patrinos, and Rubio-Codina 2008). Di Gropello and Marshall (2005) likewise attribute a large portion of the success of community-managed schools to the inclusion of parents on school councils that had real decision-making authority. It should be noted that these positive findings often result from programs which combine increased parental involvement with high levels of school autonomy. In Argentina, Eskeland and Filmer (2002) find the interaction of school autonomy and parental involvement to be positively associated with student math achievement. Parents can be included in the workings of the school in many ways. Some of the more successful approaches for increasing client power include providing opportunities for parents to participate in school planning, quality review processes, school councils, and committees. It is essential that parents have actual influence over the practices of key actors in the school.

Governments may also need to use financing to empower disadvantaged groups. Even when school choice programs are open to all students, low-income families can fail to benefit as a result of tuition shortcomings, transportation problems, and lack of school space (Peterson, Campbell, and West 2002). As many private schools rely on student fees to finance school operations, government funding should be aimed towards those families who cannot afford the schooling. A growing body of international research suggests that demand-side interventions such as scholarships or vouchers, cash transfers, and abolition of school fees can help governments address educational disadvantages and improve the opportunities of the most vulnerable (Orazem and King 2007; Filmer and Schady 2008; Lewis and Lockheed 2007; UNESCO 2010; Patrinos 2002). In Pakistan, the Punjab Education Foundation's Education Voucher Scheme (EVS) targets vouchers to female students and students in urban slums and districts with the lowest literacy and enrollment rates. In the Philippines, the Educational Service Contracting program has significantly expanded the opportunities for students to access secondary education services (Baum 2012). In Uganda, recent experience with the Universal Post Primary Education and Training (UPPET) program has substantially improved school access opportunities by providing school fees for low-income students (Brans 2013). In Bogotá, Colombia, privately managed schools that target low-income students have been successful in raising student test scores and decreasing dropout rates (Barrera-Osorio 2006). A Colombian program that offered school vouchers to low-income families had positive impacts on student achievement and school completion (Angrist et al. 2002). In India, the government has taken action to channel the rapid growth of the nation's private education sector toward supporting social goals. In 2010, it passed the Right to Education Act, which requires private schools to reserve at least 25 percent of their seats for poor students to be funded by the state (Pal and Kingdon 2013).

Other successful approaches have included conditional cash-transfers or family tax subsidies (Fiszbein, Schady, and Ferreira 2009). In the Netherlands, where there is a national voucher policy, school choice leveraged substantially, with over 70 percent of students enrolled in non-state schools. Families from across the income spectrum take advantage of school choice options (Koning and Van der Wiel 2010). Demand-side interventions should be accompanied by programs to ensure that parents are given information to enable them to compare school quality and make informed choices.

## Indicators

SABER-EPS identifies several policy levers that assist the state in empowering all parents, students, and communities to exercise client power and demand high-quality services. The state can make access more equitable by disseminating information on school quality and ensuring that access is not restricted through selective admission practices. This requires information that is comparable across schools and provided openly to all parents. Any financial support to the private sector must be accompanied by strong government accountability and allow informed parents to actively participate in their children's education. Combining these efforts with interventions that provide information to hard-to-reach groups is a priority for education policy, particularly within non-state education initiatives. Additionally, by involving parents and students in the school planning and quality assurance processes, school accountability and client power can be increased. The state also has a role to play in ensuring that parental choice is not restricted by financial contributions, particularly for those schools receiving government funding. A list of the key indicators is provided in Table 3.

**Table 3. Policy indicators – Empowering all parents, students, and communities**

Policy Goal	Indicators
Empowering all parents, students, and communities	<ul style="list-style-type: none"> <li>• Information on results of standardized tests and school inspections is made available from multiple sources.</li> <li>• Parents and students are included in the inspection and improvement planning processes.</li> <li>• Admission processes for entry into publicly funded schools are not based on student background; instead, a lottery is used in cases of oversubscription.</li> <li>• School choice is not hindered by requirements for additional monetary or non-monetary contributions from parents.</li> <li>• Tax subsidies, scholarships, or cash transfers are available to low-income and disadvantaged families attending independent private schools.</li> </ul>

In order to meet growing education challenges, different kinds of schools are needed to teach new skills in new ways (Leadbeater and Wong 2010). These innovations may come from improvements to existing school models or from newly emerging models. To support more diverse approaches, governments must ensure that these models are able to expand and new types of provision can flourish. Therefore, more diverse provision will empower parents and students by increasing the number of providers from which they can choose.

## Policy goal 4: Promoting diversity of supply

By facilitating market entry for a more diverse set of providers, governments can increase the responsibility for results, as providers subsequently become directly accountable to citizens as well as to the state.

Educational choice can be used effectively to raise school quality and increase access. By opening choice options to a more diverse set of providers, governments can increase client power and make providers directly accountable to students and parents for results. Although the public sector will always remain an important (and in most cases the predominant) provider of education services, educational choice can be used as part of a package of reforms to benefit the public sector (World Bank 2003). This policy goal focuses on the mechanisms that raise school choice options by encouraging new and varied providers to enter the market. Increased levels of competition can have positive effects on students in both public and private schools. Greater private school competitiveness has been shown to raise the quality of public schools as measured by educational attainment, wages and high school graduation rates of public school students. In order to facilitate quality improvements through increased school competition and choice, governments can allow multiple types of providers to operate; promote clear, open, affordable, and unrestrictive certification standards; and make government funding (and other incentives) available to non-state schools.

## *Evidence*

The ability to create an education system that promotes diversity of supply among all providers regardless of ownership type depends on the regulatory environment. Therefore, the government has a role to support the rights of parents while simultaneously ensuring that private monopolies are not encouraged. In several other sectors, the role of a monopoly is limited by antitrust legislation in order to increase competition and consumer power. Monopolies often result in higher costs and lower quality due to the lack of competition in the marketplace. Regulatory measures to encourage supply and avoid monopolistic power should include allowing all types of providers to operate, providing access to information on registration processes, setting certification standards that are limited to criteria that are linked either to educational outcomes or health and safety, and ensuring that regulatory fees do not prohibit entry. For independent private schools, this includes allowing them to set their own fee levels while holding them accountable for high quality outcomes. It is also important to create an equal playing field in instances where the government is providing funding to private providers. This funding may include start-up costs, access to government land or unused buildings, and operational funding. Schools should also be made aware of how much funding they can expect from the government in order to help them plan accordingly. Promoting diversity of supply can increase choice for parents as long as the government provides stewardship of the market.

There are two primary streams of empirical research that assess the impacts of increased school choice. The first stream seeks to estimate the effect of non-state schools in raising the performance of their own students. Summarizing the results of five different school choice studies in the United States, Hoxby (2003b) found that students in New York, Washington D.C., Milwaukee, Michigan, and Arizona, who were free to choose between providers, and funded with a voucher from the government, experienced positive achievement gains. In a 2011 study, Forster summarizes the school choice research that has been performed in the United States using random assignment methods. Of these 10 studies, 6 find a positive impact of vouchers on all participating student groups, 3 find positive impacts on some student groups, and 1 finds no significant impact. Lefebvre and Merrigan (2009) examined privately contracted schools in Quebec, Canada, and found that the effect of changing from a public grade school to a private high school increases the percentile rank of a student's math score by between 0.13 to 0.35 standard deviations. Attending a government-funded Catholic school in Argentina and Chile has been significantly associated with decreased grade repetition (McEwan 2002). The high competition between voucher schools in the Netherlands was positively linked to increased academic achievement (Patrinos 2011; Himmler 2007). Bravo, Mukhopadhyay, and Todd (2010) found that the Chile voucher reform increased the demand for private schooling and increased secondary school attainment and graduation rates across all income levels. However, Contreras and colleagues (2007) found that, after controlling for self-selection, there was no difference between public and private schools.

In Indonesia, private management was found to be more efficient than public management in achieving academic quality (James, King, and Suryadi 1996). Additionally, private secondary school graduates in Indonesia performed better in the labor market than public graduates (Bedi and Garg 2000). In a recent study of Indian private schooling expansion, private school growth was found to cause increases in student enrollment and literacy rates (Kingdon and Pal 2013). In the Colombian choice experience, vouchers targeted to low-income students raised student test scores, increased completion rates, and decreased repetition rates (Angrist et al., 2002). These findings underline the potential of educational choice strategies that target services to some of the more disadvantaged social groups. Experiences from around the world have demonstrated effective use of targeted interventions that allow underserved populations to access education services, in both public and private schools. This is a significant consideration, given that universal school choice plans providing coverage to all students are less likely to benefit the poor (Carnoy and McEwan 2003).

A second stream of empirical research investigates the effect of private school competition on the performance of neighboring public schools, arguing that competitive incentives force neighboring schools to provide more efficient and effective services (Friedman 1997; Chubb and Moe 1990). A meta-analytical review by Levin and Belfield (2003) finds evidence from more than 200 tests in 25 separate studies that competition has a beneficial effect on the academic outcomes of students in public schools. The authors find that a 1 standard deviation increase in private school enrollments raises public school efficiency by 0.2 standard deviations. Increased competition arising from the existence of private schools in Sweden led to improvements in the standards of public schools (Sandström and Bergström 2005). De la Croix and Doepke (2009) find that, across countries, increases in private education are associated with an improved quality of public education, as public spending is concentrated on fewer students. Nannestad (2004) analyzed whether private schools in Denmark improved the quality of local municipal schools and found no evidence that their existence increased competition.

The research suggests that choice-driven incentives can have positive impacts on school productivity (Hoxby 2003a). Indeed, Hoxby (2003a) estimates that if all schools in the United States were subject to high levels of student choice, school productivity could increase by as much as 28 percent. These choice effects apply to all types of providers, including traditional public schools, privately managed schools, voucher programs, non-profit and for-profit providers. When it comes to effective delivery of public goods, ownership issues are given too much weight; what matters instead are the accountability structures and incentives (Besley and Ghatak 2003). These incentives are developed through open competition between providers. Thus, it stands to reason that providing space for multiple education providers and increasing school choice options would be a positive mechanism for improving the quality of school services.

Given the positive, if not overwhelming, evidence suggesting that increased choice can improve the performance of school providers—both public and private—there are several methods by which governments can facilitate growth in the educational marketplace. The indicators within this policy goal are those that encourage new and varied providers to enter the market. Key mechanisms to enable growth of provider supply include limiting the restrictions and costs of school registration, certification, and operation; making processes for registration clear and open; and even providing incentives, such as access to government facilities and land for non-state providers. Information on the procedures required to enter the market should be freely available; this will help avoid regulatory capture and ensure that regulation benefits consumers by allowing them greater choice (Stigler 1971). Strict certification guidelines and high registration costs can discourage private providers from operating legally or, in some cases, operating at all (Härmä 2011). Clear, open, and affordable certification requirements contribute to an educational environment supportive of innovation and choice. Additionally, allowing multiple types of providers (e.g., faith-based, community, for-profit) to deliver education services raises the potential for a diverse, innovative education market.



To best catalyze the power of school choice and competition, there are a number of ways by which government policy can facilitate rather than restrict growth of the education marketplace. School systems can benefit from allowing unaided or independent private schools to operate, potentially creating positive gains in efficiency and productivity. Allowing for the growth of unaided private schools helps governments improve the redistributive potential of the system, because government can then more easily target investments to poorer students (Hoxby 2003; Kingdon 1996). Where schools do not receive government funding, the market should determine the price (tuition fee), and allow differentiated school models to meet the demands of individual citizens. Restricting tuition fees or imposing caps reduces incentives to enter the market and may act as a mechanism for rationing (Nechyba 2009). Instead, the government could impose sanctions on independent private schools for non-performance (see section on holding schools accountable). The government's main role is to ensure that providers are incentivized to enter the market while ensuring that both the short and long routes of accountability are in place.

Governments can also encourage new providers to enter the education field by providing funding to private schools. Public funding of private schools has been shown, in some contexts, to improve student achievement. One cross-country assessment using PISA 2003 found that students in publicly funded private schools performed one grade level higher than students in publicly funded public schools (Woessmann 2006). Government support of private schools has also been shown to be a wise investment, as private schools are often more efficiently run than schools in the traditional public system (Jimenez et al. 1991; Carnoy and McEwan 2003). An analysis of 65 studies comparing private vs. public schools around the world found that private schools were greatly more efficient than their public counterparts. (Coulson 2009). Full financial support of private schools increases the incentives for providers to enter the market. Under such models, the government should simultaneously ensure that schools are held accountable for the learning outcomes of all their students and also support equity by providing additional funding for students with special educational needs or from disadvantaged backgrounds.

Privately managed (but publicly funded) schools are a relatively new type of private sector engagement. Their growth in the United States and Canada has varied widely across states/provinces in accordance with the legal frameworks that either facilitate or restrict their participation in providing education services (Stoddard and Corcoran 2007; Center for Education Reform 2012). The ease of the authorization process is a predictor of the number of charter schools in a state. Thus, restrictions on authorization, such as limits on school or student numbers, are policies that governments can avoid if they wish to increase innovation and supplier diversity in the market (Waslander et al. 2010; Center for Education Reform 2012).

### *Indicators*

This policy goal aims to increase the ability for a diverse set of providers to enter the market to deliver education services. If the government wishes to increase the diversity of supply, it should allow various types of providers to operate schools. Requirements and costs associated with school registration, certification, and operation should not be prohibitive. Processes for registration should be clear and openly available. Where government funds non-state schools, market entry and expansion can be encouraged through equal funding of public and private schools, targeted funding to meet specific student needs, and provision of school budget plans in advance of the start of the academic year. A list of the key indicators is provided in Table 4.

**Table 4. Policy indicators – Promoting diversity of supply**

Policy Goal	Indicators
Promoting diversity of supply	<ul style="list-style-type: none"> <li>• Government allows different types of providers to operate a school (see Box 1).</li> <li>• Certification standards do not prohibit entry into the market.</li> <li>• Information on requirements to enter the market is available from multiple sources.</li> <li>• Regulatory fees do not prohibit entry into the market.</li> <li>• Publicly funded non state schools and public schools receive equivalent student funding; funding is increased to meet specific student needs.</li> <li>• Government provides incentives for market entry such as access to start-up funding, public land and public buildings.</li> <li>• Schools receive information on the amount of public funding they will receive six months before the start of academic year.</li> <li>• Government places no limits on the number, student enrollment, or location of privately managed schools Government does not restrict tuition levels at private independent schools.</li> </ul>

An education system is made up of a diverse set of players: government, communities, faith-based organizations, for-profit organizations, private institutions, and non-governmental organizations, among others. The government must ensure that this increasingly diverse group of providers supports learning for all. This will not be achieved simply through the proliferation of new models: the government must play a strong stewardship role, ensuring that autonomy and accountability are balanced and that parents are empowered to make informed choices. It is also imperative that the government work to strengthen these policy goals in the context of the broader education system, as the private sector is only one of many important pieces of a successful education system.

## Applying Policy Goals to Four Types of Engagement

**SABER-EPS outlines the characteristics of the four most common types of private sector engagement and applies the policy goals to each individual type.**

Across the world, governments can improve educational outcomes through numerous strategies to support non-state education provision. These approaches are best utilized by supporting the four policy goals discussed above. SABER-EPS focuses on the four most common school models (Table 5) that utilize different combinations of public and private funding, ownership, and operation to maximize available education resources and strengthen the relationships of accountability for quality results.

**Table 5. Financing and provision of education services**

		Provision	
		Private	Public
Finance	Private	<i>Independent private schools</i> Home schooling Tutoring	User fees Student loans
	Public	<i>Government-funded private schools</i> <i>Privately managed schools</i> <i>Voucher schools</i>	Public schools

Source: Patrinos et al. 2009



The differences between these four types of private sector engagement are summarized in Table 6 by (1) whether the school is publicly funded, (2) whether ownership is public or private, and (3) whether there is an implicit or explicit contract in place between the provider and either students or the government. The first school type, independent private schools, are owned, operated, and funded completely separate from government. The other three school types—government-funded private schools, privately managed schools, and voucher schools—are operated by private providers, but financed, to some degree, by the government.

**Table 6. Summary of types of school provision**

Type of school provision	Publicly funded	Ownership	Contracted
Independent private schools	No	Private	Family
Government-funded private schools	Yes	Private	Government
Privately managed schools	Yes	Government	Government
Voucher schools	Yes	Private and/or Government	Family

Source: Patrinos et al. 2009

**1. Independent private schools.** An independent private or non-state school is one that operates completely separate from any government contracts, ownership, or finance. Independent private schools are owned and operated by non-government entities, either for-profit or non-profit. They most often receive their funding from a combination of sources such as private donations and student fees and are typically autonomous in that they act free from many of the public education system regulations. Independent private schools—either registered, unregistered, or both—are found around the world in virtually every country.

**2. Government-funded private schools.** This approach to non-state engagement entails payments from the government to schools that are owned and operated by non-government providers. Funding can come in the form of direct payments, bursaries, grants, subsidies, or transfer of school resources such as textbooks or technological equipment. Ideally, funding is outlined through a contract or legal eligibility standards. In some cases, private schools either enter into a formal contract or memorandum of understanding with the government, or meet established eligibility criteria to receive funding. These criteria can include, but are not limited to, factors such as (1) the amount of tuition charged to students, (2) school and student achievement outcomes, (3) class-size restrictions, (4) curricular standards, and (5) for-profit or non-profit status of the school. In other cases, there are no requirements for funding.

In Ghana, the government supplies private schools with textbooks to help bolster the resources available to all Ghanaian students regardless of sector. Schools do not need to meet any particular criteria for eligibility. The government of Uganda subsidizes 430 private secondary schools serving roughly 56,000 students as a means to attain universal secondary education. The Ministry of Education chooses the participating schools

and signs a memorandum of understanding with individual private schools to ensure that they comply with the policy's implementation guidelines, which include limitations on class size, standards for adequate student performance, and head teacher certification (Patrinos et al. 2009). As part of the Philippines' Education Service Contracting program, the government pays private schools a specified sum for every enrolled student (Baum 2012). However, this program is not offered to all schools. In order to be eligible, schools must charge low fees, serve low-income families, and pass a certification process.

**3. Privately managed schools.** Privately managed schools are funded by the government. Schools are owned by the government, but managed by private entities. These types of schools are often granted more autonomy over school-level decision-making than public schools, but are held accountable to performance benchmarks or other output measures, usually through a charter or a contract.

Some examples of private management schools include charter schools in the United States and academies in England, which are publicly funded and owned but are free to operate outside some of the traditional boundaries of the public sector, such as standardized curriculum, collective bargaining agreements, and geographical zoning (Dobbie and Fryer 2011; OECD 2004). Private management is also used in some countries for the purposes of school turnaround. In these instances, government transfers control of low-performing public schools over to private management organizations with the aim of revitalizing the quality of education provided. Private management organizations can be small entities that govern a single school or large chains. They can also be non-profit or for-profit organizations. Examples include Fe y Alegría in Latin America (Allcott and Ortega 2009), concession schools in Bogotá, Colombia (Barrera-Osorio 2006), KIPP charter schools in the United States (Tuttle et al. 2013), and the National Rural Support Program in Pakistan (Rasmussen et al. 2007).

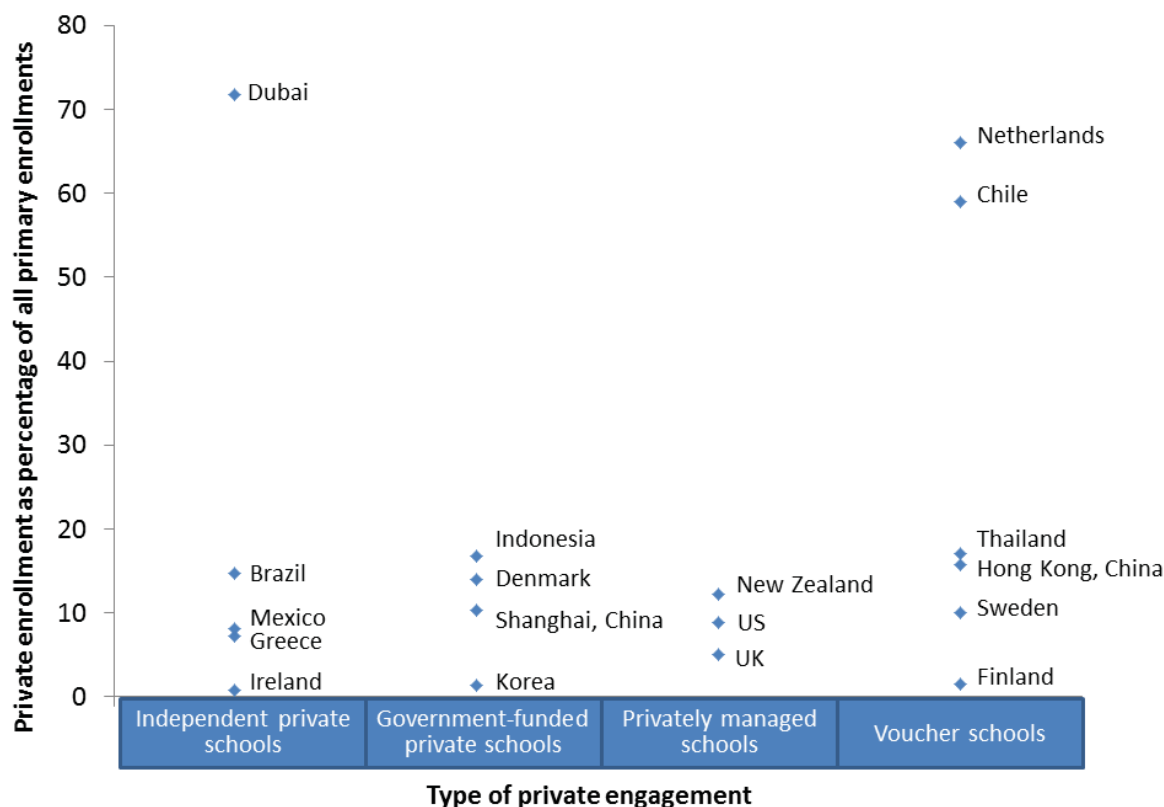
**4. Voucher schools.** Voucher programs typically aim to increase parent/student school choice. Within these school programs, students can choose between available public and/or private schools. The government pays schools based on the number of enrolled students. Vouchers can be universal, which means that funding follows each student to the school of her choice, or can be targeted to specific student groups. Colombia's PACES program provides vouchers only to low-income students (Angrist et al. 2002). In the Netherlands, where universal vouchers are used, over 70 percent of students are educated in non-state schools (Wolf 2008).

## **Countries are using different types of private sector engagement to support learning for all.**

In a number of countries—including Hong Kong, Ireland, Chile, Spain, and Denmark—a significant share of students are educated in government-funded private schools (OECD 2011b). Korea offers an example of how this can work: the government actively engages the private sector while simultaneously improving qualifications and professional development of teachers. In the state's "levelling policy for secondary education," elementary school graduates are randomly assigned to either public or private middle schools in their district of residence. Private schools are required to meet government requirements and are not allowed to charge tuition fees. As a result, 95 percent of private school costs—including costs of teachers and operations—are paid by the government. This engagement began as part of the wider education reform under which the government conducted short-term training of all high school teachers, downsized unqualified and course-conflicted teachers, and operated a transfer system among public school teachers within schools and districts (World Bank 2011). This example shows the potential distinction between finance and provision of non-state services, offers a case of state-to-school accountability, and exemplifies the private sector's potential role in providing targeted education services.

To illustrate the multiple ways by which countries employ different approaches to non-state provision, Figure 5 charts the predominant approach to private sector engagement along with the percentage of private enrollments for the OECD and its partner countries. There is wide variation across countries in the order and magnitude of approaches for non-state provision. The Netherlands, Chile, and Dubai are the economies with the largest shares of private sector engagement. Finland has a small share of non-state provision in the form of voucher schools. In Ireland, the church is heavily involved in providing education but the Irish Government considers these schools to be public schools and therefore Ireland appears to have limited engagement with the private sector.

**Figure 5: Types of private engagement and percentage of private primary enrollment  
(Selected countries)**



*Note:* Private enrollments include any school owned or managed by an NGO, church, trade union, business, or other non-government institution.

*Source:* Private enrollment – World Bank (2014); Engagement type - authors' estimates.

The purpose of SABER-EPS is not to encourage government uptake of any of these specific non-state mechanisms, but simply to inform the policy choices of governments that have decided to use these non-state provision approaches. Note that SABER-EPS addresses the role of non-state providers in primary and secondary education services. The private sector also has a major role in providing early childhood education and higher education services; expanding research in these areas should be a matter of priority. (SABER's Early Childhood Education and Workforce Development domains explore the engagement of the private sector in those areas.)

## **SABER Instrument and Methodology**

### **The SABER-EPS diagnostic tool benchmarks education policies against evidence-based global standards and best practice, drawing on the framework presented above.**

The Engaging the Private Sector (EPS) tool is part of SABER (Systems Approach for Better Education Results). SABER helps countries systematically examine and strengthen the performance of their education systems to achieve learning for all. The World Bank is working with partners around the world to develop diagnostic tools that benchmark education policies according to evidence-based global standards and best practice. By leveraging global knowledge, SABER fills a gap in the availability of policy data, information and knowledge on what matters most to improve the quality of education.

The indicators listed in the previous policy goal sections are a starting point for identifying the key features of effective service delivery systems. Indicators are identified based on a combination of criteria, including:

- empirical research on the characteristics of effective private engagement
- experience of high-performing systems
- theory or general consensus among experts regarding effective service delivery
- rational connections between policy evidence and indicator application

### **SABER-EPS uses a standardized protocol to benchmark each country's policy intent based on the policies and laws that govern the non-state sector.**

The data collection process includes a review of laws and policies currently in place to regulate the approaches to non-state provision. The SABER-EPS team has developed a series of instruments to collect data on each country's policies across the four policy goals and indicators. As outlined above, SABER-EPS addresses four different types of private sector engagement. The process implements a separate data collection instrument for each private engagement type in the country. If a country has multiple types of private sector engagement, each is assessed separately. For example, in Chile, there are separate data collection and benchmarking procedures carried out in reference to (1) independent private schools and (2) voucher schools, as those are the two private sector delivery approaches currently permitted within the country's policies. If all forms of private engagement are found within a country, then four separate questionnaires are completed (although existence of all four engagement types in one country is uncommon). It is expected that most countries currently provide legal grounds for one to two forms of private engagement and that independent private schools are the most prevalent model. A standardized protocol with key questions is used to determine the types of engagement within each country and administer the appropriate questionnaires (see Box 4).

#### Box 4. Protocol for determining types of engagement and administering questionnaires

Do policies allow space for the legal operation of independent private schools?	→	Yes	→	Complete Questionnaire on Independent Private Schools
Do policies allow for the state to provide funding to non-government schools?	→	Yes	→	Complete Questionnaire on Government-Funded Private Schools
Do policies allow for public schools to be managed by non-government operators?	→	Yes	→	Complete Questionnaire on Privately Managed Schools
Do policies allow for public funding to follow the student to the school of her choice?	→	Yes	→	Complete Questionnaire on Voucher Schools

The questionnaire for each type of private sector engagement addresses all four policy goals, but includes slight nuances to adapt the goals to the unique characteristics of each school model. Answers to the questionnaires are accompanied by the actual policy documents against which responses are verified. A point of emphasis here is that these tools only assess the official and established *policies* that govern private education provision. Additional tools are required to determine how faithfully these policies are being implemented in practice (in a separate effort, the World Bank's *Education Markets for the Poor* team will be carrying out school-level analyses in a subset of countries). Education policies regarding the private sector can be found in a range of documents such as national and local constitutions, education acts and laws, memoranda of understanding, official education policy documents, school regulations and inspection manuals, and education reform documents, among others. The official documents vary for each country. Once the policies and laws have been collected, the data are analyzed and scored using individual rubrics for each corresponding questionnaire. These rubrics allow for country policies to be scored on each policy indicator (see Table 7 for a description of all policy goals and indicators).

**Table 7. SABER-EPS policy goals and indicators**

Policy Goal	Indicators
Encouraging innovation by providers	<ul style="list-style-type: none"> <li>• Teacher qualification standards are set at the school level.</li> <li>• Appointment and deployment of teachers are decided at the school level.</li> <li>• Teacher salary levels are set at the school level.</li> <li>• Dismissals of teachers are decided at the school level.</li> <li>• Method of curriculum delivery is decided at the school level.</li> <li>• Class-size decisions are made at the school level.</li> <li>• Management of operating budgets is conducted at the school level.</li> </ul>
Holding schools accountable	<ul style="list-style-type: none"> <li>• Government sets standards regarding what students need to learn, including deadlines for meeting these standards.</li> <li>• Students are required to take standardized examinations; results are disaggregated by school, socioeconomic status, gender, etc.</li> <li>• Schools are required to report on the use of public funds as a condition for continued funding.</li> <li>• Government or an external agency performs inspection of schools as determined by school need.</li> <li>• Schools produce school improvement plans.</li> <li>• School performance leads to rewards and escalating sanctions.</li> </ul>
Empowering all parents, students, and communities	<ul style="list-style-type: none"> <li>• Information on results of standardized tests and school inspections is made available from multiple sources.</li> <li>• Parents and students are included in the inspection and improvement planning processes.</li> <li>• Admission processes for entry into publicly funded schools are not based on student background; instead, a lottery is used in cases of oversubscription.</li> <li>• School choice is not hindered by requirements for additional monetary or non-monetary contributions from parents.</li> <li>• Tax subsidies, scholarships, or cash transfers are available to low-income and disadvantaged families attending independent private schools.</li> </ul>
Promoting diversity of supply	<ul style="list-style-type: none"> <li>• Government allows different types of providers to operate a school (see Box 1).</li> <li>• Certification standards do not prohibit entry into the market.</li> <li>• Information on requirements to enter the market is available from multiple sources.</li> <li>• Regulatory fees do not prohibit entry into the market.</li> <li>• Publicly funded non state schools and public schools receive equivalent student funding; funding is increased to meet specific student needs.</li> <li>• Government provides incentives for market entry such as access to start-up funding, public land and public buildings.</li> <li>• Schools receive information on the amount of public funding they will receive six months before the start of academic year.</li> <li>• Government places no limits on the number, student enrollment, or location of privately managed schools; government does not restrict tuition levels at private independent schools.</li> </ul>

**The data for each of the four types of private sector engagement is analyzed to identify a country's level of development on a four-point scale.**

As discussed previously, each policy goal consists of a set of key policy indicators. For each indicator, the country will be benchmarked into one of four levels of development: Latent, Emerging, Established, or Advanced:

- Latent is the lowest performance level, representing limited private sector engagement
- Emerging represents some good practice, with room for improvement
- Established represents the acceptable minimum standard for engagement
- Advanced represents the ideal or current best practice for private sector engagement

The country team or consultant first collects information about the private sector policies in the country. Using the rubrics, a level of development and score is assigned to the indicators within each policy goal:

- Latent = 1 point
- Emerging = 2 points
- Established = 3 points
- Advanced = 4 points

The score for each policy goal is then computed by aggregating the scores for each of its constituent indicators. For example, a hypothetical country receives the following indicator scores for one of its policy goals: Indicator A = 2 points; Indicator B = 3 points; Indicator C = 4 points; Indicator D = 4 points. The hypothetical country's overall score for this policy goal would be:  $(3+4+2+3+4+4)/6 = 3.33$ . The overall score is converted into a final development level for the policy goal, based on the following scale:

- Latent: 1.00 – 1.50
- Emerging: 1.51 – 2.50
- Established: 2.51 – 3.50
- Advanced: 3.51 – 4.00



**Table 8. Example: Independent Private School Rubric- Encouraging innovation by providers**

Development Levels				
	Latent	Emerging	Established	Advanced
<b>Teacher Standards</b>	Central government sets minimum standards for teachers.	Regional or municipal government sets minimum standards for teachers with final review from central authorities.	Regional or municipal government sets minimum standards for teachers without final review from central authorities.	The school sets its own teacher standards without final review from central authorities.
<b>Teacher appointment and deployment</b>	Central government has the legal authority to appoint and deploy teachers.	Regional or municipal government has the legal authority to appoint and deploy teachers. Appointments are subject to final review by central authorities.	Regional or municipal government has legal authority to appoint and deploy teachers without review by central authorities.	The school (school principal, school council, parent association etc.) has the legal authority to appoint teachers without review by central authorities.
<b>Teacher salaries</b>	Central government has the legal authority to determine teacher salary levels.	Regional or municipal government has the legal authority to determine teacher salary levels with final review by central authorities.	Regional or municipal government has the legal authority to determine teacher salary levels without review by central authorities.	The school has the legal authority to determine teacher salary levels without review by central authorities.
<b>Teacher dismissal</b>	Central government has the legal authority to dismiss teachers.	Regional or municipal government has the legal authority to dismiss teachers with final review by central authorities.	Regional or municipal government has the legal authority to dismiss teachers without review by central authorities.	The school has the legal authority to dismiss teachers without review by central authorities.
<b>Curriculum</b>	Central government decides how the curriculum is delivered.	Regional or municipal government decides how the curriculum is delivered with final review from central authorities.	Regional or municipal government decides how the curriculum is delivered without final review from central authorities.	The school decides how the curriculum is delivered without review from central or regional authorities.
<b>Classroom resourcing</b>	Central government decides how resources are allocated to the classroom.	Regional or municipal government decides how resources are allocated to classrooms with final review from central authorities.	Regional or municipal government decides how resources are allocated to classrooms without final review from central authorities.	The school decides how resources are allocated to classrooms without review from central or regional authorities.

## Applying the SABER instrument and comparing countries can help governments make evidence-based policy decisions.

Through this process, countries will gain a better understanding of the strengths and weaknesses of their private sector policies, in reference to each policy goal and engagement type. SABER-EPS produces country reports which summarize the results of this benchmarking process and discuss the policy implications in connection with the country's particular educational context. The SABER report will also include policy suggestions to guide countries in further developing non-state provision or to act as a basis for in-country conversation, which considers the policy options in light of the nuances of the local context. The SABER tool is to be used not as prescriptive policy but rather as an assessment of the country policies based on the best current evidence on effective practices. This information is compiled in a comparative database where interested stakeholders can access detailed reports, background papers, and other resources describing how different education systems engage with the private sector.

SABER-EPS has already been applied in a number of countries around the world, including high- middle- and low-income countries. Below, three country examples, the Netherlands, Chile and Thailand, are provided to demonstrate the application of the tools. These countries face distinct educational circumstances and exemplify wide variation in resources and infrastructure. All three use voucher systems to deliver basic education services to a portion of their student populations; however, the effectiveness of these interventions differs by country. These variations provide a demonstration of the application of the SABER-EPS tools and point out some of the important characteristics of high performance. A discussion of the differences and the implication for policy makers is included after the three examples.

### Example 1. High income country: Voucher schools in the Netherlands

In the Netherlands, private schools account for approximately 70 percent of all enrollments. The Netherlands has one of the longest-established national school choice systems in the world. The country leverages the private sector considerably more than other OECD economies by using a voucher system to provide government funding to private schools. Although all schools in the Netherlands are government funded, most are administered by private school boards.

It is evident that the Netherlands has a well-developed policy environment for engaging the private sector in education (see Table 9). The country's policies encouraging innovation by providers for voucher schools receive an **Advanced** score; schools are not restricted to teaching the core curriculum and have the ability to tailor the curriculum to meet the needs of the specific students they teach. There are no restrictions on class size. Schools are also able to select teachers and set wage and salary increases. The country is also **Advanced** in regard to school accountability. Schools are required to take part in standardized exams and the National Inspectorate inspects the schools based on need. In empowering all parents, students, and communities, the Netherlands is **Advanced**. Parents in the Netherlands are able to compare quality of education in schools from a variety of sources. Information has been publicly available from the National Inspectorate since 1998. Parental choice is not restricted by voluntary contributions. In terms of promoting diversity of supply, voucher schools in the Netherlands receive a score of **Advanced**. The policy entitles private schools to the same equivalent funding as public schools. The government also increases funding to meet specific student needs. However, government funding is restricted to non-profit providers.

**Table 9. Voucher Schools: The Netherlands**

Policy Goal	Description	Development level
Encouraging innovation by providers	Schools have freedom over curricula and are allowed autonomy to manage their human resources. Private schools also have full fiscal autonomy over their budgets.	<b>Advanced</b> ●●●●
Holding schools accountable	Minimum standards for students are set. The quality assurance regime is based on school need, with inspections carried out by an independent inspectorate.	<b>Advanced</b> ●●●●
Empowering all parents, students, and communities	Choice is not restricted by voluntary contributions; contributions by parents are not allocated to individual students. Parents have access to information to decide between schools on the basis of quality.	<b>Advanced</b> ●●●●
Promoting diversity of supply	Equal funding for public and private schools actively increases competition. Additional funding is available for students with special educational needs. Schools are aware of funding more than three months in advance of the start of the academic year. Competition is restricted to non-profit organizations only.	<b>Advanced</b> ●●●●

Source: World Bank (2012a)

According to the SABER-EPS benchmarking standards, the Netherlands exemplifies international best practice with respect to engaging the private sector. As discussed previously in this paper, strong development across all four of these policy goals contribute to an education system capable of achieving learning for all. As a result, the Netherlands performs well in international student assessments, providing evidence that the framework works in creating positive educational outcomes.

### Example 2. Middle-Income Country: Voucher Schools in Chile

Chile, like the Netherlands, also uses a voucher system to deliver educational services to a large number of students; private school enrollment represents 55 percent of all enrollments. Within this system, government funding follows students to the public or private school of their choice. Some private schools choose not to participate in the program which means that they receive no government funding. Chile thus has both voucher schools and independent private schools, although only the results of the voucher school policies are reported here (see Table 10).

Chile's laws call for an education system guided by several principles of apparent equal weight: universal access, quality, equity, autonomy, diversity, accountability, participation, flexibility, transparency, social inclusion and sustainability. Some of these principles are reflected in the funding formula used by the central government to allocate funds to the municipalities in the case of public schools, and to private entities in the case of private schools.

Voucher school policies in Chile are considered **Established** in terms of encouraging provider innovation. How the curriculum is taught is up to the individual school. There are no restrictions on class size; however, no central funding is given after class sizes rise above 45 students. The government sets the minimum teacher salary but schools can choose to set wages and salary increases above this level. Chile's voucher school policies are **Advanced** in terms of holding schools accountable. The government sets what students should know and by when and also sets minimum content areas. Mandatory examinations take place during 4<sup>th</sup>, 8<sup>th</sup> and 10<sup>th</sup> grade. A new Quality Assurance Agency will evaluate all schools and inspect low performing ones as measured by standardized tests or if the agency receives a request from parents. Schools that remain low-achieving after four years will be closed.

Chile's voucher school policies are **Emerging** on the 'empowering parents, students, and communities' goal. Parents in Chile are able to compare quality of education in schools from a variety of sources and the Ministry also sends out letters to parents informing them of the performance of schools in their area. Information on standardized tests is available at the 4<sup>th</sup>, 8<sup>th</sup> and 10<sup>th</sup> grade levels. Parental choice is restricted by compulsory contributions in some schools, which prohibits certain students from fully exercising school choice. Similar monthly fees may also be collected by public secondary schools. However, the Chilean Government requires that 15 percent of all students are exempt from these monthly fees and schools are required to give scholarships. Secondary schools are also allowed to select students which means that schools do not provide equal opportunities to all students. Selection is not permitted at the primary level by the General Law of Education (2009). Voucher schools are currently **Established** in terms of promoting provider diversity. Voucher schools and their public school counterparts receive equivalent per student funding. Additional funding is provided for disadvantaged students. However, the central government may provide additional resources to public schools for infrastructure and the local municipalities can give additional funds to public schools; therefore, public schools can receive higher funding than private voucher schools. All types of ownership are allowed and schools are aware of funding before the start of the academic year.

**Table 10. Voucher Schools: Chile**

Policy Goal	Description	Development level
Encouraging innovation by providers	How the curriculum is taught is up to the individual school. There is no restriction on class size but no funding is given to schools if class size rises above 45. The Government sets the minimum teacher salary but schools can choose to set wages/salary increases above this level.	<b>Established</b> ●●●○
Holding schools accountable	The Government sets what students should know and by when and also sets minimum content areas. Chile imposes minimum standards, inspects schools based on need (the frequency of inspection is determined by the category given in last inspection or is triggered by a parental complaint). Schools must also report to the government on their use of public finances.	<b>Advanced</b> ●●●●
Empowering all parents, students, and communities	Parents have access to performance data to allow them to make informed decisions when choosing between schools; however, the choice is limited due to compulsory financial contributions. Secondary schools are however, able to select students based on academic performance, which means schools do not actively compete for all students.	<b>Emerging</b> ●●○○
Promoting diversity of supply	Private voucher schools receive the equivalent baseline funding as their public school counterparts; however the Municipality can give additional funding to public schools. Additional funding is provided for disadvantaged students.	<b>Established</b> ●●●○

Source: World Bank (2012b)

According to the SABER-EPS benchmarking standards, Chile demonstrates international best practice in terms of accountability and is working towards international best practice in the areas of encouraging innovation and promoting diversity of supply. However, the policies towards empowering all parents could be strengthened by removing selection at the secondary level and compulsory parental contributions. This would then help Chile to achieve greater equity and more effectively engage the private sector.

### Example 3. Middle-Income Country: Voucher Schools in Thailand

The private sector plays an important role in education in Thailand, representing 18 percent of total enrollments at the primary school level and 17 percent of enrollments at the secondary level. Thailand, like many East Asian countries, has independent private schools that receive no funding from the government. Thailand's government, however, also extensively funds private schools through a voucher system. Thailand's policies towards voucher schools are discussed here for illustrative purposes.

Thailand is **Emerging** in terms of encouraging innovation by providers. Schools are restricted to teaching the core curriculum and have limited ability to tailor the curriculum to meet the needs of the specific students they teach. They are also subject to restrictions on class size. Thailand is considered **Established** in holding schools accountable. Schools are required to take part in O-NET exams and the national inspectorate inspects the schools every five

years. The policy is not advanced as Thailand uses a standard term inspection rather than basing inspections on the grade of the school at the last inspection. Policies towards empowering parents, students and the community are **Emerging**. The government provides information to parents on school performance; however, private voucher schools require all parents to contribute additional funding to the school in order for their child to attend. Schools are also able to select students. In terms of promoting diversity of supply, Thailand is **Emerging**. Current policy does not entitle private schools to the same equivalent funding as public schools. Voucher schools do not receive government funding in a timely manner, which makes planning very difficult.

**Table 11. Voucher Schools: Thailand**

Policy Goal	Description	Development level
Encouraging innovation by providers	The government sets minimum standards for teachers. Schools are allowed to select and recruit teachers as well as decide on their pay and conditions. However, schools are restricted by curriculum and resourcing of teachers to classrooms.	<b>Emerging</b> ●○○○
Holding schools accountable	Schools are supervised annually by the Education Service Area and inspected every five years by the national inspectorate. Students at both primary and secondary level are required to take a mandatory exam. Schools are also required to report to the government as a condition for the continuation of funding.	<b>Established</b> ●●●○
Empowering all parents, students, and communities	Parents are able to compare schools in terms of quality but their choice is restricted by compulsory contributions. Schools are also allowed to set admission criteria to select students.	<b>Emerging</b> ●●○○
Promoting diversity of supply	Schools receive lower funding than their public school counterparts. Funding from the Government is not timely, which makes planning difficult. The ownership type is also restricted	<b>Emerging</b> ●●○○

Source: World Bank (2012c)

Thailand has made substantial progress in improving education access and in outlining the need to improve education quality and student learning. The establishment of ONESQA and national ONET examinations has improved accountability. Voucher schools demonstrate Thailand's commitment to using the private sector to increase educational outcomes. However, voucher schools are restricted as they receive less funding from the government when compared to their public school equivalents. They also require additional contributions from parents which makes them an option only for more affluent parents.

**The benchmarking results reflect the quality of private sector engagement; research evidence corroborates the results for each country.**

Using the country examples of the Netherlands, Chile, and Thailand, the SABER-EPS benchmarking process has been outlined. Research evidence on each country's private education initiatives support the conclusions reached on the policy goals.



Chile meets the minimum standard (**Established**) on two of the policy goals (encouraging innovation by providers and promoting diversity of supply). In terms of holding schools accountable for results, Chile's policies represent current best practice for private sector engagement (**Advanced**). There is some research evidence to support these findings, suggesting positive student outcomes from the Chile voucher system. Bravo, Mukhopadhyay, and Todd (2010) found that the Chile voucher reform increased secondary school attainment and graduation rates across all income levels. The evidence in terms of school quality, however, is not clear-cut (Hsieh and Urquiola 2006; Carnoy and McEwan 2003). Contreras and colleagues (2007) found that, after controlling for self-selection, there was no difference between public and private school student performance. Clearer is the impact of Chile's current policies on parent and student empowerment (scored as **Emerging** according to SABER-EPS). Due to the current private sector policies, one of the most significant difficulties that the Chile voucher system faces is providing equitable access to school services. This is supported by a large body of empirical literature, which finds academic sorting and socioeconomic segregation to be a hindrance to accessing the highest quality schools for many of Chile's poorer student populations (Elacqua 2012; Mizala and Torche 2012; Carnoy and McEwan 2003; Hsieh and Urquiola 2006). Unless Chile chooses to open access to voucher schools through regulations on school selection procedures and targeted funding mechanisms, the system will continue to reinforce socioeconomic stratification.

The education system in the Netherlands is focused on effectively engaging the private sector across all four policy goals. The nation, whose policies represent current best practice, has been successful at developing strong accountability mechanisms, facilitating service delivery innovation and empowering parents through state funding and equitable access. Evidence suggests that this national voucher model has improved student learning outcomes (Patrinos 2011; Himmler 2007) and social equity (Koning and Van der Wiel 2010).

Thus, the SABER-EPS benchmarking process displays the potential benefits of effectively engaging the private sector across these four policy goals.

## Limitations and Future Work

The SABER-Engaging the Private Sector framework builds on the evidence available to date. As mentioned throughout the paper, there are several limitations that need to be taken into account when using this framework. As new evidence emerges on what matters most for engaging the private sector, the framework will evolve to address these limitations.

### **More rigorous evidence is needed.**

The number of rigorous impact evaluations on the role of the private sector has been steadily increasing over recent years. Donors, foundations and governments are investing in more rigorous research. These investments have led to several new initiatives aimed at expanding the global knowledge base on what works. The World Bank's Strategic Impact Evaluation Fund (SIEF) focuses, in part, on the impact of low-cost private schools. University research centers, such as the Education Innovation Lab or the Abdul Latif Jameel Poverty Action Lab, which specialize in rigorous impact evaluations, are also investigating the non-state sector's impact in improving education outcomes in various settings. This growing body of evidence will help fill knowledge gaps and provide evidence on how to design private sector engagement policies that can improve learning for all.

### **SABER-EPS benchmarks current policies; in the future, the initiative will also assess policy implementation and dialogue between the government and key private sector actors.**

The SABER-EPS framework focuses on policy intent and fills a gap in our understanding of current policies. However, policies in practice may differ quite substantially from policies as originally designed, due to the political economy of the reform process and institutional constraints, among other reasons. In the future, SABER-EPS will explore the role of both policy implementation and dialogue in supporting the policy goals. This will provide a more comprehensive picture and ensure that evidence-based policies are implemented effectively.

### **The number of countries participating in SABER-EPS needs to expand to allow researchers to determine the link between EPS policy goals and educational outcomes.**

Currently, regional studies on private sector engagement in Sub-Saharan Africa and South Asia are being conducted. This expanded data set of countries or jurisdictions will allow more thorough analysis, through which EPS policy goals and sub-indicators are linked to student outcomes. It will also allow researchers to analyze the combination of sub-indicators which matter most for effective engagement.

### **SABER-EPS is one piece in a systems approach explaining successful education practices; linkages and interdependencies between the different SABER domains will be explored.**

The framework does not currently address how policies for engaging the private sector interact with other policies in an education system. SABER-EPS is part of SABER, a larger initiative that collects information on several domains of an education system, including student assessment, school finance, education management and information systems, equity and inclusion, school autonomy and accountability, teachers, early childhood education, tertiary education, workforce development, information and communication technologies, and school health and feeding initiatives. As information on the policies in other domains becomes available, SABER-EPS expects to analyze the interactions between the policy for the private sector and other domains/sub-systems.

## Conclusion

### Countries around the world are trying to leverage the private sector to achieve learning for all.

An education system includes the full range of learning opportunities available in a country, whether they are provided by the public or private sector (including faith based, nonprofit, and for-profit organizations). As the government's main responsibility is stewardship of the system, it is accountable for the learning outcomes of each and every student. This does not require the state to always be the direct provider and financier of all educational services; in many countries, governments are leveraging the non-state sector. SABER-EPS provides an evidence-based framework to evaluate the effectiveness of current government policies for engaging the private sector. SABER-EPS offers individual tools to guide governments towards effective engagement with four models of private provision: private independent schools, government-funded private schools, privately managed schools, and vouchers.

### The four SABER-EPS policy goals outline how the government can effectively engage the private sector to support learning.

The four policy goals support education system innovation across a diverse set of learning environments, while ensuring that education provision meets student needs and responds to societal demands. First, **empowering parents, students, and communities** enhances the ability of citizens to express their voice and increase client power, thus holding policymakers and school providers accountable for results. Second, **holding schools accountable** strengthens the quality assurance mechanisms between the state and providers. Third, **encouraging innovation by providers** increases school-level autonomy over critical decision-making, allowing providers to adapt and improve the services provided to students. Fourth, **promoting diversity of supply** ensures that different types of providers can enter the market and clients are able to choose from a diverse set of learning environments. Ensuring that these policy goals are met can strengthen the education system's accountability mechanisms and support improved education outcomes.

### While all systems have a mechanism for ensuring each of the four policy goals, the relative importance of each may differ depending on the country context.

Both Finland and the Netherlands perform well on international assessments of student performance and ensure equity within their systems. However, the emphasis each country places on the four policy goals differs. In Finland, the emphasis is on (i) encouraging innovation by providers (this is achieved through high levels of autonomy over curriculum, classroom based assessment, and school management) and (ii) empowering parents to positively influence school quality through close interactions with schools. In contrast, the Netherlands places a strong emphasis on (i) holding schools accountable through standardized tests and risk-based school inspections, (ii) promoting diversity of supply through equal funding of public and private schools, and (iii) empowering parents by providing information on school quality to ensure parents make informed choices. These examples show the multiple paths by which countries can facilitate high learning outcomes. Engagement with the private sector is one means by which governments can meet the needs of the country context. Where the private sector contributes towards basic education provision, the four policy goals are used to guide effective policymaking.

### The SABER-EPS framework will continue to evolve as the evidence base grows.

The SABER-EPS framework has evolved since its inception and is expected to evolve further as new evidence emerges on what matters most for effective private sector engagement. Growing evidence from rigorous impact evaluations and increasing country participation in SABER-EPS will allow for a better assessment of the relationship

between policy design and learning outcomes. This will lead to the refinement of the SABER-EPS indicators. It is expected that such developments will further improve the capacity of the program to analyze and assess private sector policy reforms and offer viable policy options based on country contexts.

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## Annex 1: SABER-Engaging the Private Sector Rubrics

### Private Independent Schools

Policy Goal	Indicator	Latent	Emerging	Established	Advanced
Encouraging innovation by providers	Teacher standards	Central government has legal authority to set minimum standards for teachers.	Regional or municipal government has legal authority to set minimum standards for teachers with final review from central authorities.	Regional or municipal government has legal authority to set minimum standards for teachers without final review from central authorities.	The school has legal authority to set its own teacher standards without final review from central authorities.
	Teacher appointment and deployment	Central government has the legal authority to appoint and deploy teachers.	Regional or municipal government has the legal authority to appoint and deploy teachers. Appointments are subject to final review by central authorities.	Regional or municipal government has legal authority to appoint and deploy teachers without review by central authorities.	The school (school principal, school council, parent association etc.) has the legal authority to appoint teachers without review by central authorities.
	Teacher salary	Central government has the legal authority to determine teacher salary levels.	Regional or municipal government has the legal authority to determine teacher salary levels with final review by central authorities.	Regional or municipal government has the legal authority to determine teacher salary levels without review by central authorities.	The school has the legal authority to determine teacher salary levels without review by central authorities.
	Teacher dismissal	Central government has the legal authority to dismiss teachers.	Regional or municipal government has the legal authority to dismiss teachers with final review by central authorities.	Regional or municipal government has the legal authority to dismiss teachers without review by central authorities.	The school has the legal authority to dismiss teachers without review by central authorities.
	Curriculum delivery	Central government has the legal authority over how the curriculum is delivered.	Regional or municipal government has the legal authority over how the curriculum is delivered with final review from central authorities.	Regional or municipal government has the legal authority over how the curriculum is delivered without final review from central authorities.	The school has the legal authority over how the curriculum is delivered without final review from central authorities.



	<b>Classroom resourcing</b>	Central government has the legal authority over how resources are allocated to the classroom (class size).	Regional or municipal government has the legal authority over how resources are allocated to classrooms without final review from central authorities (class size).	Regional or municipal government has the legal authority over how resources are allocated to classrooms without final review from central authorities (class size).	The school has the legal authority over how resources are allocated to classrooms without final review from central authorities (class size).
<b>Holding schools accountable</b>	<b>Student Standards</b>	Government does not set standards on what students need to learn.	Government does set standards for what students need to learn, but there is no indication of by when or how well.	Government does set standards for what students need to learn and also indicates EITHER by when OR how well they need to be learned.	Government does set standards for what students need to learn, by when, and how well.
	<b>Student Assessment</b>	Students do not take standardized exams.	Standardized exams are administered, but not annually.	Standardized exams are administered annually.	Standardized exams are administered annually, and results are disaggregated by school, socioeconomic background, gender and other types of disadvantage.
	<b>Inspection</b>	Government does not require schools to undergo an inspection.	Government requires schools to undergo an inspection but no term is specified.	Government requires schools to undergo a standard term inspection.	Government requires schools to undergo an inspection, and frequency of inspection depends on results of previous inspection.
	<b>Improvement planning</b>	Not applicable if the government does not require schools to take part in inspections.	Inspection reports include strengths and weaknesses of the school.	Inspection reports include strengths and weaknesses of the school and specific priorities for improvement.	Inspection reports include strengths and weaknesses of the school, specific priorities for improvement and schools are required to submit a school improvement plan following the inspection.
	<b>Sanctions</b>	Sanctions are not administered based on the results of school inspections or performance on standardized exams.	Sanctions include additional monitoring/ warnings and are administered based on the results of school inspections or performance on standardized exams.	Sanctions include additional monitoring and fines are administered based on the results of school inspections or performance on standardized exams.	Sanctions include additional monitoring, fines and, as a final measure, school closures based on the results of school inspections or

					performance on standardized exams.
Empowering all parents, students and communities	Information	No information is provided to parents on the results of standardized exams or inspection reports.	Ad hoc information is provided to parents on standardized exam results or inspection reports.	Regular information is provided to parents on standardized exam results or inspection reports.	Regular information is provided to parents on disaggregated (by school, socioeconomic background, gender, other types of disadvantage, etc.) standardized exam results and inspection reports from a variety of sources. Policy outlines information interventions to targeted disadvantaged groups.
		Not applicable if the government does not require schools to take part in inspections.	Neither students nor parents are surveyed as part of an inspection process.	Students or parents are interviewed as part of the inspection process.	Student and parents are interviewed as part of the inspection process.
	Financial support	The government does not provide tax subsidies or cash transfers for families attending private schools.	The government provides tax subsidies for families attending private schools.	The government provides tax subsidies and cash transfers which can be used by families attending private schools.	The government provides targeted cash transfers which can be used by disadvantaged families attending private schools.
	Tuition fees	Government sets standardized tuition fees.	Government does not set standardized tuition fees but imposes cap (overall amount or % increases on tuitions fees).	Schools set fees, but are subject to review from government.	Schools set fees without any review from government.
Promoting diversity of supply					

	<b>Ownership</b>	The government allows one of the following types to operate a school: Community Not for profit Faith based For profit	The government allows two of the following types to operate a school: Community Not for profit Faith based For profit	The government allows three of the following types to operate a school: Community Not for profit Faith based For profit	The government allows all of the following types to operate a school: Community Not for profit Faith based For profit
	<b>Certification Standards</b>	Certification standards, that are not linked to education outcomes, restrict entry all of the following: 1. land (undulating, distance from public venues etc.) or 2. facilities (separate science labs, weather vanes etc.) or 3. assets (ownership of land or buildings).	Certification standards, that are not linked to education outcomes, restrict entry including two of the three following criteria: 1. land (undulating, distance from public venues etc.) or 2. facilities (separate science labs, weather vanes etc.) or 3. assets (ownership of land or buildings).	Certification standards, that are not linked to education outcomes, restrict entry including one of the three following criteria: 1. land (undulating, distance from public venues etc.) or 2. facilities (separate science labs, weather vanes etc.) or 3. assets (ownership of land or buildings).	Certification standards, that are not linked to education outcomes, do not restrict entry
	<b>Market entry information</b>	Registration/certification guidelines are not officially outlined.	Registration/certification guidelines are not made public and are only available on request.	Registration/certification guidelines are made public but from a single source.	Registration/certification guidelines are made public and from multiple sources.
	<b>Regulatory fees</b>	Schools are able to operate while paying 4 + types of fees.	Schools are able to operate while paying 2-3 types of fees.	Schools are able to operate while paying 1 type of fee.	Schools are able to operate without paying fees.

## Government-funded Private Schools

Policy Goal	Indicator	Latent	Emerging	Established	Advanced
Encouraging innovation by providers	Teacher standards	Central government has legal authority to set minimum standards for teachers.	Regional or municipal government has legal authority to set minimum standards for teachers with final review from central authorities.	Regional or municipal government has legal authority to set minimum standards for teachers without final review from central authorities.	The school has legal authority to set its own teacher standards without final review from central authorities.
	Teacher appointment and deployment	Central government has the legal authority to appoint and deploy teachers.	Regional or municipal government has the legal authority to appoint and deploy teachers. Appointments are subject to final review by central authorities.	Regional or municipal government has legal authority to appoint and deploy teachers without review by central authorities.	The school (school principal, school council, parent association etc.) has the legal authority to appoint teachers without review by central authorities.
	Teacher salary	Central government has the legal authority to determine teacher salary levels.	Regional or municipal government has the legal authority to determine teacher salary levels with final review by central authorities.	Regional or municipal government has the legal authority to determine teacher salary levels without review by central authorities.	The school has the legal authority to determine teacher salary levels without review by central authorities.
	Teacher dismissal	Central government has the legal authority to dismiss teachers.	Regional or municipal government has the legal authority to dismiss teachers with final review by central authorities.	Regional or municipal government has the legal authority to dismiss teachers without review by central authorities.	The school has the legal authority to dismiss teachers without review by central authorities.
	Curriculum delivery	Central government has the legal authority over how the curriculum is delivered.	Regional or municipal government has the legal authority over how the curriculum is delivered with final review from central authorities.	Regional or municipal government has the legal authority over how the curriculum is delivered without final review from central authorities.	The school has the legal authority over how the curriculum is delivered without final review from central authorities.

Holding schools accountable	Classroom resourcing	Central government has the legal authority over how resources are allocated to the classroom (class size).	Regional or municipal government has the legal authority over how resources are allocated to classrooms with final review from central authorities (class size).	Regional or municipal government has the legal authority over how resources are allocated to classrooms without final review from central authorities (class size).	The school has the legal authority over how resources are allocated to classrooms without final review from central authorities (class size).
	Budget autonomy	Central government has the legal authority over the management of school operating budgets.	Regional or municipal government has the legal authority over the management of school operating budgets with final review from central authorities.	Regional or municipal government has the legal authority over the management of school operating budgets without final review from central authorities.	The school has the legal authority over the management of school operating budgets without final review from central authorities.
	Student standards	Government does not set standards on what students need to learn.	Government does set standards for what students need to learn, but there is no indication of by when or how well.	Government does set standards for what students need to learn and also indicates EITHER by when OR how well they need to be learned.	Government does set standards for what students need to learn, by when, and how well.
	Student assessment	Students do not take standardized exams.	Standardized exams are administered in select grades, but not annually.	Standardized exams are administered in select grades annually.	Standardized exams are administered in select grades annually, and results are disaggregated by school, socioeconomic background, gender and other types of disadvantage.
	Financial reporting	Government does not require schools to report on the use of public funds as a condition for the continuation of funding.	Government requires schools to report on the use of public funds as a condition for the continuation of funding but on an ad hoc basis or with no standard term.	Government requires schools to report on the use of public funds as a condition for the continuation of funding during a standard term.	Government requires schools to report on the use of public funds as a condition for the continuation of funding during a standard term with greater monitoring of schools that have failed to adhere in the past.

	<b>Inspection</b>	Government does not require schools to undergo an inspection.	Government requires schools to undergo an inspection but on an ad hoc basis or with no standard term.	Government requires schools to undergo a standard term inspection.	Government requires schools to undergo an inspection, and frequency of inspection depends on results of previous inspection.
	<b>Improvement planning</b>	Not applicable if the government does not require schools to take part in inspections.	Inspection reports include strengths and weaknesses of the school.	Inspection reports include strengths and weaknesses of the school and specific priorities for improvement.	Inspection reports include strengths and weaknesses of the school, specific priorities for improvement and schools are required to submit a school improvement plan following the inspection.
	<b>Sanctions and rewards</b>	Sanctions are not administered based on the results of school inspections or performance on standardized exams.	Sanctions include additional monitoring/ warnings and are administered based on the results of school inspections or performance on standardized exams.	Sanctions include additional monitoring and fines are administered based on the results of school inspections or performance on standardized exams. Rewards may also be used.	Sanctions include additional monitoring, fines and as a final measure school closures based on the results of school inspections or performance on standardized exams. Rewards are also used.
<b>Empowering all parents, students and communities</b>	<b>Information</b>	No information is provided to parents on the results of standardized exams or inspection reports.	Ad hoc information is provided to parents on standardized exam results or inspection reports.	Regular information is provided to parents on standardized exam results or inspection reports.	Regular information is provided to parents on disaggregated (by school, socioeconomic background, gender, other types of disadvantage, etc.) standardized exam results and inspection reports from a variety of sources. Policy outlines information interventions to targeted disadvantaged groups.



	<b>Voice</b>	Not applicable if the government does not require schools to take part in inspections.	Neither students nor parents are interviewed as part of an inspection process.	Students or parents are interviewed as part of the inspection process.	Student and parents are interviewed as part of the inspection process.
	<b>Selection</b>	Schools are allowed to select students based on both academic performance and geography.	Schools are allowed to select students based on academic performance or geography.	Schools are not allowed to select students but schools are not required to use a lottery if oversubscribed.	Schools are not allowed to select students and are required to conduct a lottery if school is over subscribed.
	<b>Contributions</b>	Parental choice is restricted by compulsory monetary parent contributions which if not paid prohibits the child from attending the school.	Parental choice is restricted by voluntary monetary parent contributions i.e. contributions to a school fund.	Parental choice is restricted by voluntary non-monetary parent contributions i.e. in kind labor or goods.	Parental choice is not restricted by any type of parental contributions.
<b>Promoting diversity of supply</b>	<b>Ownership</b>	The government allows one of the following types to operate a school: Community Not for profit Faith based For profit	The government allows two of the following types to operate a school: Community Not for profit Faith based For profit	The government allows three of the following types to operate a school: Community Not for profit Faith based For profit	The government allows all of the following types to operate a school: Community Not for profit Faith based For profit
	<b>Certification standards</b>	Certification standards, that are not linked to education outcomes, restrict entry including all of the following: 1. land (undulating, distance from public venues etc.) or 2. facilities (separate science labs, weather vanes etc.) or 3. assets (ownership of land or buildings).	Certification standards, that are not linked to education outcomes, restrict entry including two of the three following criteria: 1. land (undulating, distance from public venues etc.) or 2. facilities (separate science labs, weather vanes etc.) or 3. assets (ownership of land or buildings).	Certification standards, that are not linked to education outcomes, restrict entry including one of the three following criteria: 1. land (undulating, distance from public venues etc.) or 2. facilities (separate science labs, weather vanes etc.) or 3. Assets (ownership of land or buildings).	Certification standards, that are not linked to education outcomes, do not restrict entry.
	<b>Market Entry Information</b>	Registration/certification guidelines are not officially outlined.	Registration/certification guidelines are not made public and only available on request.	Registration/certification guidelines are made public but from a single source.	Registration/certification guidelines are made public and from multiple sources.

	Regulatory fees	Schools are able to operate while paying 4 + types of fees.	Schools are able to operate while paying 2-3 types of fees.	Schools are able to operate while paying 1 type of fee.	Schools are able to operate without paying fees.
	Funding	Academic operating budgets are not equivalent to per-student amounts in public schools.	Academic operating budgets are equivalent to per-student amounts in public schools.	All budgets academic and additional budgets (facilities and transport) are equivalent to per student amounts in public schools. Schools do not receive targeted funding to meet specific student needs.	All budgets academic and additional (facilities and transport) are equivalent to per student amounts in public school. School receives targeted funding to meet specific student needs.
	Incentives	No Incentives	Schools are supported by one of the following: 1. start-up funding similar to public schools 2. access to government land or unused government facilities or 3. exempt from local taxes (property taxes) similar to public schools.	Schools are supported by two of the following: 1. start-up funding similar to public schools 2. access to government land or unused government facilities or 3. exempt from local taxes (property taxes) similar to public schools.	Schools are supported by three of the following: 1. start-up funding similar to public schools 2. access to government land or unused government facilities or 3. exempt from local taxes (property taxes) similar to public schools.
	Planning	Schools are provided information on the allocations to be transferred to them less than 1 month before the start of the academic year.	Schools are provided information on the allocations to be transferred to them between 1 and 3 months before the start of the academic year.	Schools are provided information on the allocations to be transferred to them between 4 and 6 months before the start of the academic year.	Schools are provided information on the allocations to be transferred to them more than 6 months before the start of the academic year.

## Privately Managed Schools

Policy Goal	Indicator	Latent	Emerging	Established	Advanced
Encouraging innovation by providers	Teacher standards	Central government has legal authority to set minimum standards for teachers.	Regional or municipal government has legal authority to set minimum standards for teachers with final review from central authorities.	Regional or municipal government has legal authority to set minimum standards for teachers without final review from central authorities.	The school has legal authority to set its own teacher standards without final review from central authorities.
	Teacher appointment and deployment	Central government has the legal authority to appoint and deploy teachers.	Regional or municipal government has the legal authority to appoint and deploy teachers. Appointments are subject to final review by central authorities.	Regional or municipal government has legal authority to appoint and deploy teachers without review by central authorities.	The school (school principal, school council, parent association etc.) has the legal authority to appoint teachers without review by central authorities.
	Teacher salary	Central government has the legal authority to determine teacher salary levels.	Regional or municipal government has the legal authority to determine teacher salary levels with final review by central authorities.	Regional or municipal government has the legal authority to determine teacher salary levels without review by central authorities.	The school has the legal authority to determine teacher salary levels without review by central authorities.
	Teacher dismissal	Central government has the legal authority to dismiss teachers.	Regional or municipal government has the legal authority to dismiss teachers with final review by central authorities.	Regional or municipal government has the legal authority to dismiss teachers without review by central authorities.	The school has the legal authority to dismiss teachers without review by central authorities.
	Curriculum delivery	Central government has the legal authority over how the curriculum is delivered.	Regional or municipal government has the legal authority over how the curriculum is delivered with final review from central authorities.	Regional or municipal government has the legal authority over how the curriculum is delivered without final review from central authorities.	The school has the legal authority over how the curriculum is delivered without final review from central authorities.

Holding schools accountable	Classroom resourcing	Central government has the legal authority over how resources are allocated to the classroom (class size).	Regional or municipal government has the legal authority over how resources are allocated to classrooms with final review from central authorities (class size).	Regional or municipal government has the legal authority over how resources are allocated to classrooms without final review from central authorities (class size).	The school has the legal authority over how resources are allocated to classrooms without final review from central authorities (class size).
	Budget autonomy	Central government has the legal authority over the management of school operating budgets.	Regional or municipal government has the legal authority over the management of school operating budgets with final review from central authorities.	Regional or municipal government has the legal authority over the management of school operating budgets without final review from central authorities.	The school has the legal authority over the management of school operating budgets without final review from central authorities.
	Student standards	Government does not set standards on what students need to learn.	Government does set standards for what students need to learn, but there is no indication of by when or how well.	Government does set standards for what students need to learn and also indicates EITHER by when OR how well they need to be learned.	Government does set standards for what students need to learn, by when, and how well.
	Student assessment	Students do not take standardized exams.	Standardized exams are administered in select grades, but not annually.	Standardized exams are administered in select grades annually.	Standardized exams are administered in select grades annually, and results are disaggregated by school, socioeconomic background, gender and other types of disadvantage.
	Financial reporting	Government does not require schools to report on the use of public funds as a condition for the continuation of funding.	Government requires schools to report on the use of public funds as a condition for the continuation of funding but on an ad hoc basis or with no standard term.	Government requires schools to report on the use of public funds as a condition for the continuation of funding during a standard term.	Government requires schools to report on the use of public funds as a condition for the continuation of funding during a standard term with greater monitoring of schools that have failed to adhere in the past.

	<b>Inspection</b>	Government does not require schools to undergo an inspection.	Government requires schools to undergo an inspection but on an ad hoc basis or with no standard term.	Government requires schools to undergo a standard term inspection.	Government requires schools to undergo an inspection and frequency of inspection is dependent on results of previous inspection.
	<b>Improvement planning</b>	Not applicable if the government does not require schools to take part in inspections.	Inspection reports include strengths and weaknesses of the school.	Inspection reports include strengths and weaknesses of the school and specific priorities for improvement.	Inspection reports include strengths and weaknesses of the school, specific priorities for improvement and schools are required to submit a school improvement plan following the inspection.
	<b>Sanctions and rewards</b>	Sanctions are not administered based on the results of school inspections or performance on standardized exams.	Sanctions include additional monitoring/warnings and are administered based on the results of school inspections or performance on standardized exams.	Sanctions include additional monitoring and fines are administered based on the results of school inspections or performance on standardized exams. Rewards may also be used.	Sanctions include additional monitoring, fines and as a final measure school closures based on the results of school inspections or performance on standardized exams. Rewards are also used.
<b>Empowering all parents, students and communities</b>	<b>Information</b>	No information is provided to parents on the results of standardized exams or inspection reports.	Ad hoc information is provided to parents on standardized exam results or inspection reports.	Regular information is provided to parents on standardized exam results or inspection reports.	Regular information is provided to parents on disaggregated (by school, socioeconomic background, gender, other types of disadvantage, etc.) standardized exam results and inspection reports from a variety of sources. Policy outlines information interventions to targeted disadvantaged groups.

	<b>Voice</b>	Not applicable if the government does not require schools to take part in inspections.	Neither students nor parents are interviewed as part of an inspection process.	Students or parents are interviewed as part of the inspection process.	Student and parents are interviewed as part of the inspection process.
	<b>Selection</b>	Schools are allowed to select students based on both academic performance and geography.	Schools are allowed to select students based on academic performance or geography.	Schools are not allowed to select students but schools are not required to use a lottery if oversubscribed.	Schools are not allowed to select students and are required to conduct a lottery if school is oversubscribed.
	<b>Contributions</b>	Parental choice is restricted by compulsory monetary parent contributions which if not paid prohibits the child from attending the school.	Parental choice is restricted by voluntary monetary parent contributions i.e. contributions to a school fund.	Parental choice is restricted by voluntary non-monetary parent contributions i.e. in kind labor or goods.	Parental choice is not restricted by any type of parental contributions.
<b>Promoting diversity of supply</b>	<b>Coverage</b>	Coverage of charters is restricted by three of the following: student and school numbers and location (certain cities or districts). Only new or only existing schools are able to become charters.	Coverage of charters is restricted by two of the following: student numbers, school numbers, location (certain cities or districts). No restrictions due to new/existing school status.	Coverage of charters is restricted by one of the following: student numbers, school numbers, location (certain cities or districts).	No Restriction. Charters are not restricted by student numbers, school numbers, or location (certain cities or districts).
	<b>Ownership</b>	The government allows one of the following types to operate a school: Community Not for profit Faith based For profit	The government allows two of the following types to operate a school: Community Not for profit Faith based For profit	The government allows three of the following types to operate a school: Community Not for profit Faith based For profit	The government allows all of the following types to operate a school: Community Not for profit Faith based For profit
	<b>Certification standards</b>	Certification standards, that are not linked to education outcomes, restrict entry including all of the following: 1. land (undulating, distance from public venues etc.) or 2.	Certification standards, that are not linked to education outcomes, restrict entry including two of the three following criteria: 1. land (undulating, distance from public venues etc.)	Certification standards, that are not linked to education outcomes, restrict entry including one of the three following criteria: 1. land (undulating, distance from public venues etc.)	Certification standards, that are not linked to education outcomes, do not restrict entry.

	facilities (separate science labs, weather vanes etc.) or 3. assets (ownership of land or buildings).	or 2. facilities (separate science labs, weather vanes etc.) or 3. assets (ownership of land or buildings).	or 2. facilities (separate science labs, weather vanes etc.) or 3. assets (ownership of land or buildings).	
<b>Market entry information</b>	Registration/certification guidelines are not officially outlined.	Registration/certification guidelines are not made public and only available on request.	Registration/certification guidelines are made public but from a single source.	Registration/certification guidelines are made public and from multiple sources.
<b>Regulatory fees</b>	Schools are able to operate while paying 4 + types of fees.	Schools are able to operate while paying 2-3 types of fees.	Schools are able to operate while paying 1 type of fee.	Schools are able to operate without paying fees.
<b>Funding</b>	Academic operating budgets are not equivalent to per-student amounts in public schools.	Academic operating budgets are equivalent to per-student amounts in public schools	All budgets academic and additional budgets (facilities and transport) are equivalent to per student amounts in public schools. Schools do not receive targeted funding to meet specific student needs.	All budgets academic and additional (facilities and transport) are equivalent to per student amounts in public school. School receives targeted funding to meet specific student needs.
<b>Incentives</b>	No Incentives	Schools are supported by one of the following: 1. start-up funding similar to public schools 2. access to government land or unused government facilities or taxes (property taxes) similar to public schools.	Schools are supported by two of the following: 1. start-up funding similar to public schools 2. access to government land or unused government facilities or taxes (property taxes) similar to public schools.	Schools are supported by three of the following: 1. start-up funding similar to public schools 2. access to government land or unused government facilities or taxes (property taxes) similar to public schools.
<b>Planning</b>	Schools are provided information on the allocations to be transferred to them less than 1 month before the start of the academic year.	Schools are provided information on the allocations to be transferred to them between 1 and 3 months before the start of the academic year.	Schools are provided information on the allocations to be transferred to them between 4 and 6 months before the start of the academic year.	Schools are provided information on the allocations to be transferred to them more than 6 months before the start of the academic year.



## Voucher Schools

Policy Goal	Indicator	Latent	Emerging	Established	Advanced
Encouraging innovation by providers	Teacher standards	Central government has legal authority to set minimum standards for teachers.	Regional or municipal government has legal authority to set minimum standards for teachers with final review from central authorities.	Regional or municipal government has legal authority to set minimum standards for teachers without final review from central authorities.	The school has legal authority to set its own teacher standards without final review from central authorities.
	Teacher appointment and deployment	Central government has the legal authority to appoint and deploy teachers.	Regional or municipal government has the legal authority to appoint and deploy teachers. Appointments are subject to final review by central authorities.	Regional or municipal government has legal authority to appoint and deploy teachers without review by central authorities.	The school (school principal, school council, parent association etc.) has the legal authority to appoint teachers without review by central authorities.
	Teacher salary	Central government has the legal authority to determine teacher salary levels.	Regional or municipal government has the legal authority to determine teacher salary levels with final review by central authorities.	Regional or municipal government has the legal authority to determine teacher salary levels without review by central authorities.	The school has the legal authority to determine teacher salary levels without review by central authorities.
	Teacher dismissal	Central government has the legal authority to dismiss teachers.	Regional or municipal government has the legal authority to dismiss teachers with final review by central authorities.	Regional or municipal government has the legal authority to dismiss teachers without review by central authorities.	The school has the legal authority to dismiss teachers without review by central authorities.
	Curriculum delivery	Central government has the legal authority over how the curriculum is delivered.	Regional or municipal government has the legal authority over how the curriculum is delivered with final review from central authorities.	Regional or municipal government has the legal authority over how the curriculum is delivered without final review from central authorities.	The school has the legal authority over how the curriculum is delivered without final review from central authorities.

Holding schools accountable	Classroom resourcing	Central government has the legal authority over how resources are allocated to the classroom (class size)	Regional or municipal government has the legal authority over how resources are allocated to classrooms with final review from central authorities (class size)	Regional or municipal government has the legal authority over how resources are allocated to classrooms without final review from central authorities (class size)	The school has the legal authority over how resources are allocated to classrooms without final review from central authorities (class size)
	Budget autonomy	Central government has the legal authority over the management of school operating budgets.	Regional or municipal government has the legal authority over the management of school operating budgets with final review from central authorities.	Regional or municipal government has the legal authority over the management of school operating budgets without final review from central authorities.	The school has the legal authority over the management of school operating budgets without final review from central authorities.
	Student standards	Government does not set standards on what students need to learn.	Government does set standards for what students need to learn, but there is no indication of by when or how well.	Government does set standards for what students need to learn and also indicates EITHER by when OR how well they need to be learned.	Government does set standards for what students need to learn, by when, and how well.
	Student assessment	Students do not take standardized tests.	Standardized tests are administered in select grades, but not annually.	Standardized tests are administered in select grades annually.	Standardized tests are administered in select grades annually, and results are disaggregated by school, socioeconomic background, gender and other types of disadvantage.
	Financial reporting	Government does not require schools to report on the use of public funds as a condition for the continuation of funding.	Government requires schools to report on the use of public funds as a condition for the continuation of funding but on an ad hoc basis or with no standard term.	Government requires schools to report on the use of public funds as a condition for the continuation of funding during a standard term.	Government requires schools to report on the use of public funds as a condition for the continuation of funding during a standard term with greater monitoring of schools that have failed to adhere in the past.

	<b>Inspection</b>	Government does not require schools to undergo an inspection.	Government requires schools to undergo an inspection but on an ad hoc basis or with no standard term.	Government requires schools to undergo a standard term inspection.	Government requires schools to undergo an inspection, and frequency of inspection depends on results of previous inspection.
	<b>Improvement planning</b>	Not applicable if the government does not require schools to take part in inspections.	Inspection reports include strengths and weaknesses of the school.	Inspection reports include strengths and weaknesses of the school and specific priorities for improvement.	Inspection reports include strengths and weaknesses of the school. Specific priorities for improvement and schools are required to submit a school improvement plan following the inspection.
	<b>Sanctions and rewards</b>	Sanctions are not administered based on the results of school inspections or performance on standardized exams.	Sanctions include additional monitoring/ warnings and are administered based on the results of school inspections or performance on standardized exams.	Sanctions include additional monitoring and fines are administered based on the results of school inspections or performance on standardized exams. Rewards may also be used.	Sanctions include additional monitoring, fines and as a final measure school closures based on the results of school inspections or performance on standardized exams. Rewards are also used.
	<b>Information</b>	No information is provided to parents on the results of standardized exams or inspection reports	Ad hoc information is provided to parents on standardized exam results or inspection reports.	Regular information is provided to parents on standardized exam results or inspection reports.	Regular information is provided to parents on disaggregated (by school, socioeconomic background, gender, other types of disadvantage, etc.) standardized exam results and inspection reports from a variety of sources. Policy outlines information interventions to targeted disadvantaged groups.
<b>Empowering all parents, students and communities</b>					

Promoting diversity of supply	<b>Voice</b>	Not applicable if the government does not require schools to take part in inspections.	Neither students nor parents are interviewed as part of an inspection process.	Students or parents are interviewed as part of the inspection process.	Student and parents are interviewed as part of the inspection process.
	<b>Selection</b>	Schools are allowed to select students based on both academic performance and geography.	Schools are allowed to select students based on academic performance or geography.	Schools are not allowed to select students but schools are not required to use a lottery if oversubscribed.	Schools are not allowed to select students and are required to conduct a lottery if school is oversubscribed.
	<b>Contributions</b>	Parental choice is restricted by compulsory monetary parent contributions which if not paid prohibits the child from attending the school.	Parental choice is restricted by voluntary monetary parent contributions i.e. contributions to a school fund.	Parental choice is restricted by voluntary non-monetary parent contributions i.e. in kind labor or goods.	Parental choice is not restricted by any type of parental contributions.
	<b>Ownership</b>	The government allows one of the following types to operate a school: Community Not for profit Faith based For profit	The government allows two of the following types to operate a school: Community Not for profit Faith based For profit	The government allows three of the following types to operate a school: Community Not for profit Faith based For profit	The government allows all of the following types to operate a school: Community Not for profit Faith based For profit
	<b>Certification standards</b>	Certification standards, that are not linked to education outcomes, restrict entry including all of the following: 1. land (undulating, distance from public venues etc.) or 2. facilities (separate science labs, weather vanes etc.) or 3. assets (ownership of land or buildings).	Certification standards, that are not linked to education outcomes, restrict entry including two of the three following criteria: 1. land (undulating, distance from public venues etc.) or 2. facilities (separate science labs, weather vanes etc.) or 3. assets (ownership of land or buildings).	Certification standards, that are not linked to education outcomes, restrict entry including one of the three following criteria: 1. land (undulating, distance from public venues etc.) or 2. facilities (separate science labs, weather vanes etc.) or 3. assets (ownership of land or buildings).	Certification standards, that are not linked to education outcomes, do not restrict entry.
	<b>Market entry information</b>	Registration/certification guidelines are not officially outlined.	Registration/certification guidelines are not made public and only available on request.	Registration/certification guidelines are made public but from a single source.	Registration/certification guidelines are made public and from multiple sources.

	<b>Regulatory fees</b>	Schools are able to operate while paying 4 + types of fees.	Schools are able to operate while paying 2-3 types of fees.	Schools are able to operate while paying 1 type of fee.	Schools are able to operate without paying fees.
	<b>Funding</b>	Academic operating budgets are not equivalent to per-student amounts in public schools.	Academic operating budgets are equivalent to per-student amounts in public schools.	All budgets academic and additional budgets (facilities and transport) are equivalent to per student amounts in public schools. Schools do not receive targeted funding to meet specific student needs.	All budgets academic and additional (facilities and transport) are equivalent to per student amounts in public school. School receives targeted funding to meet specific student needs.
	<b>Incentives</b>	No Incentives	Schools are supported by one of the following: 1. start-up funding similar to public schools 2. access to government land or unused government facilities or 3. exempt from local taxes (property taxes) similar to public schools.	Schools are supported by two of the following: 1. start-up funding similar to public schools 2. access to government land or unused government facilities or 3. exempt from local taxes (property taxes) similar to public schools.	Schools are supported by three of the following: 1.start-up funding similar to public schools 2. access to government land or unused government facilities or 3.exempt from local taxes (property taxes) similar to public schools.
	<b>Planning</b>	Schools are provided information on the allocations to be transferred to them less than 1 month before the start of the academic year.	Schools are provided information on the allocations to be transferred to them between 1 and 3 months before the start of the academic year.	Schools are provided information on the allocations to be transferred to them between 4 and 6 months before the start of the academic year.	Schools are provided information on the allocations to be transferred to them more than 6 months before the start of the academic year.

[worldbank.org/education/saber](http://worldbank.org/education/saber)

The Systems Approach for Better Education Results (SABER) initiative collects data on the policies and institutions of education systems around the world and benchmarks them against practices associated with student learning. SABER aims to give all parties with a stake in educational results—from students, administrators, teachers, and parents to policymakers, business people and political leaders—an accessible, detailed, objective snapshot of how well the policies of their country's education system are oriented toward delivering learning for all children and youth.

This framework paper focuses specifically in the area of Engaging the Private Sector.

The findings, interpretations, and conclusions expressed herein are those of the author(s) and do not necessarily reflect the views of the International Bank for Reconstruction and Development / The World Bank Group and its affiliated organizations, or those of the Executive Director of the World Bank Group or the governments they represent.

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