

# Tax, privatisation and the right to education:

Influencing education financing and tax policy to transform children's lives.



Girls' Forum participants in Kenya  
Photo: Alice Whitby/ActionAid

Children in Uganda demand their Right to Education  
Photo: ActionAid



## Executive summary

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This report is the synthesis of participatory research carried out as part of the Tax, Privatisation and Right to Education multi-country project in Ghana, Kenya, Uganda and Pakistan. It aims to shed light on how much families pay for education in these four countries and how these direct and indirect fees could be eliminated to enable access to education.

Our findings show that, because of a lack of adequate government financing for education, families of children in public primary schools are spending a high percentage of their income on school-related costs, despite the fact that primary education is supposed to be free in all four countries. Costs are even higher in private schools. Yet, because of a lack of adequate financing, the perceived inferior quality of public education in these four countries is pushing families to make hard choices to find alternatives. Private schools are growing as a result, entrenching social inequalities and leading to the stigmatisation of public education as many wealthier parents move their children out of the public sector.

Ghana, Kenya, Uganda and Pakistan are signatories to the Convention of the Right of the Child (CRC) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) and have also adopted legislation to eliminate school fees at primary level. The elimination of school fees (at least on paper) has led to large increases in enrolment, particularly in rural areas, and much progress towards gender parity, especially in the three African countries. However, there seems to have been a trade-off between access and quality, as education financing has not risen fast enough to meet the increased demand for school places. This has resulted in high student-teacher ratios, crowded classrooms, a lack of materials and an expectation that communities will contribute to school costs to help make up the shortfall.

Participatory research carried out in communities in all four countries clearly shows that education is not free at primary level in Ghana, Kenya, Uganda or Pakistan. A myriad of fees hinders access for economically disadvantaged children. The most commonly cited charges were: examination fees, development levy, school reports, parent-teacher association fees and uniform fees. Most of these fees were compulsory and children whose families did not pay were sent home.

States have the obligation to provide free and compulsory education, at least at primary level. They also have the duty to take appropriate measures to ensure education is free of direct and indirect costs that could hinder the enjoyment of this right. Our findings show that families have to pay a high percentage of their income to send their children to school, even in primary public schools. What's more, children whose families are unable to pay are often excluded from school. A lack of adequate financing has also led to a decline in the quality of education with an increasing number turning to the private sector. All four countries have seen an increase in private schools, leading to unequal education opportunities for those who can pay and those who cannot.

The report shows that the governments of Ghana, Kenya, Uganda and Pakistan are not fulfilling their obligations to provide free and compulsory education. At the same time, governments are giving away excessive and unnecessary tax incentives, foregoing significant revenues which could be used to increase the provision of free, quality education. It is essential to improve the financing of public education by increasing the size, the share, the sensitivity and the scrutiny of the education budget to reach the goal of inclusive and quality education for all. Governments have the ability to raise more revenue to finance education, for instance by curbing costly tax incentives for investment and by cracking down on tax avoidance and evasion, and should do so.

Ghana	Kenya	Uganda	Pakistan
<b>Proportion of household income spent on education</b> 19.5% in public schools 48.7% in private schools	<b>Proportion of household income spent on education</b> 23.6% in public schools 69.2% in private schools	<b>Proportion of household income spent on education</b> 33.7% in public schools 173% in private schools	<b>Proportion of household income spent on education</b> 6.9% in public schools 25% in private schools
<b>Estimated annual revenue foregone from tax incentives</b> \$1.2 billion	<b>Estimated annual revenue foregone from tax incentives</b> \$1.1 billion	<b>Estimated annual revenue foregone from tax incentives</b> \$272 million	<b>Estimated annual revenue foregone from tax incentives</b> \$4 billion
<b>20 per cent of this sum would amount to:</b> \$240 million	<b>20 per cent of this sum would amount to:</b> \$220 million	<b>20 per cent of this sum would amount to:</b> \$54.4 million	<b>20 per cent of this sum would amount to:</b> \$800 million
<b>This money could pay for:</b> A place in a primary school for the 319,000 out-of-school children + An extra 10,000 qualified teachers + Free school meals for 1 year for 557,892 children	<b>This money could pay for:</b> A place in a primary school for the 956,000 out-of-school children + An extra 10,000 qualified teachers + Free school meals for 1 year for 300,999 children	<b>This money could pay for:</b> A place in a primary school for the 477,000 out-of-school children + An extra 20,000 qualified teachers + Free school meals for 1 year for 412,047 children	<b>This money could pay for:</b> A place in a primary school for the 5,612,000 out-of-school children + An extra 100,000 qualified teachers + Free school meals for 1 year for 1,796,632 children

All figures in US dollars.

## ActionAid urges governments to :

- **Right to education** - Guarantee the right to free quality education for all children as stipulated in their Constitutions and in the ICESCR, CRC and other international human rights treaties of which they are signatory. Primary (and progressively secondary) education must be free and compulsory, not only in law but also in reality. The government should not delegate its responsibility for ensuring the right to education to the private sector.
- **Education financing** - Increase the share of the education budget to at least 20% of the national budget or 6% of GDP, increase the size of the overall budget by expanding the tax base through progressive and effective taxation, increase the sensitivity of the budget by allocating more resources to promote equity, and increase the scrutiny of the budget to ensure that money is allocated and utilised efficiently.
- **Cost of education for parents** - Ensure that primary (and progressively secondary) education is free, not only in law but also in reality. This means abolishing all compulsory direct and indirect costs to parents and ensuring that the State education budget adequately covers all these costs.
- **Quality education** - Improve the quality of public schools so that parents do not feel the need to pay for private education. Allocate sufficient resources to recruiting, training and retaining qualified teachers, to providing sufficient learning materials and to improving school infrastructure such as classrooms, toilets and playgrounds.
- **Teachers** - Ensure that all children are taught by a properly trained and qualified teacher with a pupil-teacher ratio of not more than the national benchmark, investing more in female teachers, better quality training, more equitable deployment and incentives for working in remote and rural areas.
- **Regulation and monitoring of schools** - Strengthen the regulatory control of private schools, holding them to account and inspecting them regularly to ensure that they comply with national education standards. Impose sanctions if private schools do not comply with requirements relating to teacher salaries and conditions, level of fees, etc. Ensure transparency by reporting accurate and detailed data on private schools (including data on school owners, profits, categories of schools etc.).
- **Gender equity** - Take firm action to achieve gender parity and equality in education by ensuring appropriate policies are funded and implemented in order to tackle persistent barriers to girls' education.

This summary is based on research, analysis and community engagement conducted in Ghana, Kenya, Uganda and Pakistan and internationally by ActionAid staff and consultants and consolidated by Dr. Maria Ron Balsera.

#TaxJustice  
#TaxPaysFor  
#FundEducation  
#EducationNow

The full report can be downloaded at:  
<https://public.3.basecamp.com/p/2rkKQBH2Nr8jkccJEXRge3NP>

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