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

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6 August 2018
Schooling ≠ learning

Source: Oye, Pritchett, and Sandefur (2016)
Liberia is outsourcing education. Can it work?
Liberia is outsourcing education. Can it work?

Liberia’s bold experiment in school reform

A war-scorched state where almost nothing works tries charter schools

Feb 23rd 2017 | MONROVIA
Liberia, Desperate to Educate, Turns to Charter Schools

Tina Rosenberg
FIXES JUNE 14, 2016

Liberia is outsourcing education. Can it work?
The Opinion Pages

Liberia, Desperate to Educate, Turns to Charter Schools

Tina Rosenberg
Fixes  June 14, 2016

Liberia is outsourcing primary schools to a startup backed by Mark Zuckerberg

Updated by Jennifer Williams on April 8, 2016, 8:20 a.m. ET  @jenn_ruth  jennifer@vox.com
Outline

The experiment: private management of public schools

Results: learning gains

Important caveats: high costs and unintended consequences
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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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Results: outsourcing raised the quality of schooling...
and increased learning by 60%
Learning gains varied by contractor

![Graph showing learning gains varied by contractor](image)

- Learning in standard deviations:
  - -0.4
  - -0.2
  - 0.0
  - 0.2
  - 0.4
  - 0.6
  - 0.8
  - 1.0

- Fully experimental
- Comparable effect sizes

Contractors:
- Stella M
- Omega
- BRAC
- MtM
- St. Child
- Bridge
- YMCA
- Rising
What’s in the black box behind PSL’s learning gains?
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PSL

Books, materials

More teachers

"Black box"

"Better" teachers

Teachers less absent

Learning outcomes
What’s in the black box behind PSL’s learning gains?

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The program is expensive ...
...and staffing levels are probably not sustainable
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To reduce class sizes, one operator expelled children from public schools.

Graph showing:
- Change in students per grade

<table>
<thead>
<tr>
<th>Category</th>
<th>Change in students per grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>All grades</td>
<td>1.63</td>
</tr>
<tr>
<td>Smaller classes at baseline</td>
<td>4.79</td>
</tr>
<tr>
<td>Larger classes at baseline</td>
<td>-19.9</td>
</tr>
</tbody>
</table>

(70% of students)*** (30% of students)**
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

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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