

The Regulation of Private Primary Schools in Lagos State, Nigeria

¹Olanrewaju Olaniyan, ¹Adeola Adenikinju, ¹Olugbenga Adededeji and ²Samuel Ayo Faseyi

¹University of Ibadan, Ibadan, Nigeria

²National Poverty Eradication Programme (NAPEP), Abuja, Nigeria

Abstract: This study examined the regulatory regime for private schools serving low income families in Nigeria. Using a combination of quantitative and qualitative data we found that private schools in Nigeria faced extensive regulations that govern all aspects of private school business and school works. The study found that regulations were hardly enforced in practice and some of the constraints to achieving the regulatory standards are beyond the power of the private schools serving low income families. There were also multiple taxes that the schools were required to pay so, proprietors weigh the options of paying the fine if caught not paying the taxes, to the cost of payment. This made the option of paying bribe attractive to them. The study thus, proposed that regulatory environment should be made friendlier facilitate ease of entry and exit without necessarily increasing the cost of operation.

Key words: Regulatory environment, school choice, developing country, business, Nigeria

INTRODUCTION

Many studies have justified public intervention in education on several counts. Government intervention can reduce inequality, open opportunities for the poor and disadvantaged, compensate for market failures in lending for education and make information about the benefits of education more generally available (Freebain, 2005; Larbi *et al.*, 2004). Patrinos (2000) further argues that when private schools are lower than optimal, coupled with market failure then, there is the need for government intervention.

This suggests that if education was provided under market conditions, only those who could afford to pay tuition fees could enrol. Not only would there be under investment from the social point of view but income inequalities would be preserved from one generation to the next since, education is itself a determinant of lifetime income. Despite this widespread believe that education is a publicly provided good in many developing countries, households spend substantial amount of money to send their children not just to public schools but also private schools (Tooley, 1999). Glewwe and Patrinos (1998) argue that the existence of private schools provides parents with more choices and desirable competition for public institutions. The government's attitude to the private schools can be categorised into three. They occasionally prohibit, often regulate and frequently ignore private schools.

In cities, it is increasingly evident that urban poor are seeking quality education from the private sector (Tooley and Dixon, 2005). The implication is that there is an increasing out of pocket cost of education to these households. The urban poor are paying private educational providers from their meagre income without the support of the state. Alderman *et al.* (1996) find that in Pakistan, not only is enrolment high, a high share of children is enrolled in private schools, even those from the poorest families. In some developing countries, excess demand for schooling is what results in private supply especially when the government cannot afford schooling for all and the people recognise the benefits of schooling. This condition called unmet demand for education by Vawda and Patrinos (1999), coupled with shrinking government budgets is obliging the public sector to develop innovative partnership with the private sector. Alderman *et al.* (1996) submit that parents are responding to perceived inadequate public education by enrolling their children in private schools. Since, it is believed that the poor have to spend much of their income on subsistence, it is an irony that they often have to make difficult choices of enrolling their children in private schools.

However, private sector providers of education have been criticised for a number of reasons such as being profit motivated and giving below standard level of education. Some of the concerns raised along this line also include the extent to which efficiency gains

associated with enhanced competition are likely to materialise, whether governments have the required capacity to regulate a non-functioning private sector as well as distribution effects of greater private sector activity.

Several studies have also argued that private schools which can deliver services at fees sufficiently low to attract low-income families may not deliver services of adequate quality (Alderman *et al.*, 1996). Also, private schools for the poor are exploiting the poor often illiterate parents who are not capable of assessing if their children are learning or not. Patrinos (2000) further argues that for low-income families, parents are less informed than better educated parents hence may not get the desired quality from private education. This is one of the reasons for regulation of schools (Milton, 1997). Schwella (2002) however, suggests that regulation and competition policies as well as systems should aim at development, improved social equity and personal empowerment of the citizens. Tooley (1999) on the contrary expresses the notion that these fears might be unfounded given the varied experiences of selected private schools in many countries. The findings of Tooley and Dixon (2003) and Gulosino and Tooley (2002) in India and Philippines, respectively reveal that despite the fact that the low-income areas have poor health and living conditions, majority of dwellers still send their children to fee-paying private school.

As it has also been found out by Tooley *et al.* (2005), private schools in low-income areas are generally criticised and neglected by policy makers and planners because very little is known about them, their forms and numbers, the incentives that drive them, regulation and cost constraints they face, their practices and the quality of education services that they are offering. These wrong perceptions are likely to change when some of these issues are identified. Rather than encouraging schooling outcomes, bad regulations can also discourage schooling and thereby hamper access to education by the citizens. It is in view of this study intends to contribute to knowledge on the nature and extent of government's regulation in private schools in low-income areas of Lagos, Nigeria, the providers, the learners and the regulatory environment in which they operate.

Literature review: According to Winston (1999), most education managers are concerned with the pursuit of excellence which translates to maintaining or improving the quality of education services that they supply and the equity with which they are provided. However, education is not just a business and it is different from pure business given the way it deals with human beings.

Markets for education do not really clear because equilibrium is characterised by substantial non-price rationing (As a result of excess demand) and by price discrimination.

The prevalence of private schools in the education market can be placed within the context of demand and supply of schools in a particular country (Estelle, 1994). From the demand angle, two factors drive the prevalence of private schools. First, is the hypothesis of unmet demand which means that private supply of schools exists when there is excess demand for schools by individuals and the capacity of government school is low compared to the number of students who are willing to go to schools. In this case, the smaller the capacity of government relative to the size of the age cohort that should be in school, the larger will be the excess demand and the larger the private sector provision, especially where people recognise the benefits of schooling (Estelle, 1991 and 1994).

The second is the hypothesis of differentiated demand. Here private schooling is demanded as a result of important taste differences which often manifested in religious, linguistic tribal and other group identifications. This leads to differentiated demand for schooling where the outcome emphasises socialisation, ideology and value formation. In this wise, the differentiated demand leads to a demand for private schooling, as a sophisticated clientele demands different kinds of schools (e.g., Montessori schools). The poor can also demand private schools for religious, tribal or ideological affiliations. From the supply side, private schools will be larger in countries with many strong independent religious organisations and tribal affiliations as different organisations would be competing for members' loyalty through their specialised schools. A proud and powerful elitist population will also lead to greater supply of private schools.

The prevalence of cases where poor parents are willing to pay voluntarily for schools indicate that parents value education for their children and confirms problems with government supply (Hillman and Jenker, 2004). Estelle (1994) has identified that in addition to the demand and supply issues, the nature and type of government policies are also important. Both the supply and the demand for schools are influenced by the quantity and quality of government policies. These include fiscal policy especially concerning spending on schools. This spending determines the nature and quality of the public school system. These have important implications for the development of private schools. Another major policy is the regulation policies of the government. Regulations of private schools increase costs of accessing these schools

as well as reduces their availability while provision and public subsidies to private schools increase effective demand for the school (Dixon, 2004).

Extensive regulations characterise the education market everywhere (Dixon and Tooley, 2005). If regulations are not handled well, they can inhibit or stifle needed educational opportunities (Gulosino and Tooley, 2002). On study, both public and private schools face the same regulatory framework but in reality this is not so. Tooley (1999) identifies that regulation, rather than protecting consumers and producers can end up becoming a problem. This often manifested in three ways which are: a situation where regulations are substantial but mainly ignored and thus leads to a situation where the threats of enforcement can threaten operation; Second, there can be situations where regulations are applied arbitrarily and third, there are conditions where petty regulations are enforced leading to inconveniences. This therefore calls for the investigation of the nature of regulations.

Overview of education system in Nigeria: Nigeria is the most populous black nation in the world with a population of 140 million according to the 2006 national census and an annual population growth rate of 2.83%. The economy grew by 6% in 2006 with the Federal Government expenditure on education accounting for 10.8% of total government expenditure (CBN, 2007). Despite this adult literacy in Nigeria still averaged 57% in the past 5 years. This is regardless of the fact that the educational sector has witnessed increases at all levels over the years either in terms of enrolment, number of schools or the number of teachers.

The Nigerian educational system is divided into primary, junior secondary, senior secondary and higher education (FGN, 1998). Primary education comprises both early childhood education and normal primary schools. A child starts the early childhood education at about age three and continues till age six which is the official age for starting primary school. Primary school in Nigeria lasts for 6 years and the child transits to the junior secondary school at age 12 years old. The junior secondary school lasts for 3 years followed by the senior secondary school which is also of 3 years duration. At the senior secondary school the child has the option of three types of senior secondary schools, the general, science and the vocational senior secondary schools. At the top of the hierarchy are the tertiary institutions. There are three types of tertiary institutions in Nigeria. These are the colleges of education specifically designed for training of teachers, polytechnics and universities. All the different levels of education are characterised by both public and

private providers. This is due to the way formal schooling evolved in the country since the first school was established in 1842 by the missionaries.

There are four main historical stages in the interplay between private and public schools in Nigeria. The first stage is the stage of exclusive private provision of school between 1842 and 1904 after which the first public school was established in 1904. This started the second stage of dual ownership of schools between government and private initiatives. However, this was until the emergence of the oil boom in the country in the early 1970s when substantial oil windfall accrued to the government. One of the effects of the oil revenue windfall was a policy shift in the provision of schools in the country. The government took over all privately owned schools in the country and by 1977 the government had to enact decree No. 41 of 1977 called the School takeover validation decree which affirmed the powers of the government to take over schools and prohibit courts from hearing litigations that challenge the take-over of schools by government. This was possible because the country was under military dictatorship. Even with the decree, private schools did not entirely disappear as some of them still operated illegally. This started the third era in education history of the country where government became the exclusive provider of education.

However, the emergence of democracy in 1979 led to the establishment of new private schools and ushered in the fourth era of dual ownership. The most compelling argument for the resurgence of private schools was the need for parents and pupils to have a choice. This was coupled with the fact that it was becoming more evident that government alone cannot adequately finance most schools. Government therefore, allowed private schools to be established and run side by side with public schools. Although, this process slowed down again with the military take-over of 1983 yet, private primary schools still continued to operate. This was through decree No. 14 of 1984. Notably, the government abolished outright all private postsecondary educational institutions. By 1999, when the present democracy began, there was a substantial number of private schools in Nigeria and the number keeps increasing as a result of perceived low education quality provided by public schools.

Table 1 shows the structure of ownership of primary schools in Nigeria according to controlling authorities. As shown in the Table 1, >72% of primary schools in the country were owned by the private sector in 1960 when the country gained independence but given the background information highlighted earlier, the proportion of private schools decreased to just 3.8% of all primary schools in the country by 1980. Although, primary

Table 1: The distribution of primary schools in Nigeria according to controlling authorities

Distribution	1960	1970	1980	1991	1998	2001	2005
Local government schools	4272 (27.2)	7004 (47.0)	30402 (85.8)	30010 (84.5)	37090 (81.3)	39754 (80.6)	50228 (83.4)
Regional state government schools	31 (0.2)	343 (2.3)	3685 (10.4)	3587 (10.1)	4334 (9.5)	4340 (8.8)	4,627 (7.7)
Federal government schools	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
Private schools	11400 (72.6)	7555 (50.7)	1346 (3.8)	1918 (5.4)	4197 (9.2)	5229 (10.6)	5333 (8.9)
Total	15703 (100.0)	14902 (100.0)	35433 (100.0)	35515 (100.0)	45621 (100.0)	49323 (100.0)	60188 (100.0)

Figures in parenthesis are percentages; Federal Ministry of Education, Department of Planning Research and Statistics

Table 2: Cost of maintaining a fully legal private school per annum

Cost item	Amount in Naira	
	Legal costs	Extra-legal costs
Registration renewal fees	25,000-80,000	₦2,000.00-₦5000
Tenement rates (If the building is owned by the proprietor)	5,000-35,000	₦1,000-₦3,000
Cost of rent if the building is rented	300,000-1000000₦ (Annually)	
Fire safety	5000	₦1000-₦2000
Health clearance	4500	₦500-₦1,500
Solid waste disposal	60,000-100,000	₦1,000-₦3,000
Electricity	30,000-72,000	₦1,000-₦3,000
Water	6,000-15,000	
Registration of business premises	10,000-20,000	
Advertisement fee	5,000-50,000	₦500-₦1000
Inspection	₦5,000	₦2000-₦5,000
Staff requirements	₦840,000-₦1,500,000	
School maintenance	₦120,000-₦500,000	
Teaching/Learning materials	₦50,000-₦100,000	
Total	1,376,000(\$9,731.26)	10,000 (\$70.72)
	-3,362,000 (\$23,776.52)	-25,000 (\$176.80)

Computed from responses at focus group discussion of school owners in low-income areas

education in public schools are largely free, there is an increasing proportion of privately provided education in the country as 10.6% in 2001 of all primary schools are private. This proportion varies in different states of the federation. The main issue is that despite the increasing enrolment of students in schools, a large proportion of students are still not enrolled.

MATERIALS AND METHODS

The data used for this study was collected as part of a five country study of private schools serving low-income families. The five countries are China, Ghana, India, Kenya and Nigeria. The procedure for collecting data for the study was in three stages. In stage one, a census of all schools in Lagos state was carried out in order to know the exact number of schools available. Since, it would be difficult to conduct census for the whole country we focused only on Lagos state of Nigeria. The state is chosen because it has the largest metropolitan population in the country and being the business capital of Nigeria.

Its 9 million people according to the 2006 national census represent the best mix of dwellers than could not be readily found elsewhere in the country. The state is highly urbanised partly because of rapid population

growth of between 7 and 8% per year and this has accounted for the rising poverty status of most residents. The National Bureau of Statistics' poverty profile of the country reveals that 53% of residents in the state are poor with 23.6% are regarded as extremely poor (NBS, 2004). This shows that >50% of Lagos state residents can prima-facie be regarded as low-income.

We identified schools that were operating in low-income areas through a census of all primary schools operating in three Local Government Areas (LGAs) of the state. The schools in the three LGAs were then classified into three main types which are government, registered private (Those recognised by government after due registration) and unregistered private (Those not recognised by the government and called illegal).

In the case of classifying the low-income families, we define them by the characteristics of the area in which they reside. Schools located in these areas are assumed to be serving low-income families. For the purpose of this study, we classify low-income area as those with at least two of the following characteristics:

- Housing characteristics (Overcrowded shelter with poor drainage as well as the physical condition of the houses)
- Quality of infrastructure (Areas characterised with poor sanitation, refuse collection and toilets)
- Physical observation of the children in the area in terms of clothing and other basic needs such as how healthy such kids look

In the second stage, we focused specifically on the provision of primary education in the low-income areas, dropping the schools in areas that are not classified as low-income. In order to carry out the objectives of this study, we then collected data on schools, pupils, their parents and families and their teachers. The instruments for collecting the data comprised different questionnaires for the pupils, their teachers, schools and parents. In all, we were able to retrieve complete questionnaires for 160 schools (Comprising 40 government schools, 53 registered private schools and 67 unregistered private schools), 160 primary 4 teachers (One per school), 3, 345 pupils and their families. The pupils are all in primary (Grade) 4.

Because of the sensitive nature of government regulations and the possibility of many missing cases on this section of the questionnaire, we further conducted Focus Group Discussions (FGDs) and Key Informant Interviews (KIIs) with the major stakeholders in the private school sector in order to analyse the impact of regulatory framework on the activities of the entrepreneurs. Two FGDs were conducted with members of two different associations whose members own private schools in Lagos state (There are two associations of owners of private schools in Lagos state. The first is with the members of the Association for Formidable Education (AFED) whose membership comprises mainly of those whose schools have not been officially recognised by the government and the second FGD was conducted with members of the Association of Proprietors of Private Schools (APPS) whose membership consists mainly of those whose schools have been officially recognised by the government) three FGDs with teachers (In the three different classification of schools) and three FGDs with parents making eight FGDs in all. We then conducted 20 KIIs with government officials in the ministry of education, the three local education districts in the sample as well as government inspectors. Other KIIs are with the head teachers of public and private schools, other teachers, parents of children attending the schools and some students who could not be part of the initial FGDs.

RESULTS AND DISCUSSION

Most of the private schools in Nigeria are owned by private proprietors with very few being owned by religious bodies and charities. Since, majority are commercially oriented, they utilise purely commercial business principles in the management of the schools. They are able to hire and maintain a teaching force with the goal of higher test scores in mind and have more flexibility than public schools to reward or punish their teachers on the basis of test results. There are clear roles of authority; capacity to control and discipline.

In order to check the governing structure of these schools as revealed by stability and continuity in management of the school, we examined the number of times that the school head has been changed in the last 10 years and the findings revealed that 10.5 and 31.6% of registered and unregistered private schools, respectively have not had any change in the principal of the school in the past 10 years. While >84% of headmasters in registered private schools and 60% in unregistered private schools have changed schools between once and thrice and between once and 5 times, respectively in the past 4 years.

In addition, the following characteristics are prevalent. These include better supervision of staff, the proprietors serving both as the principal as well as a teacher in the school. In order to be able to cope with the challenges of administration and the regulations faced by the proprietors, virtually all the schools belong to association of school owners. The association essentially intervene on behalf of members in landlord/tenant issues as well as on occasions of unfavourable government policies and regulations. It also deals with crises between schools and government; schools and members of the public. The strength of these associations were felt when government decided to close all illegal schools in 2003 and 2008. The associations were able to lobby the government into postponement. However, the strength of the associations is becoming weakened because members are becoming actively involved in party politics which threatens cohesion of the unions.

Most of the income of the schools are derived from school fees and retained profits. There is little donation and endowment. The low-income school providers do not utilise bank loans in financing their schools for a variety of reasons including such as interest rate charged by the banks and lack of adequate collaterals. Most of the schools also operate in rented land/apartment and had no property right to the land/building that they currently occupy. As a result, the location of the schools determines the cost of start-up and operation of the schools.

In order to maintain consumer loyalty, the schools have engaged in different activities. Some of them have introduced subjects such as Computer Appreciation, Religious knowledge and French. Most of the schools also organise inter-house sports festival at least once every 3 years.

Regulatory framework: The private school providers in Lagos state, Nigeria face considerable regulatory framework. The strength of regulatory framework is analysed through four main dimensions which are entry/exit regulations, price control, operational freedom as well as resource availability and mobilisation.

Entry/Exit regulations: The government is currently well disposed to private initiative in economic development of the country. This is why the country has embarked on a comprehensive privatisation programme. There is wide acceptance of private schools and there are many of such schools in different parts of the country. Some of them are community based, religious, NGOs, commercial and foreign based. There is a precise legal requirement for operating a private school in the country. The Lagos

state's policy on education specifically states that individual proprietors, religious groups, communities, government agencies and embassies shall be recognised subject to satisfactory inspection reports and approval of the Commissioner of Education to operate private schools in the state. There is a special department that is assigned this role in the State's Ministry of Education. The guideline for specified key requirements is in the areas of school building and infrastructure, curriculum, environmental sanitation and safety and security.

The procedure for entry starts with a name search so as to be sure that school names are not duplicated and each school has a unique name. This is followed by site inspection and a formal obtaining of application form. Application forms are then collected before the ministry send a team of inspectors for a pre-approval inspection. The team of inspectors are between 10 and 15 persons comprising state and local government inspectors. It is when the pre-approval inspection is successful that the full documentation of the school is required and then registered and recognised by the government. If all these four conditions are met the proprietor or proprietors are liable to pay registration fees to government every year. The actual amount to be paid depends on the type and locations of schools.

According to one of the district education officers there is a large request for establishing private schools in Lagos state in the past 3 years, an average of 300 applications forms per year are under processing which shows enormous interest of private participation in education provision in the state. The normal duration for getting registration approval for a private school ranges from 3 weeks to 3 months or more depending on the situation. However, the registration process can be on till eternity especially after the initial site inspection. Schools that do not pay official inspection fees are not inspected and those who want to speed up their registration process will have to pay some extra-legal charges. There is no set deadline as to when a school can complete its registration procedure.

In terms of the exit conditions, the findings from the FGD revealed that the regulatory authorities hardly officially remove recognition of any school. Rather the most frequent way by which the authority deems a school to be de-registered is when the school fails to pay the renewal fees. However, the Ministry of Education is empowered by the regulations to close any school operating below the standards even after the initial approval has been granted.

Price control: There are no controls on the price that may be charged by the private schools. Each school is left to determine its fees based on its cost structure. It has been

found out internationally that government always interfere with the fee structure when they give grants incentives and vouchers to support private education. In Nigeria, there are no such incentives and providers are left to charge any fee that reflects their cost structure. The fee structure for the low-income learners is very low. Since, the schools operate in low-income areas, they cannot charge school fees that will be too high for low income people to pay. While Adelabu and Rose found that the fees can be as low as ₦800-8,500 (≤ 3.48 to ≤ 17.39) in low income areas, the study find that the fees are between ₦4000 to ₦8600 (≤ 1.74 and 36.96). In certain countries, such as Philippines, government fixes fees while in others, government restricts the range of fees increase.

Private schools are expected to pay a proportion of their income to the government. By the end of 2004, Lagos state proposes that private schools should pay 6% of their gross school fees as annual dues to the government. An officer of the APPS said that this is unfair and it is also discriminatory, we are aware that hospitals and medical centres in Lagos state pay <₦10,000 as renewal fees, why should private schools be treated differently. These are businesses that make triple the income. Another proprietor suggests that private schools are assisting government in performing her duty of providing education to all her citizen so they should be exempted from any form of payments.

Concerning the remuneration of staff, there is minimum wage legislation in the country. In some countries, there is the possibility of teachers' salary exceeding the minimum wage. There are two intuitive reasons for the low teachers' salary in private schools serving low-income families. The first one is that the low school fees paid by the students can only sustain low teachers' salary. Second, there is a large pool of unemployed people which reduces the incentives to pay higher salaries to the teachers. The teachers in government schools earn more because government follows strictly the minimum wage legislation but the private providers in low-income areas do not follow it at all. In fact we found that the mean salary for primary school teachers was ₦5,598 (≤ 24.34). However, some schools provide incentives for teachers in many ways. In some schools, the children of teachers pay half salary as school fees while in some others they do not pay tuition fees at all.

Operational freedom: The operational freedom of private schools in Nigeria is limited to some extent. The curriculum that should be legally followed is the official curriculum that is approved by the government through the Lagos State Ministry of Education although, they

have been entrenched in the National Policy on Education (FGN, 1998). The primary school subjects are already laid out in the curriculum.

The Lagos State Policy on Education states that the state curriculum should be followed. The state's curriculum is just an emphasis on the 1998 National Policy on Education (NPE). Starting with the subjects, the 1998 NPE list eight subjects for primary schools although, the actual number of subjects identified are 11. In addition, some private schools have further included computer studies and music curriculum. The current bane of many private schools is over-teaching and overcrowded curriculum in the quest of remaining competitive and giving the parents the quality they desire for their children.

There are also requirements for staffing and the teaching procedure, textbooks and syllabus. The government also fixes the school year and hours. On the textbooks, the state education authorities are the ones that select a basket of approved textbooks to be used in all schools in the state and this presents no problems to the proprietors as the books are of good standard and are readily available.

One issue that has been fraught with controversy is the policy that the medium of instruction is initially the mother tongue or the language of the immediate community and at later stage English language. Most of the proprietors of private schools do not agree with this statement. The idea of the Lagos state government is that the language of immediate community in the state is Yoruba hence, schools should abide by this rule. A proprietor however revealed, the strength that we have over the government schools is that the schools are English speaking. We will lose most of the students if we abide by this regulation. Another proprietor added, this is Lagos, how many teachers can read or write in Yoruba? Even if we want to enforce this rule, the teachers are not there.

Concerning staff and staffing of the schools, the school have considerable freedom on who they appoint as teachers and how they appoint them. The only issue is that the regulation sets it out that the minimum qualification for a primary school teacher is Grade II teachers' certificate. Each teacher is expected to handle only 25 children or pupils using books with Nigerian background and produced in bold prints with suitable and copious illustrations. Many schools did not satisfy this requirement on the qualification of teachers. One of the school proprietors remarked that we do not employ based on paper certificate but on actual knowledge of the teachers. There are many School certificate holders (High school graduate) that are better than NCE (National Certificate in Education) holders.

Resource availability and mobilisation: Public resources are not available to private schools and they must pay all required taxes every session. In Nigeria, there is no assistance either for operating cost or teacher and other staff salaries. There is no limit to the fees charged by private schools and the proprietors must start and maintain their schools from personal funds and retained profits. Incidentally many of the providers do not have access to bank loans either because they do not have the required collateral or because the interest rate on bank loans is too high on the belief that the schools do not have the prospect of repaying back the loans within the present interest rate regime.

There are two main resources that are required which are human and physical resources. The case of human resources has been explained earlier. The main physical resources include school building and infrastructures. According to the regulatory requirements in Lagos state, the appropriate school building must also be situated on an appropriate land. According to the regulations, the building must have at least 12 rooms and should be purposely built. Notably, there are few schools even among the recognised ones that are purposely built. Most of the other schools under consideration are just converted residential block of flats. One education official remarked during an interview that land is scarce in Lagos and if we insist on the perfection of this rule very few schools will be registered and we want to make sure that schools get registered if they provide good quality education. One proprietor however, said that my school was registered when the rules were not as stringent as now, it is the new proliferation of schools that led to introduction of more rules to be satisfied.

In any case, there are two ways of getting the school building. One is to rent a building structure and the other is to acquire land (Either through outright purchase or lease) and then build a completely new school. In any way the building is made available, there are other rules that must be satisfied. The school should have a large space and participants at the FGD reveal that inspectors insist that the area of the land should not be less than one acre of land so, that it can provide playing ground for the pupils. Further, the classrooms are expected to have storage facilities and built-in cupboards for equipment, two access doorways to serve as alternate exists and veranda on each of its two side. Most of the schools in low-income area indicated that they do not comply with these criteria as the cost of compliance is too high and unaffordable considering their scope of operation which is in a low-income area.

Regulatory costs of maintaining a registered private primary school for a year: After the approval of registration of a private school, the school is supposed to

continually meet the registration requirements to remain registered. In this study, we have highlighted the financial cost of meeting these regulations based on Focus Group Discussion (FGD) with some school owners in the state. This is in addition to payments to staff and maintenance of the school by the proprietors. Table 2 shows the amount that has to be paid by a proprietor to different regulatory agencies. The implication of this is that the cost of satisfying regulatory requirements every year cannot be <150,000 ₦ annually and it can be as high as more than three million depending on the location, size and type of private school. This cost structure has implications for the fees structure in the schools and most of the costs are passed on to the parents/guardians through the fees that are charged in various schools.

In addition to the legal fees, extra-legal fees or gratifications or bribes are paid to representatives of the various regulatory bodies and this can also be substantially high. In 1 year, an average entrepreneur pays between 10,000 and 30,000 ₦ year⁻¹ as gratifications or extra-legal fees. The payments are not peculiar to Nigeria, Tooley and Dixon (2003) had also found the same situation to be prevalent among private schools in India.

The payment of these extra-legal fees is one main way by which entrepreneurs have been coping with the high running costs. By paying these fees to the officials of the different agencies, the proprietors get in return lower tax bill or they can even be allowed not to pay anything at all. Some schools do not even bother to become registered, because as one of them said, it's like calling the attention of inspectors to your school. They may not come to your school at all if you are not registered or have never attempted to register.

In all, the total cost of maintaining a fully legal private school ranges from \$9,731.26-\$23,776.52 in a year. In addition to this, the proprietor is likely to pay extra-legal fees ranging from \$70-\$176 every year. The amount of extra-legal payment for an unregistered school is often higher than the amount paid by the legally registered private schools.

CONCLUSION

This study has attempted to give an insight into the nature and context of regulation regimes faced by private schools serving low-income in Nigeria with Lagos state as a case study. The study has revealed that there is a high prevalence of private schools in Nigeria with many of them serving the need of not just the middle and high-income families but also the low-income families. The private sector providers of schools have to operate within an extensive regulatory environment with some of the regulations being problematic in implementation and

compliance by private school owners. For example, the size requirement for a school compound and the building structure that would satisfy the regulatory requirement is difficult for any school serving low-income earner to attain. This is because there is space constraint in Lagos state and this might mean setting up the school away from the communities where they are currently located. Incidentally, the location they currently operate from is an important determinant of their success as the schools are not far away from the home of the pupils.

The environmental sanitation problems of the schools cannot be divulged from the general environmental situation of the low-income areas. The whole slums where the poor live generally do not have good drainage system and refuse disposal system which makes it difficult for the schools in the area to control the environmental situation of the surrounding area. The immediate area of the school building can be worked on but the larger area is the job of the local government. The same thing goes for the availability of infrastructure. If there is no piped water in the area, the best that any school can have is a covered deep well or to sink a borehole. The revenue and cost structure of the schools make this option difficult. In the case of electricity, the poor finance is also problematic.

There are also multiple taxes that the schools are required to pay so, proprietors weigh the options of paying the fine if caught not paying to the cost of payment. This makes the option of paying bribe attractive. Also, government requires private schools to pay a renewal fee of 6% of gross income. This makes it difficult for schools serving the poor as their income barely covers the cost and the payment of such fees will run them bankrupt or leaves nothing for schools maintenance and development. Hence, the regulatory environment should be made friendlier to facilitate ease of entry and exit without necessarily increasing the cost of operation. The insistence on the use of mother tongue for teaching children in primary schools is unacceptable to parents and the required teaching staff that can adopt mother tongue are not readily available which makes the regulation difficult to enforce.

Finally, it is found that government seldom collect data on unregistered private schools. In many cases, where this is done, only enrolment in registered private schools are collected and eventually merged with those of the government school since, it used to determine the resources allocated to education in different states from the federation account. Given the present context, it is necessary to understand the nature and context under which all private schools operate in other parts of the country to be able to fashion a nationwide policy.

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