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Early Education for All: Is there a Role for the Private Sector?

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* Natalia Streuli (1976-2012) very sadly died shortly after completion of this chapter.

Introduction

Other chapters in this volume explore the contribution of governments, NGOs, community and faith-based organizations in provision of EC services for young children and families. This chapter is focused on the potential of the private sector, which is receiving increasing national and international attention as part of the search for alternative models for financing ECCE, (e.g. Naudeau et al., 2011, Section 4). One attractive possibility is establishing a global fund for ECCE, harnessing private philanthropies and corporate engagement into development initiatives, including education (Burnett and Bermingham, 2010). While acknowledging these initiatives, our focus in this chapter is on a more localized aspect of the financing debate, namely the role of the private sector as a service provider – especially the 'private-for-profit' sector. Specifically, the chapter asks how far growth in private ECCE services that are often little (or lightly) regulated is compatible with ensuring equity in access and quality of ECCE?

Private-for-profit covers a very wide spectrum indeed, from single individuals running a small business, offering children a few hours care in their homes, through to large corporations running major chains of multi-purpose nurseries. It also encompasses both highly committed, professional private providers as well as entrepreneurs whose main interest is to exploit a market opportunity. Private providers are long established on the EC scene in some of the richest economies, notably in USA, especially in child-care, and especially for the youngest children (Myers, 2002; Lloyd & Penn, 2012). Private provision is also growing fast in countries that have long traditions of public sector welfare and education services, e.g., in UK, Belgium and Netherlands (UNESCO, 2006; Moss, 2009). Most significantly for this chapter, the private sector is often filling an ECCE vacuum in developing and middle income countries, especially in rapidly growing cities. These are 'raw markets' for private sector providers (Penn, 2010), who are frequently neglected by governments– and largely unaccounted for in official monitoring and statistics.

The *de facto* penetration of the private sector within many education systems throughout the world is justification enough for ECCE strategies to acknowledge their significance. For example, the World Bank 2020 Strategy now reframes the agenda as about "Learning for All" and makes clear that: "Learning opportunities include education services offered by the nonstate sector. This sector—which encompasses both for-profit and not-for-profit entities—functions as a provider, funder, and/or innovator in education." (World Bank 2011, p. 34).

For some commentators, private EC services are a positive expression of neo-liberal values, offering choice, quality, accountability and value for money through competitive market processes. For others, private EC services –especially unregulated private services - are incompatible with equity goals, and with the goals of prevention, intervention and social inclusion for the most disadvantaged, marginalized and developmentally at risk groups. This 'public versus private' debate is frequently fuelled as much by ideology as by evidence. For example, quality is frequently identified as a weakness of some public (i.e., government run) EC systems which encourage parents to look towards the private sector. Yet claims about high quality from the private sector may also be exaggerated, for example with one US study reporting private child care as more often employing less trained and poorly paid staff and receiving lower quality ratings (Sosinsky et al., 2007).

This short chapter cannot do justice to the actual and potential ways in which the private sector contributes to global ECCE, for the full age range, below 8 years. Our focus is on the role of the private sector in contributing towards Education for All (EFA) goal 1: "Expanding and improving comprehensive early childhood care and education (ECCE), especially for the most vulnerable and disadvantaged children" (World Education Forum, Dakar, 26-28 April 2000).

Most countries are far from achieving this goal; on the contrary. Despite widespread agreement about the potential benefits of targeting disadvantaged groups, it is these groups that are currently least able to access ECCE, across most regions of the world (Engle et al., 2011). So, key questions are:

1. Whether growth in private sector ECCE is serving to amplify these inequities, in so far as households are able to afford fees, is privileged fee paying linked to household income?
2. What kinds of government financing and regulation would be required in order to harness private sector providers to contribute to EFA Goal 1?

Until recently, the role of private sector providers has been largely neglected in ECCE policy analyses. The conventional image of private has been about a fee-paying service largely affordable for a minority of privileged children from elite business, and professional communities; and subject to little – if any - regulation. Some commentators, by contrast, look positively at the private sector as an alternative route for government to deliver on core policy goals and obligation, through various forms of Public Private Partnership (PPP) (Patrinos and Sosale, 2007). PPPs can take many forms, but typically involve outsourcing the provision and management of services to private-for-profit (and/or not-for-profit community based providers), with funding provided either direct to providers, or via voucher schemes (Patrinos et al., 2009). PPPs can seem especially attractive in resource poor countries where 'going to scale' with public ECCE provision is unsustainable, despite high popular demand and/or arguments about the importance of harnessing education to early human capital formation. In these situations, PPPs can redistribute the burden of costs between government as providers, families as consumers, national and international donor or charities and in some enterprising cases, corporate sector as social investors (UNICEF/ADB, 2011).

The role of the private sector in achieving (or impeding) EFA and MDG goals has been much more extensively evaluated in respect of primary education than for ECCE. For example, in India, the private sector has grown at a phenomenal rate, as poor parents seek out what they consider better quality school for their children (Walford and Srivastava, 2007) This trend has been proposed as contributing to achieving EFA goals (Tooley, 2009; Tooley & Dixon, 2005; Tooley et al., 2007), but has also been subject to critical review, and evidence of incompatibility with equity principles that are central to EFA (Lewin, 2007; Harma, 2009, 2011; Rose, 2010; Woodhead et al., 2012).

Private sector engagement in primary education is instructive for two reasons. Firstly, many of the models proposed for PPP in primary education are also relevant to ECCE, and a much more extensive research literature is available, sharing many of the same underlying debates. Secondly, ECCE does not function in isolation. The presence of a large, private primary sector impacts down into the early years, as entrepreneurs set up kindergarten classes to capture their market early in the education cycle, and as parents are keen to ensure their young child is well prepared to progress through their chosen education trajectory (see below, and Streuli et al., 2011).

In the next section, we argue that a simplistic 'public' versus 'private' distinction is inadequate as a basis for capturing the complexity of finance, governance and function of ECCE services. We offer a conceptual framework that highlights some major ways the private sector is currently functioning in global ECCE. The rest of the chapter illustrates these functions through a series of short country case studies, (drawing on *Young Lives* longitudinal research in Ethiopia, India and Peru *www.younglives.org.uk*). Finally, we offer some examples of PPP initiatives, before returning to the core debate around 'public' versus 'private', and concluding with a set of key questions for policy development in this area.

What Is "The Private Sector"?

Definitions of 'public' and 'private' ECCE are an essential starting point:

1) The 'Public' sector is typically funded, managed and regulated by national/and or local governments, paid for by government (from taxation revenues or via donors), and made available to all, universally, or according to need, as a 'public good', and in the public interest.

2) The 'Private' sector, by contrast, is typically owned and managed by individuals, businesses and in some countries large corporations. The private sector is relatively autonomous of government, and run according to a business model of service delivery financed by fees, paid for wholly or mainly by parents. As a market driven service, the consumers of private provision gain access according to their ability to pay, rather than according to their need or entitlements.

3) It is important to distinguish 'for-profit' from 'not-for -profit', in order to recognize the important role for many faith-based, NGO managed and community based 'not-for -profit' ECCE programs (see chapters 14 and 15 of this volume, and Aga Khan Foundation, 2007).

This chapter is mostly concerned with the private-for-profit sector as it relates to government/public sector services.

In recent decades, there has been a trend for government withdrawal from direct provision of services, including amongst affluent democracies with long traditions of national public services, through various forms of 'marketization' of services, and also through public-private partnerships (PPPs). This 'third way' between public and private encourages the creation of markets within public services with the goal to reduce public expenditure (Giddens, 1998). It is often combined with ideologies of increased choice, accountability and empowerment to parents, which is claimed to drive-up quality, along with significant decentralization of control and shifts from supply-side funding to consumer subsidy funding, notably via voucher systems (Bennett 2008). Some initiatives outsource the provision of a service to a private provider, but with government still accepting the major responsibility for funding. Others involve increased cost sharing between central and local government, communities and parents.

These public-private distinctions can appear even more blurred from parents' perspective. Paying for and organizing the daily routines that support children's development are the 'private' responsibility of family and community, with ECCE services supporting and complementing parents, to greater or lesser to degree. Even where public services are offered as 'no fee', parents are often required to cover the costs of uniforms, meals, transport, learning materials etc. And many publicly funded ECCE services also request (or demand) a parental contribution, which may be means-tested according to families' ability to pay. At the same time, private services may be advertised as giving parents greater opportunity to shape their children's learning, by offering choices and management structures that are responsive to consumer demand. Yet claims about 'increasing choices' may appear hollow to families who lack the resources to make choices for their children, or who live in remote areas where no such choices are available. For poor families, more significant choices are often about which of their children will attend a government or a private ECCE setting, and which will be encouraged to complete school, or drop-out early. It is also important to recognize that families may use a range of public and private services for individual children, even at the same time. For example, in some countries it is common for children to attend government school by day and then receive private tuition out of school, sometimes even offered by the same teacher (Foondun, 2002).

In short, polarizing ‘public’ versus ‘private’ is not helpful as a basis for moving forward in policy terms. It is useful to recognize ECCE services as varying on three major dimensions (following Bangay, 2007):

Finance

ECCE services are currently funded via multiple sources, including supply side funding from national and local government, and/or demand driven funding via parents’ fees and contributions (Myers, 2000). In many low resource countries, national and international charities and donors play a major role, along with corporate contributions, or social investments. While some provision may be predominantly funded either by government or via fees to parents, ‘third way’ models often assume a mixture of public subsidy and fees, or voucher systems, that can be redeemed in either public or private settings. The increased marketization of ECCE has been a feature of OECD countries in recent years (OECD, 2006), notably in England and the Netherlands (Penn, 2007; Moss, 2009) and seems likely to be offered as an attractive, low cost route for resource poor countries, especially given the inevitable transience of international aid and philanthropy that currently supports many ECCE initiatives (van Ravens and Aggio, 2008).

Management

ECCE services may be publicly or privately owned, or owned by independent trusts or charities. They may be highly centralized as national systems or decentralized to local municipalities and communities. One of the biggest risks of current trends occurs when governments neglect to carry-out their responsibilities to regulate private sector services, based on the false premise that "if it is private then it isn't the responsibility of government". On the contrary, systems for legal registration are essential, and governments have a responsibility to ensure compliance with basic standards for buildings and equipment, staff-child ratios, training, qualifications and working conditions, curriculum and assessment systems, child protection procedures, all of which will be subject to monitoring and inspection.

Primary Goal/Client Group

ECCE has a long history of being targeted towards disadvantaged children and families, and serving goals of human development, social intervention and community development, notably through breaking cycles of poverty and deprivation, and reducing social exclusion. This image appears, on the face of it, incompatible with the 'for-profit' goals of the private sector, and the traditional focus on serving affluent elite groups. This is another oversimplification. While public services may be more or less standardized according to national or regional statutes and guidelines on teacher qualifications, ratios, curricula etc., private ECCE is usually less constrained, and able tailor provision to meet the aspirations of parents, and perceived needs of children. While promoting high academic achievement for elite and high ability pupils is a traditional goal of private education, the private (especially not-for-profit) sector also serves specific interest groups by offering distinctive (seen by some as 'alternative') philosophy and approach to learning, cultural ethos or language medium.

Functions for the Private Sector

Taking these three dimensions into account, Table 16.1 offers a taxonomy of some major functions being taken by the private-for-profit sector in current ECCE, as a starting point for a series of brief country case studies, focusing especially on countries within *Young Lives* longitudinal child poverty research. Reducing the private sector to four functions is inevitably an over-simplification, especially when applied to specific countries, which often have complex histories of ECCE and with a significant role for 'not-for-profit' as well as 'for-profit' providers. But they do convey the range of starting points for policy development in this area.

[INSERT TABLE 16.1 HERE].

To obtain more detailed insights into the role and potential of public and private ECCE, the rest of this chapter builds on evidence collected as part of *Young Lives* longitudinal study of 12,000 children growing up in Ethiopia, India (in state of Andhra Pradesh) Peru and Vietnam www.younglives.org.uk.[i]

Function A. Public for the Majority – Private for the Minority: The Case of Peru

Amongst the three *Young Lives* countries discussed in this chapter, Peru has the highest pre-school coverage for 3 to 5 year olds, and a well-established, mainly publicly funded pre-school system, which has been a priority for the government since 1972, and in 2003 became part of basic education, making it free and compulsory from 3 years (Government of Peru, 2003). Gross enrolment rates in pre-school education more than doubled from 30% in 1991 to 66% in 2009 (INEI, 2009). Peru also pioneered the WawaWasi program for children from 6months to four years old. In these ways, public ECCE has been a major resource for child development among families in Peru, and it is the foundation stage for an equally well-established primary school system, with a net enrolment ratio of 96% in 2005 (UNESCO, 2007). However, high enrolments have not been reflected in children's achievement levels, with Peru's students scoring lowest among the Latin American study countries in the Program for International Student Assessment (PISA), and about 20% behind the average for Argentina, Brazil, Chile and Mexico (World Bank, 2007). Concern about children's earliest school experiences in Peru was first expressed during the 1990s, when the highest repetition rates were in first grade (24 per cent). In 1995, in line with other Latin American countries, the Peruvian Ministry of Education banned repetition in the first grade and introduced automatic promotion. Repetition rates dropped to 5 per cent, but concerns about quality continue (Ames et al., 2010; Woodhead et al., 2009).

One complexity is that public pre-school provision is split between two programs, resourced at different levels. Early education centers (known as *Centros de Educación Inicial* (CEIs) were especially established in growing urban areas. Later on, government recognised the challenge of providing public ECCE more widely, and rolled out a program of community-based programs known as PRONOEIs (*Programas no Escolarizados de Educación Inicial*) which account for much of the growth during the 70s and 80s. PRONOEIs became a lower-cost alternative for the government to expand coverage and enrolment, and were means of reaching remote and smaller communities and overcoming a shortage of teachers, but they have now become lower resourced versions of CEIs with less impact on students' overall achievement in first grade (Cueto and Diaz, 1999; and Diaz, 2007). This two tier public ECCE system in Peru is a cause for concern, since the lower resourced PRONOEIs are offered mainly to children living in economically and socially deprived areas (60% in rural areas), reinforcing inequalities of access to quality educational services (Ames et al., 2009).

Most families in Peru have little choice but to accept the public education opportunities on offer at pre-school and primary level. However, there is a growing private sector, especially in urban areas, where parents are more able to pay fees and make choices amongst a range of public and private centers available in areas of high population density. In 1998 the ratio of public to private provision of early education stood at 4:1, in 2008 this ratio decreased to 1.5:1. Indeed, the number of private early education centers increased by more than 57% from 1998 (5,200 centers) to 2008 (7,543 centers) (Woodhead et al., 2009). This evidence of increased demand and supply private education can be seen in part as indication of the increased wealth amongst a growing minority of relatively affluent Peruvian families, especially in the cities. Accessing a good quality private pre-school is seen as an essential first step towards a successful trajectory through the private education sector. Between 1990 and 2005, private schools grew from 13% to 16% for primary aged children, and from 15% to 22% for secondary level (Patrinos et al., 2009).

These trends are reinforced by data from *Young Lives*. When the 2,000 younger cohort children (born 2001-2) were around 5 to 6 years old, their parents were asked about attendance at pre-school since the age of three. Although participation rates across all types of provision are remarkably high (84%), with only a small gender difference (85% boys and 82% girls), other inequities are quite marked. Twenty-nine per cent of 6-year-old children from the poorest households in Young Lives sample have no experience of attending pre-school, whereas only 4 per cent of children from more advantaged households have not attended pre-school at some point since they were 3 years old[ii]. These differences are largely accounted for by the greater access to private preschool amongst the more affluent households. For example, in rural sites, around 60% of children attended a government preschool, across all household poverty levels. But an additional 30 per cent of the children from the 'least poor' households attended a private pre-school, whereas only 1% of the poorest children accessed private sector. In urban settings the picture is more complex. Participation rates in government–run pre-schools are higher amongst households in the mid-range. Children living in the 'poorest' households had less access to government pre-schools. At the other end of the scale, 'least poor' households also make less use of government pre-schools, but this is mainly because 34 per cent of children are attending a private pre-school, which in many cases would be their stepping off point into a relatively privileged private education trajectory.

While the private sector has for the most part served this traditional function for more affluent urban families, the government of Peru started to look towards greater involvement of the private sector through a framework law containing overall guidelines to enable PPPs in the provision of specific services such as infrastructure and transportation (Government of Peru, 2008). In respect to education, the government has also set a favorable framework for PPPs through its *Proyecto Educativo Nacional* (CNE, 2006), but to date there is neither specific legislation nor guidelines for developing PPPs for core service delivery. Finally, a new government elected in 2011 has reaffirmed that early childhood should be a national priority, with new initiatives being planned. These developments reinforce the priority for strong governance of ECCE, which is the responsibility of several ministries, as well as recognition of the state's role as a facilitator and coordinator as well as a provider of services (Cueto, 2011).

Function B. Private Sector in the Absence of a Strong Public Sector: The Case of Ethiopia

Ethiopia offers a contrasting case study to Peru. It shares a major challenge with other countries in the region to consolidate basic service infrastructures, including ECCE as well primary education. It is estimated that less than 12% of Africa's four to six year olds were enrolled in any form of ECCE, which in many countries is provided through a combination of NGO and church based initiatives, plus a growing private sector, which has capitalized on the demand from relatively better-off parents keen to give their child the best start in education (UNESCO, 2010a; 2010b).

The case of Ethiopia highlights the challenges for low resource economies moving towards EFA goals. Ethiopia is currently the second most populous country in Africa and ranked 171st out of 181 countries on the UN Human Development Index of least-developed countries. Until recently, the priority for the government of Ethiopia has been to expand primary education very rapidly, in order to achieve EFA/MDG targets, and early childhood has been relatively neglected. The net enrolment ratio in primary education increased from 33 per cent to 68 per cent between 1999 and 2005, and gender equity has improved (38 per cent of boys versus 28 per cent of girls in 1999 to 71 per cent of boys versus 66 per cent of girls – UNESCO 2007: 291). Despite such rapid progress in enrollment statistics, the quality challenges have been enormous, with, large classes, few resources, poorly qualified teachers and high student dropout. In the absence of universal birth registration, uncertainty about whether children have reached school age, combines with the large influx of children seeking admission to school for the first time, to result in first grade classes attended by children of very different ages and levels of maturity. These challenges are highlighted by evidence from the Young Lives sample, that 39% of the poorest quintile children were at least two grades behind the expected grade for their age, compared with 12% of children from the least poor quintile. These challenges are gradually being addressed, notably through a General Education Quality Improvement Program (GEQIP) launched in 2009, (Orkin et al., in press).

Against this background of rapid construction of a universal primary education system, the government of Ethiopia has until recently given little attention to provision of ECCE. For the vast majority of young children, their first experience of education has been primary school has been, and even now this is by no means universal. The early years vacuum has been filled by the private sector, including a tradition of church linked pre-schools as well as a small but growing for-profit sector, exclusively available to those few families able to afford fees, in Addis Ababa and other urban centers. Nearly 58 per cent of the *Young Lives* sample in urban communities had attended pre-school at some point since the age of 3. But only 5 per cent went to a government-run program. In contrast, less than 4 per cent of rural children had attended pre-school of any kind.

In 2010, the government of Ethiopia conducted a *Situation Analysis* with the support of UNICEF revealing a number of weaknesses within the current system, including high fees, lack of teacher training, lack of standard curriculum, lack of culturally relevant story books, low teacher salaries and thus high turnover, among other things. The government has now developed an ambitious policy for ECCE, with four strands covering child health and parental education, kindergarten classes attached to primary schools and a child-to-child program, through which Grade 6 children, trained by Grade 1 and Grade 6 teachers, act as young facilitators in a program of play designed to improve children's school readiness (Government of Ethiopia, 2010). Under this new policy framework, the government is given increased responsibility for training teachers, further developing a curriculum, providing play and teaching materials, supervision and quality guidance.

Although the new policy framework is a step forward for ECCE in Ethiopia, it may also put strain on the already overstretched primary education system, and on children and families themselves (see Orkin et al., forthcoming). Unless donor resources are mobilized or responsible PPPs for ECCE are developed, the new policy may compromise the quality of education provided and/or the extent of service development, especially into 'hard to reach' communities and districts. Given the financial constraints and lack of skilled personnel, one option would be for Ethiopia government to focus on community- and home-based early childhood programs, instead of setting up new ECCE centers (Okengo, 2010). Lesotho, Kenya, Namibia, and South Africa, among others, have already done so and managed to increase pre-primary gross enrolment rates by more than seven percentage points over two years (UNESCO, 2010b).

Function C. Private Competing with Public: The Case of Andhra Pradesh, India

Young Lives research in the state of Andhra Pradesh, India offers a very distinctive example of the issues raised in this chapter. A long-established public early childhood program (ICDS) is being increasingly displaced by private kindergartens, especially in urban areas, and increasingly in rural areas too, and including significant numbers of relatively poor families. The consequence is that children follow a range of pathways through public and private pre-schools and primary schools, in some case switching between sectors at several points in their school career. The growth of private EC is part of a wider trend of families choosing private primary schools in preference to government schools, in the belief that this will lead to higher achievement and increased opportunities for their children.

One of the major attractions of the private sector is where English is offered as the medium of instruction, beginning in kindergarten. Parents are tantalized by the prospect of getting their children on track towards participation in the new global labor market. By contrast, the language of instruction in government primary schools is traditionally Telugu, the regional language in Andhra Pradesh, which is not spoken in other parts of India. The impact of choice on equity is crucial, with concerns that traditional social stratification is reinforced, and some evidence that private school choices are shaped by traditional gendered expectations especially in poorest families as parents anticipate a higher return from investing limited resources in sons than daughters (Streuli et al., 2011).

The growth of private pre-schools in India is taking place despite the existence of a public early childhood care system, based on *anganwadi* centers (literally ‘courtyard shelter’ in Hindi), under the umbrella of India’s Integrated Child Development Services (ICDS). Claimed to be one of the world’s largest and longest established public early childhood programs, ICDS originated in 1974 with a comprehensive vision, including immunization, growth monitoring, health and referral services, as well as pre-school education. But ICDS depends largely on individual States for implementation through the establishment of a network of *anganwadi* (pre-school) centers in both urban and rural areas. The quality of provision is highly variable, with poorly trained and low paid staff often working in inadequate buildings, with few learning resources in some states. The nutrition component and some basic child care are the major attractions for many poor parents, especially in rural areas (CIRCUS, 2006).

In rural communities of Andhra Pradesh, ICDS *anganwadis* dominate, and the majority of children who attend come from the poorest households. Parents report they have no choice since the anganwadi is the only option available. It is only for more advantaged groups that private pre-schools are a significant option, accounting for 31 per cent of the children in the ‘least poor’ rural group in the Young Lives sample (see Figs 1 & 2). In urban Andhra Pradesh, by contrast, private pre-schools dominate. Poverty levels are strongly predictive of whether children attend private pre-school education, but a surprising 34 per cent of the poorest households opted for a private pre-school, compared to 46 per cent attending government pre-schools. The strong trend towards private pre-school is confirmed by 123 cases in the Young Lives sample where caregivers reported that their children had attended more than one pre-school since the age of three. In 82% of these cases, the caregiver reported the child had been moved from a government anganwadi pre-school to a private kindergarten class.

[INSERT FIGURE 16.1 HERE].

[INSERT FIGURE 16.2 HERE].

Selective enrolment in private kindergartens is also linked to gender differentiation, with girls more likely to be educated within the government sector and expected to leave school earlier than their brothers. Attitude data reinforces evidence of gender differentiation with 68 per cent of 12 year old boys boys anticipating university education compared to 54 per cent of girls (and only 42 per cent of girls' caregivers).

Figures 16.1 and 16.2 are based on Round 2 of Young Lives longitudinal survey in 2006-7, when children were around 5-6 years old. These same children's pathways into primary school have since been followed up through household surveys in 2009, when they were around 8 years old, along with in depth qualitative research (Streuli et al., 2011). Our most recent evidence confirms the ways early childhood opportunities to attend private versus government school (linked to location, poverty and gender) are established during children's crucial school transition years (Woodhead et al., 2012).

[INSERT TABLE 16.2 HERE].

Table 16.2 compares school attendance up to the age of eight for the Young Lives 'younger cohort' (born 2001-2) (the same children as in Figs 1 & 2) with an older cohort of children who were born in 1994-5. While almost all children in both cohorts were in school by the age 8, a marked shift has taken place in a few years, with the proportion of eight year olds attending private schools, jumping from 23.7% to 43.7%. Young Lives evidence also suggests that gender differences have increased as private education has become more widespread amongst poorer families with fewer resources to pay fees for all their children (see Table 16.2). Nearly 50 percent of boys from the younger cohort were attending private primary schools, compared with only 36 percent of girls. Conversely, girls were over-represented in government schools (62 percent) compared with 48 percent of boys. This gender difference was most marked amongst rural children, with a difference of around 16 percent in private school intake between boys and girls (39.2 percent versus 23.2 percent) (Woodhead et al., 2012).

In response to concerns about the inequities created by recent trends, the Right to Education Act (RTE), 2009 requires that 25% of places in private schools be reserved for disadvantaged children, with the fees being reimbursed by government (Government of India, 2009; see Streuli et al., 2011). At the time of writing, this small step in the direction of ‘public private partnership’ is still being implemented, with many challenges in a highly decentralized education system. A first step is to ensure that the many ‘unrecognized’ private schools are officially registered and can be monitored to ensure they implement the 25% rule in ways that are fair and transparent.

Function D. Harnessing the Private Sector Towards Public Goals - Examples from Singapore, Hong Kong, Chile, Colombia

Functions A-C (discussed above) highlight the importance of the private sector in three diverse contexts, but the limited government engagement to harness private sector services towards achieving public ECCE goals, especially EFA. This contrasts with the attention given to the potential of the private sector in primary education (e.g. Patrinos and Sosale, 2007; Walford and Srivastava, 2007; and see Special Issue of *Development and Change*, Rose 2010). In this final section we offer a few brief examples of Public Private Partnerships (PPPs) for early childhood, from Singapore, Hong Kong and Chile.

All preschools and child care centers in Singapore are entirely managed and operated by individuals, communities, NGOs or enterprises. The government makes regular supervision visits to the early childhood centers for supervision, licensing, health check, etc., and finances these non-public services but does not involve itself in delivery. The government, however, continues their subsidies for all families by paying up to 30% of the fees, while for the poor there is additional financial assistance program (UNESCO, 2007b).

Another example of PPP comes from Hong Kong where in 2007 the government introduced the Preschool Education Voucher Scheme which was designed to increase government investment in preschool education and to enhance its quality. This scheme was implemented from the 2007-2008 school year. These vouchers are given to parents and can be encashed in kindergartens whose fees do not exceed HK$24,000 per year (around US$ 3,080) for a half-day session or HK$48,000 per year for a full-day session. Schools receive HK$13,000 per year per child and HK$3000 is to be used for teacher professional development. Li et al (2009) argue that the voucher scheme promotes the accessibility, accountability and affordability of preschool education in Hong Kong. As part of its regulative role, the government has linked voucher redemption to the quality of preschool education. To continue to be a "voucher" kindergarten, all teachers will need to have a Certificate in Early Childhood Education by the end of the 2011 academic year and all newly appointed kindergarten principals will need to have a B.Ed. (Early Childhood Education) and one year of post-qualification experience. Further, from 2012-2013 vouchers can only be redeemed at kindergartens which have met government benchmarks for quality (Rao, 2010. p. 32).

Despite the interest in these examples, Singapore and Hong Kong are geographically condensed, urban populations with relatively strong infrastructures and thriving economies. Caution is needed in assuming these models would generalize to vast countries with weaker infrastructures, and high levels of extreme poverty and inequalities. Chile offers some insight into the possibilities and challenges of such schemes.

Chile introduced a voucher system in the early 1980s, where public and private subsidized schools receive a common direct subsidy from the government for each student admitted. Although this reform sparked a redistribution of students across private and public schools, it also created some controversy (Bellei, 2005). The most questionable characteristic in Chile's voucher system is that public schools are forced to accept all students, whereas private subsidized schools can select students in accordance with their education objectives. As a result, to minimize costs, private subsidized schools have incentives to select students who are less expensive to educate; that is, students with better skills, presenting fewer special needs and possibly from higher socioeconomic groups (Contreras et al., 2009).

Another type of partnership comes through corporate engagement in ECCE funding. In Colombia, in 2000 the *Cajas de Compensación Familiar (*Family Benefit Fund, *CAFAM)* along with Bogota's Major Office and the *Instituto Colombiano de Bienestar Familiar* (ICBF, Colombian Institute for Family Welfare) created an alliance to increase ECCE coverage in the capital city. They created a network of early childhood services called *Red de Jardines Sociales* as a way of implementing the law that requires Family Benefit Funds to allocate a share of its members' contribution to ECCE programs. Both central and local governments fund set-up and infrastructure costs, while CAFAM is responsible for operating and managing the ECCE programs. Today, *Red de Jardines Sociales* reaches around 7000 children from the most disadvantaged neighbourhoods in Bogota (www.mineducacion.gov.co).

Policy Question: Is the Private Sector a Challenge or an Opportunity?

Finally, we return to the core question: What is – and could be - the role of the private-for-profit sector in delivering on goals for ECCE in terms of management, resourcing and reaching target groups? It seems appropriate to declare that our starting point has been one of skepticism about current trends, in two respects. Firstly, growth of private pre-schools may benefit individual children where families can pay for a quality service, but is hard to reconcile with EFA goal 1 which priorities disadvantaged, vulnerable and excluded groups. To achieve this goal, much more active government engagement is essential, as set out in successive UNESCO GMR reports, notably in 2006 and 2009. The priority to develop positive, pro-active, pro-equity agendas to achieve good outcomes for all young children is also the core message of UNCRC General Comment 7, reinforced in the Secretary General's Report to the UN General Assembly, 2010 (A65/206). Secondly, the private sector contributes to delivery of high quality public services in many countries, through contracts for buildings and materials through to out-sourcing arrangements for delivery of professional training and inspection systems, etc. Some countries have also taken the more radical step of entering into PPPs that privatize all or part of service delivery. While these schemes are worth exploring with the private-for-profit sector, this would not be at the expense of well-proven partnership arrangements with NGOs, community-based services and other not-for-profit providers who are more likely to be working with disadvantaged, vulnerable and excluded groups. For example, the Open Society Foundation's Step by Step program was initiated in 15 countries in 1994, and has grown into a network of 29 NGO partners (Stasz, 2008; Klaus, 2011).

Finally, we offer three conclusions:

1) Positive early childhood policies should encompass the actual or potential role of the private sector. A permissive or laissez-faire approach to the private sector is not a positive, pro-active agenda, nor will this alone achieve EFA goals, especially in respect of equity and targeting the most disadvantaged. Public services generally claim to offer equitable access, or targeted services according to need and entitlement. But a highly decentralized, deregulated, and market driven service offers no such promises. In so far as the provision of services is driven by parents' willingness and ability to pay the whole or part cost, and providers' ability to make a profit, then majority groups, affluent and urban areas will tend to benefit over minority groups, poorer and rural areas. While many individual children will benefit from private provision, this will be at the expense of equity and social justice. Marginalized groups, and disabled children are especially at risk of exclusion within market driven models, with the effect of reinforcing or even amplifying the very disparities that fuel cycles of intergenerational poverty and inequality. It follows that any comprehensive policy for ECCE will encompass all sectors and all providers, in order to progress towards pro-equity goals in respect of access and quality.

*2) The private sector is not an alternative to quality public services***.** The inefficiencies and quality challenges of public services in many low resource countries is a major factor driving the growth of an unregulated private sector in some countries. Parents in India are choosing to pay for private ECCE and primary schooling because they judge the government sector to be poor quality or failing to meet their aspirations for their children (Harma, 2009; 2011; Woodhead et al., 2009). Improving quality in existing services and making sure they are accessible to all is an important priority for any government. Some would argue that it is healthy in liberal democracies that public and private programs co-exist and serve different markets. This enables government to prioritize scarce funding to at-risk groups. The benefits are investment towards those most likely to gain, so it is depressing to note that minority groups, and disabled are also underrepresented in many publicly funded systems.

3) Public-private partnerships require high levels of governance and finance. It is important to emphasize that governments retain crucial responsibilities for licensing, regulating and supporting all services to ensure children's rights are respected, and their learning optimized. PPPs can appear an economical and efficient solution. But they are not necessarily a low cost solution, and risks are attached in terms of ensuring access to the most disadvantaged and vulnerable groups, which will require direct subsidies or a voucher system. PPPs can reduce the burden on government and public providers to set-up, manage programs, train staff, etc. But they require very proactive government engagement. They may involve a complex funding system, where capital costs are covered by government, corporates, charities or international donors, but recurrent costs are also shared with users. Minimally, it is essential in any ECCE system that all provision is licensed and inspected in a rigorous and positive way (Fielden & LaRocque, 2008). In short:

> Although the financing of ECCE services may be shared by a range of different funding sources – public, private, business, parents and communities – it is clear that public investment by national regional and local government is necessary to support a sustainable system of quality, accessible services. If ECEC is to be treated as a vital public service – like primary schools – it cannot be funded largely by the parents who use it. (OECD, 2001, p. 130)

EARLY EDUCATION FOR ALL: IS THERE A ROLE FOR THE PRIVATE SECTOR?

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[ii] 20% of families with the lowest per capita household expenditure within the sample are considered the poorest in the sample, while the 20% of families with the highest per capita household expenditure are the least poor