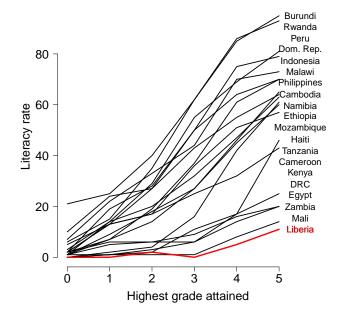
Outsourcing Service Delivery in a Fragile State: Experimental Evidence from Liberia

Mauricio Romero (ITAM) Justin Sandefur (CGD) Wayne Sandholtz (UCSD)

6 August 2018

Schooling \neq learning





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Outline

The experiment: private management of public schools

Results: learning gains

Important caveats: high costs and unintended consequences

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93

- **9**3
- ► free

- ▶ 93
- ▶ free
- non-selective

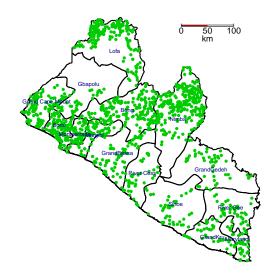
- ▶ 93
- ▶ free
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- staffed by teachers on government payroll

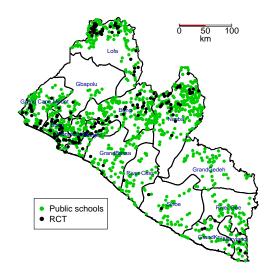
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- and managed by 8 private contractors

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- staffed by teachers on government payroll
- and managed by 8 private contractors
- with a \$50 per pupil subsidy

Both Ministry and some operators heavily resisted working in the neediest schools



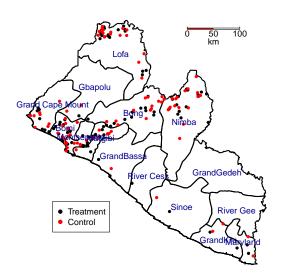
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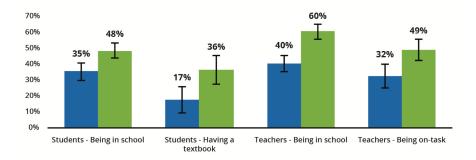
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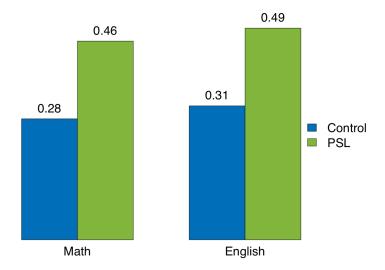
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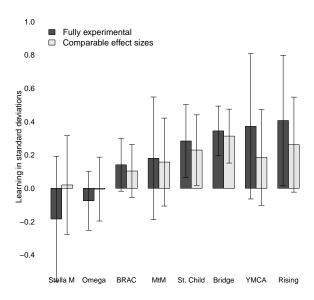
Results: outsourcing raised the quality of schooling. . .



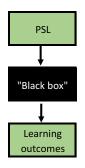
...and increased learning by 60%



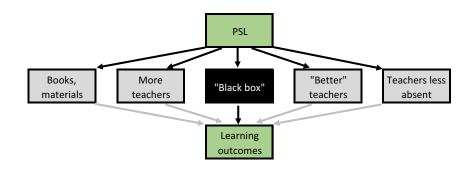
Learning gains varied by contractor



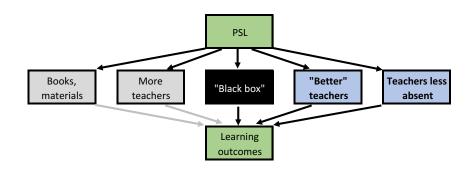
What's in the black box behind PSL's learning gains?



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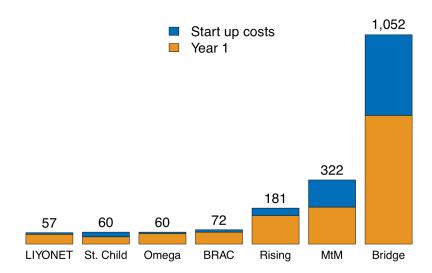
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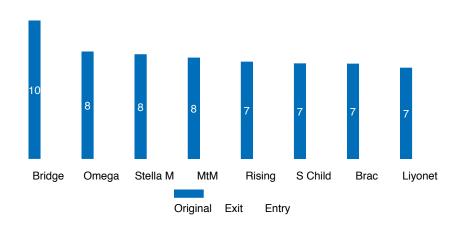
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The program is expensive . . .



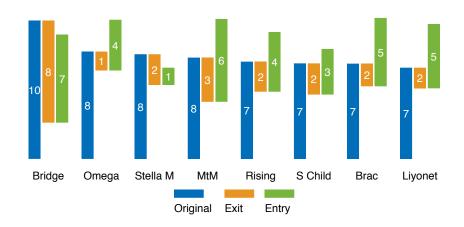
...and staffing levels are probably not sustainable



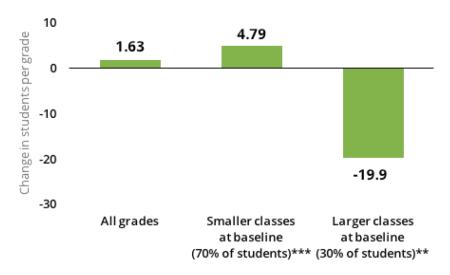
...and staffing levels are probably not sustainable



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To reduce class sizes, one operator expelled children from public schools



Many of these challenges were associated with single-source procurement

- ▶ Bilateral grant funding of extremely high per-pupil costs
- Selection of better schools
- Selection of better teachers
- Firing of teachers
- Displacement of students

Conclusions

Summary of Liberia results

- 1. Significant learning gains
- 2. But high costs
- 3. And some contracting failures

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Recommendations for designing a PPP

- 1. If goal is learning gains, don't be overly prescriptive
- 2. Apply public procurement rules
- 3. Invest in M & E
- 4. Think about competition and dynamic incentives

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