

Policy Brief: Implications of Education Fees and Their Effect on Household Decisions in Ghana

“We shall measure our progress by the improvement in the health of our people; by the number of children in school, and by the quality of their education.”

- Dr. Kwame Nkrumah, broadcast to the nation in 1957.

Since independence, Ghana has pursued policies aimed at providing quality education for all, but significant gaps remain in terms of both enrollment and, above all, learning. In 2005 the Ghana Education Service (GES) mandated fee-free provision of basic education in government schools regardless of socioeconomic status or location through a system of capitation grants to the schools. Enrollment surged but the country still faces challenges of retention and completion. As of 2013, 597,000 children remained out-of-school and only 72% of students continued to the last year of primary school. The household costs of education are one major factor in this.

While government remains the main provider of education in Ghana and the capitation grants are available only to government schools, private schools are on the increase, and for the poor as well as for the elite. A 2010 IFC-commissioned report estimated that low-cost private schools (LCPSs) constitute 40% of all private schools in Ghana, or about 12% of all schools in the country. In the fast-growing peri-urban areas just outside Accra, as

many as two-thirds of children are enrolled in private schools.

The 2013 Ghana Living Standards Survey found that household cash expenditure on education accounts for 15% of total outlays of urban households and 11% of rural ones; others have recorded the financial burden of education as much higher (e.g. Akaguri for Mfantseman municipality¹). To throw more light on this question, Results for Development Institute, with support from the UBS Optimus Foundation, oversaw and analyzed a survey² of household decision-making and expenditure on education in Kasoa, a peri-urban community just outside Accra.

Table 1: Survey Respondents and Key Demographic Indicators

Sample Characteristic		Sample Result	
Household	Sample Size	1,000 households	
Characteristic	Survey Respondents	Male 26%	Female 74%
	Survey Respondent is also Head of Household	Male 25%	Female 35%
	Average members per household	3.9	
	Average school-age members per household	2.2	
	Total number of children aged 0-25	2195	
School-Age Youth (3-25) Characteristic	Children aged 3-25, not yet completed Senior High School (SHS)	1836	
	Percentage enrolled in school	88%	
	Percentage in primary school (grades 1 – 6)	52%	
	Percentage of households reporting private school attendance	83%	
	Percentage of households reporting government school attendance	16%	
	Nursery school to primary 6, percentage of students attending private schools	87%	
	JHS and SHS, percentage of students attending private schools	66%	

¹ Akaguri, L (2014). Fee-free public or low-fee private basic education in rural Ghana: how does the cost influence the choice of the poor. *Compare* 44(2): 140-161

² The research consisted of two complementary comprehensive surveys: a 1,000 household-level survey, completed first, and then a school-level survey of 30 government and private institutions, based primarily on the household-reported attendance. Study design and data collection were conducted in 2014 with the Ghana Center for Democratic Dialogue.

Key Report Findings

1. Kasoa families perceive private education to be superior to that in government schools and do what they can to enroll their children.

The survey showed school attendance in Kasoa to be very high, with parents enrolling girls and boys equally, and mainly in private schools. 88 percent of all children go to school and 83 percent of families have at least one child in private school. Parents' belief in the superiority of private schools is based on their better infrastructure and likely also on superior teacher attendance than in government schools. The more children in a poor household, however, the greater the likelihood of some attending a government rather than a private school; 33 percent of second children in the lowest income quintile attend a government school compared to only 6 percent in the highest quintile. Cost is a factor in this greater likelihood of using government schools the poorer a family.

2. The household costs of private education are about 50 percent higher than those of government schools. As a result, private education is still not accessible for all families, especially those in the lowest economic bracket.

While private schools are making progress serving the poor, government schools are still the most accessible option for those in the lowest income brackets. The average total household cost per

student per year in a government school is 793GH¢, compare to an average of 1,218GH¢ in a private school. This difference is largely due to formal tuition fees, which are more than four times greater in private than in government schools³.

3. Extra fees, many of which are hidden, are prevalent across all school settings.

Indeed non-tuition fees are only 23 percent more in private than in public schools⁴. They are extensive in both and constitute the bulk of household spending on education. The same six cost items were most commonly reported at both private and government schools: food and snacks; uniforms and

Fee Category		#Reponses (466 max possible)	% of Students in sample paying fee	Avg. Cost of Fee (GH¢) per year*	
Tuition (T), School		Tuition Fees	352*	75.5%	353 (105USD)
		Extra Fees (Total)	464	99.6%	1074 (321USD)
Supplies (SS)		Extra Fees Identified			
1	A	Food/meals/snacks	414	88.8%	363
2	SS	Uniform and sports clothes	358	76.8%	50
3	SS	Text-books and school supplies	346	74.2%	127
4	T	Examination Fees	342	73.4%	17
5	SS	Mandatory extra classes	284	60.9%	196
6	T	Contribution to parent/teacher association or	247	53.0%	32
7	T	Admission	206	44.2%	75
8	A	Monetary and non-monetary gifts to teacher	191	41.0%	25
9	SS	Toiletries (Vaseline, bath soap, toilet paper,	131	28.1%	79
10	SS	Stationery (Crayons, message books, glue, scissors,	119	25.5%	27
11	SS	School reports	103	22.1%	17
12	A	School trips/excursions	94	20.2%	41
13	SS	ICT Fees	82	17.6%	27
14	A	Transportation to and from the school	79	17.0%	348
15	A	Graduation/end of year party fees	67	14.4%	14
16	SS	Development Levy	45	9.7%	16
17	SS	Sports Fees	42	9.0%	15
18	T	Medical Fees	26	5.6%	21
19	SS	Facility User Fees (e.g. desks, or other classroom	19	4.1%	57
20	A	Extra lessons or Tutoring outside of school	19	4.1%	173
21	SS	Culture Fees	12	2.6%	11
22	SS	Mattress/bedding/blanket	10	2.1%	57
23	T	End of month exam fees	10	2.1%	17
24	SS	Teacher motivation fees	10	2.1%	46
25	A	Games or toys requested by the school	7	1.5%	46
26		Other expenses 1	461	98.9%	44
27		Other expenses 2	165	35.4%	314
28		Other expenses 3	269	57.7%	280

*Some students (6) attending gov't school reported paying tuition fees. If these values were removed, the average increases by 36GH¢. The 'other expenses' respondents reported incurring were not detailed.

³ Average formal tuition costs at government schools were 56GH¢/year compared to 315GH¢ at private schools.

⁴ Household costs other than tuition were 737GH¢ in government schools and 903GH¢ in private ones.

sport clothes; textbooks; exam fees; mandatory extra classes; and parent teacher association contributions. These extra costs are not fully and transparently declared to parents in advance at either the private or the government schools, though there is more transparency in the private sector.

4. The government does not have enough subsidy or scholarship measures in place to meet its goal of fee-free provision of basic education.

The main reason for dropout and absenteeism cited by head teachers at both government and private schools is parents' lack of financial resources. Heads of government schools described the capitation grants as insufficient to meet their mandate, resulting in their need to impose extra charges. These limit the cost-savings for households traditionally associated with public education. The few support measures that are present are inconsistently applied, depending largely on the head knowing the family and not based on any objective criteria. Parents generally are unaware of these subsidy measures, with very few respondents in the household survey mentioning them.

5. A lack of information (and sometimes of choice) constrains households' abilities to make informed school choice decisions.

While cost is an obvious determinant in school selection, and 44% of households reported their top

choice school was out of reach because it was more expensive, it is not the only factor. Unsurprisingly, parents generally want the best performing schools for their children, but a lack of reliable information hampers their assessment of school quality. School selection decisions are also complicated by the lack of transparency on total school costs. Households also often have incomplete data on school financing options. Finally, high enrollment in private school settings cannot be definitively attributed to cost or quality – accessibility plays a crucial role in the school selection process.

6. Private schools are much cheaper than government ones in terms of total costs.

While the household costs of private schools are about 150 percent of those of government schools, these household costs at private schools represent the entire cost per student. For government schools, they exclude teacher salaries that are paid directly by the GES and they also exclude the capitation grants. These costs are not part of this study but it is evident that, were they to be included, the total cost per student (to both households and the government) at a private school is very significantly lower than at a government one.

Policy Implications

Government schools have not kept pace with supporting the needs of fast-growing peri-urban environments, and private schools have stepped in

to fill the gap. This reality points to the need for policy change.

Exploring increased public-private partnerships

Since the total cost of a student's place in a private school is lower than that in a government school⁵, the government may wish to (a) make more use of the private sector; and (b) adapt its own cost structure to emulate the more efficient levels of the private sector. Entering into more partnerships with the private sector to expand access to and quality of education may be an efficient way to proceed. More use of the private schools could be through the direct subsidization of private schools or through the subsidization of students' families through demand-side measures like capitation grants, scholarships, conditional cash transfers, and the like. This could also enable poor families to enroll second and subsequent children as much as they currently enroll first children.

More effective monitoring and regulation of private schools, especially of learning outcomes

Ghana's regulatory framework for private education would benefit from additional attention to:

1. The tracking of student attendance and learning outcomes and the provision of this information to parents.

2. The possible requirement that private schools ensure that they have mechanisms to enroll the very poorest.
3. Encouraging more collaboration between government and private schools.
4. Adapting to ensure the health and safety of students.

Particularly important is the measurement of learning; there are no means to compare learning outcomes at government and at private schools, or between schools, other than exam results. More classroom assessment support could be provided for private schools, as the government now does for its own schools.

Additional policies to promote equity

In order to meet its stated goal of fee-free basic education for all, the government will likely need to eliminate as much as possible the household costs that are in effect compulsory at government schools.

It is also worth emphasizing the significant cost of food in schools, especially for the very poorest. Households in Kasoa reported food spending as their highest expense other than tuition, and the most commonly cited reason for absenteeism was an inability to cover the day's food costs. Measures that address this challenge would likely make a significant impact on school attendance and affordability (for government and private schools alike).

⁵ Once the large government spending through its current Capitation Grant Scheme for public education is factored in.

Increasing transparency about costs at both government and private schools

Both government and private schools should be more transparent with their total cost, possibly through policy change but certainly through improved practices. This includes clarifying which costs are required up front, which are mandatory and which optional, and the timetable of payments. Our survey showed the high additional costs on top of advertised tuition rates, costs that parents need to take into account when selecting schools. When unanticipated fees crop up, or as families' incomes fluctuate, the choice is often to withhold children from school on days when fees are due. This has a cascading negative effect on both the child's education and the schools' ability to manage services.

Further Research

This survey provides valuable data about the household costs of government and private provision of education in Kasoa, but Kasoa is only one place in Ghana, if an important peri-urban area. Further research to explore how representative the Kasoa results are for Ghana as a whole is needed to inform policy change.

The most important question that the study was not able to answer has to do with the ability of the very poor to afford the household costs of education, at both private and government schools. Research is urgently needed into this question, both in Kasoa and Ghana more generally.

Additional examination of how schools present and communicate their fees to parents in both

government and private settings is also important. The impact of these fee structures and payment systems on payment rates, enrollment and retention, including variations in the intervals and methods of fee payments, will add value as well. Does it make a difference if fees are paid daily, for instance, or if mobile money mechanisms are available?

Further research in these areas will help inform the policy implications surfaced by this survey. As more families turn to private schools to educate their children, efforts to fulfill Dr. Nkrumah's desire to measure Ghana's greatness by the quality with which it educates its children will require a greater understanding of private education, more partnerships between the public and the private sectors, and more appropriate policies.