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Implications of COVID-19 for Low-cost Private Schools

Andaleeb Alam and Priyamvada Tiwari, UNICEF

Synopsis

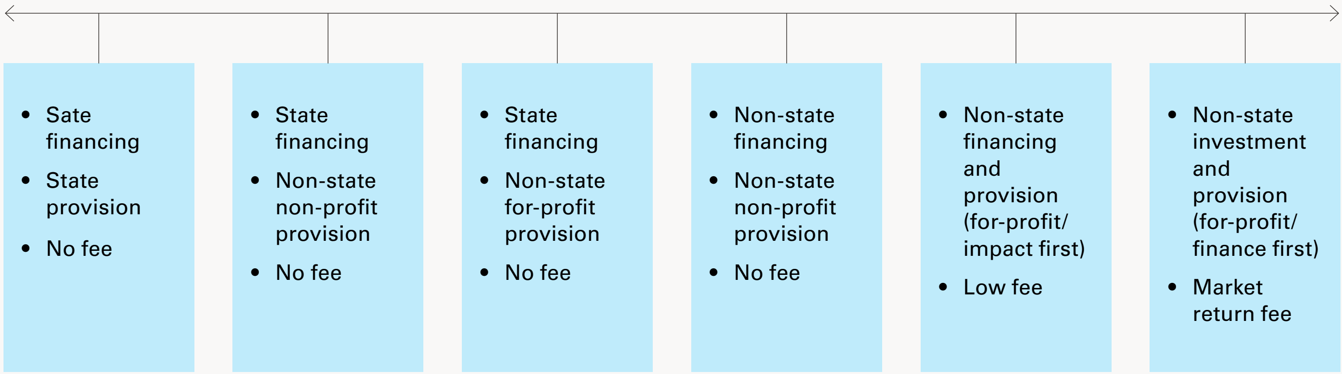
COVID-19 has hit low-cost private schools (LCPS) especially hard. The economic shock of the pandemic has placed LCPS under significant financial stress; teachers reported losing their jobs, having their salaries cut, or not being paid at all. Thousands of LCPS have already shut down, and thousands more are on the brink of permanent closures. LCPS also struggled to provide remote learning support to their students, and the likelihood of extensive learning losses among returning students is high. Given the financial pressures they are under, LCPS will also face difficulties in providing remedial learning support to overcome this learning loss.

These education market disruptions pose significant risks to the effective continuity of learning for millions of learners, especially those from households at the bottom of the pyramid, who are more likely to attend LCPS than high-fee private schools. Evidence from past crises and recent reports strongly suggests that private school enrolments will decline substantially, with some students migrating to public schools, and others delaying entry or dropping out. The migration from private to public schools will also put a significant strain on the existing capacity in public schools.

A number of underlying factors make LCPS highly vulnerable to shocks. With some exceptions, LCPS are not included in governmental crisis response measures, or only a select few are able to benefit. The LCPS operating model also does not lend itself to resilience to shocks. Their heavy reliance on school fees, lack of diversified sources of finance, and limited access to external finance, therefore put the viability of LCPS at risk in times of crisis. In addition, the regulatory environment related to credit access and formal registration and/or accreditation represents barriers for LCPS to access support during crises and to make quality improvements.

Governments have the duty to ensure that all children receive quality education, not just those in public schools. In the short term, education policy response must therefore ensure that all students who attended private schools before COVID-19 also return to school and continue their education. However, short-term relief will not solve the underlying issues that make LCPS vulnerable to shocks in the first place. This means that in the medium term, `building back better' needs to address resilience, quality and governance also in the private education sector.

FIGURE 1: PUBLIC-PRIVATE CONTINUUM



Source: Steer et al. (2015)

1. Context

At the peak of the COVID-19 pandemic, school closures disrupted the education of approximately 1.5 billion students in over 190 countries – 1 in 4 of whom were enrolled in private schools.[1] Ensuring that all students return to school poses a challenge. In June 2020, the World Bank had forecast that COVID-19 would increase the out-of-school rate by 2 per cent although actual numbers could be higher as economic growth has been lower than assumed in the World Bank forecast. A more recent survey in Ethiopia, India, Nigeria and Pakistan shows that 4 per cent of girls and 6 per cent of boys say they are unlikely to return to school.

COVID-19 has hit private schools especially hard, and poses a risk to the continuity of learning for millions of children, especially those from households at the bottom of the pyramid, who are more likely to attend low-cost private schools (LCPS) than high-fee private schools. Governments have stewardship of the whole education system, not just public schools; therefore, any public policy that does not mitigate against COVID-induced risks to private provision will be incomplete. This brief gives an overview of the scope of this education market disruption, particularly its implications for learners and teachers in LCPS and the spillover effects on public schools, as well as the factors that affect the resilience of LCPS to shocks. Hence, the brief does not address whether private schools are good or bad, or if they produce more or less learning – a topic that much has been written about already.

2. What are low-cost private schools?

Defining private schools is not straightforward; UNESCO defines them as any school that is not operated by the government but is controlled and managed, whether for profit or not, by a private body (e.g. community, foundation, faith-based organization, NGO, private proprietor or private enterprise). Other terms for private schools are non-state, non-government, and non-public. The difference in the UNESCO definition between public and private is based on *management* arrangements. If we superimpose the *financing lens*, we can see that it is more suitable to characterize schools along a continuum than a dichotomy (Figure 1). Some faith schools, for example, receive both state and non-state funding. Many government-aided schools, restricted from charging tuition fees, levy other user charges (e.g. registration fees, exam fees). In addition, some low-cost private schools are backed by corporate interests, but are distinct from the average LCPS in their business model, access to resources, technology use, and political influence.

This diversity also makes the task of precisely defining LCPS (also called low-fee, affordable or budget private schools) much harder. For instance, an early definition of LCPS was a private unaided school, financed entirely by tuition fees, with a monthly tuition fee at the primary level not exceeding the daily wage of a labourer. However, in practice, schools that charge up to 15 per cent of household income in fees are called LCPS. Yet other studies have defined LCPS more loosely, making no reference to the cost but instead as a privately run school that is not solely dependent on government financing, and is able to, or plans to, become self-sustaining in the future. Since no single definition is applied consistently across different studies, to the extent possible, we try to focus on the subset of fee-charging private schools that serve (or claim to serve) inclusive markets, not including corporate-backed chains, which constitute a very small segment of the LCPS landscape.

3. What is the scope of COVID-19 impacts on private schools, especially LCPS?

Who are the most affected learners?

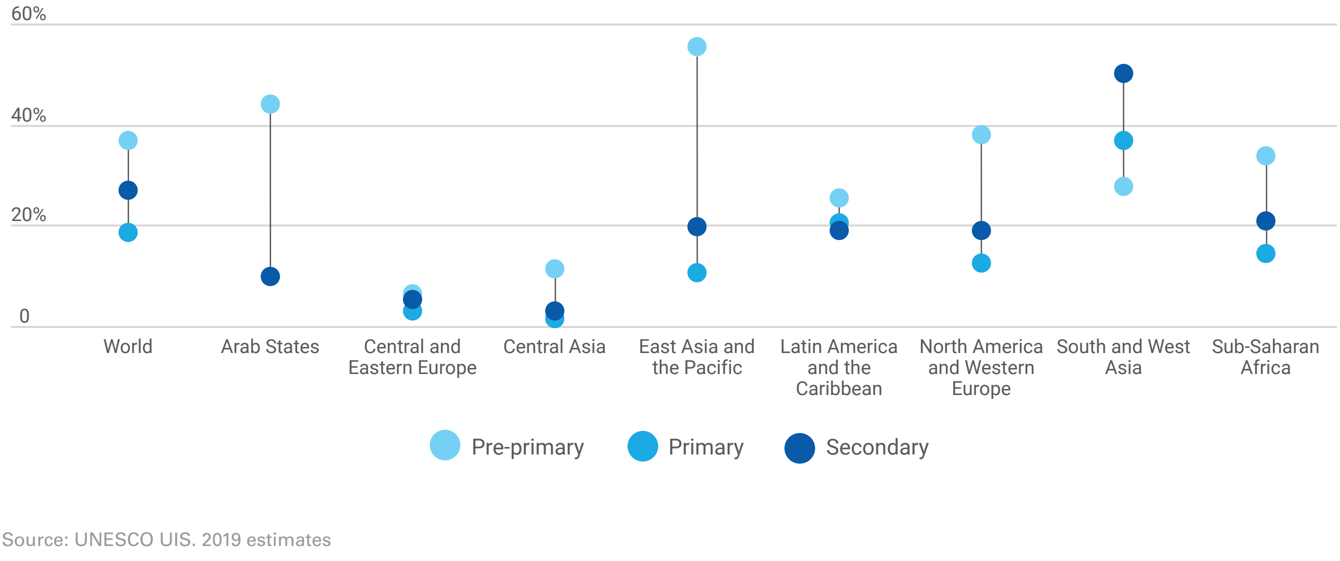
The share of private school enrolment has risen rapidly in the past two decades, from 15.1 per cent (184 million learners) in 2000 to 24.4 per cent (380 million learners) in 2019.[2] Actual estimates are likely to be higher due to undercounting of unregistered private schools. However, there are disparities in private enrolment across education levels and regions (Figure 2), which suggests that the impact of COVID-19 disruptions are unequally distributed. For instance, impacts would likely be deeper in many countries of South Asia, and sub-Saharan Africa where private enrolment is high, and where there is a significant number of private schools which are unaided or LCPS.[3]

Cross-country differences in the size of the private school market and the duration of school closures during COVID-19 also meant that globally, a higher share of private school compared to public school students experienced longer school interruptions. Based on UNESCO data, an estimated 49 per cent of private school students worldwide were affected by full school closures exceeding six months compared to 31 per cent of public school students. Meanwhile, 23 per cent of private and 28 per cent of public school students were affected by full school closures between three and six months, and 25 per cent of private and 33 per cent of public school students by full school closures of less than three months.[4]

Further, given that compared to rural areas a higher share of learners in urban areas are in private schools, the impact of the education market disruption would be more severe in urban areas. In India, for example, 73 per cent of students in urban areas compared to 35 per cent in rural areas are in private schools, with the majority of these enrolled in unaided private schools. In Punjab, Pakistan, 53 per cent of learners in urban settings are in private schools compared to 30 per cent in rural areas.[5] In Lagos State, Nigeria, which is predominantly urban, 39 per cent of primary enrolment was in public schools, 25 per cent in registered private schools and the remaining 37 per cent in unregistered private schools. Combined with more severe impacts of COVID-19 on urban households, children in non-rural areas will be more deeply affected by this education market disruption.

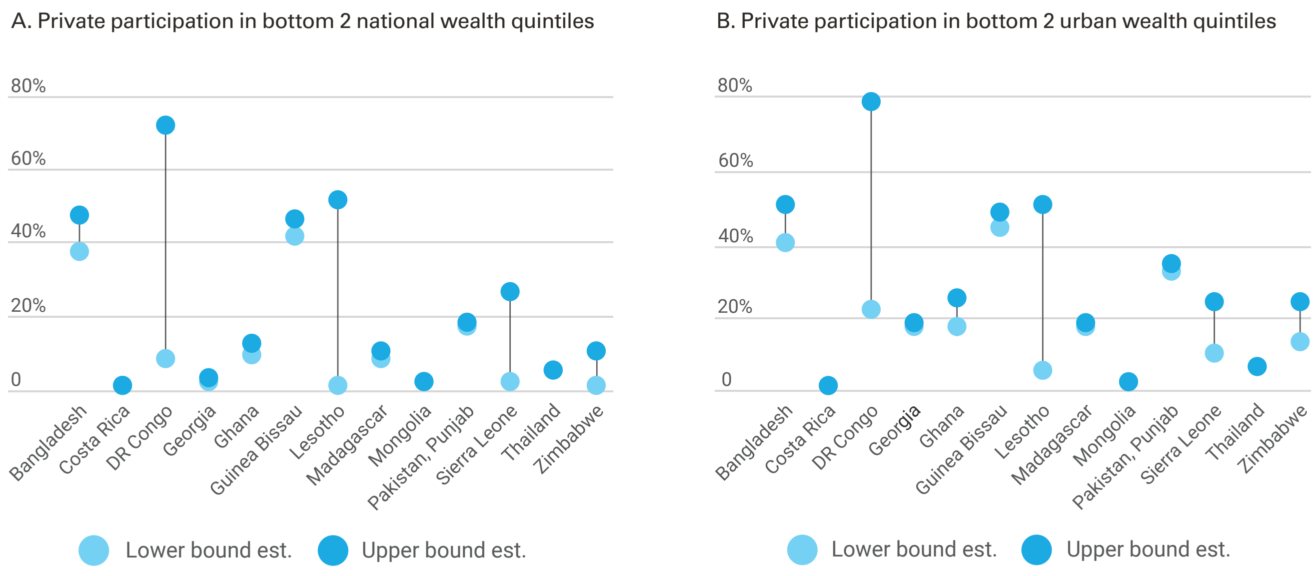
Similarly, there are differences in private school enrolment between the affluent and the non-affluent. Though private schools do not cater to the poor in the same proportion as public schools, as seen in Figure 3a, in some countries (e.g. Bangladesh, DR Congo, Guinea-Bissau, Pakistan), private schools still serve a significant share of students from poor and vulnerable households in the bottom two wealth quintiles,[6] particularly the urban poor and vulnerable (Figure 3b). These learners are more likely to be enrolled in LCPS than in high-fee private schools.

FIGURE 2: PRIVATE ENROLMENT RATE



Source: UNESCO UIS. 2019 estimates

FIGURE 3: PRIVATE SCHOOL PARTICIPATION OF LEARNERS FROM POOR AND VULNERABLE HOUSEHOLDS



Source: MICS6 surveys. Based on students enrolled in K–12. The upper bound estimate is the private participation rate based on the UNESCO definition of private schools. The lower bound estimate is the participation rate in schools run by (possibly for-profit) private proprietors.

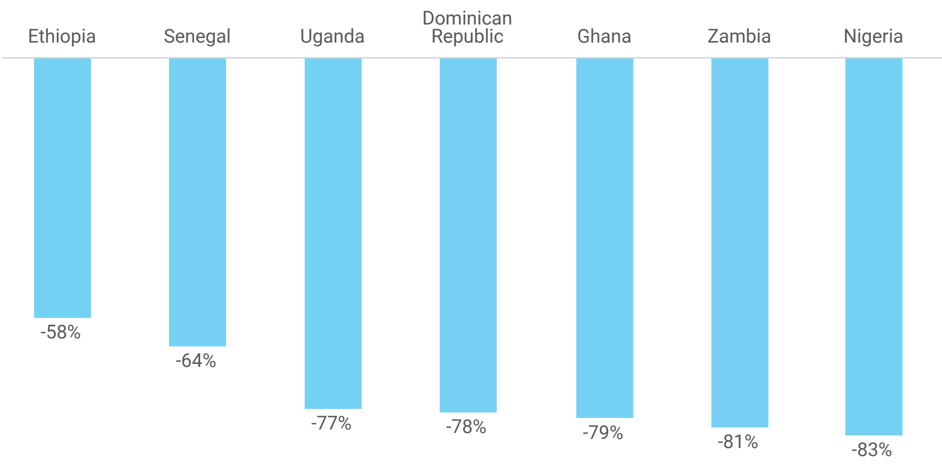
As it is not possible to identify the share of poor and vulnerable learners in fee-charging private schools from household survey data, Figure 3 presents upper and lower bound estimates: the upper bound corresponds to the broad UNESCO definition of private schools, whereas the lower bound corresponds to the narrow category of private schools run by private proprietors. Reports from multiple countries show that not all non-state schools run by communities, faith organizations, or NGOs are (fully) government-aided, and (partly) rely on other funding sources for their operations, including user charges and community contributions, which would have been affected by COVID-19.

However, the bottom 40 per cent are not the only ones vulnerable to COVID-19 impacts. Families in the middle of the income distribution are also at risk of sliding into poverty as a result of the pandemic; in Latin America, for example, the worst effects of COVID-19 are not felt among the poorest, but those in the middle of the ex-ante income distribution.[7] Hence, private school learners from families in the third wealth quintile are also likely to be vulnerable to the COVID-19 economic shock.

What is the impact of COVID-19 on school operations?

Private school enrolment is expected to decline as a result of the COVID-19 economic shock. Evidence from past crises points to significant adverse impacts on private school enrolment. After the global financial crisis the share of private school students at the secondary level in sub-Saharan Africa and Latin America slowed or dropped. In the United States too, private school enrolment at primary and secondary levels decreased by one-third as a result of the 2008 crisis, and by 2013, the private school enrolment rate in the most severely affected metropolitan areas had not returned to the pre-recession level. In Indonesia, the 1998 Asian financial crisis led to a significant decline in private school enrolment in lower secondary (8 per cent), with urban private schools affected the most. In Jakarta, for example, the drop was 16 per cent and enrolment in private lower secondary education in urban areas continued to fall in the subsequent academic year. Consequently, the COVID-19 economic shock is also expected to cause a significant decline in private school enrolment. Given the COVID-19 recession is more severe than previous economic downturns, the magnitude and persistence of the decline in private school enrolment could be higher than in past crises. In India, Mexico and Pakistan, private schools are already reporting reductions in current and anticipated enrolment of 20 to 30 per cent. In the Philippines, only 2 million out of a former 4.3 million students in private schools had re-enrolled at the beginning of the academic year 2020-2021. Some recent surveys and evidence from past crises suggest that some children who previously attended private schools will switch to public schools, but others may delay entry or drop out.

FIGURE 4: DECLINE IN LCPS REVENUE



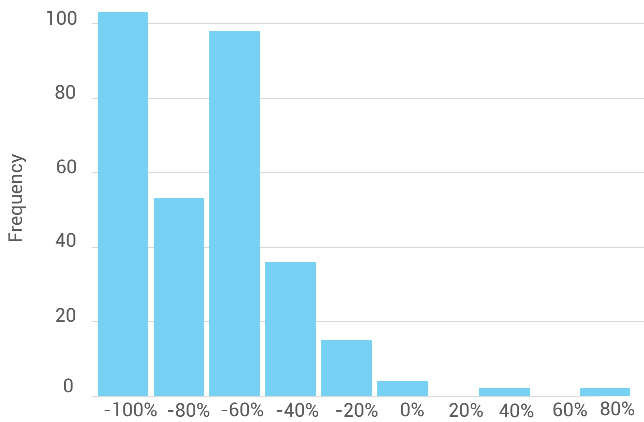
Source: Opportunity Edufinance (2020)

COVID-19 has put LCPS under financial stress (Figure 4). Difficulties in fee collection were reported in India, Kenya, Nigeria, Pakistan, Rwanda, and South Africa, among others. A study of LCPS in seven countries found that 88 per cent of surveyed schools were collecting less than 20 per cent of school fees in October 2020. Across many contexts, losses have been compounded by other financial burdens, such as rent, utilities, loan repayments, and the costs of meeting standard operating procedures. External funds were also scarce. In a survey of frontline education providers, 73 per cent reported a drop in private or philanthropic funding during the pandemic. At the same time, multiple governments had directed private schools not to collect unpaid fees, or to reduce the fee amount they collect, though enforcement varies. While high-fee private schools have had surplus reserves to tap into, this is not the case for LCPS. Financial pressures on LCPS will continue for some time given the expected drops in enrolment, low probability of fully recovering unpaid fees, and accumulated arrears. In the future, schools are likely to respond to this crunch by increasing school fees, as was the case with the Asian and global financial crises, further deepening inequalities.

As a result of this financial stress, many LCPS are struggling to survive. Hundreds and thousands of private schools have already had to close (Bangladesh, Ghana, Kenya, Pakistan, Uganda) and many more closures are likely. In South Africa, between 20,000 and 30,000 early childhood development operators run the risk of closure and between 118,000 and 175,000 people employed in the sector could lose their jobs without any support. LCPS that will manage to survive will continue to see a cash crunch as enrolments drop, leaving little room to finance quality improvements and provide mental health and learning supports to returning students. A particular concern is what school closures portend for continued access to education in communities where there are insufficient public alternatives. In Uganda in 2018, for instance, 718 sub-counties were still without a public school.

COVID-19 has adversely affected the incomes and well-being of teachers in private schools, especially LCPS. In some contexts, private schools employ substantial portions of the teacher workforce. In Gambia, Liberia, Malawi, Nigeria, Pakistan, Sierra Leone and Uganda, more than one-fifth of the teacher workforce is in private schools. Multiple reports point to private school teachers losing their jobs, having their salaries cut, or not paid at all, which has significantly impacted their livelihood, their mental health, and potentially their motivation to teach (Figure 5). For instance, in Mozambique, South Africa and Zambia teacher pay was cut in the range of 20 to 50 per cent; in Kenya, the majority of private school

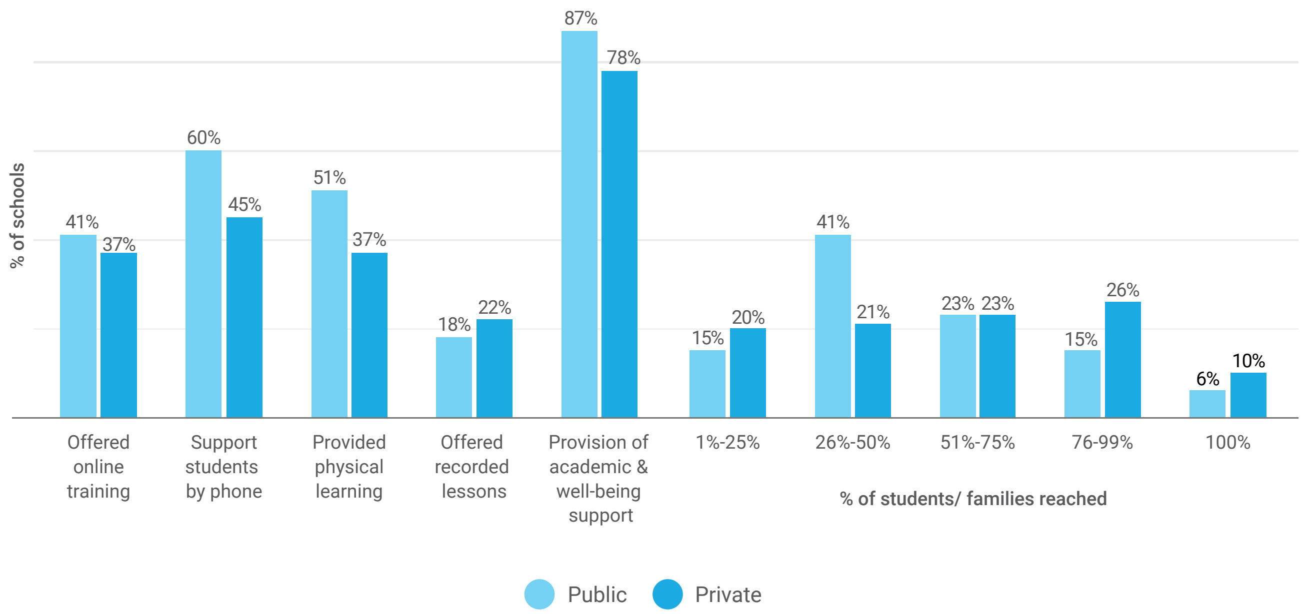
FIGURE 5: DECLINE IN LCPS TEACHERS' INCOME



Source Figure 5: Opportunity Edufinance (2020). Based on a survey of LCPS in the 7 countries seen in Figure 4.

FIGURE 6: LEARNING SUPPORT DURING COVID-19

Andhra Pradesh and Telangana, India



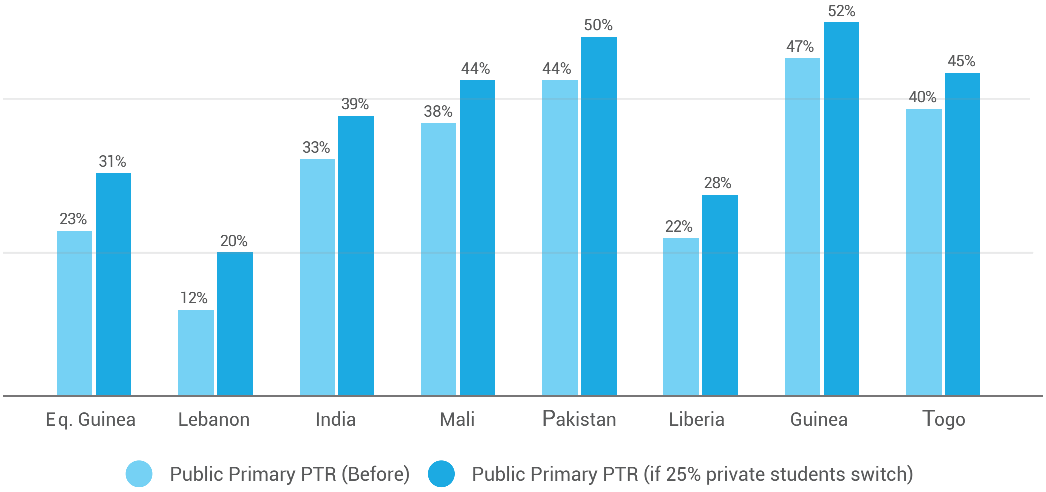
Source: Young Lives Survey (2020a, 2020b)

teachers were put on unpaid leave when schools closed; while private school teachers reported not being paid in Cameroon, DR Congo, Gambia, India, Jordan, Liberia, Niger, Senegal and Viet Nam. In a survey of LCPS in Dominican Republic, Ethiopia, Ghana, Nigeria Senegal, Uganda and Zambia, 91 per cent of schools said they were unable to pay their teachers any salary during 2020. Even before COVID-19, private school teachers were paid less than public school teachers, and lacked work-related benefits and job security, making them much more vulnerable to shocks. Affected teachers have responded to this income shock by drawing on savings, borrowing, selling assets, and finding other livelihood opportunities. As the squeeze on the finances of LCPS will not diminish any time soon, their ability to maintain teacher salaries and/or the size of their workforce will continue to be affected, raising concerns about declining teacher welfare and a potential shortage of teachers.

Similar to learners in public schools, learners in LCPS are also likely to face significant learning losses. Private schools, especially LCPS, have also struggled to provide remote learning support during school closures (India, Kenya). In two southern states of India, for example, 64 per cent of private schools reached less than half of their students with support during school closures (Figure 6).[8] For LCPS in particular, the reported challenges to support learning were due to poor access to technology in the populations they serve, students burdened with other responsibilities, and difficulty in keeping students engaged. Surveys of LCPS in Ghana, Kenya, Nigeria, Rwanda and Uganda showed that school leaders and teachers also faced connectivity challenges to provide remote learning support. Meanwhile, a sizeable share of LCPS parents lacked capacities to support home learning.[9] Consequently, LCPS are expecting extensive learning loss amongst returning students. In India, only 28 per cent of private school leaders reported being very confident that students will be able to catch up on lost learning, and most were concerned about the lost learning of weaker learners (79 per cent) and those from the poorest households (71 per cent). In this, the situation in LCPS may be more comparable to public schools than high-fee private schools or those serving more affluent families.[10] Further, given the other constraints they are under, LCPS are also not well resourced to provide the remedial support required to address this loss of learning, which will have knock-on effects on long-run learning outcomes.

The migration of students from private to public schools will put enormous strain on public schools. The stress on public schools will be especially severe in locations where private enrolment is high and where public schools already have high pupil-teacher ratios (PTR) and/or where public schools are already overcrowded (Figure 7). In Sindh in Pakistan, where more than three-quarters of public schools have either no usable classroom or only one

FIGURE 7: IMPACT ON PTR IN PUBLIC SCHOOLS



Source: UNESCO UIS, World Bank. For public schools, the national PTR is used. Hence, these are lower bound estimates as private school PTR is smaller. Given reports of enrolment drops of 20%–30%, a mid-point drop of 25% is assumed.

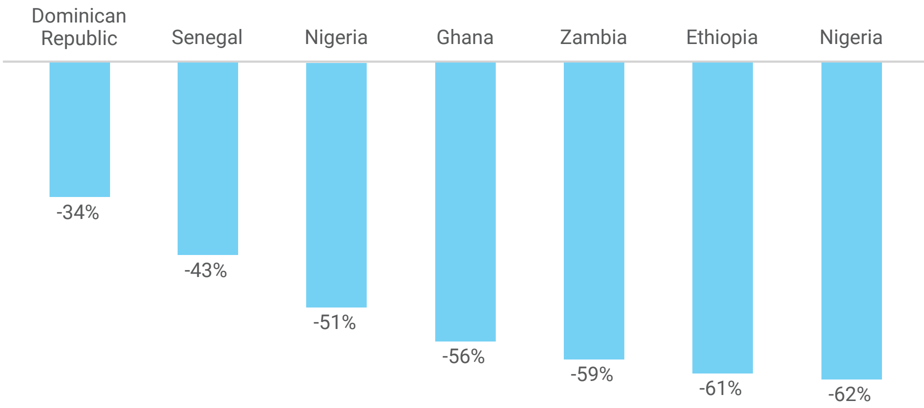
or two classrooms, an increase of 9 per cent in public enrolment – in a scenario where one-fourth of private school students switch to public schools – would be hard to absorb without impacting quality. Public schools in non-rural areas will be especially affected given the higher share of urban private schools. For instance, if 25 per cent of all students in private unaided schools in urban India, switch to public schools, it will increase the PTR in urban public schools from 28 to 41, which will affect the quality of teaching and learning. In Nairobi county, school switching of this magnitude would increase class size (the number of children per classroom) in public schools from 44 to 61, leading to very overcrowded classrooms. Similarly, Lagos has 20,000 schools of which 12,000 are private. This means that, as only 40 per cent of schools are public, there is simply no room to absorb all displaced students. In addition, it would be almost impossible to follow social distancing in the overcrowded classrooms. The expected squeeze on education budgets post-COVID-19 also limits the ability to quickly expand absorptive capacity in public schools by building additional classrooms and hiring more teachers.

4. What underlying factors affect LCPS' resilience to shocks?

The operating model of LCPS makes them less resilient to income shocks. LCPS lack diversified sources of finance, and in most contexts they are predominantly funded by school fees from households. In Ghana and Pakistan, for instance, 84 per cent and 97 per cent respectively of revenue generated by LPCS has been through school fees. Profit margins are typically thin – in Ghana, for instance, only 33 per cent of LCPS reported being profitable, and in Pakistan, while LCPS on average turn a `net profit', the turnover is only a few hundred US$ per annum, and profits come at the expense of low teacher salaries, which are on average below the minimum wage set by the government and do not keep apace with inflation. With this operating model, any shock that reduces enrolment and fee collection, and increases teacher salaries is highly debilitating to the solvency of LCPS.[11]

LCPS lack access to external finance, which constrains their ability to invest in quality improvements and ensure continuity of operations in a crisis. There is high demand for external finance from LCPS to invest in school improvements as well as respond to crises, like COVID-19: in Ghana, only 13 per cent of LCPS reported availability of funds to pay for school improvements. However, LCPS are limited in terms of access to external finance and rely largely on their own savings, borrowing from family and friends, or from informal lenders. Commercial banks or formal lending institutions avoid lending to LCPS due to the high perceived risk as LCPS are often characterized by a lack of formal registration, absence of tangible collateral, and the unavailability of proper financial documents. A few local financial institutions might lend to private schools, but these are typically short duration loans and loan limits are often low, or have eligibility criteria that will disqualify many LCPS.

FIGURE 8: INCOME LOSS OF LCPS PARENTS



Source: Opportunity Edufinance (2020)

Households with children in private schools, especially LCPS, are highly sensitive to shocks. COVID-19 has put many families under financial stress, not just those who were already poor, but also those in the middle of the income distribution. Consequently, families with children attending LCPS also saw sizeable drops in income (Figure 8). While household spending on education declined overall in 2020 due to the COVID-19 income shock, for families with children in LCPS, the funding gap would have been more severe since they tended to spend a higher share of their income on education compared to families with children in public schools.[12] Further, for these families, their ability to afford private schools in the future is also impacted; in Latin America, South Asia and sub-Saharan Africa, household education spending in 2021 is projected to stay below 2019 levels. This will increase migration to public schools and dropouts, as evidenced by past crises. For families who keep their children in LCPS, education costs could become more onerous, requiring welfare sacrifices and diversion of resources from other needs.

For LCPS households impacted by COVID-19 income shocks, cash transfers would not be adequate to cover their education costs. COVID-19 has seen a large scale-up of cash transfer measures. Despite this progress, there are some gaps in targeting, while programme reach has varied, ranging from 70 per cent in Indonesia to less than 10 per cent in sub-Saharan Africa, thereby excluding many LCPS families affected by income shocks in multiple contexts. Even when affected LCPS households do receive cash transfers, their high share of education spending implies that, in many contexts, the amount and duration of these benefits would not be adequate to cover schooling costs (Table 1), especially if we consider that for a given benefit amount, education would compete with other household needs.

Government responses to COVID-19 have revealed gaps in their coverage of LCPS, which have been unable to cope with and adapt to the economic shock. Several countries, such as Afghanistan, Canada, India, Ireland, Pakistan and Panama excluded private schools from additional education funds made available to help schools respond to COVID-19. Meanwhile, in some other contexts, the government has taken steps to support private school operators and/or teachers through low-interest loans (Kenya, Nigeria), honoraria (Liberia), tax deferrals or waivers (Rwanda, Togo), and by making them eligible to apply for funds earmarked to support local businesses (Ghana, Rwanda). In Indonesia, private schools in need were extended school grants, targeting those private schools that serve remote and marginalized communities, and the rules relating to use of these grants were relaxed. However, in practice, schools and teachers have had difficulty accessing these funds; they are far from sufficient to reach all schools and teachers in need, or have eligibility criteria that exclude many LCPS.

The regulatory environment for LCPS also represents barriers for their resiliency to shock. Regulatory constraints prevent LCPS from accessing credit. In Pakistan, micro, small and medium-sized enterprises (MSMEs) are classified based on staff numbers (<20) but, although LCPS have many characteristics similar to an informal MSME, they are excluded because of their workforce size. In India, private schools can register only as non-profit societies and trusts, even if they seek to make a profit, but this designation makes them ineligible for institutional capital. Meanwhile, the lending criteria of non-banking financial institutions exclude many LCPS as they are unregistered.[13] Another challenge for LCPS has been registration and/or accreditation, which can constrain access to government or other support (especially during crises). In multiple contexts, a significant share of LCPS are

TABLE1: FEATURES OF CASH TRANSFERS DURING COVID-19	
AVERAGE DURATION	3.3 months
PROGRAMMES EXTENDED	7 per cent
ONE-OFF CASH TRANSFER PROGRAMMES	30 per cent
AVERAGE AMOUNT ($ PER CAPITA):	
South Asia	$8
Sub-Saharan Africa	$10
North America	$442
GLOBAL REACH (% OF POPULATION)	14 per cent
Programmes reaching more than one-third of the population	25 per cent

Source: Gentilini, Almanfi and Dale (2020), Gentilini (2021)

unregistered and missing from official statistics, thus limiting government ability to monitor them.[14] Registration processes can be lengthy, costly, and stringent about inputs with little correlation to learning, leading to the failure of many LCPS to become registered, creating opportunities for bribery, and contributing to growth of the unofficial education market. However, even with recognized LCPS, monitoring is not always frequent due to limited government capacity.

5. Key considerations

COVID-19 has affected LCPS badly and has put many such schools at risk of closure. These impacts are not limited to 2020 only, but will continue to reverberate in 2021 and beyond. This market disruption has adverse consequences for LCPS students and teachers, and also for public schools. The State has the duty to ensure that all children receive quality education. This objective should guide the design of education policy response to this market disruption, not the protection of `brick and mortar' structures per se. However, short-term relief will not solve the underlying issues that make LCPS vulnerable to shocks in the first place. Keeping in mind the fiscal constraints, some key actions to consider are given below.

In the **short-term**, governments must not neglect to ensure that all students who attended private schools before COVID-19 also return to school and are in learning. This means:

- **Design re-enrolment campaigns and tracking** to cover not only children in public schools but also those who are in private schools, especially LCPS.
- **Prepare public schools to absorb students migrating from private schools.** This could entail, inter alia: (a) identify `hotspots' with a high probability of migration from private to public schools and estimate the projected increase in additional public school placements, and monitor the situation continuously; (b) identify public schools with available spaces to accommodate displaced students and widely communicate this information to the community; (c) target schools with high inflows of private school students that exceed their absorptive capacity, with additional support (e.g. top-up school grants or provision of additional teachers, teaching/learning materials and classroom space) so as to not diminish the quality of learning. Where fiscal space does not allow for this additional support, re-organization of school space and schedules in public schools could be considered.
- **Include low-cost private schools in need in the COVID-19 response.** Consider making LCPS eligible for grants or low-interest loans earmarked for MSMEs hit hard by COVID-19. Where education providers are already eligible, strengthen knowledge and awareness about how to access the funds. Given financing constraints, and to avoid undercutting the resources for improving public schools, prioritize for relief those hard-hit LCPS that serve disadvantaged communities and/or where public or private-aided schools are in short supply or unable to absorb migrating students, regardless of LCPS registration status. Lastly, consider including LCPS struggling to provide remote and catch-up learning in recovery efforts. This can mean expanding remote and remedial learning programmes in both public schools and LCPS, training LCPS teachers in effective pedagogies, and providing LCPS with affordable learning tools.

In the **medium-term**, `building back better' needs to address private provision as education systems cannot be made robust if parts of the system remain dysfunctional and vulnerable to shocks, but are ignored in public policy. This means:

- **Consider policy measures that introduce healthy norms, accountability and good governance to the LCPS sector**. This could entail, inter alia: mandate disclosure and public dissemination of school fee details and expected fee increases over a child's school tenure; revisit criteria for school registration and develop a pragmatic and tiered accreditation framework, appropriate incentives and regulatory capacities; instead of accountability for inputs, strengthen monitoring and accountability over learning outcomes, equity/inclusion, and safety.

- **Support development of an enabling financing environment that alleviates credit constraints for LCPS** by facilitating their access to external finance for quality improvements and crisis response. This could entail, inter alia, partnerships with financial institutions to develop appropriate financing products for the LCPS market, and review of regulations and requirements to enable qualified LCPS access to these funds. Research also suggests that compared to funding a limited set of pre-selected schools, easing credit constraints in the broad schooling market increases overall enrolments, quality, and even teacher salaries in LCPS.

Endnotes

1 Based on combining UNESCO UIS data on school enrolment (public and private) with UNESCO data on school closures up to December 2020. Estimates are based on enrolment in 187 countries (out of 197) facing full school closures at any given time and for which data on enrolment was also available.

2 UNESCO UIS. Includes pre-primary, primary and secondary education levels.

3 For example, 35 per cent of students in India are in private unaided schools and only 11 per cent in private aided schools. Data also shows that a very large majority of private schools in most states in India are 'low-fee' when judged in relation to: state per capita income, per-pupil expenditure in the government schools, and the officially stipulated rural minimum wage rate for daily-wage-labour. In a study of rural private schools in Punjab, Pakistan, the median private school in the sample reported a fee of US$2 per month – less than half the daily minimum wage in the province.

4 Based on combining UNESCO UIS data on school enrolment (public and private) with UNESCO data on school closures up to December 2020. Estimates are based on 198 out of 210 countries in the school closure database and for which data on enrolment (public and private) was also available. Countries with full school closure days totalling more than 180 are tagged as having full school closures exceeding 6 months; countries with full school closure days totalling between 90 and 180 days are tagged as having full school closures between 3 and 6 months; countries with full school closure days totalling less than 90 but more than zero full school closure days are tagged as having full school closures of less than 3 months. Countries with zero full school closure days were tagged as having no full school closures. We then calculated distribution of private and public enrolment across the four country categories.

5 Based on MICS6 survey. UNESCO definition of private schools is used.

6 Filmer and Scott (2008) estimate that not quite half of the people categorized as being in the poorest quintile by per capita expenditures are also in the poorest quintile according to the asset indices. However, of the people in the poorest quintile by per capita expenditures, the asset indices classify on average about 75 per cent in the poorest two quintiles.

7 In previous studies measuring poverty dynamics and vulnerability to poverty in Chile, Mexico and Peru, the vulnerability line was around the 60th percentile of the income distribution. In Africa, the African Development Bank (AFDB) estimated the poor and the floating middle class (who are vulnerable to sliding back into poverty due to shocks) comprised about 60 per cent and 20 per cent of the population, respectively, in 2010.

8 In rural India, the 2020 the ASER survey (wave I) finds that 40 per cent children in private schools reported receiving learning materials, and 37.4 per cent received a call or visit from the teacher in the reference week. Of those who had no contact in the reference week, only 22 per cent had at least one teacher contact since the lockdown. In Kenya, the Uwezo survey found that 42 per cent of learners in private schools were able to access digital learning. In both the ASER and Uwezo surveys, despite the challenges private school learners faced in terms of access to remote learning, they did better compared to learners in public schools. However, this data does not disaggregate between low-cost and high-cost private schools, so it is difficult to tease out results for learners in LCPS or compare LCPS with public school learners. However, as footnote 9 shows that private school learners with less educated parents fare worse than private school learners with better educated parents (and similar to public school learners with less educated parents), we can assume that remote learning access for children in LCPS who cater to households at the bottom of the pyramid with less income and less education will be worse than private schools catering to learners from more affluent and better educated households.

9 In the ASER 2020 survey in rural India (wave 1), 54 per cent of private school learners with parents having low education (who may be more likely to attend LCPS than high-fee private schools) received any family support for home-based learning during school closures. Meanwhile, 79 per cent of private school learners with parents having medium education and 89 per cent of private school learners with parents having high education received any family support for home-based learning during school closures. Interestingly, among learners with similar parental education profile, the public-private

school difference was negligible. Another study by Central Square Foundation (CSF) (2020) on private schools in India noted that nearly 33 per cent of parents of children in private schools can support their children with online learning at home. The occupations of parents in the CSF study were small business owners, domestic help, farmers, workers in small factories, security personnel and tailors, which may be more representative of parents with learners in LCPS than in high-fee private schools.

10 The responses from public school leaders in the same survey were comparable.

11 Given that the LCPS business model rests on a combination of low fees and low teacher salaries, policy shocks that raise teacher salaries would significantly increase school fees, no longer making them affordable to households at the bottom of the pyramid. For instance, in India, if private school teachers were paid the correct Pay Commission salaries for government school teachers, an average school with nine teachers and charging less than 500 Indian rupees (INR) in fees would need to triple the fee amount, whereas a similar school charging less than INR 1,000 would need to increase its fees by 70 per cent. As a consequence, these schools would no longer be affordable to households served by LCPS.

12 For instance, in a study of LCPS in Ghana, the poorest 40 per cent of surveyed households spent more than 10 per cent of household income on tuition fees alone. The number would be much higher if we factor in other education costs. By that token, household spending on private education as a percentage of their income is much higher than is generally reported for Ghana as a whole (15 per cent for urban areas, 11 per cent for rural areas). In Monrovia, Liberia, a study showed that the total cost to parents of sending a child to a government school was fully 75 per cent of the cost of sending a child to a private school. The higher out-of-pocket costs of private relative to public schools is also reported in the systematic review by Ashley at al. (2014).

13 Kingdon (2007) reported the findings of five studies from different parts of India to show that there were roughly as many unrecognised private schools in India as there were recognised ones.

14 ibid. A substantial share of unregistered (unrecognized) schools have been identified, particularly in urban areas, across a number of different contexts (Ghana, Nigeria, Pakistan, Tanzania).

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Office of Global Insight and Policy
United Nations Children's Fund
3 United Nations Plaza, New York, NY, 10017, USA