

Into Africa: A Funder Embraces a New Way to Educate Some of the Poorest Kids on Earth

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Achieving universal primary education for the world's children is one of the Millennium Development Goals, and it's proven among the toughest efforts to make headway.

A reason for that, says Irene Pritzker, is that governments of poor countries often aren't up to the job. Public funds may not make it to schools because of corruption, and teachers who do get paid may not bother to show up to the classroom. Too often, international assistance for education is wasted because it flows to state agencies. "There is so little accountability and transparency," says Pritzker. Money disappears, and "these children are not reached."

Pritzker is the president of the [IDP Foundation](#) (IDP stands for innovation, development, progress), and for years now, she's been working to bolster low-cost private schools in Ghana.

In that country, as in many developing countries, such schools tend to emerge organically, as local social entrepreneurs move into the void left by government failure. They create informal private schools of wildly varying quality and charge modest tuition fees to stay afloat. So called low-cost private schools (LCPSs) have become a crucial part of the education infrastructure in poor countries and, as Pritzker sees it, such schools can have far more impact when they're able to access capital and outside expertise to improve their operations.

Pritzker became interested in these schools after she and her daughter, Liesel Pritzker Simmons, created the IDP Foundation in 2008. Liesel is the daughter of Robert Pritzker, one of the heirs to the Hyatt hotel fortune, to whom Irene was once married, and the backstory of the IDP foundation is unusual: It was endowed by wealth that Liesel won in a lawsuit after suing her father and the Pritzker family and winning \$500 million in a settlement. She used \$50 million of that to endow the IDP Foundation and Irene took on the job of running it.

Pritzker had long been interested in education as a key to the world's challenges, and she became interested in the work of James Tooley, a British scholar who has extensively studied private education in India, China and Africa. He published a book in 2009 that chronicled how he discovered the hidden world of low-cost private schools and eventually invested in them. That

book was published in the United States by the Cato Institute, a libertarian think tank, and Tooley's ideas have drawn criticism, with some suggesting he has taken the side of market fundamentalists in education debates.

Among the places Tooley worked was Ghana, which has thousands of low-cost private schools, and Pritzker traveled to that country in July 2008 to see what was going on. It was an exciting trip, and within a year, she and the IDP Foundation had plunged into their own effort to support LCPSs in Ghana. The idea was simple: give small loans to these schools to enable them to improve their operations. But there were plenty of obstacles, starting with a total lack of financial literacy on the part of many those who ran the schools.

With a Ghanaian microfinance organization, Sinapi Aba Trust, the foundation put together a pilot program that involved 105 schools and 27,000 children. It offered different loan products, along with extensive training in financial literacy and school management. The pilot program with so-called "IDP Rising Schools" ran for three years, and the results were positive: Loan repayment rates were over 90 percent, and the schools were able to increase enrollment and improve their overall performance. When the pilot was complete, IDP expanded its work, eventually reaching over 300 schools and 78,000 children.

Private education remains controversial in the global development community, which Pritzker thinks has a lot to do with the reputation of western private schools. "People think about elites and the rich," says Pritzker, when in reality low-cost private schools in places like Ghana tend to serve some of the poorest people in the country and "these schools are totally disenfranchised, totally marginalized, and left to struggle on their own."

As for the other image associated with private schools and charters—as a new cash cow for business—Pritzker says that many of the owners of low-cost private schools "barely eke out a living."

One question is whether the scale of low-cost private schools may change going forward, as more attention turns to these schools. Earlier this year, we wrote about how a group of investors, including Bill Gates and Mark Zuckerberg, put \$100 million into a company called Bridge International Academies, a for-profit chain of low-cost schools with a mission to educate 10 million kids by 2025. You can see how ambitions at that level could raise worries that a private model might compete with the ideal of free public education.

As she got into the work of backing low-cost private schools, Pritzker was surprised to find that she had entered an ideological battle over the role of market solutions in solving societal problems. She had never thought of herself as any kind of free marketeer, and she says now that she doesn't see private schools as a preferred alternative to public schools. "I don't argue for the privatization of education at all," she says. "It should be free and provided by the government."

But until that happens, Pritzker believes low-cost private schools can play a crucial role in filling the gap. "We've proven this can work and that there's a market here," she says. "It's replicable, it's scalable, and it's ultimately sustainable." Pritzker also says that low-cost private schools can

and should connect up with government education systems, and IDP Rising Schools have done just done that, bringing in Ghanaian public education officials to help with school management.

The IDP Foundation still makes grants in certain areas, including some local work in Chicago, but Pritzker doesn't think traditional philanthropy is the best solution to the education challenges in developing countries and, overall, she's less and less interested in outright grantmaking. "If someone comes for a grant, I would rather help them create a plan to become sustainable so they don't have to keep looking for grants... I don't want to just be a check-writer."

Pritzker credits her daughter Liesel for getting her focused on impact investing. "At first, I didn't know what she was talking about." Liesel has been involved in this world for a while now, channeling investments through [Blue Haven Initiative](#), which describes itself as a "family office dedicated to investing for-profit and nonprofit capital to advance solutions to social and environmental challenges."