



IS FREE BASIC EDUCATION IN EGYPT A REALITY OR A MYTH?

By Ragui Assaad¹ and Caroline Krafft²
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¹ Humphrey School of Public Affairs, University of Minnesota, 301 19th Ave. S, Minneapolis, MN 55455, assaad@umn.edu

² Department of Applied Economics, University of Minnesota, 1994 Buford Ave, Saint Paul, MN, 55108, kraff004@umn.edu

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1. Introduction

Free education is considered a fundamental right of every Egyptian. Over the past three decades, Egypt has made substantial progress in increasing access to education and raising educational attainment. However, there has been, until recently, insufficient concern about the demonstrably low school quality and low levels of learning students are achieving (Assaad 2014; Salehi-Isfahani, Hassine, and Assaad 2014; World Bank 2008). There has also been limited societal debate about the substantial inefficiencies and inequities associated with public expenditure on education (El-Baradei, 2013). These issues mean that while education is theoretically free, substantial additional spending is often required by families to ensure that children learn and succeed within the education system. The need for additional spending contributes to young people's unequal opportunities to attain education or achieve learning (Assaad, Salehi-Isfahani, & Hendy 2014; Assaad 2013; El-Baradei 2013; Salehi-Isfahani et al. 2014; World Bank 2012).

The problems of low quality, inefficiencies and unequal opportunities start within the basic education system, which in Egypt goes up to ninth grade and constitutes the mandatory stage of education. The poor quality of public basic education has generated substantial demand for educational supplements or substitutes, such as private schooling, parental help, help groups, and especially private tutoring. Given the low quality of free public education, this supplemental private spending may be a critical element for succeeding in school, for those who can afford it.

This paper examines whether free basic education is a reality or a myth in Egypt. Are privately-funded educational supplements necessary? How does success in basic education vary based on children's social origins and the resources their families are able to invest in their education? These issues are investigated through two linked questions:

- 1) Is there equality in accessing basic education?
- 2) What role do education supplements, especially private tutoring, play in basic education and inequality of opportunity?

2. Frameworks

In investigating whether free basic education in Egypt is a myth or a reality, we connect three interlinked issues. The first is the unequal and inefficient nature of public investments in education, making it difficult for many young Egyptians to learn and succeed in school. The second issue is the high and unequal investments in private supplements to education that many parents consider necessary for their children to succeed in the education system. Lastly, the result of the combined inadequacy of the public education system and unequal investments in private education is unequal opportunities for Egyptians to succeed in basic education and beyond. This section provides some background, both theoretical and empirical, on these issues both globally and in Egypt.

2.1 *Unequal and Inefficient Public Investments in Education*

Public investments should not only promote efficiency in the overall economy, but the investments themselves should be efficient. High rates of grade repetition and dropout in Egypt (Elbadawy 2015; Krafft 2012a) are symptomatic of inefficiencies within the education system. Children in Egypt are much more likely to drop out when experiencing a low-quality school environment (Hanushek, Lavy, and Hitomi 2008; Lloyd et al. 2003).

The equity argument for public spending on education rests on equalizing access to education across people of different social circumstances. To do so, public investment needs to target disadvantaged children to compensate for otherwise poor early environments. Currently in Egypt, public education funding is essentially regressive. Per pupil public education funding increases with the level of education, so that those in higher education receive the most funding (El-Baradei, 2013).

2.2 High and Unequal Investments in Education Supplements

The inadequacy and inefficiency of public spending on basic education in Egypt results in the need for substantial private investments (by those who can afford it) in the form of educational supplements. For instance, private tutoring is so widespread and extensive in Egypt that many students will skip attending school, especially in key exam years, and rely on private tutors for their instruction (Population Council, 2011). While private tutoring can have positive impacts, such as improved learning, it also can misalign teachers' incentives, create distortions in the curricula, and worsen inequalities (Bray 2003). Teachers' employment, as civil servants, is secure and their pay is unrelated to their performance in the classroom (Ille 2014). Teachers therefore do not have strong incentives to perform well in their regular teaching. As a result, when teachers can offer private tutoring, it reduces student learning for poorer students who are less able to access tutoring (Ille 2014; Jayachandran 2014).

3. DATA AND METHODS

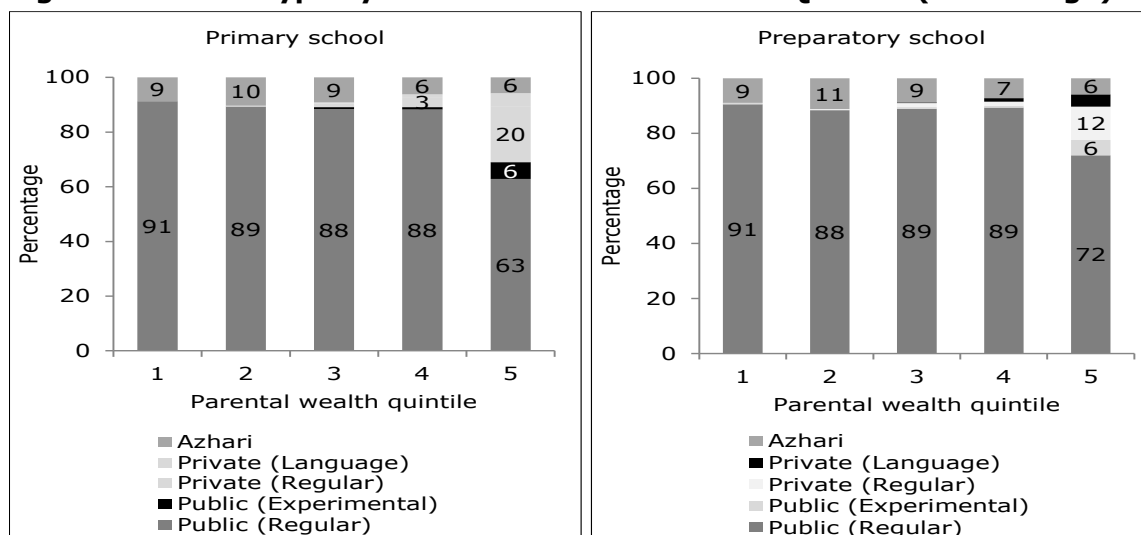
The paper relies on nationally representative survey data, specifically the Egypt Labor Market Panel Survey (ELMPS) of 2012. The paper primarily utilizes descriptive statistics to examine whether and how inequality in access to basic education, education supplements, and public spending occur along gender, socio-economic, and regional lines. Multivariate analyses are used to consider the net effects of different characteristics on outcomes, as associations (see main paper).

4. BASIC EDUCATION: ACCESS, TYPES OF SCHOOLS, AND COMPLETION

4.1 What Types of Basic Education do Students Attend?

Alternatives to the regular public education system include public experimental schools, private regular or language schools (the latter teaching in a foreign language such as English or French), or Azhari (religious) schools. It is primarily the richest households that send their children to private schools and public experimental schools (Figure).

Figure 1. School Type by Level and Parental Wealth Quintile (Percentage)



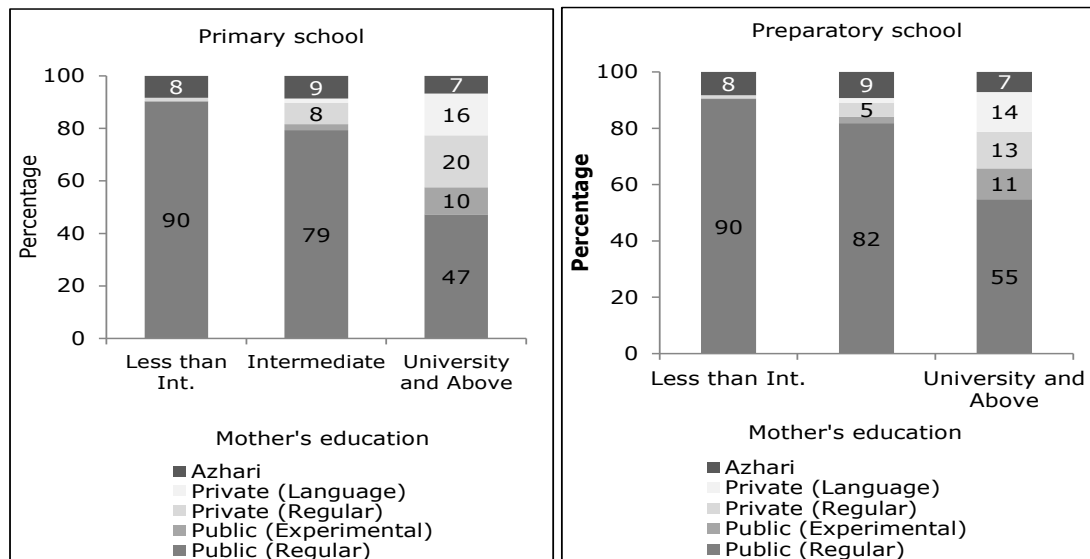
Source: Authors' calculations based on ELMPS 2012.

Note: School type is for youth ages 13-22 in 2012. Parents' wealth quintile is from 2006.

For primary education, students with university-educated mothers had a 35 percent chance of attending private schools. Public experimental schools also are an option for households with highly-educated mothers, as around 10 percent of children with highly educated mothers attend public experimental schools. There is some use of private schooling among those with intermediate educated mothers, but essentially none among youth with mothers with less than secondary education. Meanwhile, Azhari schools

continue to be used at a constant rate (around 8 percent) regardless of mother's education. Similar disparities are found by household wealth. It is primarily the richest households that send their children to private schools and public experimental schools.

Figure 2. School Type by Level and Mother's Education (Percentage)

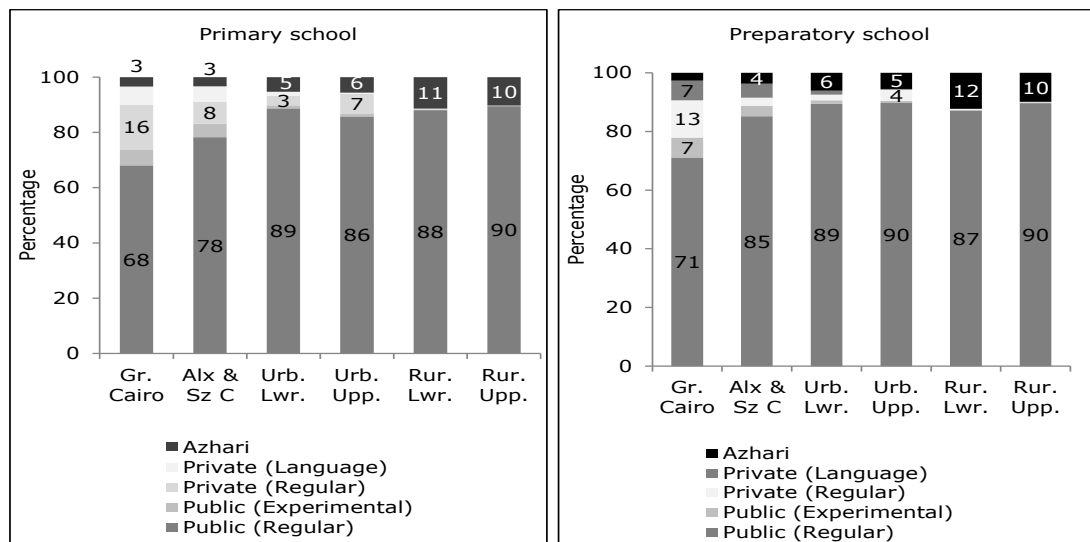


Source: Authors' calculations based on ELMPS 2012.

Note: School type is for youth ages 13-22 in 2012.

Use of private schools in basic education mostly occurs in urban regions, particularly Greater Cairo (Figure).

Figure 3. School Type by Region (Percentage)



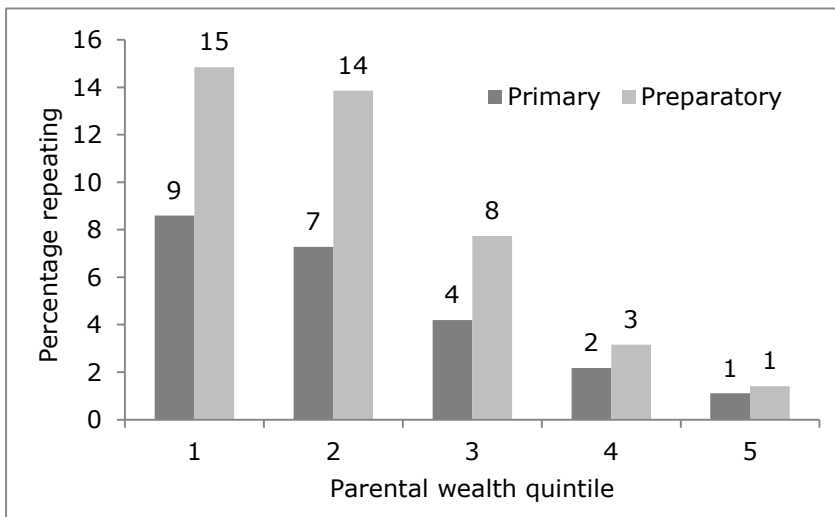
Source: Authors' calculations based on ELMPS 2012.

Note: School type is for youth ages 13-22 in 2012. Urb=Urban, Rur= Rural, Upp = Upper, Lwr =Lower

4.2 Who Struggles during Basic Education?

Grade repetition is common in Egypt, particularly during the preparatory stage. The students who struggle the most to master the material of basic education are the students from the poorest wealth quintiles (Figure 4) and also those with less educated parents (Figure 5).

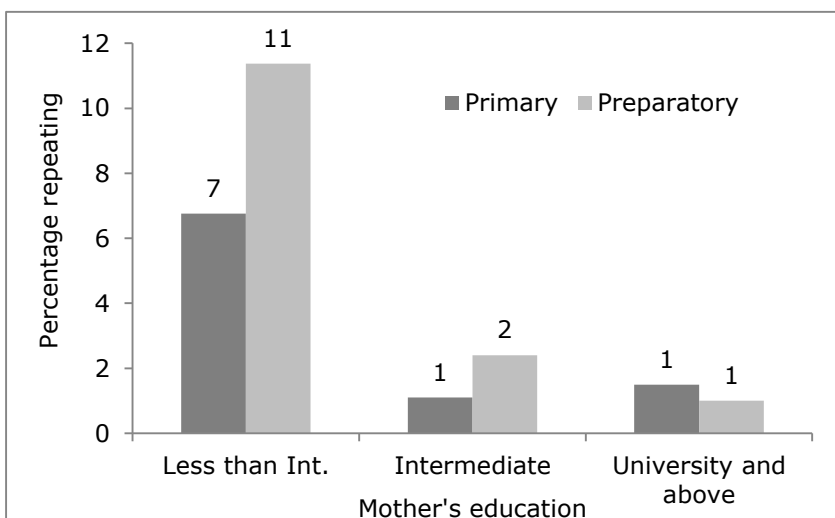
Figure 4. Percentage Repeating a Grade by Wealth Quintile and School Level



Source: Authors' calculations based on ELMPS 2012.

Note: Youth ages 16-22 in 2012 who attended these levels in the past. Parents' wealth quintile is from 2006.

Figure 5. Percentage Repeating a Grade by Mother's Education and School Level



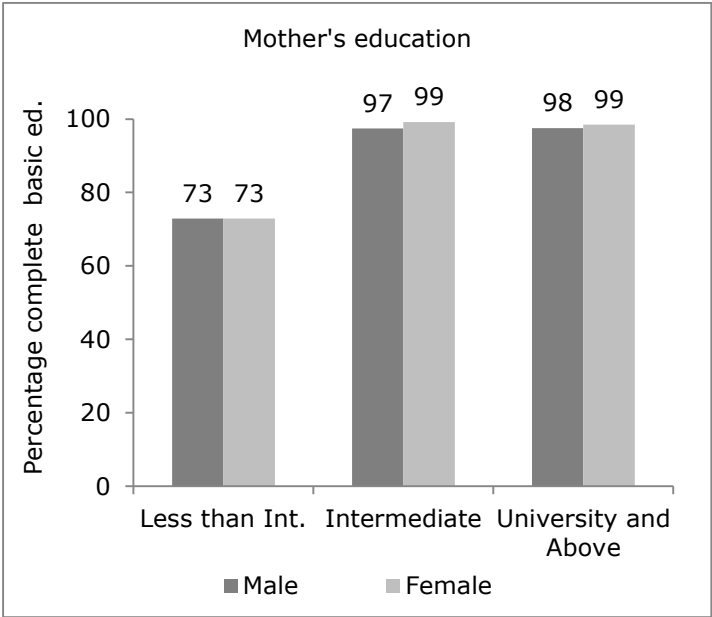
Source: Authors' calculations based on ELMPS 2012.

Note: Youth ages 16-22 in 2012 who attended these levels in the past.

4.3 Who Completes Basic Education?

Basic schooling completion rates are strongly dependent on socioeconomic background. Figure shows that this rate varies substantially with parental education.

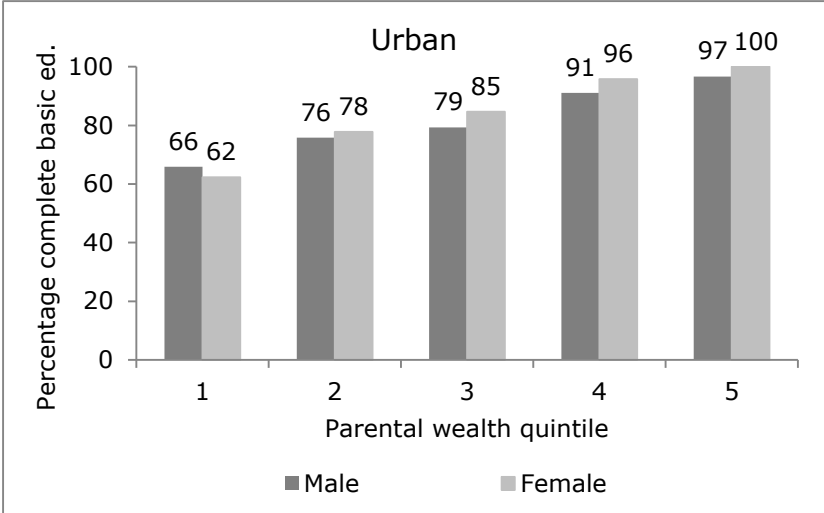
Figure 6. Completion of Basic Education by Mother’s Education, 18-22 year-olds in 2012 (Percentage)



Source: Authors’ calculations based on ELMPS 2012.

The chance of completing basic education varies not only with parents’ education, region of residence and gender but also with parental wealth (Figure). Children from richer families are more likely to complete basic education.

Figure 7. Completion of Basic Education by Parents’ Wealth Quintile in 2006, Urban Residents in 2006, Ages 18-22 in 2012 (Percentage)



Source: Authors’ calculations based on ELMPS 2012.

In sum, despite a policy of free education for all, young Egyptians face unequal chances of completing a basic, compulsory education depending on their circumstances. The current system is inadequate for providing a basic education for all, with the poor, those from less educated families, and those in rural Upper Egypt facing particular disadvantage.

5. USE OF EDUCATION SUPPLEMENTS

5.1 When Do Students Receive Family Help with Schoolwork?

Parents are likely to help their children with school work during the first few years of primary school. However, students receive less help as they advance through the education system, possibly due to the inability of less educated parents to help with advanced material.

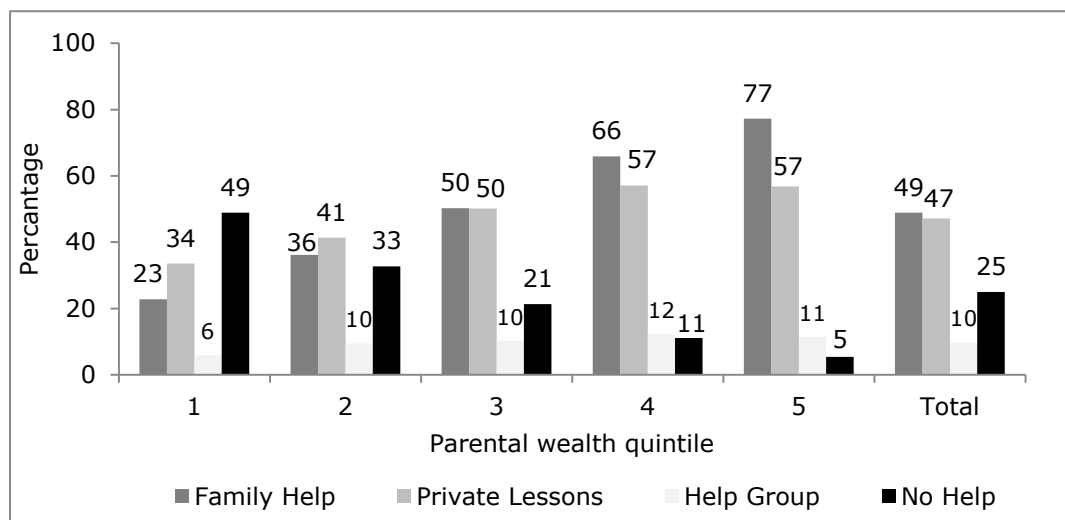
5.2 When and Why Do Students Receive Private Lessons and Help Groups?

Overall, 53 percent of current students in primary, preparatory, or general secondary take private lessons, 10 percent take help groups, and 24 percent receive no help (including no parental help).

5.3 Who Receives Education Supplements?

There are substantial differences in the chances of using these supplements by wealth (Figure 8). In multivariate models we conducted (see main paper), there were statistically significant impacts for all wealth quintiles as compared to the poorest for parental help, private lessons, help groups, and receiving no help.

Figure 8. Percentage with Parental help, Private Lessons, Help Groups by Parent's Wealth Quintile

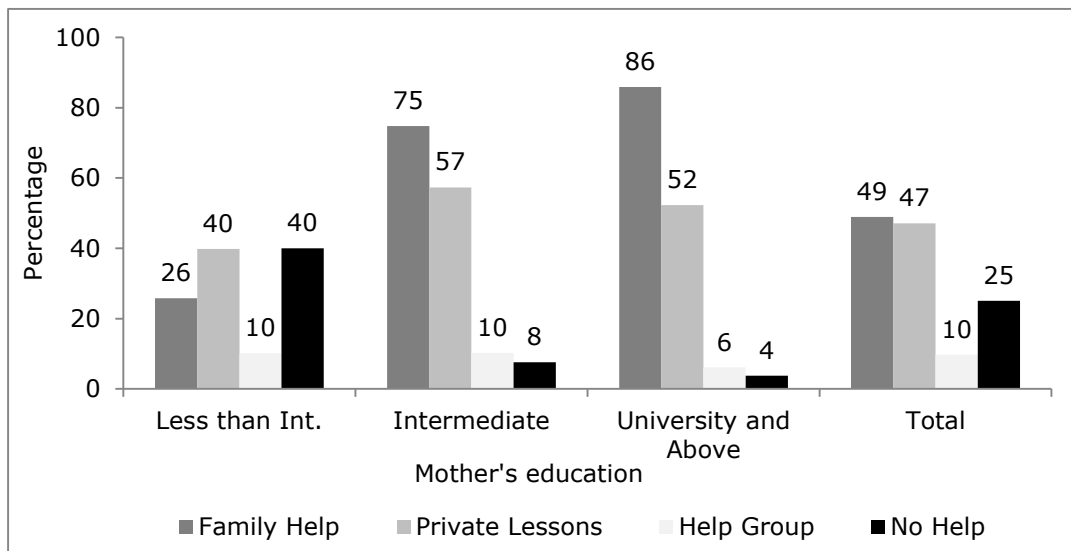


Source: Authors' calculations based on ELMPS 2012.

Note: Current students attending preparatory or primary schools. Parental wealth quintile is wealth quintile of current students in 2012.

Students with less educated parents are by far the most disadvantaged in terms of education supplements (Figure).

Figure 9. Percentage with Parental Help, Private Lessons, Help Groups, by Mother's Education

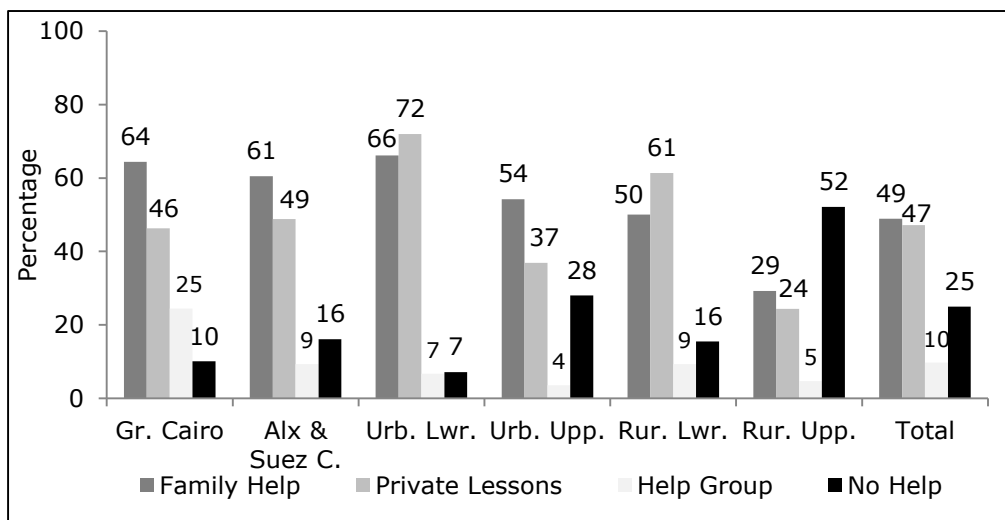


Source: Authors' calculations based on ELMPS 2012.

Note: Current students attending preparatory or primary schools.

There are notable differences in access to education supplements by region (Figure). Even after controlling for other characteristics such as parental wealth and education, regional differences in education supplements continue to be important.

Figure 10. Percentage with Family Help, Private Lessons, Help Groups, by Region



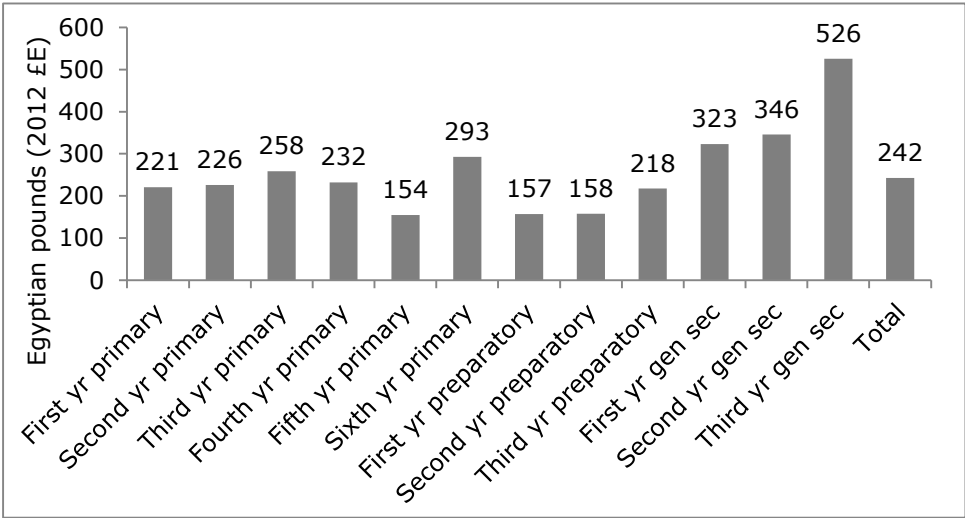
Source: Authors' calculations based on ELMPS 2012.

Note: Current students attending preparatory or primary schools.

5.4 Cost of Education Supplements

School fees and tuition costs generally increase with education level (Figure 11).

Figure 1. School Fees and Tuition Cost per Year and Level (in 2012 £E)



Source: Authors’ calculations based on ELMPS 2012.

Note: School levels are current levels of current students.

In addition to school fees, families spend a great deal of money on private lessons. Private tutoring costs are not only higher than school fees, they also show a steeper increase as a student advances in school. As expected, families pay more for private lessons the wealthier they are. The wealthiest households who use tutoring spending over £E1,000 per year for a student’s private lessons in basic education, in contrast to £E350 per year paid by the poorest quintile of households for a student’s private lessons, when they use tutoring at all. Moreover, only the wealthiest pay large school fees as more of them send their children to expensive private schools. The amount of money spent on education supplements also varies substantially across regions and by father’s education.

In this section, we examine two important education outcomes in Egypt: test scores and tracking into general secondary versus vocational secondary at the end of the basic education stage. Theoretically, only test scores should determine tracking into general or vocational secondary, although test scores might be affected by students’ background.

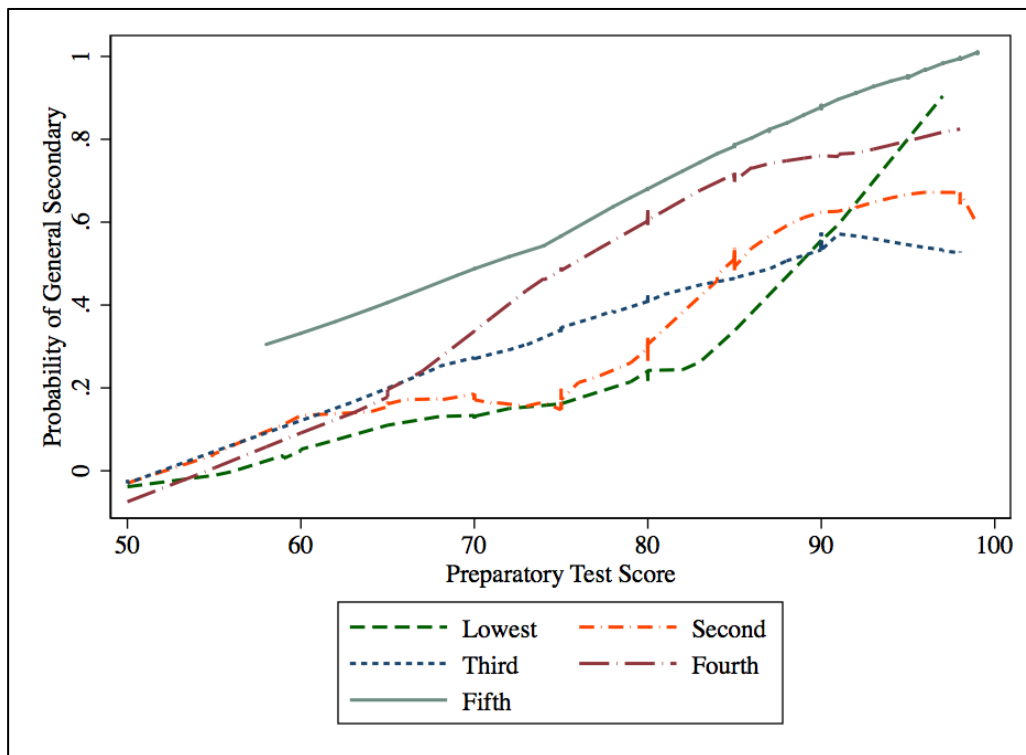
5.5 Test Scores in Egypt

There is a strong relationship between test scores and household wealth, a reflection of the greater resources wealthier families can draw upon to assist their children to succeed in school. Mean scores for primary students belonging to the wealthiest quintile of households reached 88, a 15-point advantage over the mean score of students from the poorest quintile of households. Mother’s education is also positively related to student performance. Students from urban areas generally performed better than those from rural areas.

5.6 Tracking into General Secondary versus Vocational Secondary

There are significant differences in the probability of entering the general secondary track by wealth. Even at the same test scores, wealthier students have higher chances of general secondary (Figure).

Figure 12. Wealth, Test Scores, and Probability of Entering the General Secondary Track, Ages 16-19 in 2012



Source: Authors' calculations based on ELMPS 2012.

6. CONCLUSIONS AND POLICY RECOMMENDATIONS

Free basic education in Egypt is failing Egyptian children. A policy of free education, designed to promote opportunities for children, has led to a distorted system where there is substantial inequality in succeeding in basic education depending on a child's family circumstances. Substantial expenditures on basic education supplements, particularly private tutoring, are often necessary to succeed. These expenditures further exacerbate the unequal chances students of different backgrounds are facing for school success.

How education is funded in Egypt needs to undergo substantial changes. Currently, spending increases with the level of education, and access decreases at higher levels, making education spending, particularly public spending on higher education, regressive (Assaad 2013; El-Baradei 2013). Higher education should no longer be free of charge. Savings from the higher education budget should be directed towards basic education, including also pre-primary education, which is *not* available to all free of charge.

Easing regulations on private schools and encouraging growth and competition among private schools—which wealthy families are more likely to use—could also allow the rich to opt out of the public school system and free up public resources to improve basic education for less wealthy students. Such savings could enable the government to increase investments in basic education quality.

Raising teachers' salaries within schools may help to address the strong incentives to provide private tutoring. In addition to creating direct incentives for teachers through performance pay, teachers' incentives may also be affected by the nature of their contracts and oversight.

Education policies play an important role in educational inequality and later in labor market inequalities. More must be done in Egypt to ensure children enter school on equal

footing, and early childhood programs such as pre-primary education play a particularly important role in equalizing opportunities.

Addressing some of the quality problems in basic education, such as poor funding and teacher and school incentives, will help equalize opportunities for students to some extent. However, additional targeted policy measures need to address children’s unequal opportunities directly. Policies must address and compensate for poor home environments and ensure that students have all the help they need to master material. Programs for students who have poor performance and who are at risk of failure or dropout can take a number of forms, such as additional or special instruction for children who are struggling. Conditional cash transfer (CCT) programs can provide transfers to low-income households that are conditional on school-age children attending school.

We also recommend that additional spending should go towards three key interventions:

1. Egypt should provide free high-quality public pre-primary education targeted to the poor, so that students enter school on a more equal footing.
2. Free help groups should be made available to struggling and disadvantaged students. Providing free help groups would both diminish the counter-productive system of private tutoring and help equalize opportunities. The large pool of unemployed, primarily female secondary graduates throughout the country (Assaad and Krafft 2015) can provide a pool of labor for these interventions.
3. Conditional cash transfers should be targeted to the poorest 30 percent of children to encourage them to participate in preschool, remain in school, and attend free help groups.

In Table 1 we provide the estimated costs of these different recommendations. Costs are estimated per child per year (in 2014 £E), as a total cost per year (in 2014 £E), and with the total cost as a percentage of 2013/14 GDP. The cost of a year of pre-primary education per child is estimated to be £E 1,407 (World Bank 2002) including both recurrent and investment costs. The program should be financed by the central government but provided by NGOs and community development associations, overseen by community boards appointed by local authorities.

Table 1. Estimated Costs for Policy Recommendations

	Cost per child per year (2014 £E)	Number of participants per year	Total cost per year (million 2014 £E)	Cost as a percent of 2013/14 GDP
1) Free pre-primary to the poorest 60 percent	1,407	1,356,600	1,908	0.10 percent
2) Free help groups for the poorest 60 percent	216	7,777,487	1,680	0.09 percent
3) Conditional cash transfers for the poorest 30 percent	900	4,567,044	4,110	0.22 percent

For providing free help groups, we target the poorest 60 percent of students enrolled in primary and preparatory public schools. The estimated cost is £E 216 per child per year.

For conditional cash transfers (CCTs), the poorest 30 percent of students should be targeted and incentivized to attend pre-school and supplementary classes, as well as go to school regularly. Assuming a transfer of £E 100 per month, and the full participation of the poorest 30 percent during pre-primary through preparatory, the program would cost £E 900 per year per participant.

The quality of basic education in Egypt is very low, and this is reflected in the poor ranking of Egypt’s education in comparison to other countries (Schwab 2014), as well as essentially zero returns to basic education in the labor market (Said 2015). Families often must invest in substantial additional expenditures in order to ensure their children

can succeed in school; so-called —free! basic education in Egypt is a myth. Children face low and unequal chances of school success as a result of the low quality, inefficiencies, and incentive problems within the school system. Improving the quality of basic education and addressing inequality in school success will require a concerted effort on a number of fronts, but is vital to the development of Egypt and the future of Egyptian youth.

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