

## Low-cost private schools scalable solution to a massive gap?

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**To provide low-cost nursery and primary school education in poor neighbourhoods, Bridge International Academies has developed a vertically-integrated system. It includes operational tools and systems, curriculum materials, teacher recruitment, training processes. Its business model gives priority to academic quality using new technologies to support classroom teaching while keeping overheads and costs down in order to remain affordable.**

### PS&D

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Are social businesses able to provide efficient, sustainable, scalable solutions to problems that have traditionally been the preserve of the public sector? While few will argue that commercial businesses are the key to creating and sustaining jobs, many consider that a line has been crossed when for-profits enter sectors traditionally seen as public goods like nursery and primary education.<sup>1</sup> Indeed, the UN special rapporteur on education, Kishore Singh declared that “For-profit education should not be allowed in order to safeguard the noble cause of education”.<sup>2</sup> Yet there is a significant gap that needs to be addressed. Unicef estimates that there are still 58 million primary-age students globally who are out of school (UIS/EFA GMR, 2015). A recent article by Bookings Fellow Leisbet Steer reports that USD 26 billion in donor funding is needed every year to address this global education gap (Rose et al., 2013).

However, according to Professor James Tooley from Newcastle University (Tooley et al., 2005), a surprisingly high proportion (50-75%) of school-children in low-income areas attend low-cost private schools and their academic performance is markedly better than their peers in state schools. This led Tooley to conclude: “Rather than assume that the private unaided education sector is a problem, we should see it as a great strength. [...] Its existence and flourishing should be a cause for celebration.” Families living on USD 2 per day spend USD 51 billion a year worldwide on private nursery and primary education. If the private sector can provide affordable, high-quality education for these children, surely this is a good thing. Private schools mobilize new sources of capital and are inherently accountable to parents as customers. Moreover, if they can generate learning gains for less than current government budgets, surely the related innovations in both teaching and management can benefit all.

Bridge International Academies opened its first school in Mukuru informal settlement in Nairobi, Kenya in 2009 with the aim of expanding access to affordable high-quality primary education for poor families. Bridge currently operates 460 schools serving more than 100,000 pupils in Kenya, Uganda and Nigeria. Their students in Kenya obtain better results than their peers in neighboring schools and total tuition per child averages USD 74 per year, which allows a family living on USD

1.25 per day to send 3 children to school while spending only 10% of the families' income.<sup>3</sup> Bridge seeks to leverage data, technology and scale to reorganize the education life cycle. It claims to have developed a comprehensive model that includes operational tools and systems, curriculum materials, teacher recruitment and training processes in order to build, manage and replicate affordable, high-quality schools. Small-scale operators would find it hard to secure the investment required to train teachers and deliver affordable quality education to families living on USD 2 a day per person, or even less. Such investment would need to be spread over a sufficiently large number of pupils and would come with high risks. Bridge International Academies was founded on just such a mass-market premise.

## USING TECHNOLOGY TO REDUCE COST AND BOOST PERFORMANCE

Technology lies at the heart of Bridge low-cost business model. Indeed, Bridge hires and trains teachers from the community. Most do not have government certification and all are carefully assessed before they can get onto the residential training program. The Company has also hired and trained more than 5,000 academic staff. The teachers are supervised and supported by technology tools and this generates considerable savings in overheads as well as boosting pupil performance.

Each Bridge International Academy has only one manager and most non-instructional activities (billing, payments, expense management, payroll processing, prospective admissions, etc.) are centralized and automated via smart- phone and tablet applications connected to a custom backend ERP (Enterprise Resource Planning) system. This frees up Academy Managers to focus on more critical local work such as overseeing classroom instruction and managing relationships with parents and the local community.

*Technology is also driving better learning outcomes by addressing two root causes of failure: teacher absenteeism and lack of training.*

Bridge's technology allows a central academic team composed of former teachers to plan lessons across all subjects and grades based on the national curriculum. This team drafts teaching guides to help classroom teachers teach content more effectively. These master teachers use smart phone applications and tablets to transmit lessons (by subject and grade) to 5,000 classroom teachers for each day's lessons. Lessons are combined with custom learner materials such as course textbooks, additional reading and classwork and homework books. Teachers must sync up devices to receive lessons so this process guarantees their attendance. This accountability together with readily-available lesson plans helps keep teacher absenteeism much lower than the 47% national average in Kenya (less than 1% on average in Bridge schools). The same devices also allow teachers to transmit student assessments to a cloud server and to analyze areas where a critical mass of students have missed a question or struggled with a concept. The related feedback helps "master teachers" determine where to adjust lesson plans.

## PRIORITIZING TO STAY AFFORDABLE

Focusing investment on delivering optimal learning gains and holistic child development is core to ensuring that families living on USD 1.25 per day can afford to send all of their school-age children to school while spending only 10% of their income. It is therefore necessary to focus on certain aspects more than others.

*Bridge prioritizes academic quality over infrastructure attractiveness.*

It teaches out of simple, safe buildings to keep budgets down. To give an example, Bridge spends millions of dollars per year on academic Research & Development (R&D) but purchases wire frames for windows instead of glass panes. The board at the front of the class is a chalkboard, not a whiteboard. There is often neither the capital nor the land available for a private playground. Bridge partners with other government and church institutions and private individuals to get access to playing fields. However, Bridge also focuses on non-academic child development. In 2015, 3 of the top 10 National Choral groups in Kenya came from Bridge International Academies. Bridge focuses on encouraging dynamic extra-curricular activities that do not require expensive equipment or extensive space.

Bridge's priority is to deliver high learning outcomes. Based on the results of USAID-designed exams administered by an independent monitoring and evaluation company, Bridge pupils learn 32% more English and 13% more in math in one year than their peers in neighboring schools learn in two. The success of Bridge - and other low-cost private schools - ultimately resides in an alignment of interests. Parents are customers who must be satisfied in order for the school to survive and grow. Bridge aspires to build a brand that delivers high learning outcomes in a positive environment. If they cannot do this, the company will fail. If they can, Bridge will grow and generate profits that fuel further growth. The incentives of the customers and the company must be aligned.

**Footnotes:**

1 Portions of this article appeared in the Stanford Social Innovation Review in May 2015 under the title "High-Quality Education Doesn't Mean High Spending".

2 Quoted from the presentation of a report to the UN General Assembly, October 27, 2014. <http://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=15221&LangID=E>

3 James Tooley, Calculation of USD 1.25 poverty lines in Kenya in 2015, Education Innovation Africa Conference, June 8-10, 2015, Nairobi, Kenya.

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