Privatization of Education and Social Inequity in Developing Countries:

An Ideological Debate

Mary Fortier
DEPM 625
Professor Huelsmann
Final Project
December 4, 2010
Abstract

Privatization of education is a volatile subject with numerous interpretations and applications depending on which economic, political or social agenda is being sought. Over the last twenty-five years privatization in developing countries created a variety of complex policies, practices and models. Advocates suggest that globalization and commercialization of education necessitate educational privatization which not only improves access and quality but also consumers’ freedom of choice. Opponents argue that privatization is the priority of neo-liberal agendas leading to governmental decentralization and deregulation causing further social inequity. Researchers agree there is conflicting empirical evidence to prove the impact of privatization on social inequity which perpetuates the ongoing debate and ideological discussion.
Privatization of Education and Social Inequity in Developing Countries:

An Ideological Debate

There have been many studies on privatization of education in developing countries. However, differences in data samples, methodologies and analyses leave varying conclusions about the cost- and quality-effectiveness of privatization in addressing social inequality for marginalized groups, such as low-income families. In order to better understand this highly debated public topic, this paper examines the various definitions of privatization, economic, political or social motivating drivers behind it, types of providers, services and contracts and considers the benefits and issues for or against privatization. It concludes by reviewing research issues, lack of empirical evidence and the impact of ideology on such important economic and social matters.

Defining Privatization

Funding, provision, management and ownership of education have traditionally been provided by either state or local governments as part of the public education system from which all in society should benefit (Daniel, 2010). Private provision of education is not a new concept; organizations such as churches and foundations provided services prior to government participation. As Daniel (2010) states “. . . the purpose of government involvement, when it came, was to make education truly a public good by widening access to it” (p. 2).

According to Megginson “privatization has been part of economic life for over 25 years and is increasingly becoming a core policy tool for over 100 countries around the world” (as cited in Pedaris, 2010, p. 1). Within these twenty-five years, however, the term “privatization”
has taken on numerous definitions, interpretations and applications depending on the economic, political or social context.

According to Lubienski (2006) the term privatization is:

\[ \ldots \text{used imprecisely, and represents a wide range of reforms premised on the expansion of market authority – for example: the use of market mechanisms, market models, private ownership, private provision, profit incentives, and other such policies} \ (p. 2). \]

He stresses that such ambiguity is difficult to apply in the context of education because school reform is inherently motivated by political agendas (Luebienski, 2006, p. 2). The International Finance Corporation EdInvest Program (2010) also contends in their *Handbook on Public Private Partnerships* that defining privatization can hold “difficulty of definition and meaning” (p. 2).

Adams (2004) describes privatization as a process rather than a state which include various models emerging through both formal and informal policies and processes. He describes four major types of processes as part of his definition of privatization of education: deliberate transfer of public school ownership to private providers, balancing growth and downsizing of public and private sectors without reassigning current institutions, increased state funding for private provision and increased private funding/control of state schools (p. 43).

Catlaks and Deckoning (2009) consider privatization as the treatment of education as a competitive commodity shifting from a public to a private good which only benefits the economy when individuals and employers utilize it for their own needs (p. 150). They argue this transformation results in education being overlooked “as a collective public good from which each person should benefit” (p. 150).
Others explain privatization in relationship to governments relinquishing their responsibility for providing and regulating public education. Belfield and Levin (2002) define it as the transfer of responsibility for provision from the state to private organizations, funding from state to individuals and regulation from state to individual families.

Patrinos, Barrera- Osorio and Guáqueta (2009) define it in relationship to the application of certain criteria where ownership and/or management belongs to non-governmental organizations (NGOs) or religious organizations who are also responsible for all income/expenses of education (p.3). Nightingale and Pindus (1997) reiterate that privatization covers a broad range of methods and models and define also define it as the “provision of publicly-funded services and activities by non-governmental entities” (p. 1).

For the purposes of this paper, privatization of education refers to the shift or transfer of some or all funding, management and provision of education as a public good to for-profit and non-governmental private providers.

**Motivating Factors**

According to Prasad (2010) “within the general framework of trade liberalization and WTO negotiations, countries are under pressure to open their services” (p. 1). In particular, the General Agreement on Trade in Services (GATS) developed in 1995 effectively coerced countries to privatize the public sector in areas such as education by categorizing it as a service commodity and furthermore, making future aid contingent on trade liberalization (Prasad, 2010).
Belfied and Levin (2002) offer that privatization of education varies by country and economic and demographic status, but stress there are five significant forces behind it. This includes increased enrollments in schools, low productivity and high costs of educational provision, the convergence of knowledge organizations providing educational services, the development of the information society, and new technologies (p. 3).

Canroy (1999) argues that the information society and new technologies require individuals to have more education because the world is “knowledge intensive, and the new labour markets are increasingly information intensive” (p. 29). The demand for increased skills created the interdependence of labor in the global economy “characterized by hierarchical segmentation of labour, still between countries but increasingly a segmentation that cuts across borders to take on global dimensions” (p. 25).

This manifested in governments aligning educational planning with global demand specifically for such skills as English language ability, reasoning and logic in math, science and computer programming, all of which require higher levels of education. As a result governments started shifting national educational policy and investment (funding) to become more nationalistic, internationalized and cooperative leading the education/training sector to react by making competitiveness-, equity- and finance-driven reforms (Canroy, 1999, p. 26).

Competitiveness-driven reforms responded to the demand of the new skills and organization of work and production in the global workforce; equity-driven approached it in relationship to social mobility and equity (Canroy, 1999, p. 37). Finance-driven led to reduction in public budgets where public funding reprioritized focus from higher to primary levels of education in order to reduce per pupil costs by increasing student ratios; from this Canroy (1999)
argues privatization of secondary and tertiary education emerged (p. 42). Essentially, Prasad (2010) argues “developing countries were pressured to cut public expenditure for public services through structural adjustment programmes” (p. 1).

While the effects of globalization and GATS were external pressures driving change in national educational policies throughout the world, Huelsmann (personal communication, November 11, 2010) offers that privatization in developing countries is also directly related to lack of internal resources, particularly funding. He explains that tax revenue is one option but is often difficult to collect; this leads governments to seek funding from private donors and philanthropists. He argues this is not only an inefficient method but also an unreliable stream of revenue leaving room for other sources, such as faith-based organizations which often have religious-based agendas, or national and foreign investors which most likely seek some form of control or ownership. He offers that the remaining alternative is member-based organizations, such as The World Bank, which promote privatization through agenda-driven “policies framed by the Washington Consensus which tend to weaken the authority of the state” (Huelsmann, personal communication, November 11, 2010). Savas emphasizes “since the early 1990s, it [privatization] has been the mantra of many development agencies” (as cited in United Nations, 2010, p. 1).

Catlaks and Deckoning (2000) also assert there are many hidden motivations behind global educational reform which transformed education from a public good into a for-profit commodity which displaced the social values of education in the process. Chang (2002), Lubienski (2006), and Weiner (2010) also agree that privatization is marketed as “educational reform” promoted by the neo-liberal agendas of developed countries in the north. Chang (2002)
is particularly critical and suggests that developed countries, such as the United Kingdom and United States, are hypocritical in “kicking away the ladder” built out of economic measures which abetted their own successful industrial development and are no longer viable options for developing countries.

Sheshinski and Lopez-Calva point out that advocates market and “legitimize” the economic benefits of privatization using this logic: by strengthening the role of the private sector in the economy improves its financial position achieved through “higher allocative and productive efficiency” to be used for allocation in other sectors, such as social policy (as cited in Prasad, 2010, p.1). The question remains whether or not privatization actually works the way in which it is marketed.

**Types of Providers**

As hidden agendas are often part of the motivation behind private providers’ interests it is necessary to distinguish between for- or non-profit, whether or not they are recognized, accredited by and registered with the government as part of its formal regulatory framework, and whether or not they receive public subsidies or charge private fees in order to generate revenues.

The International Finance Corporation EdInvest Program (2010), part of the World Bank Group, categorizes private providers into four categories: community, religious, spontaneous and profit-making. Community providers emerged to supplement government provision, are typically registered and regulated by the government and receive public subsidy. Religious providers, as mentioned previously, often developed before public education, are also registered and regulated and receive subsidies. Spontaneous (mushroom) providers arose out of response to the demands of marginalized groups, such as the rural and urban poor, are typically not
registered nor receive public funding, and therefore require individuals to pay fees for service. Profit making private providers formed to meet other unmet needs, such as those of the urban middle or upper class, with various registration and fee structures, and may adhere to system standards (p. 3). Catlaks and Deckoning (2009) suggest in addition to state and profit-making providers, international non-governmental organizations (NGOs), and civil society organizations also classify as private providers.

**Types of Privatization**

Privatization practices and policies first developed in the north and emerged in a non-linear fashion, referred to as “cafeteria style” in the United States. These practices were then exported to developing countries seeking “policy-borrowing” solutions to address education issues (Catlaks & Deckoning, 2009, p. 157).

Catlaks and Deckoning (2009) distinguish between privatization “in” (endogenous) and privatization “of” (exogenous) public education. Endogenous privatization is where business techniques and practices from the private sector are applied to the public sector which may include “... competition (quasi-markets), new public management (NPM), performance management, accountability and performance-related pay for teachers and staff” (p. 151). Exogenous is where public education allows private for-profit participation in management, funding and delivery of public education. Endogenous privatization is more widespread and accepted, whereas exogenous is considered “newer but rapidly expanding” (p. 151).

Patrinos, Barrera-Osorio and Guáqueta (2009) classify services provided by private providers into seven categories: management, support, professional, operational, educational, facility and educational/facility availability. Management requires private providers to oversee
all aspects of finances, staffing, planning, and leadership of one or multiple schools. Support services are the responsibility for non-instructional tasks, such as school maintenance, transportation, and meals. Professional services cover teacher training, textbooks, curriculum design/maintenance, and certification of schools. Operational services are where management of operations and staff of public schools are overseen by private providers which is thought to give schools more autonomy and encourage participation of community members, particularly parents.

Educational services are responsibility for the delivery of the learning process. With this model, funding follows the student to pay for students via vouchers, scholarships or subsidies to attend private schools which may offer alternative pedagogical approaches, specialized services or additional courses or programs.

Facility availability is governments purchasing other educational infrastructures or outsourcing the building of educational facilities as a means of saving on capital investment which allows governments to pay over a period time rather than making full payment at the beginning of a project. In some models, facility availability is outsourced in combination with education services where private providers both build the facility and deliver educational services. It is thought that this model is more economically beneficial to governments than borrowing money to build and operate their own schools (pp. 12).

Catlaks and Deckoning (2009) define privatization of services as contracting services out to private providers; contracting schools out to private operators; public-private partnerships; international capital in public education; and commercialization or “Cola-ization” of education. Contracting schools out is where public schools are operated and managed by private for-profit
providers. Private-public partnerships (PPPs) could include businesses and is where funding, operations, management and delivery of education are provided in combination by the state and private providers. It is thought that PPPs offer an economy of scale because arrangements can either be multifarious, where one private provider has several contracts for various locations; or where a private provider has responsibility for multiple tasks exclusively at one site. International capital in public education is where foreign direct investment (FDI) funds and operates for-profit education in developing countries. Commercialization is companies marketing their products through schools geared toward students (pp. 153-154).

**Bidding of Services, Contracts & Infrastructure Requirements**

One important characteristic of privatization is the long-term commitment required by private providers and Patrinos, Barrera-Osorio and Guáqueta (2009) suggest this can only be done most effectively when there is accountability between providers, governments and citizens (p. 9). Accountability is incorporated into the bidding process for services and finalized through contracts. Contracts vary by country due to a country’s technical capacity and law; obviously the more technical capability and complex the legal system, the longer it takes to develop and agree on contractual requirements.

Patrinos, Barrera-Osorio and Guáqueta (2009) maintain that the “content and oversight of contracts are critical and should specify types of service, performance expectations and measurement of outcomes” (p. 60). The four main objectives outlined in contracts typically range from educational access to quality of services to providing high quality service at low costs, and reducing social inequity/inequality. Contracts may include both monetary incentives and sanctions for performance and/or early contract termination for underperformance (p. 60).
As is evidenced by the matrix below, a myriad of complex policies and contracts for provision, funding, and regulation of education in developing countries have emerged over the last twenty-five years.

<table>
<thead>
<tr>
<th>Provision/Funding</th>
<th>Source</th>
<th>Mode</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public provision, funding</td>
<td>Government (state)</td>
<td>Public schools</td>
<td>Management (staff, leadership)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Public universities</td>
<td>Support services (meals, transportation)</td>
</tr>
<tr>
<td>Private provision, funding</td>
<td>Community</td>
<td>Private schools</td>
<td>Operations (management)</td>
</tr>
<tr>
<td></td>
<td>Religious</td>
<td>Private universities</td>
<td>Professional development (training)</td>
</tr>
<tr>
<td></td>
<td>Spontaneous</td>
<td>Home schooling</td>
<td>Educational delivery (learning process)</td>
</tr>
<tr>
<td></td>
<td>For-profit</td>
<td>Tutoring</td>
<td>Facility maintenance (building)</td>
</tr>
<tr>
<td></td>
<td>NGOs</td>
<td></td>
<td>Brand products</td>
</tr>
<tr>
<td></td>
<td>FDI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public provision, private funding</td>
<td>Government (state)</td>
<td>User fees</td>
<td>Facility maintenance (building)</td>
</tr>
<tr>
<td></td>
<td>PPPs</td>
<td>Student loans</td>
<td>Brand products</td>
</tr>
<tr>
<td></td>
<td>FDI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private provision, public funding</td>
<td>Community</td>
<td>Vouchers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Religious</td>
<td>Contract schools</td>
<td></td>
</tr>
<tr>
<td></td>
<td>For-profit</td>
<td>Charter schools</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NGOs</td>
<td>Contracting out</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PPPs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adapted from Patrinos, Barrera-Osorio and Guáqueta, 2009, p.3

Patrinos, Barrera-Osorio and Guáqueta, (2009) offer that PPPs in particular can be successful if properly structured and suggests eight critical factors are required where privatization should:

- Be part of national efficiency reform programs.
- Require regulation of monopolies.
- Privatize management without ownership of assets.
- Require excellent planning and preparation.
- Be transparent to public.
- Include a social safety net for situations individuals may encounter (ex: unemployment).
- Encourage competition.
- Grow private sector rather than expand public enterprises (p. XX).
Middlehurst & Woodfield (2003) also advocate that public-private partnerships success is dependent on several critical factors – buy-in from key stakeholders and policy makers, model design, a country’s regulatory framework and process, and the state’s ability to manage contracts and relationships with private providers.

**Ongoing Debate: Benefits of Privatization**

The complex nature and combination of policies, contracts, types of educational services, partnerships and quasi-markets has made it difficult to assess the effectiveness of privatization not only on local levels, but on a global scale, particularly in determining whether or not it reduces social inequity among and between groups. This continues to stimulate the ongoing debate about the merits of privatization of education.

Global member-based organizations, such as the World Bank and World Trade Organization, urge that globalization and commercialization of education accelerates the need for privatization in developing countries because governments in developing countries are not equipped to supply the increase current demand for educational access. They go on to rationale that developing countries struggling to meet public demand at this point in time will always have difficulty in doing so (Catlaks & Deckoning, 2009).

The Washington Consensus also argues that in order for developing countries to meet Millennium Development Goals (MDGs) aimed at alleviating poverty and improving the human condition, the state should only focus on providing free public education on the primary level. They argue this arrangement would benefit developing countries by allowing private providers to bring their external expertise to manage secondary and higher education. Not only can private providers meet increased public demand but quasi-markets create increased market competition.
within the educational sector -- which inherently improves the quality of services and provides consumers more freedom of choice and accountability for services by providers. Privatization also leads to improvement of educational inputs (teacher training, curriculum development) as well as outputs (school management, staffing) through quality, cost-efficient processes. Such skills, techniques and methods used in the private sector can then be passed on to benefit the public (Patrinos, Barrera-Osorio and Guáqueta, 2009).

Patrinos, Barrera-Osorio and Guáqueta, (2009) researched the OECD’s Programme for International Student Assessment to determine the negative and/or positive effects of public-private partnerships. Their study suggests that PPPs produced higher quality education at reduced cost when compared to stand-alone public provision. Middlehurst and Woodfield (2003) also claim that public-private partnerships and contracting out educational services can improve equitable access to education, specifically for marginalized groups.

Daniel (2010a) advocates for privatization because he believes that the UNESCO Education for All (EFA) programs geared toward children and adults requires efforts on many levels and in many forms. He refers to Tooley’s (2009) account in A Beautiful Tree of the urban poor in India and Asia sending their children to spontaneous schools not recognized by governments as an indicator that more is needed (as cited in Daniel, 2010b). He argues that such actions are representative of the poor no longer trusting the state to provide quality education by feeling the need to take control of the process even if conducted in an informal “homegrown” manner. Essentially he argues that these grass-roots movements are assisting with the "comeback" of privatization and offers three areas of improvement: more educational access,
improved quality of education, and better distribution of appropriate information to parents in order for them to make qualified and informed decisions (p. 31).

Daniel (2010a) also offers three critical factors to improving education in developing countries. First it is important to expand public schools systems while at the same time ensuring quality. Second, it is important to incorporate open schooling by including information-communication technologies in the learning process. Most importantly, it is important for developing countries to accept the role of private provision in educating the poor, especially in secondary education, as a way to reduce social inequity.

**Ongoing Debate: Issues of Privatization**

There are several reasons why educators, policy-makers, governments, and individuals oppose privatization because many are concerned that “privatization has become an objective in itself rather than a means of increasing access to services, enhancing equity, helping the poor and increasing the overall performance of the economy (Prasad, 2010, p. 1). Examples of organizations opposed to privatization include Save the Children, Third World Network, The Global Policy Forum and Alliance for Democracy (Prasad, 2010, p.1).

Many agree that privatization is not only tied to hidden economic policy and political agendas of the north but also reflects the ongoing encroachment of Western ideology, language, practices and policy of the south because policy-making processes does not allow for an equal voice and participation by developing countries.

Opponents of privatization are particularly concerned that privatization creates further socioeconomic segregation of marginalized groups resulting in continued neglect of poor students in the public education system, loss of governmental control of providing and regulating
public services, and limiting citizens in democratic participation of services. Most importantly, many are concerned that privatization undermines the successful economic development of developing countries thereby perpetuating further dependency on the north.

Catlaks and Deckoning (2009) state it succinctly: “The market form is the key device of hidden privatization in education” (p. 151). They argue that neo-liberal agendas of the north use privatization as a way to incite developing countries to meet UNESCO’s “Educational for All” targets. They argue, however, that involvement by the private sector in education in developing countries has resulted in “a lack of transparency, uneven regulatory frameworks, and vast disparities between different social groups that become exacerbated by hidden privatization mechanisms” (p. 156).

Chang (2002) argues that privatization interferes with the successful economic development of developing countries. He advocates instead that four significant economic changes are vital to changing course for developing countries. First, there should be a better historical understanding of methods use by developed countries to economically develop in order for developing countries to make more informed decisions. Second, rules promulgated by the World Trade Organization (WTO) which promote GATS should allow developing countries use of the same methods of developed countries, such as tariffs and subsidies, along with less stringent patent and other intellectual property rights laws. Third, conditions attached to financial assistance (bi- and multilateral) should drastically change. Finally, institutional improvement should be supported without requiring a fixed set of public institutions, particularly given that establishing and administering new institutions is costly. Chang (2002) concludes that on a historical continuum, developing countries are further ahead when compared
to developed countries at certain critical junctures in their economic development and therefore, demonstrate the ability to economically develop in an autonomous fashion the way in which South Korea and China have in recent years. Otherwise, current policies and practices will continue to perpetuate social and economic inequity between and among developed and developing countries (p. 4).

Others point to the conflict of interest by the Washington Consensus whose neo-liberal policy agenda promote MDGs by suggesting that developing countries first focus on primary education which conveniently creates room in the educational market for private providers to address secondary and higher education. This argument supports the perspective that privatization leads to developing countries relinquishing their public responsibility by only focusing on partial control and provision of education on the primary level. Furthermore, this approach erodes state regulation of public education which many believe will lead to market-driven social inequity among and between groups.

Outsourcing of educational services, in particular, where students use vouchers and subsidies to attend private schools, is considered to promulgate social inequity between and among groups within developing countries. It is argued that this "self-selection" process inherently divides parents into two different groups – informed versus uninformed. Parents and students who are better informed will most likely be able to take advantage of such programs while those who are not will be excluded. Furthermore, parents who are involved will most likely send their children to a school with better performance and their children who attend schools with others who are both economically privileged and better performers will create a “peer effect” phenomenon where students positively affect one another’s performance (Patrinos,
Barrera-Osorio & Guáqueta, 2009). Catlaks and Deckoning (2009) add that it is not only the self-selection process which stratifies social groups, but school admissions processes also “may lead to social segregation in schools and homogenization of student populations” (p. 157).

Canroy and McEwan (2003) found after studying the voucher scheme in Chile on a national level that “marketizing” education leads to increased school choice for some parents, but does not necessarily improve educational delivery on a large scale basis. They found that “vouchers increase inequality in the school system, mainly through peer effects” (p. 19). They concluded that private markets have little or no impact on academic performance nor do they provide better educational services to marginalized groups, such as low-income students. Instead they argue that such programs tend to only attract “low-cost” students which only increase revenue rather than increased efficiency and productivity.

**Research Issues**

Levin and Belfield (2004) highlight in their study of vouchers and public policy that:

> . . . some studies have found small, positive impacts of choice, competition, and vouchers on student achievement; others have found none. A few have found small negative impacts, but no study has found any substantial difference in student achievement, for example, an impact that would potentially close the achievement gap among races (p. 3).

Canroy and McEwan (2003) offer that it was lack of empirical evidence which provoked them to study privatization in Chile. And like many researchers before them they conceded that more empirical research is needed make an objective conclusion about the effects of privatization of education in developing countries and its impact on social inequity.

In 2009 Patrinos, Barrera-Osorio, Guáqueta conducted a contract analysis of developing countries but admitted that finding a universal standardized methodology which appropriately
controls for such factors as parent input, peer effects, teacher characteristics, contractual outcomes, country demographics and even corruption is difficult to develop. Tsang (2002) further adds that studies and analyses inherently omit certain educational costs, private donations, fees and marginalized populations which end up inflating the cost-effectiveness of privatization and its effect on reducing social inequity especially among the poor.

Daniel (2010) offers that even the lack of recognition by governments of private providers in India and Asia is an issue because governments don’t include spontaneous schools in statistics. For example, he refers to Umar’s calculation that if the government in Lagos, Nigeria accounted for these “mushroom” private schools, the proportion of children not in school would drop from 50% to 26% (p. 29). From this one can also infer whether or not such spontaneous homegrown private schools adhere to any educational standards, hire certified teachers and what type of educational methods, curriculum and practices they employ.

**Ideology & Future Evaluation**

Levin and Belfield (2004) maintain that many studies “have problematic features, so empirical evidence has not settled the issue to the satisfaction of those who have not made prior commitments to one side or the other” (p. 3). Even after researching this issue from both perspectives this author had issues with “who to believe?”

Levin and Belfield (2004) reiterate that the debate about privatization is an ideological one evolving around those who consider education a private value and goal versus those who view it as an experience aimed to develop citizens and society by focusing on social objectives (p. 11). They contend that “possibly the most important reason why ideology trumps evidence in determining education reform is that the
evidence has been extremely contentious” (p. 19). Huelsmann (personal communication, November 11, 2010) offers that “privatization has many faces and, in fact, has to be judged against the option the context offers. Hence it makes no sense to pass generic judgment.”

After conducting this research, this author summarizes from an ideological perspective that education should remain a public good managed by the state to develop citizens and society through cohesive objectives. Furthermore this author agrees with Chang (2002) in that developing countries should be given the same economic tools used previously by developed countries to aid in their industrial development. While hidden agendas may have been the norm in the past they seem to have become more overt with The World Bank openly suggesting that developing countries should only focus on providing free primary education. What remains unsaid (or hidden), however, is also obvious – that this solution leaves the secondary higher education markets open for not only privatization but further segregation of education in how it is provided.

While there is consensus that alleviating poverty through education is a priority for all it is obvious the real agenda behind privatization is one of economic control, manipulation and ownership of the south by the north. Until such practices change, however, privatization of education could have many ongoing significant economic and social consequences for developing countries. This includes continual struggle for economic independence due to restrictions set by the north, further economic dependency, ongoing conditional aid from the north, and slowly losing democratic
control over their own public sector forced out by globalization, privatization and other external economic pressures.

The reality remains that developing countries have limited choices for funding education because of infrastructure issues (tax revenues, philanthropy), political/religious/social agendas (faith-based, community, spontaneous, civil society NGOs), and opportunistic funding (FDI, private investment, businesses). Therefore, governments of developing countries need to proceed with caution when considering when, how and in what form to utilize privatization. In particular, they should remain focused on providing education on all levels as a public good and not use a segregated approached suggested by The Washington Consensus. They should continue to maintain control and ownership of the public education sector, as well as set the national standards for the regulatory framework and monitoring of outcomes. At the same time they need to understand the issues surrounding public demand in terms of access, quality, costs and social inequity -- because even if they offer it doesn’t mean the public will use it.

And as previous researchers have reiterated there still needs to be more standardized data collection, research methodologies and empirical studies to objectively determine the impact of privatization of education, especially in relationship to reducing social inequity in developing countries. To wit: “...researchers face a clear imperative for research which meets high methodological standards and which can be replicated by others” (p. 23).
Conclusion

As Middlehurst and Woodfield (2003) affirm privatization is often

\[ \ldots a \ topical \ and \ volatile \ policy \ issue \ where \ there \ is \ much \ speculation, \ often \ a \ paucity \ of \ data, \ and \ a \ fast-moving \ agenda \ at \ national \ and \ international \ levels \ as \ countries \ adjust \ to \ globalisation \ and \ associated \ economic, \ technological, \ and \ social \ developments \ (p. \ 1). \]

It has been demonstrated that privatization of education permeates economic, political and social agendas of developing and developed countries, private providers, member-based organizations, and even parents seeking better futures for their children. There is consensus among researchers and policy-makers that more research is needed to determine whether or not privatization aids in reducing social inequity in developing countries. While ideology may play a role in the promotion or opposition of privatization, it can be surmised that many agree that education is a human right vital to alleviating poverty and improving the human condition in developing countries. The question remains, however, as to the most effective way to afford this in an equitable and fair manner that allows developing countries to develop sustainable economic infrastructures which uphold cultural integrity, self-determination and nurtures future innovation in the information society and global context.
REFERENCES


http://tychong.umud.edu/tycho/DEPM/625/1009/9040/conferences/launchconferencing.tycho.


