

Outsourcing Service Delivery in a Fragile State: Experimental Evidence from Liberia

After one year, public schools managed by private providers in Liberia raised student learning by 60%, compared to standard public schools. But costs were high, performance varied across providers, and contracts authorized the largest provider to push excess pupils and under-performing teachers onto other government schools.

“Partnership Schools” are free, public schools managed by private providers

- **Liberia’s education system lags behind most of the world in both access and quality.** Net primary enrollment was only 38% in 2015, and in 2013, among adult women who finished elementary school, only 25% could read a complete sentence.
- **Under the new Partnership Schools for Liberia (PSL) program, the Liberian government delegated management of 93 public schools to eight providers.** Teachers in PSL schools remained on government payroll; schools remained free to students and the property of the government; and providers were prohibited from screening students based on ability or other characteristics.
- **In addition to new management, PSL brought extra resources.** While the government runs ordinary public schools on a budget of approximately \$50 (USD) per pupil, PSL providers received an additional \$50 per pupil, as the total of \$100 was deemed a realistic medium-term goal for public expenditure on primary education nationwide. While teachers are in short supply in Liberia’s public schools, the Ministry of Education made special staffing arrangements for PSL.
- **The evaluation randomly assigned existing government schools to become PSL schools.** Because assignment to the PSL and comparison groups was random, differences between the two groups can be attributed to the program. Schools were randomized *after* providers agreed on a school list, and students in the sample were selected from the enrollment logs of the school year *before* providers arrived. Therefore the results are not biased by providers selecting schools or rejecting students.

On average, partnership schools improved teaching and learning

- **Students in partnership schools scored 0.18 standard deviations higher in English and 0.18 standard deviations higher in mathematics** than students in regular public schools. While starting from a very low level by international standards, this is the equivalent of 0.56 additional years of schooling for English and 0.66 additional years of schooling for math.
- **The program increased teachers’ quality of instruction.** Teachers in PSL schools were 20 percentage points more likely to be in school during a random spot check (from a base of 40% in control schools) and 16 percentage points more likely to be engaged in instruction during class time (from a base of 32% in control schools). This holds even after controlling for changes in the composition of teachers.
- **Students in partnership schools spent twice as much time learning each week,** when taking into account reduced absenteeism, increased time-on-task, and longer school days in PSL schools.

Costs were high, in terms of government staffing and private subsidies

- **Budget estimates for some providers' in year 1 exceeded the program's long-term target.** Rather than \$50 per pupil, providers' *ex ante* budgets ranged from \$57 for Youth Movement for Collective Action to \$1,050 for Bridge International Academies (later revised to \$663). Learning gains varied widely across providers, and higher costs do not necessarily correlate with higher learning gains.
- **The government assigned PSL schools 37% more teachers than non-PSL schools, including first pick of better-trained, new graduates.** In the short term, without a significant increase in the supply of trained teachers, the staffing advantages given to PSL appear unsustainable at a larger scale.

The largest provider shifted excess pupils and under-performing teachers to other government schools

- **Overall, enrollment levels did not change. But there are signs that some children were turned away from their school when PSL arrived.** PSL contracts made provisions for providers to cap class sizes. Classes that with enrollment below PSL's class-size caps before the program arrived saw increases in enrollment. But about 30% of students were in classes above PSL's caps, and in those cases enrollment fell by 20 students per grade (p-value .032). It appears most of these students were absorbed into other schools. This issue was mostly restricted to Bridge International Academies.
- **The same provider also dismissed half of incumbent public teachers in its schools.** In theory, these teachers are still paid by the government and may be working in other public schools or collecting pay without working. Although weeding out poorly performing teachers is important, a reshuffling of teachers is unlikely to raise average performance in the system as a whole.

The program has not been tested in average Liberian schools. In the first year, the program was implemented (and evaluated) within a list of eligible schools agreed by providers; these schools had higher staffing levels and better infrastructure and were located closer to roads than average Liberian schools.

Clear, uniform procurement rules might better align providers' incentives with the public interest. Six of the eight providers were contracted through an open, competitive bidding process. One provider (Stella Maris) did not complete contracting, did little work, and produced low learning gains. Another (Bridge International Academies) was selected outside the competitive process, produced strong learning gains, but removed the majority of teachers and displaced some students. Revised contracts and competitive selection of providers based on performance might mitigate these issues.

There is solid evidence of positive effects for Liberian children during the first year of PSL. But the program has yet to demonstrate it can work in average Liberian schools, with sustainable budgets and staffing levels, and without negative side-effects on other schools. Before making decisions about dramatically expanding the program, the remaining two years of the three-year pilot and evaluation could be used to test additional refinements and build up public sector capacity to hold providers accountable.