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## RESEARCH ARTICLE

### CHALLENGES OF EDUCATIONAL INVESTMENT IN PRIVATE PRIMARY SCHOOLS OF WOLAITA ZONE

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#### ABSTRACT

The purpose of this study was to identify the problems of educational investment in private primary school of Wolaita zone. The methodology used in this study was mixed method. Questionnaire and interview were used to collect data. Two school owners, 10 school principals, 11 town/woreda educational experts, 12-unit leaders and 64 teachers were included in the study. The result of the study indicated that factors that affect educational investment include lack of good governance at government investment offices, low supply of land, low access to credit, low level of supervisory support, and low supply of text-books by the government. Hence it is recommended that private investors, education offices, investment office experts and financial institutions should work together to improve the currently declining interest of investors in the sub-sector.

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## INTRODUCTION

Private primary schools in almost all countries emerged as a result of public dissatisfaction with the government education system (Seifu, 2000; Teshome, 2017). Berhanu (2003) criticizes Ethiopian education for being monopolized by the state and the chance for school choice being very limited. On the other hand, Jeilu (2007) claims that the abolition of school fees for primary schooling is viewed as a positive development by various stakeholders including parents, teachers and educational experts. The abolition of school fees increased enrolment in rural areas. In instances where public expenditure on education is inadequate due to resource constraints, significant expansion in education may pose a great challenge to public education financing. In many cases, the public sector lacks the capacity to respond to the increasing demand from the population and adopts policies that look to the private sector's capacity to help, particularly in resource poor countries. According to Caerus Capital (2016) report that included Ethiopia and five other Sub-Saharan Africa (SSA) countries in its survey, 21% of African children and young people are already being educated in the private sector, with this percentage likely to rise to 25% by 2021. Access to private primary schools in Ethiopia's was reported to just 7% that can be assumed to be very low compared to SSA average. The study also identified four better opportunities SSAs possess for investors on education: huge demographic shift, Emergence of a middle economic class, rapid urbanization and proliferation of technology. Relative to these opportunity measures, Wolaita zone is viable for private investment on primary schools.

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However, the current situations show that the number of private primary schools in the zone is not progressively increasing. Jeilu (2007) estimates the share of private primary education enrolment in SNNPR region and at national level were only 3.9% and 5.1% respectively in 2005-2006. However the figure for Addis Ababa was 54.7% of the total primary education for the city administration whereas the share of private primary education enrollments in Amhara and Oromia were 3.3% and 2.5%. This shows that much of the private primary schools in Ethiopia are confined to Addis Ababa and the enrollment in SNNPR and at national level in this report is much smaller than the percentage of enrollment in private primary schools in the report for SSA countries indicated in Caerus Capital. Caerus Capital (2016) report strongly suggests that a vibrant private sector, particularly when operating in an engaged, flexible, and harmonious relationship with government, can help drive access, quality, relevance, and innovation. Private offerings may complement the public sector by helping to increase access to segments poorly covered by government provision. According to Caerus Capital (2016) countries in SSA region spend a higher proportion of their budgets on education (18.4%) than others. Jeilu (2007) also compares the share of government budget due to private investment on primary schools in Addis Ababa city administration, Amhara, Oromia and SNNPR states. The education sector in these regions received an average share of 14.6%, 38.2%, 37.7%, and 40.7% out of a total regional expenditure over the years between 2001/2002 and 2005/2006. Public expenditure in education in Addis Ababa is close to that of SSA average and much smaller compared to the other three regions. This is since private education plays a significant role. Public expenditure in education in SNNPR on the other hand is extremely larger than that of SSA average or at country level.

But there is no clear evidence why there was huge gap between SNNPR and the other three regions. The share of regional expenditure in SNNPR is highest among all and one wonders to identify the causes of these differences and possible implementation problems that hinder private investment on primary schools in SNNPR. Wolaita zone is one of the zones in this region and a case study helps to better understand the problem. The research was guided by the following research question:

- What are the challenges of investing in private primary schools in Wolaita zone?

## RESEARCH METHOD AND DESIGN

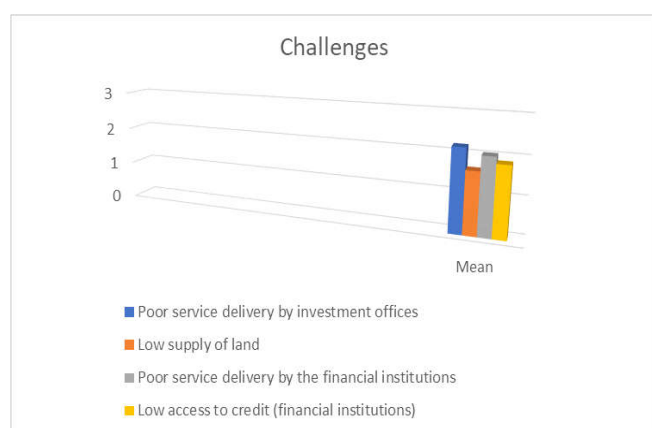
In this study mixed research method was used. The basic assumptions that the uses of both quantitative and qualitative methods, in combination, provide a better understanding of the research problem than either method alone (Creswell, 2012). The design used in this study was triangulation (convergent) research design. It is used to triangulate the quantitative data obtained through questionnaire with the qualitative data obtained through interview and document analysis. Both kinds of data are collected simultaneously and combined the results to understand the research problem. Questionnaire and interview were used to collect data. In this study two school owners, 10 school principals, 11 town/woreda educational experts, 12-unit leaders and 64 teachers were included.

## RESULTS AND DISCUSSION

### Challenges of Educational Investment at primary schools

**Table 1. Structural challenges of educational investment**

| No | Item  | mean | Sd   |
|----|---|------|------|
| 1  | Poor service delivery by investment offices         | 2.19 | .546 |
| 2  | Low supply of land                                  | 1.64 | .581 |
| 3  | Poor service delivery by the financial institutions | 2.03 | .637 |
| 4  | Low access to credit (financial institutions)       | 1.86 | .559 |

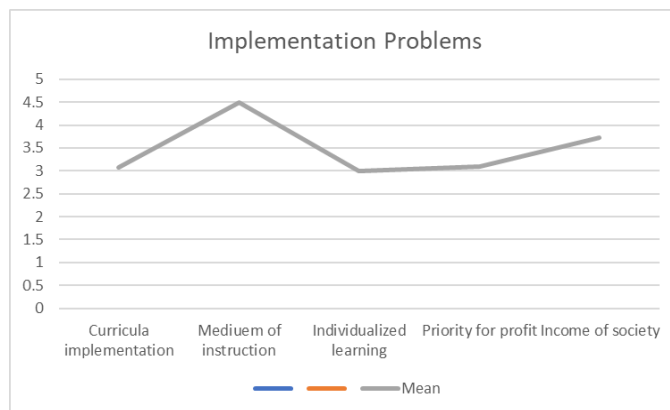


**Fig 1. Structural challenges of Investment in Education**

As depicted in Table 1, figure 1, poor service delivery by investment offices (2.19), poor supply of land for building schools (1.64), poor service delivery of financial institutions (2.03), and unavailability of money and bureaucracy to obtain credit from financial institutions (1.86) were the major structure related problems to invest on primary education in the zone.

**Table 2. Challenges related to teaching-learning process**

| No | Item  | X    | Sd   |
|----|---|------|------|
| 1  | Curricula employed at schools are not to the standard   | 3.07 | 1.00 |
| 2  | Medium of instruction employed at schools was not in line with language policy of the country | 4.5  | 0.43 |
| 3  | Private schools do not employ individualized learning.  | 3.00 | 1.08 |
| 4  | Private schools focus on profit maximization, not on service quality.                         | 3.10 | 1.06 |
| 5  | Private school owners do not consider the income of the society while deciding school fee     | 3.72 | 0.67 |



**Fig. 2. Challenges related to teaching learning process**

As depicted on table 2, figure 2, respondents were asked to rate the prevalence of implementation problems at private primary schools with regards to teaching-learning process. The respondents confirmed that the curricula used at schools and the medium of instruction are not in line with the direction set at the Education and Training Policy of the country. The policy clearly states primary school education shall be provided with the child's mother tongue. The teaching approach at the schools seems averagely student centered, that needs further effort from the schools to individualize the learning system so as to fit with the needs of the students. Similarly the schools focus on maximizing profit (though it is one objective of investing by private investors) adversely affects the goal of education. As expected they have to improve the service provided and customer satisfaction objectives. The other issue raised was income of the society, which off course, highly affects the demand of education. The study findings shows that private investors consideration to the income of the surrounding society seems very low.

## Conclusion

Investment in human capital is an important determinant of individuals' earning capacity and employment prospects, and therefore plays an important role in determining the level and distribution of education in society, firms' productivity and economic growth. Governments play various roles in the education sector, including upgrading the quality of education, regulating the markets, increasing efficiency, improving access and eliminating disparities among citizens. In instances where public expenditure on education is inadequate due to resource constraints, significant expansion in education may pose a great challenge to public education financing. In this case, there is a need for the private sector to complement government efforts in providing education. In the investment process schools faced many challenges Among others obtaining land for investment and financing educational investment are the major challenges. As investment in education require huge capital, standard school compound and the like. Furthermore, low economic level of the community,

low rate of return from investment in education adversely affects the level of private investment on primary schools in Wolaita zone. Hence, it is possible to conclude that currently private primary school investment in Wolaita zone is characterized by moderate level performance as the challenges are very serious and need the commitment of the local government officials and stakeholders.

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