CHAPTER 13

Omega Schools Franchise in Ghana: 'affordable' private education for the poor or for-profiteering?

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Introduction

Fee-paying for-profit private schools are on the rise. As governments of the global South continue to fall short of their efforts to provide 'Education For All', private corporations have increasingly become legitimate actors in educational programmes, partnerships and provision (Tooley, 2004; Bhanji, 2008). Private companies have set up schools to serve low-income communities in emerging markets such as India, China, Kenya, Ghana and Bangladesh. These low-fee private schools are an example of other forms of non-state provision that are receiving a heightened level of international policy focus as the necessary resources for education continue to diminish and new actors and modes of governance continue to reshape the sector (see Srivastava & Walford, 2007; Härmä & Rose, 2012; Robertson et al, 2012). However, the underlying motivations that drive private companies to participate in the education sector remain largely unknown – as do the quality, costs and implications of low-fee private schools. This chapter focuses on Omega Schools Franchise in Ghana, one of the fastest-growing chains of low-fee private schools in the world.

Omega Schools Franchise was co-founded in 2009 by James Tooley and Ken Donkoh. Tooley is a Professor of Education Policy at Newcastle University in the United Kingdom and Donkoh is a Ghanaian entrepreneur who previously worked for Oxfam and USAID.

> The Omega Schools chain has grown to 20 schools and 11,000 students in 3 years, creating a 'school-in-a-box' model that it is now ready to replicate more widely. Reaching financial break-even in 2011 was made possible through, in part, ultra-low

> overheads and the innovative all-inclusive daily-fee model, which has proven highly attractive to parents: within 10 days of opening, a new Omega School is typically at capacity, with 500 students, and hence fully sustainable. (Omega website)[1]

In an interview at the company's head office on the outskirts of Accra, the capital city of Ghana, Donkoh stated:

> We build a school and the same week we open the school it becomes sustainable because it fills up with students. With 500 fee-paying students it's able to cover the costs: the teacher salaries, the costs of running the school and it turns up a profit. This means that each school is self-sustainable and can contribute a surplus to the head of the company, which can then pool the money together and build new schools.

To reach the largest number of students at the lowest possible cost Omega Schools Franchise intends to scale up its chain through a 'school-in-a-box' model. Omega's 'school-in-a-box' approach involves the basic construction of a 12-classroom building, along with the initial materials and resources needed to run the private storefront school, at a start-up cost of approximately US$60,000. New schools in the chain are then financed and produce revenues through the daily-fee – or 'pay-as-you-learn' – payment system, which requires each student to pay 1.50 Cedis (the equivalent of US$0.75) per day to attend class. Omega Schools have thus 'successfully proven a viable model for starting new schools which are profitable and sustainable on opening' (Omega website).

This chapter aims to answer the following questions: what is the nature and motivation of Omega Schools' educational franchise? How did it come to rise? Are these schools 'affordable' for the poorest and can they be expected to expand rates of access to education in Ghana? Understanding the nature, scope and implications of Omega Schools is important because it represents a paradigmatic case to explore the rise of privately held chains of schools that are advancing new markets for low-fee educational services in less economically developed countries.

This chapter is divided into three main parts. Firstly, Omega Schools is outlined in relation to James Tooley and Pearson Education. Together, these actors represent the transnational corporate activity, networks of influence, ideas and private capital that have culminated in the rise of Omega Schools. The second section of this chapter provides an analytics of the teaching, learning and business model(s) of Omega Schools. It will be argued that Omega's model is based on: (1) efficiency (serving the largest amount of students at the lowest possible cost); (2) the standardisation of services; (3) brand reliability (as a form of quality control); and (4) consumerism ('pay-as-you-learn' and the commodification of basic educational services). Finally, the third part of this chapter will investigate the implications of Omega Schools Franchise in relation to access, equity and affordability.

Throughout this chapter the methodology relies on primary data collected through in-country field research in the Greater Accra region of Ghana between January and March of 2013. Over the course of this period semi-structured interviews were conducted with 9 schoolteachers and 'School Managers' from 6 different Omega Schools, as well as 20 students and 16 parents/guardians of Omega School students. The co-founder of Omega Schools, Ken Donkoh, was interviewed on two occasions. Six interviews were also conducted with ministerial officials from Ghana Education Service. The data here also draws from secondary sources of various kinds found on-line, such as Omega Schools' website, media releases, webcasts, interviews and reports which involve key players, as well as secondary research on the topic.

James Tooley, Pearson and the Rise of Omega Schools: a joint venture to develop a market for low-fee private education

This section aims to connect Omega Schools with the transnational corporate actors, networks of influence, ideas and private capital that have facilitated the growth of the Franchise (as well as the low-fee private-school sector more generally). Here the focus is on James Tooley and Pearson Education. Tooley is the chairman and co-founder of Omega Schools. He also occupies a variety of influential spaces and roles as an academic, businessman, 'policy entrepreneur' and 'thought-leader' in the low-fee private-school sector. Pearson on the other hand is the world's largest multinational education corporation, which recently established the Pearson Affordable Learning Fund (PALF); a global financial-investment fund intended to invest in, partner with and help grow private companies operating in the low-fee private-school sector. Pearson's Affordable Learning Fund made its first investment into Omega Schools Franchise. This section will triangulate between the ideational, institutional and material powers that have given rise to Omega Schools. It will map the transnational corporate activities of James Tooley and Pearson Education and their joint venture to develop a global market for low-fee private education.

As a Professor of Education Policy at Newcastle University, James Tooley's research over the last decade has aimed to show that private companies can help solve the educational challenges faced by low-income countries. One of Tooley's underlying arguments is that low-cost educational services provided by private entities on a profitable basis can improve the quality of and extend access to basic education for the world's poor. Tooley began to develop his theory while conducting research on low-cost education in India where his 'study revealed a huge private sector serving poor families in the slums' and that 'given the burgeoning of the sector, it was found that running schools, even for low-income families, was potentially a profitable undertaking' (Tooley & Dixon, 2003, p. 5).

> [Tooley] argues that private schools were making profit and if invested in or supported financially, for instance, with low-cost innovative technology, they would be a potential area for business expansion. Altogether, for-profit schools aimed at poor communities are presented as the solution to India's problem of access to and quality of education and as a lucrative business opportunity. (Ball, 2012, p. 44)

Tooley claims that: 'The key relevant finding of the research is that the vast majority of private schools in the poor areas are *businesses*, not charities, dependent more or less entirely on fee income and, very importantly, making a reasonable profit' (Tooley, 2009, p. 252).

'Pro-market' think tanks, advocacy groups and other organisations working in the field of business and 'development' have been keen to support Tooley and his research on low-cost private schools for the poor. With financial backing from 'pro-market' foundations such as the John Templeton Foundation, CATO Institute and the Institute of Economic Affairs, Tooley has expanded his initial research in India to include studies in China, Kenya, Ghana, Nigeria and elsewhere. Tooley was the director of a global study on investment opportunities for private education in 'developing' countries fittingly titled: *The Global Education Industry* (Tooley, 1999). The 'findings' of such studies all definitively point to the need to advance a low-fee private-school industry to expand the educational franchise to more of the world's poor, whereby the redistribution of basic educational services takes place through quasi-market-oriented systems.

Tooley is a key actor in a transnational advocacy network that pushes the idea that low-cost private schools will universalise access to basic education. Through publications in academic journals, keynote speeches at international conferences, high-ranking consultancy and directorial positions, BBC and PBS documentary appearances and media reports and lectures to parliamentarians and policymakers in the United States, the United Kingdom and India, Tooley has emerged as a leading voice in the global business of education and 'development'. Tooley 'operates on a number of levels, to give legitimacy to neo-liberal solutions through research, to persuade and co-opt governments and philanthropists, to construct and animate infrastructures of financial and discursive relations, and to put ideas into practice through start-up enterprises' (Ball, 2012, p. 143).

Tooley capitalised on an opportunity to put his ideas into practice through a start-up enterprise when he came into contact with low-cost innovator Ken Donkoh. While completing his MBA at the University of

Cape Coast in Ghana, Donkoh came across Tooley's research on low-fee private education: 'I read Professor Tooley's research in business school and I decided to develop a business plan out of it, so I sent a copy of the business plan to him asking if we could create a business out of it and he really believed in it.' By the time Donkoh had made his pitch to Tooley in 2008, Tooley had already surveyed the viability for private start-up enterprises in Ghanaian education. Funded by the John Templeton Foundation, Tooley led a study which consisted of a school census and survey in the Ga District of Ghana between 2003 and 2005. The report found that fee-paying private school provision was 'mushrooming' in the Ga District of Ghana (Tooley et al, 2007). 'Of the total of 779 primary and junior secondary schools in Ga, 75% were private. There were almost as many unregistered private as government schools (23% compared to 25%)', reported Tooley and his colleagues (2007, p. 409).

In the business of private for-profit education, viable markets exist where the regulatory environment is more 'open' to private-sector influence, which is indicated in Ghana by both the high number of registered and unregistered private schools found by Tooley. Referring to the Indian market, Tooley claims that 'the regulatory environment is a big problem there. In the business of education, always, the regulatory environment matters. In India it's not conducive to for-profit education. And that's why were focusing for now in Africa where it's much easier to do business' (BBC, 2013).

Neoliberal calculations identify optimizing spaces and populations in relation to global market opportunities' (Ong, 2007, p. 6) In Ghana, Tooley found a business partner in Donkoh as well as a geo-political landscape that offered a viable market to carry out his business venture in for-profit private-school provision. However, the financial capital needed to kick-start and scale up Omega Schools was still missing.

In 2007 Tooley published his essay, 'Educating Amaretch: private schools for the poor and the new frontier for investors', which won first prize in the International Finance Corporation (IFC) and *Financial Times'* first annual essay competition entitled 'Business and Development: private path to prosperity'. In his essay Tooley argues that: 'Crucially, because the private schools serving the poor are businesses, making a reasonable profit, they provide a pioneering way forward for investors to get involved too' and that 'investing in a chain of schools – either through a dedicated education investment fund or through joint ventures with educational entrepreneurs – could help solve the information problem for poor parents' (Tooley, 2007, p. 42). Pearson – the world's largest multinational education corporation – bought into the idea sold by Tooley and created a large-scale investment fund that would make its first-ever investment into Omega Schools.

In 2012 Pearson established the Pearson Affordable Learning Fund (PALF) to invest in and grow for-profit companies working in the low-fee private-school sector.

> Pearson will invest an initial $15 million into the Fund, which will invest in private companies committed to innovative approaches, sustainable business models and improving learning outcomes, as well as its own projects. It will provide investment in private enterprise to meet the Millennium Development Goals. The Fund's launch underlines Pearson's commitment to experimentation to tackle access to and effectiveness of education where it is now absent. (Pearson website)[3]

Pearson invested in Omega Schools, at an undisclosed amount, with the purpose of creating 'a sustainable large chain of branded low-cost private schools in Ghana' (Omega website). Pearson's investments 'will help Omega expand from ten schools in greater Accra serving about 6,000 students to a full-service school chain serving tens of thousands of students throughout Ghana' (Pearson website). Ken Donkoh, of Omega Schools, explained that:

> Pearson's investments helped us to grow more rapidly. We got up to ten schools and with Pearson's investments we could then add another ten schools, which brought us to twenty. Now we will be adding twenty more schools, sending us to forty. Then we can add on and on, year after year.

While PALF is advertised as a seemingly 'to do good' venture intended to work toward Millennium Development Goals and bring 'education where it is now absent', at its core it represents a long-term business strategy to develop a market for low-cost educational services and create new sources of profitability for Pearson.

Michael Barber, chairman of the Pearson Affordable Learning Fund, explained in a *BBC HARDTalk* interview in 2012: 'To use economic jargon it's an immature market so there's lots of one or two school little family companies and we think we can find some, take them to scale, get large chains of schools that are consistent that are higher quality and still very low-cost' (BBC, 2012). Barber would go on to state that: 'It's absolutely for-profit. But get this right – its important to demonstrate profit because we want other investors to come in.' In a new emerging market such as low-fee private schooling, more investment is considered necessary for the growth and development of the market. In large part, Pearson has established PALF and invested into Omega Schools for this reason.

Omega has developed an innovative business plan to expand its chain of low-fee private schools, which Pearson has endorsed. It is based on the idea that 500 fee-paying students in each school can cover the operational costs while also generating a surplus, which is then pooled together with the total revenues accumulated from other schools in the franchise, which can then be used to build and expand the chain of profit-making schools. This is directly in line with PALF's purpose, which aims to tackle 'the educational needs of the world's poorest regions, to experiment with new approaches to low cost learning, and to demonstrate to how a for-profit approach can scale and solve education in developing countries' (PALF website).[2]

The nature and motivation of the joint venture between Omega Schools and Pearson is further reflected in the following statement made by Donkoh:

> I think [Pearson decided to invest in Omega Schools] for a couple of reasons. Obviously, it's a very interesting space – the low-fee education space is quite interesting. It's a huge market. It's getting more and more interesting. It's also a way that Pearson can really make an impact by helping the poor and helping low-income communities also get a better education. Previously, Pearson's investments have been in very mid-class to high-end schools and even with the government and all that. I think the low-fee sector has made a very strong statement – that yes, it is possible that the private sector can also educate the poor. I think that Pearson wants to be involved in these things. So I think that's the key thing. There's huge wealth at the 'bottom of the pyramid' as they put it. So who knows? Maybe in a few years to come it will be a very viable market. But I think for now they are driven by the fact that they want to be involved in this space, they want to support, they want to bring quality. In a way help achieve, if not even achieve, we get closer to the Millennium Development Goals.[…] I think that the reason why Pearson set up the Affordable Learning Fund, the Fund that invested in us, is not to make a short-term return, but instead to develop the market, develop the market to maturity, so perhaps one day the low-fee sector will become a viable and profitable market.

Donkoh's statement brings to light two key issues. Firstly, Pearson's investments in Omega are identified as a way to expand educational access in low-income communities and work toward Millennium Development Goals including 'Education For All'. However, as the findings from a survey across a sample of Omega Schools will demonstrate later on in this chapter, there is reason to seriously doubt that Omega Schools are in reality serving pupils who otherwise would not have been able to access basic educational services. Secondly, the joint venture between Pearson and Omega Schools is a way to experiment in the low-fee private-school sector and develop a market intended to tap into the 'huge wealth at the bottom of the pyramid'. This corporate growth strategy has been referred to in the business literature as the 'fortune at the bottom of the pyramid' (Prahalad & Hart, 2002; Prahalad, 2005) and it considers the four billion people who earn less than US$2,000 a year as a huge source of potential revenue. 'Bottom of the pyramid' (BOP) strategies see the poor as a new source of profitability whereby multinational corporations can provide low-cost services on a massive scale, such as a large chain of low-fee private schools, which can become a highly lucrative business.

These are the transnational corporate actors, ideas, institutions and material capabilities that have given rise to the Omega Schools Franchise in Ghana. Tooley has supplied the intellectual leadership and international advocacy to legitimate the viability of a low-fee private-school sector for the poor, while Pearson and its Affordable Learning Fund has supplied the private capital for Tooley, Donkoh and the Omega Schools Franchise to further entrench their for-profit 'experimentation' in low-cost schooling.

Omega Schools and the 'McDonaldisation' of Education Model

This section investigates the interconnected teaching, learning and business model(s) developed by Omega Schools. Drawing inspiration from fast-food conglomerate McDonald's, 'where a consistent quality of hamburgers and French fries worldwide results from a deeply understood and standardized chemical process' (Prahalad, 2005, p. 37 cited in Tooley, 2007, p.42). James Tooley believes: 'There is, it seems, every reason to think that a similarly "deeply understood and standardised" learning process could become part of an equally successful model of private school provision, serving huge numbers of the poor' (Tooley, 2007, p. 42). This section will examine the model of Omega Schools Franchise and how it represents a re-conceptualised programme of educational-service delivery that can be understood as the 'McDonaldisation' of education (Ritzer, 1993). This is because large-scale chains of low-cost private-school franchises like Omega are based on market-oriented principles of: (1) efficiency (serving the largest amount of students at the lowest possible cost); (2) the standardisation of services; (3) brand reliability (as a form of quality control); and (4) consumerism ('pay-as-you-learn' and the commodification of basic educational services).

Efficiency

Omega Schools' model is based on the idea that a privately held chain of schools can provide mass access to basic education to low-income families 'at the lowest cost on an unprecedented scale' (Omega website). That is, to serve the largest number of students, or provide educational services to the highest number of fee-paying consumers, at the lowest possible cost. As James Tooley describes it:

> We try to be the lowest price because we see it a mass market. We're a very low-margin, high-volume business in a way. That's what we want to do. We want to serve as many children as we can, so we keep the costs down because our market are parents that wouldn't have previously been able to afford a low cost private school. (BBC, 2013)

High-volume, low-margin businesses such as Omega Schools can benefit from economies of scale, as they can produce a high volume of goods or services efficiently and at a low cost. In the 'McDonaldisation' of education, efficiency thus means that every aspect in the production of learning and outcomes are based on the minimisation of cost.

The critical point to be made here, in the case of Omega Schools and its model for low-cost schooling, is that the main source of cost saving has come as a result of the exploitation of teachers' labour. While teachers' salaries account for the bulk of educational costs, especially in low-income countries (Lewin, 2007), the Omega Schools Franchise has drastically reduced its costs by employing high-school graduates as teachers and paying them a fraction of what professionally trained and qualified teachers receive in the public sector. The monthly wage for an Omega School teacher ranges between 130 and 150 Cedis (equivalent to US$65 and US$75 per month or US$2.95 and US$3.40 per day): this is only 15-20% of what teachers in the public sector make in Ghana. Omega has cut costs by hiring non-unionised labour, and thus avoided public employment regulations and standards.

In addition to low teacher salaries, another way to minimise the per-unit cost of teaching while increasing margins has been to fill classrooms beyond the pupil–teacher ratio norm set by the Ghana Education Service at 35:1 and 25:1 for primary- and lower-secondary-school classrooms, respectively. This researcher has observed pupil–teacher classroom ratios in Omega Schools upwards of 50:1 in several instances. This combination of inadequately trained teachers and high pupil–teacher ratios brings up obvious questions related to the quality of Omega Schools.

With the dilution of available resources committed to education by international aid donors and governments, low-cost private-sector alternatives based on efficiency and the minimisation of expenditures have gained credence. Private-sector participation, including chains of low-cost private schools 'are being promoted as a cost-effective and fast solution to bring "Education for All" to developing contexts' (Verger, 2012, p. 125). For example, in its second global report, *The MDGs: everyone's business* (Gradl et al, 2010), research published by Tooley and Dixon (2005) is referenced, which emphasises the importance of private companies in the international effort to achieve universal access to primary education. Similarly, Omega claims its model is a cost-effective way to expand access because at its core it aims to provide a high volume of services at a minimal cost.

Standardisation of Services

Interconnected with efficiency (concerned with optimising educational access while minimising cost) Omega has developed a system of standardised services. This standardisation of services is based on the 'school-in-a-box' model: a franchising approach premised on uniformity throughout the chain of private storefront schools, involving the materials and resources that make up each institution. That is, from the construction of the school to student uniforms to curriculum, management and instructional methods, the 'school-in-a-box' technique is intended to guarantee uniformity in the production of standardised outcomes across the franchise, while also bringing down the per unit costs of production.

To optimise the teaching and learning throughout the chain of Omega Schools at minimal operating costs, the Franchise has developed its own uniform curriculum, hired unqualified teachers for minimum wage, and established a teacher-training programme to teach the 'teachers' how to deliver the lesson plans. As Ken Donkoh explains: 'Whatever research or whatever things we develop in terms of curriculum can be shared across a number of schools and that can drive down costs. So that's the second aspect of our model, we've developed our own proprietary curriculum and that ensures that even high school graduates can easily deliver the teaching and learning.' Donkoh further explains that the company has:

> developed lesson plans for the teachers because ideally it takes a very experienced teacher to be able to structure the lesson and design a lesson plan to be able to deliver the needed effect and we don't have that luxury. We can't get experienced quality teachers in the schools so what we've done is hired experienced teachers to write out those lesson plans at the head office and then give them to the schools so that our teachers can read them and just deliver them. These lesson plans come with complementary workbooks for the students.[…] We do this for all subjects, maths, English, science and social studies.

In the production of teaching and learning, the deskilling of teachers' labour has been replaced with standardised lesson plans that can easily be delivered by low-cost high-school graduates, who are supported by a two-week teacher-training programme to prepare unqualified teachers for their part in the production of uniform outcomes. This system has been a way to regiment the entire pedagogical process.

Thus, the 'McDonaldisation' model of education demonstrated by Omega Schools is related to the notion of 'predictability' (Ritzer, 1993), which is offered through uniform products (i.e. the standardisation of services), replication of settings (i.e. 'school-in-a-box') and scripting employee behaviours and interaction with customers (i.e. controlled pedagogical processes).

Brand Reliability

Another aspect of the commercialisation of education associated with Omega Schools' model is the importance placed on 'brand reliability'. This is most notably evident in the research carried out by James Tooley on for-profit education companies working in the low-fee school sector. Tooley explains:

> I was particularly surprised to find the importance of brand name – which many education companies were very keen to promote on billboards and in newspaper, radio and television advertising. From the study, brand name seemed to be particularly important because it helps parents and students overcome the 'information' problem. How do parents know whether they can trust the local entrepreneur who has set up the school? Because he or she is the franchisee for an established educational brand name whose quality control procedures are known and respected throughout the country. (Tooley, 1999, p. 28)

Thus, Tooley sees the recognition of brand name in the business of education as a measure of quality control. That is, a brand name resolves the issue of market 'information' for poor households caught up in the dilemma of which school to choose. Just as billboards, advertisements and other forms of marketing inform consumers about the availability and leading assumptions about their products, brand-name recognition provides a similar form of 'quality assurance' for educational consumers. As Tooley notes in his research: 'With the larger education companies it is clear that the brand name works as it does for other consumer goods and services, reassuring parents and students that high quality is being offered and maintained' (1999, p. 40). Tooley adds that for education companies that intend to increase their profitability they should spend roughly 10% of their income on advertising and promoting its brand name (Tooley, 1999).

Pay-as-you-Learn

Since the commodification of basic educational services for the poor is the underlying premise of Omega's business plan, the company has developed an innovative daily-fee payment system to attract low-income households. Advertised by Omega as 'pay-as-you-learn', this 'innovative all-inclusive no hidden cost daily fee payment system, ensures that we rope in a lot more lower-income families who otherwise may not be able to afford bulk term fees' (Omega website). Within the 'pay-as-you-learn' system families pay a fee of 1.50 Cedis (equivalent to US$0.75) per day per child for classroom services. This amounts to 315 Cedis, or approximately US$160 in annual tuition expenses for a 210-day school year.

In a seminar at Newcastle University Ken Donkoh explained that Omega's 'pay-as-you-learn' business plan is modelled after 'pay-as-you-go' services, and specifically, multinational mobile-phone companies operating in sub-Saharan Africa that have developed low-cost services on a 'pay-as-you-*can-afford'* basis. Donkoh explained that if in a low-income country such as Ghana where roughly 20 million out of 24 million people have become mobile-phone users by purchasing small amounts of credit to gain temporary telecommunication services, before having to pay again, than a similar business model could apply to expand the educational franchise:

> We saw that the poor people usually earn on a daily basis so trying to save up money to pay for a [school] term fee can be difficult because by the time they go to pay the term fee maybe something else came up, maybe their child gets sick or something and they don't have insurance – they don't have any social protection. So if they try saving up for education they end up using it for other purposes. So we felt that since the poor earn on a daily basis we must develop a payment system that allows them to pay on a daily basis.

In turn however, if low-income families use up their daily wages on daily tuition fees because they can't afford to save up for bulk term fees, where will the savings be in times of unexpected health, lodging and emergency situations?

Nonetheless, the daily fee provides Omega students with in-class instruction as well as daily lunches and a scheduled mass deworming. Students are also granted 15 free school days to ensure attendance when households may not be able to pay the daily fee.

While the innovative 'pay-as-you-learn' model has been credited with much of the success and growth of the Omega Schools Franchise, it will undoubtedly also have less impressive consequences. For example, as the 'School Manager' of one Omega School put it: 'The pressure to pay daily fees is the main cause of absenteeism.' Several Omega School Mangers and teachers reported that on any given school day, up to 20% of the student body is absent. One Omega School student expressed her experiences with the 'pay-as-you-learn' model by stating: 'I sell water on the streets one day so I can go to school the next.' This is indicative of the commodification of social relations inherent in Omega Schools' system of education, whereby students are transformed into consumers and the opportunity to 'get an education' is dependent upon one's ability to pay.

Access, Affordability and Equity

Omega Schools Franchise in Ghana is a paradigmatic case to investigate some of the implications of fee-paying for-profit private schools. This section investigates whether or not Omega Schools may be considered 'affordable' for the poorest families in Ghana, or if it represents a case of profiteering. First, Omega Schools' impact on extending initial access to basic education for first-time school goers in Ghana will be discussed.

If Omega Schools plan is to help achieve universal basic education they will have to extend its reach to the 'last 10%' of students in Ghana who still remain excluded from basic schooling (Akyeampong et al, 2012). To determine if Omega Schools could be expected to significantly expand initial access to the 'last 10%' a sample was taken of 437 pupils across four different Omega schools. Each student was asked if Omega was the first school they attended, or if they had been enrolled at a different school prior to Omega. Only 1 out of 437 students questioned said that Omega was their first school. In full 436 out of 437 students had already been enrolled in classes at another school prior to Omega. (Those questioned were students in primary 1, 2 and 3 classes, as well as students in junior high school 1 and 2 classes).

This finding refutes any suggestion that Omega Schools are expanding access to basic education through its provision of low-fee private education. This is because fee-paying private schools like Omega are more an elective for those who can already afford to pay their way into public or private school, rather than be a system for expanding initial access to the most marginalised students who remain excluded from any type of schooling. Looking at tuition fees in relation to average household income further supports this point.

Currently, the 20 Omega Schools operating in Ghana are clustered in peri-urban localities in the Greater Accra and Central regions. The Greater Accra region has the highest annual household income in the country with an average of 1529 Cedis while the Central region has the third highest average of 1310 Cedis (GSS, 2008). The poorest 5% in Greater Accra and the poorest 7% in Ghana's Central region earn, on average, an annual household income of 728 Cedis (GSS, 2008). If we were to take an annual household income of 728 Cedis in relation to school costs of 1.50 Cedis per day x 210 schools days in a year, it would cost 315 Cedis or 43% of a family's annual household income to send one child to an Omega School for one year. If we were to make a similar calculation using the average annual household income in all of Ghana (which is 1217 Cedis), families would have to spend 26% of their household income on education expenditures for one child. Most families in Ghana have more than one child. Low-income households in Ghana cannot afford to pay upwards of 40% of their earnings on educational expenditures for only one child, while other basic necessities such as food, health and shelter must also be met.

In fact, the allegation that Omega Schools are 'low-fee' is highly misplaced. Srivastava (2007a, 2007b) has defined 'low-fee' private schools as those that charge a monthly fee of about one day's earnings of a daily-wage labourer at the primary and junior levels. In Ghana the minimum daily wage is set at 5.24 Cedis, about US$2.45, which is significantly lower than what Omega students pay over a one-month term. Comparing fee levels to income suggests Omega Schools are not 'low-fee', 'budget' or 'affordable' options for the poorest families in Ghana at all. This 'low-fee' private-school model is still far out of reach for the 'last 10%' who still remain out of school in Ghana.

This chapter adds to the research on low-cost private schools and their limitations accommodating the poorest students in low-income countries (Probe, 1999; Watkins, 2004; Rose & Adelabu, 2007; Srivastava & Walford, 2007). It is clear that Omega Schools are not extending access to first-time school users because of the high cost of fees levied. For impoverished families in Ghana, the key factor that prevents access to education is the cost associated with sending children to school (Akyeampong et al, 2012) – a barrier apparently unforeseen by Tooley and Donkoh, who maintained that Omega Schools were geared towards 'those at the bottom of the economic pyramid' (Omega website).

Unsubsidised and fee-paying for-profit providers like Omega 'cannot serve the poor and poorest if they depend on revenue from the communities they serve' (Lewin, 2007, p. 3). Despite Omega's innovative 'pay-as-you-learn' model, and a scholarship fund to support some of the poorest households, it appears at this point that the franchise will have an insignificant impact on extending basic educational services to the 'last 10%' still excluded from school in Ghana. The lowest-income households in Ghana cannot afford to pay 'low-fee' private-school companies up to 40% of their earnings without making dramatic sacrifices that would affect available resources for other basic necessities.

As a concerned mother of an Omega student said: 'Every Cedi I spend on school fees, takes away from the little money I have to feed my family. This is a struggle we face everyday.'

The growth of fee-paying privately held chains of schools like Omega have equity implications that may result in more social differentiation, inequality and polarisation than currently already exists in 'developing' contexts like Ghana (Adea-Mensah, 2000; Lewin, 2007).

Beyond the falsity that Omega schools are 'affordable' for the poorest households in Ghana, another systematic boundary that limits their ability to expand initial access is the location where schools have been established. Omega schools have not been set up in communities where provision is absent, but rather in communities that can more effectively ensure the economic sustainability of the for-profit institution. For example, in the Ga South District in the Greater Accra region where Omega has established six of its schools in close proximity to one another, an official at the District Assembly Education Office explained to me that in 2009 there were 366 private registered schools in the district and by February 2013 that number rose to 598. So if Omega intends to expand the educational franchise in areas where it is now absent, why build clusters of schools in communities where competition between schools is already high? This is as much based on business planning as it is education planning (Figure 1). As the Director of Private Schooling in Ghana explained:

> Unfortunately, the private schools that are coming on board are clustered in urban centres. This is because those low cost or low fee private schools do it as a business enterprise, so they go to communities that can afford to pay. So those children in the villages, in the remote areas – what will be their fate?

The Omega Schools Franchise, and the low-fee private-school sector more generally, are advertised as a way to supplement existing state provision and achieve 'Education For All' goals. However, as Lewin argues:

> Only States can make a reality of the delivery rights to populations, especially those marginalized by poverty. Universal free primary education – the EFA commitment – is essentially a state responsibility. The for-profit private sector has no essential interest delivering free services, and no obligation to provide education to the poor and ultra poor, HIV orphans, excluded girls and those with special needs. (Lewin 2007, p. 2)

Omega's for-profit model is a 'bottom of the pyramid' strategy intended to produce a high volume of services at a low cost, rather than be a method to extend educational services to marginalised groups who otherwise would not have had the right to entry.

The findings presented in this section demonstrate that in its current form Omega's 'low-fee' private schools for the poor are likely to exclude the 'last 10%' who already remain out of school in Ghana, while having little to no significant impact on expanded initial access due to the imposition of *un*-affordable fees and a for-profit business model in the place of an emancipatory education model.

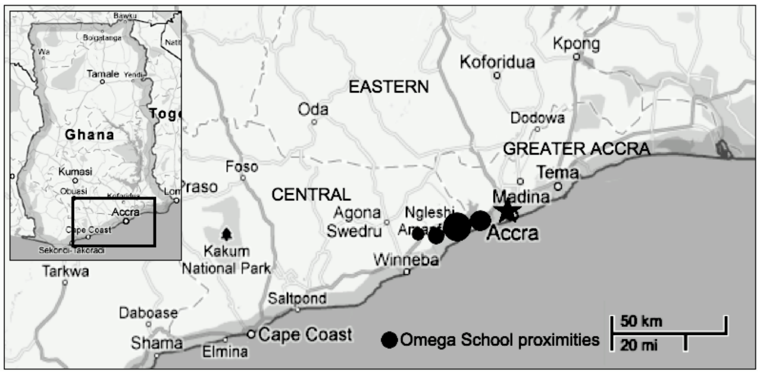

Figure 1. Proximity of Omega Schools in Ghana.

Conclusion

Omega Schools is initiating plans to expand its franchise beyond Ghana and into West African markets including Sierra Leone, Liberia, Nigeria and the Gambia, with plans to 'grow too as many as 340 schools with 200,000 students by 2020' (Donkoh, 2012). On this scale Omega's chain of low-fee private schools will become an immensely profitable venture, since Omega Schools is 'a very low-margin, high-volume business' which can benefit from economies of scale by providing a high volume of services 'at the lowest cost at an unprecedented scale'. As one blog post stated in admiration of Omega's for-profit venture in education: 'Who would ever have thought that money could be made from educating poor African kids [*sic*]?'

Omega Schools represents an 'experiment' into the feasibility and profitability of a large-scale chain of branded private schools serving the more affluent poor in West Africa. This 'experiment' has been largely 'configured by the power of transnational capital' (Gill, 1995) supplied by Pearson – the world's largest multinational education corporation – which has allowed James Tooley and Ken Donkoh to implement their 'McDonaldisation' of education model based on efficiency, standardisation, consumerism and the exploitation of teachers' labour.

The findings presented in this chapter of a 437-student sample conducted across the Omega Schools chain, has shown that these schools are not extending initial access to basic education for first-time school users. This is directly related to the fees levied within the 'pay-as-you-learn' system. This demonstrates that fee-paying private schools like Omega are more an elective for those who can already afford to pay for some type of schooling, rather than being a method to expand access to the poorest. Omega Schools are not a 'low-fee' option for the 'poorest of the poor'.

The findings from this chapter conclude that Omega Schools are not 'affordable' for the 'last 10%' in Ghana since these households would have to spend upwards of 40% of their total annual income to send one child to an Omega school. This level of expenditure would severely compromise their ability to finance other basic necessities such as clean drinking water, food, shelter and health. Omega Schools' fee-paying for-profit venture aimed at serving the 'poorest of the poor' represents a case of for-profiteering, which exists when one 'makes what is considered an unreasonable profit especially on the sale of essential goods during times of emergency'. And while Ken Donkoh proclaims: 'education is the first bridge out of poverty', the ironic and harmful failure is that the Omega bridge levies a high toll for all those who wish to pass, which is more likely to reproduce poverty, than it can be expected to alleviate it.

Acknowledgements

Although some of this chapter is critical of Omega Schools, I am most grateful to Ken Donkoh for allowing me to conduct research in his schools and for agreeing to be interviewed. This research would not have been possible without his help.

Notes

[1] www.omega-schools.com

[2] http://www.affordable-learning.com

[3] www.pearson.com/news/2012/july/new-pearson-investment-fund-to-enhance-education-opportunity-amo.html

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