# Outsourcing Service Delivery in a Fragile State: Experimental Evidence from Liberia

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July 30, 2018<sup>‡</sup> (Click here for latest version)

#### **Abstract**

Can outsourcing improve government services in fragile states? To answer this question, we present results from a field experiment to study the Partnership Schools for Liberia program. This program delegated management of 93 public schools — staffed by government teachers and run free of charge to students — to private providers. We randomly assigned treatment at the school level and sampled students from pre-treatment enrollment records to identify the effectiveness of the treatment without confounding the effect of endogenous sorting of pupils into schools. After one academic year, students in outsourced schools scored  $.18\sigma$  higher in English and mathematics than students in control schools. Private providers improved significantly reduced teacher absenteeism ("better management"), but also spent more per student and employed more teachers than control schools ("extra resources"). Nonexperimental mediation analysis suggests better management and extra resources played roughly equal roles in improving student performance. Our design allows us to study heterogeneity across providers: While the highest-performing providers generated increases in learning of  $0.26\sigma$ , the lowest-performing had no impact on learning. In line with program rules, there is no evidence that providers engaged in selective admissions, which was explicitly prohibited. However, one provider shifted pupils from oversubscribed schools and underperforming teachers to other government schools. This provider was the only one whose funding was not linked to the number of students enrolled, and whose contract did not forbid direct dismissal of teachers. These results suggest that using the private sector to improve government services in fragile states is promising, but also highlight the importance of procurement rules and contracting details in aligning public and private interests.

**Keywords:** Public-Private Partnership; Randomized Controlled Trial; School Management **JEL Codes:** I25, I28, C93, L32, L33

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<sup>‡</sup>Corresponding author: Mauricio Romero (mtromero@ucsd.edu). We are grateful to the Minister of Education, George K. Werner, Deputy Minister Romelle Horton, Binta Massaquoi, Nisha Makan, and the Partnership Schools for Liberia (PSL) team, as well as Susannah Hares, Robin Horn, and Joe Collins from Ark EPG for their commitment throughout this project to ensuring a rigorous and transparent evaluation of the PSL program. Thanks to Arja Dayal, Dackermue Dolo, and their team at Innovations for Poverty Action who led the data collection. Avi Ahuja, Dev Patel, and Benjamin Tan provided excellent research assistance. We're grateful to Michael Kremer, Karthik Muralidharan, and Pauline Rose who provided detailed comments on the government report of the independent evaluation of the PSL program. The design and analysis benefited from comments and suggestions from Maria Atuesta, Prashant Bharadwaj, Jeffrey Clemens, Joe Collins, Mitch Downey, Susannah Hares, Robin Horn, Isaac Mbiti, Gordon McCord, Craig McIntosh, Karthik Muralidharan, Owen Ozier, Olga Romero, Santiago Saavedra, Diego Vera-Cossio, and seminar participants at the Center for Global Development and UC San Diego. A randomized controlled trials registry entry is available at: https://www.socialscienceregistry.org/trials/1501 as well as the pre-analysis plan. IRB approval was received from IPA (protocol #14227) and the University of Liberia (protocol #17-04-39) prior to any data collection. UCSD IRB approval (protocol #161605S) was received after the first round of data collection but before any other activities were undertaken. The evaluation was supported by the UBS Optimus Foundation and Aestus Trust. Romero and Sandefur acknowledge financial support from the Central Bank of Colombia through the Lauchlin Currie scholarship and the Research on Improving Systems of Education (RISE) program, respectively. The views expressed here are ours, and not those of the Ministry of Education of Liberia or our funders. All errors are our own.

## 1 Introduction

Fragile states are often unable to deliver basic services to their citizens. Building state capacity is difficult and takes time. Outside efforts to promote stronger institutions often fail (Pritchett & Woolcock, 2004). Influential studies in the 1990s concluded that development aid was least effective in poorly governed states, and advocated directing aid elsewhere (Burnside & Dollar, 2000; Collier & Dollar, 2002). An alternative strategy is to sidestep the bottleneck of weak state capacity in fragile states by outsourcing the provision of public services to private providers (Krasner & Risse, 2014; Collier, 2016). This paper tests the latter approach.

Both theoretical and empirical analyses of outsourcing suggest a need for caution. Theoretically, contracting out the provision of a public good may worsen its quality if contracts are incomplete (Hart, Shleifer, & Vishny, 1997). While contractors have incentives to increase cost-efficiency to maximize profits, they may cut costs legally, through actions that are not in the public's best interest but still within the letter of the contract. Empirically, while outsourcing has delivered better outcomes in some settings (e.g., water services in Argentina (Galiani, Gertler, & Schargrodsky, 2005) and food distribution in Indonesia (Banerjee, Hanna, Kyle, Olken, & Sumarto, 2015)), it has failed to do so in others (e.g., prisons in the U.S. (Useem & Goldstone, 2002) and in Brazil (Cabral, Lazzarini, & de Azevedo, 2013)).

In the case of education, proponents argue that combining public finance with private management has the potential to overcome a trade-off between efficiency and equity (Patrinos, Osorio, & Guáqueta, 2009). On the efficiency side, evidence suggest that private firms (Bloom & Van Reenen, 2010; Bloom, Sadun, & Van Reenen, 2015) and schools (Bloom, Lemos, Sadun, & Van Reenen, 2015; Muralidharan & Sundararaman, 2015) tend to be better managed than their public counterparts. However, fee-charging private schools may increase inequality and induce sorting (Hsieh & Urquiola, 2006; Lucas & Mbiti, 2012; Zhang, 2014). Most of the empirical evidence on outsourcing education to overcome this trade-off comes from the U.S., where charter schools appear to improve learning outcomes when held accountable by a strong commissioning body (Cremata et al., 2013; Woodworth et al., 2017). But there is limited evidence on whether outsourcing education can improve learning levels in developing countries, and particularly in fragile states, where governments have limited capacity to enforce top-down accountability.

In this paper we provide experimental evidence on outsourcing education in Liberia, a low-income country with limited state capacity. The Liberian government is unable to deliver most public goods and services, including universal, high-quality primary education to all children. Net primary enrollment

stood at 38% in 2014, compared to 80% across all low-income countries (World Bank, 2014). We study the Partnership Schools for Liberia (PSL) program, which delegated *management* of 93 public schools (3.4% of all public primary schools, serving 8.6% of students enrolled in public early childhood and primary) to eight different private organizations. Providers received funding on a per-pupil basis. In exchange, they were responsible for the daily management of the schools. These schools were to remain free and non-selective (i.e., providers were not allowed to charge fees or screen students based on ability or other characteristics). PSL school buildings remained under the ownership of the government. Teachers in PSL schools were civil servants, drawn from the existing pool of government teachers.

We study this public-private partnership by randomly assigning existing public schools to be managed by one of several private operators. We randomized treatment within matched pairs of schools (based on infrastructure and geography), which allows us to estimate treatment effects across providers. Since treatment assignment may change the student composition across schools, we sampled students from pretreatment enrollment records. We associate each student with her "original" school, regardless of what school (if any) she attends in later years. The combination of random assignment of treatment at the school level with sampling from a fixed and comparable pool of students allows us to provide clean estimates of the program's intention-to-treat (ITT) effect on test scores, uncontaminated by selection. Program effects could arise from improved teaching, better resources, or peer effects through selection of other students.<sup>1</sup>

The ITT effect on test scores after one year of the program is  $0.18\sigma$  for English and  $0.18\sigma$  for mathematics. These gains do not reflect teaching to the test, as they are also seen in new questions administered only at the end of the school year and in conceptual questions with a new format. The average increase in test scores for each extra year of schooling is relatively low in the control group and equal to  $0.31\sigma$  in English and  $0.28\sigma$  in mathematics. Thus, the treatment effect is equivalent to 0.56 and 0.65 additional years of schooling for English and mathematics. Consistent with the promise that publicly financed, but privately managed schools would improve efficiency without compromising equity, we find no evidence of heterogeneity by students' socio-economic status, gender, or grade. While the experiment was designed to overcome this bias if it occurred, there is also no evidence that providers engaged in student selection: the probability of remaining in a treatment school is unrelated to age, gender, household wealth, or disability.

These gains in test scores reflect a combination of additional inputs and improved management. There is some evidence that both mattered. PSL doubled yearly per-student expenditure (relative to a mean of

<sup>&</sup>lt;sup>1</sup>We focus on the ITT effect, but the treatment-on-the-treated (ToT) effect (i.e., the treatment effect only for students that actually attended a PSL school in 2016/2017) can be computed, under standard assumptions, using the fraction of students originally assigned to treatment schools who are actually in treatment schools at the end of the 2016/2017 schools year (77%) and the fraction of students assigned to control schools who are in treatment schools at the end of the 2016/2017 schools year (0%).

~\$50 in the control group) as part of the program, and some providers independently raised and spent far more.<sup>2</sup> In addition, PSL schools had an average of one teacher per grade compared to 0.78 per grade in traditional public schools. The program also increased management quality, as proxied by time on task. Teachers in PSL schools were 50% more likely to be in school during a spot check (20-percentage-point increase, from a base of 40%) and 43% more likely to be engaged in instruction during class time (15-percentage point increase, from a base of 35%). Non-experimental mediation analysis using observational variation in management, inputs, and teachers suggests at least half of PSL's learning impacts can be explained by better management. Teacher attendance and time on task improved for incumbent teachers, which we interpret as evidence of better management.

While average scores in PSL schools were higher, there is significant heterogeneity across providers. Since each provider was randomly assigned schools in a matched-pair design, we are able to estimate (internally valid) treatment effects for each provider. To account for differences in the specific contexts where each provider operated, we adjust for observed pre-treatment characteristics in a regression framework. To account for the small number of schools run by some providers (and thus noisy estimates), we estimate provider-specific effects using a Bayesian hierarchical model along the lines proposed by Rubin (1981). While the highest-performing providers generated increases in learning of  $0.26\sigma$ , the lowest-performing providers had no impact on learning.

One worry is that improved performance in PSL schools might come at the expense of traditional public schools. Unenrolling students and dismissing teachers may have allowed contractors to boost learning outcomes in their own schools, while imposing negative externalities on the broader school system. In principle, removing under-performing teachers need not have negative spillovers. In practice, dismissed teachers ended up either teaching at other public schools or receiving pay without work (as firing public teachers was almost impossible). Reshuffling teachers is unlikely to raise average performance in the system as a whole, and Liberia already has a tight budget and short supply of teachers (the literacy rate is below 50%). Hence, large dismissal of teachers is unsustainable if the program expands. Similarly, reducing class sizes may be good policy, but shifting students from PSL schools to other schools is unsustainable and may lead us to overstate the scalable impact of the program.

Some providers do engage in behavior that could create these sorts of negative spillovers, and some of this behavior can be explained by differences in contract terms. The largest provider bypassed the

<sup>&</sup>lt;sup>2</sup>This increase is unprecedented in the development literature. Two school grant programs that doubled per-school expenditure (excluding teacher salaries) in India and Tanzania increased per-student expenditure on the order of \$ 3-10 per student (Das et al., 2013; Mbiti et al., 2017). Of 14 programs reviewed by JPAL, no program spent more than \$30 per student (inclusive of all implementation costs). See https://www.povertyactionlab.org/policy-lessons/education/increasing-test-score-performance for details.

competitive procurement process to negotiate a bilateral agreement with the government, and thus was not covered by the same contract as other providers. While other providers were reimbursed on a per pupil basis from a pooled fund, the largest provider was funded by lump-sum grants, and limitations on removing government teachers were stipulated only verbally (every other provider had written limitations in the contract).<sup>3</sup> This provider unenrolled pupils after taking control of schools with large class sizes, and removed 74% of incumbent teachers from its schools.<sup>4</sup>

However, contract differences cannot easily explain all differences in provider behavior. All providers were authorized to cap class sizes, and no provider received payment for enrolling students beyond sixty-five pupils per class. Yet several providers enrolled more students than they were paid for. The Ministry allowed all providers to replace up to 40% of under-performing teachers, yet our results show no discernible effect on teacher exit rates for other providers. Differences in behavior with uniform contracts suggest differences in mission alignment, à la Besley and Ghatak (2005) or Akerlof and Kranton (2005), that may be important when outsourcing public services.

Turning to whether PSL is a good use of scarce funds, we compare the effect of the program to other successful interventions studied in the literature. However, many education interventions have either zero effect or provide no cost data for cost-effectiveness calculations (Evans & Popova, 2016). At present, providers have expressed interest in the program with an offer of a \$50 subsidy per pupil, over and above the Ministry of Education's \$50 expenditure per pupil in all schools. Using this long-term cost target of \$50, learning gains of .18 $\sigma$  on average and even  $0.26\sigma$  for the best-performing providers represent low cost-effectiveness relative to many alternative interventions in the literature (Kremer, Brannen, & Glennerster, 2013). However, Liberia is a challenging environment and cost-effectiveness calculations from other contexts are far from perfect comparisons for this fragile state. Furthermore, it is not clear that traditional schools would have been capable of using additional resources allocated through a different intervention to improve performance.

Managing private providers requires some state capacity, but it may be more feasible to augment the capacity to procure, contract, and manage private providers, than to augment the capacity to provide services directly.<sup>6</sup> Hart et al. (1997) argue that the bigger the adverse consequences of non-contractible

<sup>&</sup>lt;sup>3</sup>Contract differences are endogenous. Thus, we cannot identify whether behavior is different because of unobservable differences in providers' characteristics or differences in contracts.

<sup>&</sup>lt;sup>4</sup>As mentioned above, there is no evidence of selective unenrollment based on observable characteristics.

<sup>&</sup>lt;sup>5</sup>In the first year, providers spent far more than this amount. But if the providers are willing to enter into agreements in which the government pays \$50 per pupil, providers' losses are inconsequential to the government, unless the providers spend more in the first years of the program to prove effectiveness but plan to reduce expenditures once they sign long-term contracts.

<sup>&</sup>lt;sup>6</sup>In the particular case of PSL, the government received support from the Ark Education Partnerships Group for the procurement and contracting process.

quality shading, the stronger the case for governments to provide services directly.<sup>7</sup> Some quality aspects of education are easy to measure (e.g., enrollment and basic learning metrics), but other are harder (e.g., socialization and selection). We provide the first experimental estimates on contracting out *management* of existing public schools in a developing country (for a review on the few existing non-experimental studies see Aslam, Rawal, and Saeed (2017)).<sup>8</sup> While outsourcing management works on average, we find heterogeneity in learning outcomes across providers and that limited state capacity to monitor contractors led to actions that might generate negative spillovers for the broader education system.

Previous studies on public-private partnerships in education have focused on charter schools in the United States, using admission lotteries to overcome endogeneity issues (for a review see Chabrier, Cohodes, and Oreopoulos (2016); Betts and Tang (2014)). But oversubscribed charter schools are different (and likely better) than undersubscribed ones, truncating the distribution of estimated treatment effects (Tuttle, Gleason, & Clark, 2012). We provide treatment effects from across the distribution of outsourced schools in this setting. Relatedly, relying on school lotteries implies that the treatment estimates capture the joint impact of outsourcing *and* the provider. We provide treatment effects across a list of providers, carefully vetted by the government, and show that the provider matters.

Recent theoretical and experimental results have highlighted the role of state capacity in service delivery (Ladner & Persson, 2009; Besley & Persson, 2010; Muralidharan, Niehaus, & Sukhtankar, 2016). We complement these results by showing the strength and weaknesses of outsourcing as an alternative to improve service delivery in the absence of state capacity. Our results highlight that the success of public-private partnerships hinge on the details of the partnership. At least under certain conditions, leveraging the private sector can improve service delivery in fragile states. This is promising. But our results also highlight the importance of procurement rules and contracting details in aligning public and private interests. Contracts are by nature incomplete and subject to regulatory capture; competition requires active encouragement. More theoretical and empirical research is needed to understand how different arrangements of procurement, contracts, and entry and exit dynamics affect the long-term outcomes of public-private partnerships such as this one.

<sup>&</sup>lt;sup>7</sup>Empirically, in cases where quality is easy to measure and to enforce, such as water services (Galiani et al., 2005), outsourcing seems to work. Similarly, for primary health care, where quality is measurable (e.g., immunization and antenatal care coverage), outsourcing improve outcomes in general (Loevinsohn & Harding, 2005). In contrast, for services for which quality is difficult to measure, such as prisons (Useem & Goldstone, 2002; Cabral et al., 2013), outsourcing seems to be detrimental. Contrary to primary health care, there is some evidence that contracting out advanced care (where quality is harder to measure) increases expenditure without increasing quality (Duggan, 2004).

<sup>&</sup>lt;sup>8</sup>A related paper to ours increased the supply of schools through a public-private partnership in Pakistan (Barrera-Osorio et al., 2013). However, it is difficult to disentangle the effect of increasing the supply of schools from the effect of privately provided, but publicly funded schools.

## 2 Experimental design

## 2.1 The program

#### 2.1.1 Context

The PSL program breaks new ground in Liberia by delegating management of government schools and employees to private providers. Nonetheless, a strong role for private actors — such as NGOs and USAID contractors — in providing school meals, teacher support services, and other assorted programs in government schools is the norm, not an innovation. Over the past decade, Liberia's basic education budget has been roughly \$40 million per year (about 2-3% of GDP), while external donors contribute about \$30 million. This distinguishes Liberia from most other low-income countries in Africa, which finance the vast bulk of education spending through domestic tax revenue (UNESCO, 2016). The Ministry spends roughly 80% of its budget on teacher salaries (Ministry of Education - Republic of Liberia, 2017), while almost all of the aid money bypasses the Ministry, flowing instead through an array of donor contractors and NGO programs covering non-salary expenditures. For instance, in 2017 USAID tendered a \$28 million education program to be implemented by a U.S. contractor in public schools over a five year period (USAID, 2017). The net result of this financing system is that many "public" education services in Liberia beyond teacher salaries are provided by non-state actors. On top of that, more than half of children in preschool and primary attend private schools (Ministry of Education - Republic of Liberia, 2016a).

A second broad feature of Liberia's education system, relevant for the PSL program, is its performance: Not only are learning levels low, but access to basic education and progression through school remains inadequate. The Minister of Education has cited the perception that "Liberia's education system is in crisis" as the core justification for the PSL program (Werner, 2017). While the world has made great progress towards universal primary education in the past three decades (worldwide net enrollment was almost 90% in 2015), Liberia has been left behind. Net primary enrollment stood at only 38% in 2014 (World Bank, 2014). Low *net* enrollment is partially explained by an extraordinary backlog of over-age children (see Figure 1): The median student in early childhood education is eight years old and over 60% of 15 years olds are still enrolled in early childhood or primary education (Liberia Institute of Statistics and Geo-Information Services, 2016). Learning levels are low: Only 25% of adult women who finish elementary school can read a complete sentence (Liberia Institute of Statistics and Geo-Information Services, 2014) (there is no information for men).

#### 2.1.2 Intervention

The Partnership Schools for Liberia (PSL) program is a public-private partnership (PPP) for school *management*. The Government of Liberia contracted multiple non-state providers to run ninety-three existing public primary and pre-primary schools.<sup>9</sup> Providers receive funding on a per-pupil basis. In exchange they are responsible for the daily management of the schools.

Eight providers were allocated rights to manage public schools by the government under the PSL program. The organizations are as follows, ordered by the number of schools they manage that are part of the RCT: Bridge International Academies (23 schools), BRAC (20 schools), Omega Schools (19 schools), Street Child (12 schools), More than Me (6 schools), Rising Academies (5 schools), Youth Movement for Collective Action<sup>10</sup> (4 schools), and Stella Maris (4 schools).<sup>11</sup>

Rather than attempting to write a complete contract specifying private providers' full responsibilities, the government opted instead to select organizations it deemed aligned with its mission of raising learning levels. After an open and competitive bidding process led by the Ministry of Education with the support of the Ark Education Partnerships Group (henceforth Ark, a UK charity), the Liberian government selected seven organizations, of which six passed financial due diligence. Stella Maris did not complete this step and, although included in our sample, was never paid. The government made a separate agreement with Bridge International Academies (not based on a competitive tender), but considers Bridge part of the PSL program.

PSL schools remain public schools that should be free of charge and non-selective (i.e., providers are not allowed to charge fees or to discriminate in admissions, for example on learning levels). While PSL schools should be free at all levels, traditional public schools are not fully free. Public primary education is nominally free starting in Grade 1,<sup>13</sup>, but tuition for early childhood education in traditional public

 $<sup>^{9}</sup>$ There are nine grades per school: three early childhood education grades (Nursery, K1, and K2) and six primary grades (grade 1 - grade 6).

<sup>&</sup>lt;sup>10</sup>Youth Movement for Collective Action began the evaluation as "Liberian Youth Network," or LIYONET. The group has since changed its name.

<sup>&</sup>lt;sup>11</sup>Bridge International Academies is managing two additional demonstration schools that were not randomized and are thus not part of our sample. Omega Schools opted not to operate two of their assigned schools, which we treat as non-compliance. Rising Academies opted not to operate one of their assigned schools (which we treat as non-compliance), and was given one non-randomly assigned school in exchange (which is outside our sample). Therefore, the set of schools in our analysis is not identical to the set of schools actually managed by PSL providers.

<sup>&</sup>lt;sup>12</sup>Some agency problems related to contracting out the provision of a public good are alleviated by "mission-matching" (Besley & Ghatak, 2005; Akerlof & Kranton, 2005). At the time of writing, an expansion of the program was underway. Preliminary details from this expansion suggest that there will be some type of results-based accountability, in which part of the providers' payments will be conditional on achieving predetermined milestones.

<sup>&</sup>lt;sup>13</sup>Officially, public schools are free, but in reality most charge informal fees. See Section 3.4 for statistics on these fees.

schools is stipulated at LBD 3,500 per year (about \$38).

PSL school buildings remain under the ownership of the government. Teachers in PSL schools are civil servants, drawn from the existing pool of government teachers. The Ministry of Education's financial obligation to PSL schools is the same as all government-run schools: It provides teachers and maintenance, valued at about USD 50 per student. A noteworthy feature of PSL is that providers receive *additional* funding of USD 50 per student (with a maximum of USD 3,250 or 65 students per grade). Neither Bridge International Academies nor Stella Maris received the extra \$50 per pupil. As mentioned above, Stella Maris did not complete financial due diligence. Bridge International Academies had a separate agreement with the Ministry of Education and relied entirely on direct grants from donors. Providers have complete autonomy over the use of these funds (e.g., they can be used for teacher training, school inputs, or management personnel). As the providers may raise more funds on their own.

Providers must teach the Liberian national curriculum, but may supplement it with remedial programs, prioritization of subjects, longer school days, and non-academic activities. They are also welcome to provide more inputs such as extra teachers, books or uniforms, as long as they pay for them.

The intended differences between treated (PSL) and control (traditional public) schools are summarized in Table 1. First, PSL schools are managed by private organizations. Second, PSL schools were theoretically guaranteed one teacher per grade in each school, plus extra funding. Third, private providers are authorized to cap class sizes. Finally, while both PSL and traditional public schools are free for primary students starting in first grade, public schools charge early-childhood education (ECE) fees.

#### [Table 1 about here.]

#### 2.1.3 What do providers do?

Providers enjoy considerable flexibility in defining the intervention. They are free to choose their preferred mix of, say, new teaching materials, teacher training, and managerial oversight of the schools' day-to-day operations.

Rather than relying on providers' own description of their model — where the incentives to exaggerate may be strong, and activities may be defined in non-comparable ways across providers — we administered a survey module to teachers in all treatment schools, asking if they had heard of the provider, and if so,

<sup>&</sup>lt;sup>14</sup>Providers may spend some of their funds hiring more teachers (or other school staff); thus is possible that some of the teachers in PSL schools are not civil servants. However, this rarely occurred in practice. Only 8% of teachers in PSL schools were paid by providers at the end of the school year. Information interviews with providers indicate that in most cases, the providers are paying these salaries while awaiting placement of the teachers on the government payroll, and they expect to be reimbursed by the government once that occurs.

what activities the provider had engaged in. We summarize teachers' responses in Figure 2, which shows considerable variation in the specific activities and the total activity level of providers.

For instance, teachers reported that two providers (Omega and Bridge) frequently provided computers to schools, which fits with the stated approach of these two international, for-profit firms. Other providers, such as BRAC and Street Child, put slightly more focus on teacher training and observing teachers in the classroom, though these differences were not dramatic. In general, providers such as More than Me and Rising Academies showed high activity levels across dimensions, while teacher surveys confirmed administrative reports that Stella Maris conducted almost no activities in its assigned schools.

#### [Figure 2 about here.]

## 2.1.4 Cost data and assumptions

The government designed the PSL program based on the estimate that it spends roughly \$50 per child on teacher salaries in all public schools, and it planned to continue to do so in PSL schools (Werner, 2017). On top of this, providers would be offered a \$50 per-pupil payment to cover their costs. This cost figure was chosen because \$100 was deemed a realistic medium-term goal for public expenditure on primary education nationwide (Werner, 2017). To locate this in a global context, \$50 is about what was spent per primary pupil by governments in Sierra Leone in 2012, Burundi in 2005, the Central African Republic in 2006, or Guinea in 2008. \$100 is comparable to Lao PDR in 2010, Chad in 2010, Zambia in 2000, or Tanzania in 2007 (World Bank, 2015c, 2015b). The continue to do so in PSL schools (Werner, 2017).

In the first year, providers spent far more than this amount.<sup>18</sup> Ex ante per-pupil budgets submitted to the program secretariat before the school year started (on top of the Ministry's costs) ranged from a low of approximately \$57 for Youth Movement for Collective Action to a high of \$1,050 for Bridge International Academies (see Figure 3a). Ex post per-pupil expenditure submitted to the evaluation team at the end of the school year (on top of the Ministry's costs) ranged from a low of approximately \$48 for Street Child to a high of \$663 for Bridge International Academies (see Figure 3b). These differences in costs are large relative to differences in treatment effects on learning, implying that cost-effectiveness may be driven

<sup>&</sup>lt;sup>15</sup>As shown in Section 3, PSL led to reallocation of additional teaching staff to treatment schools and reduced pupil-teacher ratios in treatment schools, raising the Ministry's per-pupil cost to close to \$70.

<sup>&</sup>lt;sup>16</sup>As noted above, neither Bridge International Academies nor Stella Maris received the extra \$50 per pupil.

 $<sup>^{17}\</sup>mbox{To}$  make expenditures comparable across time, we transform all figures to 2010 US dollars.

<sup>&</sup>lt;sup>18</sup>Several caveats apply to the cost figures here, which are our own estimates based on providers' self-reported budget data, and combine start-up costs, fixed costs, and variable costs. At the time of writing, the most comparable cost data we have access to are providers' *ex ante* budgets, rather than actual expenditures. Five providers submitted (self-reported) data to the evaluation team on actual expenditures at the end of the school year.

largely by cost assumptions.

In principle, the costs incurred by private providers would be irrelevant for policy evaluation in a public-private partnership with this structure. If the providers are willing to make an agreement in which the government pays \$50 per pupil, providers' losses are inconsequential to the government (philanthropic donors have stepped in to fund some providers' high costs under PSL).<sup>19</sup> Thus we present analyses in this report using both the Ministry's \$50 long-term cost target and providers' actual budgets.<sup>20</sup>

Providers' budgets for the first year of the program are likely a naïve measure of program cost, as these budgets combine start-up costs, fixed costs, and variable costs.<sup>21</sup> It is possible to distinguish start-up costs from the other costs as shown in Figure 3, and these make up a small share of the first-year totals for most providers. But it is not possible to distinguish fixed from variable costs in the current budget data. In informal interviews, some providers (e.g., Street Child) profess operating mostly a variable-cost model, implying that each additional school costs roughly the same amount to operate. Others (e.g., Bridge) report that their costs are almost entirely fixed, and unit costs would fall precipitously if scaled; however, we have no direct evidence of this. Our best estimate is that Bridge's international operating cost, at scale, is between \$191 and \$220 per pupil annually.<sup>22</sup>

[Figure 3 about here.]

## 2.2 Experimental design

#### 2.2.1 Sampling and random assignment

Liberia has 2,619 public primary schools. Private providers and the government agreed that potential PSL schools should have at least six classrooms and six teachers, good road access, a single shift, and should

<sup>&</sup>lt;sup>19</sup>These costs matter to the government under at least two scenarios. First, if providers are spending more during the first years of the program to prove effectiveness, they may lower expenditure (and quality) once they have locked in long-term contracts. Second, if private provider's aren't financially sustainable, they may suddenly close schools and disrupt student learning.

<sup>&</sup>lt;sup>20</sup>While some providers relied almost exclusively on the \$50 per child subsidy from the PSL pool fund, others have raised additional money from donors. Notably, Bridge International Academies relied entirely on direct grants from donors and opted not to participate in the competitive bidding process for the \$50 per pupil subsidy which closed in June 2016. However, Bridge did subsequently submit an application for this funding in January 2017, which was not approved, but allows us access to their budget data. Bridge instead followed a bilateral memorandum of understanding (MOU) signed with the government of Liberia (Ministry of Education - Republic of Liberia, 2016b). In practice, they operated as part of the larger PSL program. A noteworthy difference is that Bridge was authorized to cap class sizes somewhere between 45 and 55 students per class, while other providers were authorized to cap them at 65.

<sup>&</sup>lt;sup>2</sup>1 Another possibility is that providers are spending more during the first years of the program to prove effectiveness, but will lower expenditure once they are locked in a long-term contract.

<sup>&</sup>lt;sup>22</sup>In written testimony to the UK House of Commons, Bridge stated that its fees were between \$78 and \$110 per annum in private schools, and that it had approximately 100,000 students in both private and PPP schools (Bridge International Academies, 2017; Kwauk & Robinson, 2016). Of these, roughly 9,000 are in PPP schools and pay no fees. In sworn oral testimony, Bridge co-founder Shannon May stated that the company had supplemented its fee revenue with more than \$12 million in the previous year (May, 2017). This is equivalent to an additional \$120 per pupil, and implies Bridge spends between \$191 and \$220 per pupil at its current global scale.

not contain a secondary school on their premises.<sup>23</sup> Only 299 schools satisfied all the criteria, although some of these are "soft" constraints that can be addressed if the program expands. For example, the government can build more classrooms and add more teachers to the school staff. On average, schools in the experiment are closer to the capital (Monrovia), have more students, greater resources, and better infrastructure.<sup>24</sup> Figure 4a shows all public schools in Liberia and those within our sample. Table A.1 in Appendix A has details on the differences between schools in the experiment and other public schools.

### [Figure 4 about here.]

Two providers, Omega Schools and Bridge International Academies, required schools with 2G connectivity. In addition, each provider submitted to the government a list of the regions they were willing to work in (Bridge International Academies had first pick of schools). Based on preferences and requirements the list of eligible schools was partitioned across providers. Then, we paired schools in the experiment sample within each district according to a principal component analysis (PCA) index of school resources. This pairing stratified treatment by school resources within each private provider, but not across providers. We gave a list of "counterparts" to each provider based on their location preferences and requirements, so that each list had twice the number of schools they were to operate. Once each provider approved this list, we randomized the treatment assignment within each pair. Appendix B.7 has details on the geographical distribution of the difference in school characteristics across providers. In short, schools are assigned to a provider, then paired, and then randomly assigned to treatment or control.

Private providers did not manage all the schools originally assigned to treatment and we treat them as non-compliant, presenting results in an intention-to-treat framework. After providers visited their assigned schools to start preparing for the upcoming school year, two treatment schools turned out to be private schools that were incorrectly labeled in the EMIS data as public schools. Two other schools had only two classrooms each. Of these four schools, two had originally been assigned to More Than Me and two had been assigned to Street Child. Omega Academies opted not to operate two of their assigned

<sup>&</sup>lt;sup>23</sup>Additionally, a few schools were added to the list at the request of Bridge International Academies. Some of these schools had double shifts.

<sup>&</sup>lt;sup>24</sup>While schools in the RCT generally have better facilities and infrastructure than most schools in the country, they still have deficiencies. For example, the average school in Liberia has 1.8 permanent classrooms — the median school has zero permanent classrooms — while the average school in the RCT has 3.16 classrooms.

<sup>&</sup>lt;sup>25</sup>We calculated the index using the first eigenvector of a principal component analysis that included the following variables: students per teacher; students per classroom; students per chair; students per desk; students per bench; students per chalkboard; students per book; whether the school has a permanent building; whether the school has piped water, a pump or a well; whether the school has a toilet; whether the school has a staff room; whether the school has a generator; and the number of enrolled students.

<sup>&</sup>lt;sup>26</sup>There is one triplet due to logistical constraints in the assignment of schools across counties, which resulted in one extra treatment school.

schools and Rising Academies opted not to operate one of their assigned schools. In short, there are 7 non-compliant treatment schools.<sup>27</sup> Figure 4b shows the treatment assignment.

Treatment assignment may change the student composition across schools. Thus, to prevent differences in the composition of students from driving differences in test scores, we sampled 20 students per school (from K1 to grade 5) from enrollment logs from 2015/2016, the year before the treatment was introduced. We associate each student with his or her "original" school, regardless of what school (if any) he or she attended in subsequent years. The combination of random treatment at the school level with sampling from a fixed and comparable pool of students allows us to provide clean estimates of the program's intention-to-treat (ITT) effect on test scores within the student population originally attending study schools, uncontaminated by selection.

#### 2.2.2 Timeline of research and intervention activities

We collected data in schools twice: At the beginning of the school year in September/October 2016 and at the end of the school year in May/June 2017. A third round of data collection will take place in March/April 2019 conditional on continuation of the project and preservation of the control group (see Figure A.1 in Appendix A for a detailed timeline of intervention and research activities). We collected the first round of data 2 to 8 weeks after the beginning of treatment. While we intended the first survey wave to serve as a baseline, logistical delays led it to take place shortly after the beginning of the school year. We see evidence of treatment effects within this 1-2 month time frame and treat this early wave as a very short-term outcome survey. We do not use techniques like ANCOVA or difference-in-differences that consider these outcomes to be balanced.<sup>28</sup> We focus on fixed covariates and administrative data collected

<sup>&</sup>lt;sup>27</sup>More than Me and Street Child were provided with replacement schools, presenting them with a new list of counterparts and informing them, as before, that they would operate one of each pair of schools (but not which one). Providers approved the list before we randomly assigned replacement schools from it. However, we do not use this list as our main sample since it is not fully experimental. We analyzed results for this "final" treatment and control school list, and they are almost identical to the results for the "original" list — perhaps unsurprisingly, given that they only differ by four pairs of schools. Results for this final list of treatment and control schools are available upon request. Bridge International Academies is managing two extra demonstration schools that were not randomized and are not part of our sample. Rising Academies was given one non-randomly assigned school, which is not part of our sample either. Therefore, the set of schools in our analysis is not identical to the set of schools actually managed by PSL providers. For details on school allocation, see Appendix B.8 which contains a complete list of the schools related to the PSL program. Table A.2 summarizes the overlap between schools in our main sample and the set of schools actually managed by PSL providers.

<sup>&</sup>lt;sup>28</sup>Our pre-analysis plan was written on the assumption we would be able to collect baseline data. Hence, the pre-analysis plan includes an ANCOVA specification along with the main specifications we use in this paper. We report these results in Table A.4 in Appendix A. We view the differences in short-term outcomes as treatment effects rather than "chance bias" in randomization for the following reasons. First, time-invariant student characteristics are balanced across treatment and control (see Table 2). Second, the effects on English and math test scores appear to materialize in the later weeks of the fieldwork, as shown in Figure A.2, consistent with a treatment effect rather than imbalance. Third, there is no significant effect on abstract reasoning, which is arguably less amenable to short-term improvements through teaching (although the difference between a significant English/math effect and an insignificant abstract reasoning effect here is not itself significant). We report the ANCOVA style specification results in Table A.4 in Appendix A.

before the program began when checking balance between treatment and control schools to verify whether treatment was truly randomly assigned (see Section 2.2.5).

#### 2.2.3 Test design

In our sample, literacy cannot be assumed at any grade level, precluding the possibility of written tests. We opted to conduct one-on-one tests in which an enumerator sits with the student, asks questions, and records the answers.<sup>29</sup> For the math portion of the test, we provided students with scratch paper and a pencil. We designed the tests to capture a wide range of student abilities. To make the test scores comparable across grades we constructed a single adaptive test for all students. The test has stop rules that skip higher-order skills if the student is not able to answer questions related to more basic skills. Appendix A.3 has details on the construction of the test.

We estimate an item response theory (IRT) model for each round of data collection.<sup>30</sup> IRT models are the standard in the assessments literature for generating comparative test scores.<sup>31</sup> There are two important and relevant characteristics of IRT models in this setting: First, they simultaneously estimate the test taker's ability and the difficulty of the questions, which allows the contribution of "correct answers" to the ability measure to vary from question to question. Second, they provide a comparable measure of student ability across different grades and survey rounds, even if the question overlap is imperfect. A common scale across grades allows us to estimate treatment effects as additional years of schooling. Following standard practice, we normalize the IRT scores with respect to the control group.

#### 2.2.4 Additional data

We surveyed all the teachers in each school and conducted in-depth surveys with those teaching math and English. We asked teachers about their time use and teaching strategies. We also obtained teacher opinions on the PSL program. For a randomly selected class within each school, we conducted a class-room observation using the Stallings Classroom Observation Tool (World Bank, 2015a). Furthermore,

<sup>&</sup>lt;sup>29</sup>In addition, school-based tests would be contaminated by any effects arising from shifts in enrollment and attendance due to treatment.

<sup>&</sup>lt;sup>30</sup>The overlap between rounds of data collection is small, and therefore we do not estimate the same IRT model across rounds.

<sup>&</sup>lt;sup>31</sup>For example, IRT models are used to estimate students' ability in the Graduate Record Examinations (GRE), the Scholastic Assessment Test (SAT), the Program for International Student Assessment (PISA), the Trends in International Mathematics and Science Study (TIMSS), and the Progress in International Reading Literacy Study (PIRLS) assessments. The use of IRT models in the development and education literature in economics is less prevalent, but becoming common: For example, see Das and Zajonc (2010); Andrabi, Das, Khwaja, and Zajonc (2011); Andrabi, Das, and Khwaja (2017); Singh (2015b, 2016); Muralidharan, Singh, and Ganimian (2016); Mbiti et al. (2017). Das and Zajonc (2010) provide a nice introduction to IRT models, while van der Linden (2017) provides a full treatment of IRT models.

we conducted school-level surveys to collect information about school facilities, the teacher roster, input availability (e.g., textbooks) and expenditures.

Enumerators collected information on some school practices. Specifically, enumerators recorded whether the school has an enrollment log and what information it stores; whether the school has an official time table and whether it is posted; whether the school has a parent-teacher association (PTA) and if the principal knows the PTA head's contact information (or where to find it); and whether the school has a written budget and keeps a record (and receipts) of past expenditures.<sup>32</sup> Additionally, we asked principals to complete two commonly used human resource instruments to measure individuals' "intuitive score" (Agor, 1989) and "time management profile" (Schermerhorn, Osborn, Uhl-Bien, & Hunt, 2011).

For the second wave of data collection, we surveyed a random subset of households from our student sample, recording household characteristics and attitudes of household members. We also gathered data on school enrollment and learning levels for all children 4-8 years old living in these households.

#### 2.2.5 Balance and attrition

As mentioned above, the first wave of data was collected 2 to 8 weeks after the beginning of treatment; hence, we focus on time-invariant characteristics (fixed covariates) when checking balance across treatment and control. Observable (time-invariant) characteristics of students and schools are balanced across treatment and control (see Table 2). Eighty percent of schools in our sample are in rural areas, over an hour away from the nearest bank (which is usually located in the nearest urban center); over 10% need to hold some classes outside due to insufficient classrooms. Boys make up 55% of our students and the students' average age is 12. According to pre-treatment administrative data (EMIS), the number of students, infrastructure, and resources available to students were not statistically different across treatment and control schools (for details, see Table A.3 in Appendix A).

We took great care to avoid differential attrition: enumerators conducting student assessments participated in extra training on tracking and its importance, and dedicated generous time to tracking. Students were tracked to their homes and tested there when not available at school. Attrition in the second wave of data collection from our original sample is balanced between treatment and control and is below 4% overall (see Panel C). Appendix A.2 has more details on the tracking and attrition that took place in each round of data collection.

<sup>&</sup>lt;sup>32</sup>While management practices are difficult to measure, previous work has constructed detailed instruments to measure them in schools (e.g., see Bloom, Lemos, et al. (2015); Crawfurd (in press); Lemos and Scur (2016)). Due to budget constraints, we checked easily observable differences in school management.

## 3 Experimental results

In this section, we first explore how the PSL program affected access to and quality of education. We then turn to mechanisms, looking at changes in material inputs, staffing, and school management.<sup>33</sup>

#### 3.1 Test scores

Following our pre-analysis plan, we report treatment-effect estimates based on three specifications. The first specification amounts to a simple comparison of post-treatment outcomes for treatment and control individuals, in which  $Y_{isg}$  is the outcome of interest for student i in school s and group g (denoting the matched pairs used for randomization);  $\alpha_g$  is a matched-pair fixed effect (i.e., stratification-level dummies);  $treat_s$  is an indicator for whether school s was randomly chosen for treatment; and  $\varepsilon_{isg}$  is an error term.

$$Y_{isg} = \alpha_g + \beta_1 treat_s + \varepsilon_{isg}$$
 (1)

$$Y_{isg} = \alpha_g + \beta_2 treat_s + \gamma_2 X_i + \delta_2 Z_s + \varepsilon_{isg}$$
 (2)

$$Y_{isg} = \alpha_g + \beta_3 treat_s + \gamma_3 X_i + \delta_3 Z_s + \zeta_3 Y_{isg,-1} + \varepsilon_{isg}$$
(3)

The second specification adds controls for time-invariant characteristics measured at the individual level  $(X_i)$  and school level  $(Z_s)$ .<sup>34</sup> Finally, in equation (3) we use an ANCOVA specification (i.e., controlling for pre-treatment individual outcomes). However, as mentioned before, the first wave of data was collected after the beginning of treatment, so we lack a true baseline of student test scores. <sup>35</sup>.

Table 3 shows results from student tests. The first three columns show differences between control and treatment schools' test scores after 1-2 months of treatment (September/October 2016), while the last three columns show the difference after 9-10 months of treatment (May/June 2017). After 1-2 months of treatment student test scores increase by  $0.06\sigma$  in math (p-value=0.07) and  $0.07\sigma$  in English (p-value=0.03). Part of these short-term improvements can be explained by the fact that most providers started the school year on time, while most traditional public schools began classes 1-4 weeks later. Hence, most students

 $<sup>^{33}\</sup>mathrm{A}$  randomized controlled trial registry entry and the pre-analysis plan, are available at: https://www.socialscienceregistry.org/trials/1501.

<sup>&</sup>lt;sup>34</sup>These controls were specified in the pre-analysis plan and are listed in Table A.14.

<sup>&</sup>lt;sup>35</sup>We report an ANCOVA-style specification in Table A.4 in Appendix A, and the results are still statistically significant, but mechanically downward biased.

were already attending classes on a regular basis in treatment schools during our field visit, while their counterparts in control schools were not. In addition, we estimate the treatment effect separately for students tested during the first and the second half of the first round of data collection (see Figure A.2 in Appendix A), and show that the treatment effects fade in during the course of field work.

In our preferred specification (Column 6) the treatment effect of PSL after one academic year is .18 $\sigma$  for English (p-value < 0.001) and .18 $\sigma$  for math (p-value < 0.001). We focus on the ITT effect, but the treatment-on-the-treated (ToT) effect (i.e., the treatment effect only for students that actually attended a PSL school in 2016/2017) can be computed using the fraction of students originally assigned to treatment schools who are actually in treatment schools at the end of the 2016/2017 schools year (77%) and the fraction of students assigned to control schools who are in treatment schools at the end of the 2016/2017 schools year (0%). For details, see Table A.6 in Appendix A which shows both the ITT and the ToT. Our results are robust to different measures of student ability (see Table A.7 in Appendix A for details).

#### [Table 3 about here.]

An important concern when interpreting these results is whether they represent real gains in learning or better test-taking skills resulting from "teaching to the test". We show suggestive evidence that these results represent real gains. First, the treatment effect over new modules that were not in the first wave test (and unknown to the providers or the teachers) is significant ( $.19\sigma$ , p-value < 0.001), and statistically indistinguishable from the treatment effect over all the items ( $.19\sigma$ , p-value < 0.001). Second, the treatment effect over the conceptual questions (which do not resemble the format of standard textbook exercises) is positive and significant ( $.12\sigma$ , p-value .0013). However, we cannot rule out that providers narrowed the curriculum by focusing on English and mathematics or, conversely, that they generated learning gains in other subjects that we did not test. We find no evidence of heterogeneity by students' socio-economic status, gender, or grade (see Table A.5 in Appendix A).

Although reporting the impact of interventions in standard deviations is the norm in the education and experimental literature, we also report results as "equivalent years of schooling" (EYOS) following Evans and Yuan (2017). Results in this format are easier to communicate to policymakers and the general public, by juxtaposing treatment effects with the learning from business-as-usual schooling. In our data the average increase in test scores for each extra year of schooling in the control group is  $.31\sigma$  in English and  $.28\sigma$  in math. Thus, the treatment effect is roughly 0.56 EYOS for English and 0.65 EYOS for math. See Appendix B.5 for a detailed explanation of the methodology to estimate EYOS, and a comparison of

EYOS and standard deviation across countries. Additionally, Appendix B.6 shows absolute learning levels in treatment and control schools for a subset of the questions that are comparable to other settings, to allow direct comparisons with learning levels in other countries. Despite the positive treatment effect of the program, students in treatment schools are still behind their international peers.

### 3.2 Enrollment, attendance, and student selection

The previous section showed that education quality, measured in an ITT framework using test scores, increases in PSL schools. We now ask whether the PSL program increases access to education. To explore this question we focus on three outcomes which were committed to in the pre-analysis plan: Enrollment, student attendance, and student selection. PSL increased enrollment overall, but in schools where enrollment was already high and classes were large, the program led to a significant decline in enrollment. This does not appear to be driven by selection of "better" students, but by providers capping class sizes and eliminating double shifts.<sup>36</sup> As shown in Section 5.4, almost the entirety of this phenomenon is explained by Bridge International Academies.

Enrollment changes across treatment and control schools are shown in Panel A of Table 4. There are a few noteworthy items. First, treatment schools are slightly larger before treatment: They have 34 (p-value .094) students more on average before treatment.<sup>37</sup> Second, PSL schools have on average 57 (p-value < 0.001) more students than control schools in the 2016/2017 academic year, which results in a net increase (after controlling for pre-treatment differences) of 25 (p-value .088) students per school.<sup>38</sup>

Since provider compensation is based on the number of students enrolled rather than the number of students actively attending school, increases in enrollment may not translate into increases in student attendance. An independent measure of student attendance conducted by our enumerators during a spot check shows that students are 16 (p-value < 0.001) percentage points *more* likely to be in school during class time in treatment schools (see Panel A, Table 4).

Turning to the question of student selection, we find no evidence that any group of students is systematically excluded from PSL schools. The proportion of students with disabilities is not statistically different

<sup>&</sup>lt;sup>36</sup>Three Bridge International Academies treatment schools (representing 28% of total enrollment in Bridge treatment schools) had double shifts in 2015/2016, but not in 2016/2017. One Omega Schools treatment school (representing 7.2% of total enrollment in Omega treatment schools) had double shifts in 2015/2016, but not in 2016/2017. The MOU between Bridge and the Ministry of Education explicitly authorized eliminating double shifts (Ministry of Education - Republic of Liberia, 2016b).

<sup>&</sup>lt;sup>37</sup>Table A.3 uses EMIS data, while Table 4 uses data independently collected by IPA. While the difference in enrollment in the 2015/2016 academic year is only significant in the latter, the point estimates are remarkably similar across both tables.

<sup>&</sup>lt;sup>38</sup>Once the EMIS data for the 2016/2017 school year are released, we will reexamine this issue to study whether increases in enrollment come from children previously out-of-school or from children previously enrolled in other schools.

in PSL schools and control schools (Panel A, Table 4).<sup>39</sup> Among our sample of students (i.e., students sampled from the 2015/2016 enrollment log), students are equally likely across treatment and control to be enrolled in the same school in the 2016/2017 academic year as they were in 2015/2016, and equally likely to be enrolled in any school (see Panel B, Table 4). Finally, selection analysis using student-level data on wealth, gender, and age finds no evidence of systematic exclusions (see Table A.8 in Appendix A).

#### [Table 4 about here.]

Providers are authorized to cap class sizes, which could lead to students being excluded from their previous school (and either transferred to another school or to no school at all). We estimate whether the caps are binding for each student by comparing the average enrollment prior to treatment in her grade cohort and the two adjacent grade cohorts (i.e., one grade above and below) to the theoretical class-size cap under PSL. We average over three cohorts because some providers used placement tests to reassign students across grade levels. Thus the "constrained" indicator is defined by the number of students enrolled in the student's 2016/2017 "expected grade" (as predicted based on normal progression from their 2015/2016 grade) and adjacent grades, divided by the "maximum capacity" in those three grades in 2016/2017 (as specified in our pre-analysis plan):

$$c_{igso} = \frac{Enrollment_{is,g-1} + Enrollment_{is,g} + Enrollment_{is,g+1}}{3*Maximum_o},$$

where  $c_{igso}$  is our "constrained" measure for student i, expected to be in grade g in 2016/2017, at school s, in a "pair" assigned to provider o.  $Enrollment_{is,g-1}$  is enrollment in the grade below the student's expected grade,  $Enrollment_{is,g}$  is enrollment in the student's expected grade, and  $Enrollment_{is,g+1}$  is enrollment in the grade above the student's expected grade.  $Maximum_o$  is the class cap approved for provider o. We label a grade-school combination as "constrained" if  $c_{igso} > 1$ .

Enrollment in constrained school-grades decreases, while enrollment in unconstrained school-grades increases (see Column 1 in Table 5). Thus, schools far below the cap have positive treatment effects on enrollment and schools near or above the cap offset it with declining enrollment. Our student data reveal this pattern as well: Columns 2 and 3 in Table 5 show the ITT effect on enrollment depending on whether students were enrolled in a constrained class in 2015/2016. In unconstrained classes students are more likely to be enrolled in the same school (and in any school). But in constrained classes students are less

<sup>&</sup>lt;sup>39</sup>The fraction of students identified as disabled in our sample is an order of magnitude lower than estimates for the percentage of disabled students in the U.S and worldwide using roughly the same criteria (both about 5%) (Brault, 2011; UNICEF, 2013).

likely to be enrolled in the same school. While there is no effect on overall school enrollment, switching schools may be disruptive for children (Hanushek, Kain, & Rivkin, 2004). Finally, test-scores improve for students in constrained classes. This result is difficult to interpret as it includes the positive treatment effect over students who did not change schools (possibly compounded by smaller class sizes) with the effect over students removed from their schools. These results are robust to excluding adjacent grades from the "constrained" measure (see Table A.9 in Appendix A).

[Table 5 about here.]

### 3.3 Intermediate inputs

In this section we explore the effect of the PSL program on school inputs (including teachers), school management (with a special focus on teacher behavior and pedagogy), and parental behavior.

#### 3.3.1 Inputs and resources

Teachers, one of the most important inputs of education, change in several ways (see Panels A/B in Table 6). PSL schools have 2.6 more teachers on average (p-value < 0.001), but this is not merely the result of operators hiring more teachers. Rather, the Ministry of Education agreed to release some underperforming teachers from PSL schools, 40 replace those teachers, and provide additional ones. Ultimately, the extra teachers result in lower pupil-teacher ratios (despite increased student enrollment). This re-shuffling of teachers means that PSL schools have younger and less-experienced teachers, who are more likely to have worked in private schools in the past and have higher test scores (we conducted a simple memory, math, word association, and abstract thinking test). While the program's contracts made no provisions to pay teachers differently in treatment and control schools, teachers in PSL schools report higher wages. However large unconditional increases in teacher salaries have been shown elsewhere to have no effect on student performance in the short run (de Ree, Muralidharan, Pradhan, & Rogers, 2015).

Our enumerators conducted a "materials" check during classroom observations (See Panels C - Table 6). Since we could not conduct classroom observations in schools that were out of session during our visit, Table A.10 in Appendix A presents Lee (2009) bounds on these treatment effects (control schools are

<sup>&</sup>lt;sup>40</sup>Once the EMIS data for the 2016/2017 school year are released, we will reexamine this issue to study whether teachers who were fired were allocated to other public schools. While the majority of released teachers are on the government's payroll, some of the dismissed teachers are thus they have not necessarily been assigned to other public schools.

<sup>&</sup>lt;sup>41</sup>Replacement and extra teachers are recent graduates from the Rural Teacher Training Institutes. See King, Korda, Nordstrum, and Edwards (2015) for details on this program.

more likely to be out of session). Conditional on the school being in session during our visit, students in PSL schools are 23 percentage points (p-value < 0.001) more likely to have a textbook and 8.2 percentage points (p-value .049) more likely to have writing materials (both a pen and a copybook). However, we cannot rule out that there is no overall effect as zero is between the Lee (2009) bounds.

#### [Table 6 about here.]

### 3.3.2 School management

Two important management changes are shown in Table 7: PSL schools are 8.7 percentage points more likely to be in session (i.e., the school is open, students and teachers are on campus, and classes are taking place) during a regular school day (p-value .057), and have a longer school day that translates into 3.9 more hours per week of instructional time (p-value < 0.001). In addition, although principals in PSL schools have scores in the "intuitive" and "time management profile" scale that are almost identical to their counterparts in traditional public schools, they spend more of their time on management-related activities (e.g., supporting other teachers, monitoring student progress, meeting with parents) than actually teaching, suggesting a change in the role of the principal in these schools — perhaps as a result of additional teachers, principals in PSL schools did not have to double as teachers. Additionally, management practices (as measured by a PCA index<sup>42</sup> normalized to a mean of zero and standard deviation of one in the control group) are  $.4\sigma$  (p-value < 0.001) higher in PSL schools. This effect size can be viewed as a boost for the average treated school from the 50th to the 66th percentile in management practices.

#### [Table 7 about here.]

#### 3.3.3 Teacher behavior

An important component of school management is teacher accountability and its effects on teacher behavior. As mentioned above, teachers in PSL schools are drawn from the pool of unionized civil servants with lifetime appointments and are paid directly by the Liberian government. In theory, private providers have limited authority to request teacher reassignments and no authority to promote or dismiss civil service teachers. Thus, a central hypothesis underlying the PSL program is that providers can hold teachers

<sup>&</sup>lt;sup>42</sup>The index includes whether the school has an enrollment log and what information is in it, whether the school has an official time table and whether it is posted, whether the school has a parent-teacher association (PTA) and whether the principal has the PTA head's number at hand, and whether the school keeps a record of expenditures and a written budget. Table A.11 has details on every component of the good practices index.

accountable through monitoring and support, rather than rewards and threats.<sup>43</sup>

To study teacher behavior, we conducted unannounced spot checks of teacher attendance and collected student reports of teacher behavior (see Panels A/B in Table 8). Also, during these spot checks we used the Stallings classroom observation instrument to study teacher time use and classroom management (see Panel C in Table 8).

Teachers in PSL schools are 20 percentage points (p-value < 0.001) more likely to be in school during a spot check (from a base of 40%) and the unconditional probability of a teacher being in a classroom increases by 15 percentage points (p-value < 0.001). Our spot checks align with student reports on teacher behavior. According to students, teachers in PSL schools are 7.6 percentage points (p-value < 0.001) less likely to have missed school the previous week. In addition, students in PSL schools also report that teachers are 6.6 percentage points (p-value .0099) less likely to hit them.

Classroom observations also show changes in teacher behavior and pedagogical practices. First, teachers in PSL schools are 15 percentage points (p-value .0023) more likely to engage in either active instruction (e.g., teacher engaging students through lecture or discussion) or passive instruction (e.g., students working in their seat while the teacher monitors progress) and 25 percentage points (p-value < 0.001) less likely to be off-task.<sup>44</sup> Although these are considerable improvements, the treatment group is still far off the Stallings et al. (2014) good practice benchmark of 85 percent of total class time used for instruction, and below the average time spent on instruction across five countries in Latin America (Bruns & Luque, 2014).

#### [Table 8 about here.]

These estimates combine the effects on individual teacher behavior with changes to teacher composition. To estimate the treatment effect on teacher attendance over a fixed pool of teachers, we perform additional analyses in Appendix A using administrative data (EMIS) to restrict our sample to teachers who worked at the school the year before the intervention began (2015/2016). We treat teachers who no longer worked at the school in the 2016/2017 school year as (non-random) attriters and estimate Lee (2009) bounds on the treatment effect. Table A.10 in Appendix A shows an ITT treatment effect of 14 percentage points (p-value < 0.001) on teacher attendance. Importantly, zero is not part of the Lee (2009) bounds for this effect. This aligns with previous findings showing that management practices have significant

<sup>&</sup>lt;sup>43</sup>While providers could have provided teachers with performance incentives, we have no evidence that any of them did.

<sup>&</sup>lt;sup>44</sup>See Stallings, Knight, and Markham (2014) for more details on how active and passive instruction, as well as time off-task and student engagement, are coded.

effects on worker performance (Bloom, Liang, Roberts, & Ying, 2014; Bloom, Eifert, Mahajan, McKenzie, & Roberts, 2013; Bennedsen, Nielsen, Pérez-González, & Wolfenzon, 2007).

#### 3.4 Other outcomes

Student data (Table 9, Panel C) and household data (Table 9, Panel A) show that the program increases both student and parental satisfaction. Students in PSL schools are happier (measured by whether they think going to school is fun or not), and parents with children in PSL schools (enrolled in 2015/2016) are 7.4 percentage points (p-value .022) more likely to be satisfied with the education their children are receiving. Table B.4 in Appendix B.3 has detailed data on student, parental, and teacher support and satisfaction with PSL.

Providers are not allowed to charge fees and PSL should be free at all levels, including early-childhood education (ECE) for which fees are normally permitted in government schools. We interviewed both parents and principals regarding fees. In both treatment and control schools parents are more likely to report paying fees than schools are to report charging them. Similarly, the amount parents claim to pay in school fees is much higher than the amount schools claim to charge (see Panel A and Panel B in Table 9). Since principals may be reluctant to disclose the full amount they charge parents, especially in primary school (which is nominally free), this discrepancy is normal. While the likelihood of charging fees decreases in PSL schools by 26 percentage points according to parents and by 19 percentage points according to principals, 48% of parents still report paying some fees in PSL schools.

On top of reduced fees, providers often provide textbooks and uniforms free of charge to students (see Section 2.1.3). Indeed, household expenditures on fees, textbooks, and uniforms drop (see Table A.12 for details). In total, household expenditures on children's education decrease by 6.7 USD (p-value .1) in PSL schools.

A reduction in household expenditure in education reflects a crowding out response (i.e., parents decrease private investment in education as school investments increase). To explore whether crowding out goes beyond expenditure, we ask parents about engagement in their child's education, but see no change in this margin (we summarize parental engagement using the first component from a principal component analysis across several measures of parental engagement; see Table A.13 for the effect on each component).

To complement the effect of the program on cognitive skills, we study student attitudes and opinions (see Table 9, Panel C). Some of the control group rates are noteworthy: 50% of children use what they learn

in class outside school, 69% think that boys are smarter than girls, and 79% think that some tribes in Liberia are bad. Turning to treatment effects, children in PSL schools are more likely to think school is useful, more likely to think elections are the best way to choose a president, and less likely to think some tribes in Liberia are bad. The effect on tribe perceptions is particularly important in light of the recent conflict in Liberia and the ethnic tensions that sparked it. Our results also align with previous findings from Andrabi, Bau, Das, and Khwaja (2010), who show that children in private schools in Pakistan are more "pro-democratic" and exhibit lower gender biases (we do not find any evidence of lower gender biases in this setting). Note, however, that our treatment effects are small in magnitude. It is also impossible to tease out the effect of who is providing education from the effect of better education, and the effect of younger and better teachers. Hence, our results show the net change in students' opinions, and cannot be attributed to providers per se but rather to the program as a whole.

[Table 9 about here.]

## 4 Unbundling the treatment effect

The question of mechanisms can be divided into two parts: What changed? And which changes mattered for learning outcomes? We answered the first question in the previous section. In this section we use non-experimental variation to answer the latter question. The key assumption underlying these results is that we can identify the casual effect of intermediate inputs on learning in the absence of experimental variation in these inputs across schools.

There are three related goals in the analysis below: (i) to highlight which mechanisms correlate with learning gains; (ii) to uncover how much of the treatment effect is the result of an increase in resources (e.g., teachers and per-child expenditure); and (iii) to estimate whether PSL schools are more productive (i.e., whether they use resources more effectively to generate learning). To attain these goals we use mediation analysis, and follow the general framework laid out in Imai, Keele, and Yamamoto (2010) and Imai, Keele, and Tingley (2010).<sup>45</sup>

The mediation effect of a learning input (e.g., teacher attendance) is the change in learning gains that can be attributed to changes in this input caused by treatment. Formally, we can estimate the mediation effect via the following two equations:

<sup>&</sup>lt;sup>45</sup>This framework is closely related to the framework used by Heckman, Pinto, and Savelyev (2013); Heckman and Pinto (2015). There is a direct mapping between the two.

$$M_{isg} = \alpha_g + \beta_4 treat_s + \gamma_4 X_i + \delta_4 Z_s + u_{isg}$$
 (4)

$$Y_{isg} = \alpha_g + \beta_5 treat_s + \gamma_5 X_i + \delta_5 Z_s + \theta_5 M_{isg} + \varepsilon_{isg}, \tag{5}$$

in which  $Y_{isg}$  is the test score for student i in school s and group g (denoting the matched pairs used for randomization);  $\alpha_g$  is a matched-pair fixed effect (i.e., stratification-level dummies);  $treat_s$  is an indicator for whether school s was randomly chosen for treatment; and  $\varepsilon_{isg}$  and  $u_{isg}$  are error terms.  $X_i$  and  $Z_s$  are individual and school-level time-invariant controls, while  $M_{isg}$  are the potential mediators for treatment (i.e., learning inputs measured during the second wave of data collection). Equation 4 is used to estimate the effect of treatment on the mediator ( $\beta_4$ ), while equation 5 is used to estimate the effect of the mediator on learning ( $\theta_5$ ).

The mediation effect is  $\beta_4 \times \theta_5$ , i.e., the effect of the mediator on learning gains ( $\theta_5$ ) combined with changes in the mediator caused by treatment ( $\beta_4$ ).  $\beta_5$  captures the treatment effect that is not mediated by  $M_{isg}$ .  $\beta_5$  is often refereed to as the "direct effect", but it can be a treatment effect mediated by unmeasured mediators. The mediation effect ( $\beta_4 \times \theta_5$ ) and the direct effect ( $\beta_5$ ) are in the same units (the units of  $Y_{isg}$ ), and are therefore comparable.

The crux of a mediation analysis is to get consistent estimators of  $\theta_5$  (and therefore of  $\beta_5$ ). Imai, Keele, and Yamamoto (2010) show that the OLS estimators for  $\beta_5$  and  $\theta_5$  are consistent under the following assumption:

#### Assumption 1 (Sequential ignorability)

$$Y_i(t, m), M_i(t) \perp T_i | X_i = x \tag{6}$$

$$Y_i(t,m) \perp M_i(t)|X_i = x, T_i = t \tag{7}$$

where  $Y_i = Y_i(t, m)$  denotes the potential outcome for individual i under treatment t and mediators m,  $M_i(t)$  denotes the potential mediator for individual i under treatment t;  $Pr(T_i = t | X_i = x) > 0$ ; and  $Pr(m_i(t) = m | T_i = t, X_i = x) > 0$  for all values of t, t and t.

Figure 5 shows the difference between a randomization model without mediation (5a), a mediation model with all the possible causal relationships (5b), and a mediation model under assumption 1 (5c). Randomization guarantees that there is no causal relationship between unobserved variables and treat-

ment status (there is no arrow between V and T). Once mediators are included, these may be correlated to unobserved variables (including unobserved or unmeasured mediators). Assumption 1 implies that unobserved variables do not cause changes in inputs (once observable variables are taken into account), and that there is no relationship between unmeasured and measured mediators (i.e., there are no arrows from V to neither M or U, and there are no arrows between M and U).

### [Figure 5 about here.]

While randomization implies that equation 6 in Assumption 1 is met, we do not have experimental variation in any of the possible mediators and thus unobserved variables may confound the relationship between mediators and learning gains, violating equation 7 in Assumption 1 (Green, Ha, & Bullock, 2010; Bullock & Ha, 2011). To mitigate omitted variable bias we use the rich data we have on soft inputs (e.g., hours of instruction and teacher behavior) and hard inputs (e.g., textbooks and number of teachers) and include a wide set of variables in  $M_{is}$ . But two problems arise: 1) As Bullock and Ha (2011) state, "it is normally impossible to measure all possible mediators. Indeed, it may be impossible to merely *think* of all possible mediators". Thus, despite being extensive, the list may be incomplete. 2) It is unclear what the relevant mediators are, and adding an exhaustive list of them will reduce the degrees of freedom in the estimation and lead to multiple-inference problems. As a middle ground between these two issues, we use "Double Lasso" (Belloni, Chernozhukov, & Hansen, 2014b, 2014a; Urminsky, Hansen, & Chernozhukov, 2016) to select controls that are relevant from a statistical point of view, as opposed to having the researcher choose them *ad hoc*. "Double Lasso" is akin to Lasso, but provides standard errors that are valid after model selection. 46

We use two sets of mediators. The first only includes raw inputs: teachers per student, textbooks per student, and teachers' characteristics (age, experience, and ability). Results from estimating equation 5 with these mediators are shown in Columns 2 and 3 of Table 10. The second includes raw inputs as well as changes in the use of these inputs (e.g., teacher behavior measurements, student attendance, and hours of instructional time per week). Results from estimating equation 5 with these mediators are shown in Columns 4 and 5 of Table 10. For reference, we include a regression with no mediators (Column 1) which replicates the results from Table 3. The dependent variable is the composite test score (IRT score using both math and English questions).

The "direct" treatment effect of PSL is positive after controlling for more and better inputs (Columns

<sup>&</sup>lt;sup>46</sup>Lasso is similar to OLS but penalizes according to the number of controls used. See James, Witten, Hastie, and Tibshirani (2014) for a recent discussion.

2 and 3). However, the drop in the point estimate, compared to Column 1, suggests that changes in inputs explain about half of the total treatment effect. The persistence of a "direct" treatment effect in these columns suggests that changes in the use of inputs are an important mechanism as well. The results from Columns 3 and 4 provide ancillary evidence that changes in the use of inputs (i.e., management) are important pathways to impact. After controlling for how inputs are used (e.g., teacher attendance) the "direct" treatment effect is close to zero.

#### [Table 10 about here.]

In Section 3 we estimated equation (4) for several mediators. Combining those results with the results from Table 10, we show in Figure 6 the mediation effect ( $\beta_4 \times \theta_5$ ) for the intermediate outcomes selected by "Double Lasso", as well as the direct effect ( $\beta_5$ ). The left panel uses only raw inputs as mediators, while the right panel also includes changes in the use of inputs. Figure A.4 in Appendix A includes all the possible intermediate outcomes.

Over half of the overall increase (60.8%–62.4%) in learning appears to have been due to changes in the composition of teachers (measured by teacher's age, a salient characteristic of new teaching graduates). Once we allow changes in the use of inputs to act as mediators, teacher attendance accounts for 15.4% of the total treatment effect. Although changes to teacher composition make it impossible to claim that teacher attendance increases purely due to management changes, our estimates from Section 3.3.3 suggest that providers are able to increase teacher attendance even if the pool of teachers is held constant. Finally, 44.5% of the total treatment effect is a residual (the direct effect) when we only control for changes in inputs, but this drops to 19% when we control for changes in the *use of* inputs.

In short, roughly half of the overall increase in learning appears to have been due to changes in the composition of teachers. Teacher attendance (which may reflect underlying managerial practice) explains much of the residual not explained by the younger, better-trained teachers. Extra resources (new and younger teachers) are an important pathway to impact in the PSL program, but changes in management practices play an equally important role. As a complementary exercise, we estimate  $\theta_5$  using only variation from the control schools, and estimate the "direct effect" as the residual treatment effect not explained by the mediators (see Table A.15 in Appendix A). These results suggest that, holding the productivity of inputs fixed in treatment school, over 70% of the treatment effect cannot be explained by a change in inputs.

[Figure 6 about here.]

## 5 Provider comparisons

The main results in Section 3 address the impact of the PSL program from a policy-maker's perspective, answering the question, "What can the Liberian government achieve by contracting out management of public schools to a variety of private organizations?" However, these results mask a great deal of heterogeneity across providers.

## 5.1 Methodology: Bayesian hierarchical model

There are two hurdles to estimating provider-specific treatment effects. First, the assignment of providers to schools was not random, which resulted in (non-random) differences in schools and locations across providers (see Appendix B.7 for more details). While the estimated treatment effects for each provider are internally valid, they are not comparable to each other without further assumptions. Second, the sample sizes for most providers are too small to yield reliable estimates.

To mitigate the bias due to differences in locations and schools we control for a comprehensive set of school characteristics (to account for the fact that some providers' schools will score better than others for reasons unrelated to PSL), as well as interactions of those characteristics with a treatment dummy (to account for the fact that raising scores through PSL relative to the control group will be easier in some contexts than others). We control for both student (age, gender, wealth, and grade) and school characteristics (pre-treatment enrollment, facilities, and rurality).

Because randomization occurred at the school level and some providers are managing only four or five treatment schools, the experiment is under-powered to estimate their effects. <sup>47</sup> Additionally, since the "same program" was implemented by different providers, it would be naïve to treat providers' estimators as completely independent from each other. <sup>48</sup> We take a Bayesian approach to this problem, estimating a hierarchical model (Rubin, 1981) (see Gelman, Carlin, Stern, and Rubin (2014) and Meager (2016) for a recent discussion). Intuitively, by allowing dependency across providers' treatment effects, the model "pools power" across providers, and in the process pulls estimates for smaller providers toward the overall average (a process known as "shrinkage"). The results of the Bayesian estimation are a weighted average of providers' own performance and average performance across all providers, and the proportions depend on the provider's sample size. We apply the Bayesian estimator after adjusting for baseline school

<sup>&</sup>lt;sup>47</sup>There are not enough schools per provider to get reliable standard errors by clustering at the school level. Therefore, when comparing providers we collapse the data to the school level.

<sup>&</sup>lt;sup>48</sup>In a frequentist framework treatment estimates for providers are considered independent when compared to each other.

differences and estimating the treatment effect of each provider on the average school in our sample.<sup>49</sup> Formally, let

$$Y_{isgc} = \alpha_g + \beta_c treat_s + \varepsilon_{isgc}$$
 (8)

where  $Y_{isgc}$  is the test score for student i in school s in group g (denoting the matched pairs used for randomization), assigned to provider c;  $\alpha_g$  is a matched-pair fixed effect (i.e., stratification-level dummies);  $treat_s$  is an indicator for whether school s was randomly chosen for treatment; and  $\varepsilon_{isgc}$  are the error terms. The difference between equation 8 and equation 1 is that the treatment effect ( $\beta_c$ ) is provider specific.

Asymptotically, the estimator of the treatment effect for each provider is normally distributed (assuming the standard error is known):<sup>50</sup>

$$\hat{\beta}_c \sim N(\beta_c, \sigma_c^2) \tag{9}$$

The bayesian hirerichal model further assumes that

$$\beta_c \sim N(\mu, \tau^2)$$
 (10)

Finally, we place a prior distribution over  $\mu$  and  $\tau^2$ , and estimate the posterior distribution of  $\beta_c$ . In the main results shown below we use flat priors ("improper uniform priors"). By imposing some structure over the treatment effects for each provider ( $\beta_c$ ), the posterior standard errors for each treatment effect become smaller, and the posterior treatment effects are pulled towards the overall average ("shrinkage"). In Appendix B.1 we show that the results are robust to the prior; how the posterior treatment effects (and standard errors) vary with  $\tau$ ; and the posterior distribution of  $\tau$  for the case in the case of a flat prior.

#### 5.2 Baseline differences

As discussed in Section 2.2.1 and shown in Table A.1, PSL schools are not a representative sample of public schools. Furthermore, there is heterogeneity in school characteristics across providers. This is

<sup>&</sup>lt;sup>49</sup>Coincidentally, the textbook illustration of a Bayesian hierarchical model is the estimate of treatment effects for an education intervention run in eight different schools with varied results (Rubin, 1981; Gelman et al., 2014).

 $<sup>^{50}</sup>$ In reality, the standard error is unknown and therefore  $\frac{\hat{\beta}_c - \hat{\beta}_c}{\sigma_c^2}$  follows a t-student distribution. However, we assume the standard error is known for exposition purposes.

unsurprising since providers stated different preferences for locations and some volunteered to manage schools in more remote and marginalized areas. We show how the average school for each provider differs from the average public school in Liberia in Table 11 (Table B.6 in Appendix B.7 shows simple summary statistics for the schools of each provider). We reject the null that providers' schools have similar characteristics on at least three margins: number of students, pupil/teacher ratio, and the number of permanent classrooms. Bridge International Academies is managing schools that were considerably bigger (in 2015/2016) than the average public school in Liberia (by over 150 students), and these schools are larger than those of other providers by over 100 students. Most providers have schools with better infrastructure than the average public school in the country, except for Omega and Stella Maris. Finally, while all providers have schools that are closer to a paved road than other public schools, Bridge's and BRAC's schools are about 2 km closer than other providers' schools.

[Table 11 about here.]

## 5.3 Learning outcomes

The raw treatment effects on test scores for each individual provider shown in Figure 7 are internally valid, but not comparable. They are positive and significantly different from zero for three providers: Rising Academies, Bridge International Academies, and Street Child. They are positive but statistically insignificant for Youth Movement for Collective Action, More Than Me, and BRAC. The estimates which we label as "comparable treatment effects" differ in two respects: They adjust for baseline differences and "shrink" the estimates for smaller providers using the Bayesian hierarchical model. While the comparable effects are useful for comparisons, the raw experimental estimates remain cleaner for non-comparative statements (e.g., whether a provider had an effect or not).<sup>51</sup>

Intention-to-treat (ITT) treatment effects are shown in Figure 7a (i.e., over all students enrolled in a treatment school in 2015/2016, regardless of whether they attended an actual PSL school in 2016/2017). Treatment-on-the-treated (ToT) treatment effects are shown in Figure 7b (i.e., the effect for students who actually attended a PSL school in 2016/2017). Non-compliance can happen either at the school level (if a provider opted not to operate a school or the school did not meet the eligibility criteria), or at the student level (if the student no longer attends a treatment school). Comparable ITT treatment effects across providers from the Bayesian hierarchical model are also shown in Panel A of Table 12.

<sup>&</sup>lt;sup>51</sup>Figure A.5 in Appendix A shows the the effects after adjusting for differences in school characteristics (before the Bayesian hierarchical model) and the effects after applying a Bayesian hierarchical model (but without adjusting for school differences).

#### [Figure 7 about here.]

There is considerable heterogeneity in the results. The data suggest providers' learning impacts fall into three categories, based on a k-means clustering algorithm. In the first group, YMCA, Rising Academies, Street Child, and Bridge International Academies generated an increase in learning of  $0.26\sigma$  across all subjects. In the second group, BRAC and More than Me generated an increase in learning of  $0.12\sigma$ . In the third group, consisting of Omega and Stella Maris, <sup>52</sup> estimated learning gains are on the order of  $-0.03\sigma$ , and indistinguishable from zero in both cases.

Below we explore whether these gains impose negative externalities on the broader education system (i.e., whether better performance came at a cost to the education system as a whole).<sup>53</sup>

### 5.4 Are public and private interests aligned under PSL?

Economists typically approach outsourcing in a principal-agent framework: A government (the principal) seeks to write a complete contract defining the responsibilities of the private provider (the agent). This evaluation is part of that effort. In real-world settings, contracts are inevitably incomplete. It is impossible to pre-specify every single action and outcome that a private provider must concern themselves with when managing a school. Economists have offered a number of responses to contractual incompleteness. One approach focuses on fostering competition among providers via the procurement process and parental choice (Hart et al., 1997). Another, more recent approach puts greater focus on the identity of the providers, on the premise that some agents are more "mission motivated" than others (Besley & Ghatak, 2005; Akerlof & Kranton, 2005). If providers have intrinsic motivation and goals that align with the principal's objectives then they are unlikely to engage in pernicious behavior. This may be the case for non-profit providers whose core mission is education. In the particular case of Liberia, this may also be true for for-profit providers who are eager to show their effectiveness and attract investors and philanthropic donors. But, if providers define their objectives more narrowly than the government, they may neglect to pursue certain government goals.

We examine three indicators illustrating how public and private goals may diverge under PSL: providers' willingness to manage any school (as opposed to the best schools); providers' willingness to work with

<sup>&</sup>lt;sup>52</sup>Non-compliance likely explains the lack of effect for these two providers. Stella Maris never took control of its assigned schools, and Omega had not taken control of all its schools by the end of the school year. Our teacher interviews reflect these providers' absence: in 3 out of four Stella Maris schools, all of the teachers reported that no one from Stella had been at the school in the previous week, and in 6 out of 19 Omega schools all of the teachers reported that no one from Omega had been at the school in the previous week.

<sup>&</sup>lt;sup>53</sup>We had committed in the pre-analysis plan to compare for-profit to non-profit providers. This comparison yields no clear patterns.

existing teachers and improve their pedagogical practices and behavior (as opposed to having the worst performing teachers transferred to other public schools, imposing a negative externality on the broader school system); and providers' commitment to improving access to quality education (rather than learning gains for a subset of pupils). In short, we're concerned with providers rejecting "bad" schools, "bad" teachers, and excess pupils.

We already studied school selection in Section 5.2. To measure teacher selection, we study the number of teachers dismissed and the number of new teachers recruited (Table 12 - Panel B). As noted above, PSL led to the assignment of 2.6 additional teachers per school and 1.2 additional teachers exiting per school. However, large-scale dismissal of teachers was unique to one provider (Bridge International Academies), while successful lobbying for additional teachers was common across several providers. Although weeding out bad teachers is important, a reshuffling of teachers is unlikely to raise average performance in the system as a whole.

While enrollment increased across all providers, the smallest treatment effect on this margin is for Bridge, which is consistent with that provider being the only one enforcing class size caps (see Panel C in Table 12 and Figure A.6 in Appendix A for more details). As shown above, in classes where class-size caps were binding (10% of all classes holding 30% of students at baseline), enrollment fell by 12 students per grade.

[Table 12 about here.]

## 6 Cost-effectiveness analysis

From a policy perspective, the relevant question is not only whether the PSL program had a positive impact (especially given its bundled nature), but whether it is the best use of scarce funds. Cost-effectiveness analysis compares programs designed to achieve a common outcome with a common metric — in this case learning gains — by their cost per unit of impact. Inevitably, this type of analysis requires a host of assumptions, which must be tailored to a given user and policy question (see Dhaliwal, Duflo, Glennerster, and Tulloch (2013) for a review). Section 2.1.4 outlined various assumptions behind the cost estimates for each provider.<sup>54</sup>

Given the contested nature of these assumptions and the difficulty of modeling the long-term unit cost of PSL in a credible way, we opt to present only basic facts here. We encouraged operators to publish their

<sup>&</sup>lt;sup>54</sup>We do not present a cost-effective comparison of the effect of the program on access to schooling since the overall treatment effect on enrollment is not statistically different from zero.

ex post expenditure data in the same repository as our survey data, and some have agreed to do this.

We make a conservative assumption and perform a single cost-effectiveness calculation assuming a cost of \$50 per pupil (the lowest possible cost associated with the program). Given that the ITT treatment effect is  $.19\sigma$ , test scores increased  $0.38\sigma$  per \$100 spent. Taking these estimates at face value suggests that in its first year PSL is not a cost-effective program for raising learning outcomes. While many education interventions have either zero effect or provide no cost data for cost-effectiveness calculations (Evans & Popova, 2016), a review by Kremer et al. (2013) of other interventions subject to experimental evaluation in developing countries highlights various interventions that yield higher per-dollar gains than PSL (see Figure 8).

#### [Figure 8 about here.]

However, it is unclear whether cost-effectiveness calculations from other contexts and interventions are relevant to the Liberian context and comparable to our results. First, test design is crucial to estimates of students' latent ability (and thus to treatment effects on this measure). Since different interventions use different exams to measure students' ability, it is unclear that the numerator in these benefit-cost ratios is comparable. The second problem is external validity. Even if treatment estimates were comparable across settings, treatment effects probably vary across contexts. This does not mean we cannot learn from different programs around the world, but implementing the same program in different settings is unlikely to yield identical results everywhere. Finally, the cost of implementing a program *effectively* (the denominator) is also likely to be variable across settings.

An important feature of our experiment is its real-world setting, which may increase the likelihood that gains observed in this pilot could be replicated at a larger scale. Interventions successfully implemented by motivated non-government organizations (NGO) often fail when implemented at scale by governments (e.g., see Banerjee, Duflo, and Glennerster (2008); Bold, Kimenyi, Mwabu, Ng'ang'a, and Sandefur (2013); Dhaliwal and Hanna (2014); Kerwin and Thornton (2015); Cameron and Shah (2017)). The public-private partnership is designed to bypass the risk of implementation failure when taken up by the government, simply because the government is never the implementing agency. However, the program may still fail if the government withdraws support or removes all oversight.

<sup>&</sup>lt;sup>55</sup>Note that given our design, we are unable to take into account any test score gains associated with drawing new students into school.

<sup>&</sup>lt;sup>56</sup>For example, Table A.7 shows how PSL treatment estimates vary depending on the measure of students' ability we use.

<sup>&</sup>lt;sup>57</sup>For more details, see Singh (2015a)'s discussion on using standard deviations to compare interventions.

## 7 Conclusions

Public-private partnerships in education are controversial and receive a great deal of attention from policy makers. Yet, the evidence for or against them is almost non-existent, especially in developing countries (Aslam et al., 2017). Advocates argue that privately provided but publicly funded education is a means to inject cost-efficiency, through private providers, into education without compromising equity. Critics argue that outsourcing will lead to student selection and low-quality, expensive schools.

We present empirical evidence that both advocates and critics are partially right. The Partnership Schools for Liberia program, a public-private partnership that delegated *management* of 93 public schools ( $\sim 3.4\%$  of all public schools) to eight different private organizations, was an effective way to circumvent low state capacity and improve the quality of education. The ITT treatment effect on test scores of PSL program students after one academic year of treatment are .18 $\sigma$  for English (p-value < 0.001) and .18 $\sigma$  for math (p-value < 0.001).

We find no evidence that providers engage in student selection — the probability of remaining in a treatment school is unrelated to age, gender, household wealth, or disability. However, costs were high, performance varied across providers, and the largest provider pushed excess pupils and under-performing teachers into other government schools.

One interpretation of our results is that contracting rules matter. Changing the details of the contract might improve the overall results of the program. For instance, contracts could forbid class-size caps or require that students previously enrolled in a school be guaranteed re-admission once a school joins the PSL program. Similarly, contracts could require prior permission from the Ministry of Education before releasing a public teacher from their place of work.

However, fixing the contracts and procurement process is not just a question of technical tweaks; it reflects a key governance challenge for the program. Contract differences are endogenous: The largest provider opted not to participate in the competitive bidding process and made a separate bilateral agreement with the government. Ultimately, a different contract allowed pushing excess pupils and underperforming teachers into other government schools. This underlines the importance of uniform contracting rules and competitive bidding in a public-private partnership.

On the other hand, contracts are by nature incomplete and subject to regulatory capture. While Hart et al. (1997) focus on incomplete contracts when deciding whether outsourcing is wise, the mission matching literature a la Besley and Ghatak (2005) focuses on heterogeneity in contractors' intrinsic motivation. We

examine a setup where eight providers were offered to participate in the same program. We observe significant heterogeneity in learning outcomes and in actions that might generate negative spillovers for the broader education system. Heterogeneity in both efficiency and mission appears to be a first order concern here.

To our knowledge, we provide the first experimental estimates of the intention-to-treat (ITT) effect of outsourcing the management of existing schools to private providers in a developing country. In contrast to the U.S. charter school literature, which focuses on experimental effects for the subset of schools and private provider where excess demand necessitates an admissions lottery, we provide treatment effects from across the distribution of outsourced schools in this setting.

But an assortment of questions remain open for future research. First, given the bundled nature of this program, more evidence is needed to isolate the effect of outsourcing management. Variations of outsourcing also need to be studied (e.g., not allowing any teacher re-assignments, or allowing providers to hire teachers directly).

Second, while we identify sources of possible externalities from the program – e.g., pushing pupils or teachers into nearby schools – we are unable to study the effect of these externalities (positive or negative). Another key potential negative externality for other public schools is the opportunity cost of the program: PSL may deprive other schools of scarce resources by garnering preferential allocations of teachers or funding. On the other hand, traditional public schools may learn good management and pedagogical practices from nearby PSL schools. In addition, the program may lead to changes within the Ministry of Education that improve performance of the system as a whole.<sup>58</sup>

More broadly, future research is needed to understand how procurement rules affect the long term outcomes of PPP programs such as this one. For example, a key difference between the private and the public sector is the dynamics of entry and exit. Underperforming public schools are never closed, and underperforming education officers and teachers are rarely dismissed. In contrast, in the private sector consumer choice (and exit), together with hard budget constraints, force underperforming schools out of the market (Pritchett, 2013). Competition requires active encouragement. A challenge for PPP programs is whether the government procurement rules can create entry and exit dynamics that mimic the private sector, filtering out bad providers (in a relevant public cost effectiveness sense). If not, then in steady state the program may replicate the (undesirable) exit dynamics of the public sector, and lead to under performing PPP schools.

<sup>&</sup>lt;sup>58</sup>For example, the Ministry is reforming some of measurement systems, to monitor provider performance.

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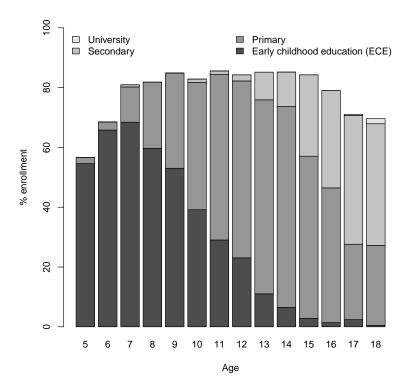
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## **Figures**

Figure 1: Enrollment by age



Note: Authors' calculations based on 2014 Household Income and Expenditures Survey.

Figure 2: What did providers do?

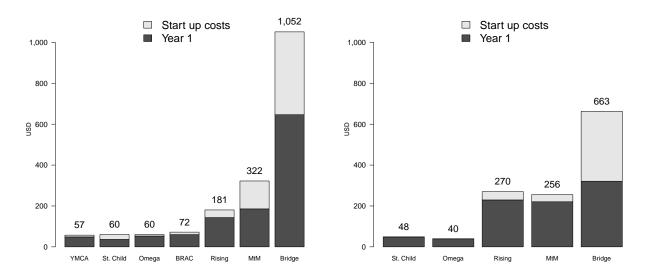
		Provider							
Ħ		Stella M	YMCA	Omega	BRAC	Bridge	Rising	St. Child	MtM
bbc	Provider staff visits at least once a week(%)	0	54	13	93	76	94	91	96
Sn	Heard of PSL(%)	42	85	61	42	87	90	68	85
der	Heard of provider(%)	46	96	100	95	100	100	100	100
Provider Support	Has anyone from (provider) been to this school?(%)	42	88	100	94	100	100	99	100
Δ.									
	Textbooks(%)	12	96	73	94	99	71	94	96
	Teacher training(%)	0	77	62	85	87	97	93	96
Ъ	Teacher received training since Aug 2016(%)	23	46	58	45	50	81	58	37
Ever provided	Teacher guides (or teacher manuals)(%)	0	69	75	54	97	94	68	98
õ	School repairs(%)	0	12	25	24	53	52	13	93
er p	Paper(%)	0	92	30	86	70	97	88	98
Ř	Organization of community meetings(%)	0	54	27	69	73	87	83	91
	Food programs(%)	0	8	2	1	1	10	0	17
	Copybooks(%)	4	65	30	92	18	97	94	91
	Computers, tablets, electronics(%)	0	0	94	0	99	3	3	2
	Provide/deliver educational materials(%)	0	4	45	17	18	26	29	50
	Observe teaching practices and give suggestions(%)	0	19	45	81	65	45	74	85
÷ξ	Monitor/observe PSL program(%)	0	12	23	11	13	13	35	65
Ši	Monitor other school-based government programs(%)	0	0	7	5	10	6	18	9
ent	Monitor health/sanitation issues(%)	0	8	9	2	5	0	10	28
ē	Meet with PTA committee(%)	0	12	8	10	7	0	21	41
Most recent visit	Meet with principal(%)	0	12	54	36	38	6	51	63
Σ	Deliver information(%)	0	12	36	16	8	6	16	35
	Check attendance and collect records(%)	42	23	43	56	39	19	66	70
	Ask students questions to test learning(%)	4	4	24	33	18	58	44	43

The figure reports simple proportions (not treatment effects) of teachers surveyed in PSL schools who reported whether or not the provider responsible for their school had engaged in each of the activities listed. The sample size, n, of teachers interviewed with respect to each provider is: Stella Maris, 26; Omega, 141; YMCA, 26; BRAC, 170; Bridge, 157; Street Child, 80; Rising Academy, 31; More than Me, 46. This sample only includes compliant treatment schools.

Figure 3: Budget and costs as reported by providers

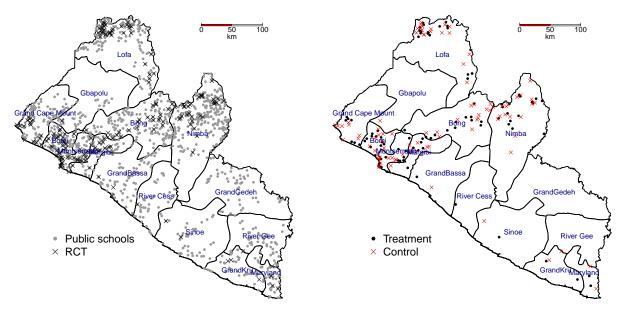
(a) Ex ante budget per pupil

(b) Ex post cost per pupil



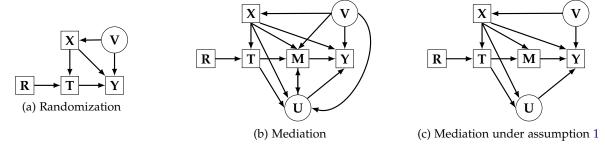
Note: Numbers in 3a are based on providers' ex-ante budgets, as submitted to the program secretariat in a uniform template (inclusive of both fixed and variable costs). Stella Maris did not provide budget data. Numbers in 3b are based on self-reported data on ex post expenditures (inclusive of both fixed and variable costs) submitted to the evaluation team by five providers in various formats. Numbers do not include the cost of teaching staff borne by the Ministry of Education.

Figure 4: Public primary schools in Liberia



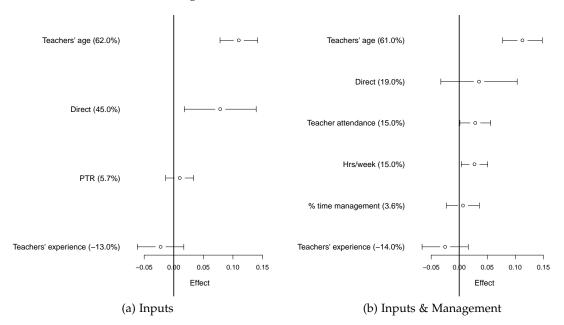
- (a) Geographical distribution of all public schools in Liberia and those within the RCT.
- (b) Geographical distribution of treatment and control schools, original treatment assignment.

Figure 5: Causal relationships under different models



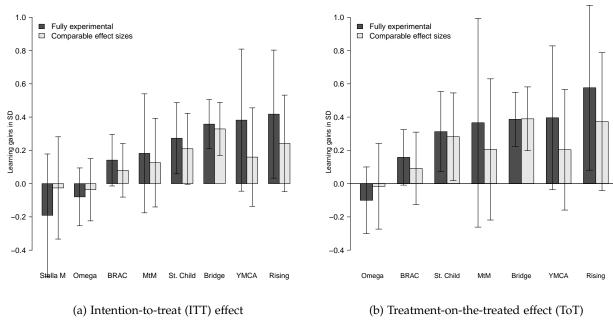
Note: This figured is based on Figure 1 in Heckman and Pinto (2015) and shows the mechanisms of causality for treatment effects. Arrows represent causal relationships. Circles represent unobserved variables. Squares represent observed variables. Y are test scores. V are unobserved variables. T is the treatment variable. X are time-invariant covariates. R is the random device used to assign treatment status. M are measured mediators. U are unmeasured mediators.

Figure 6: Direct and mediation effects



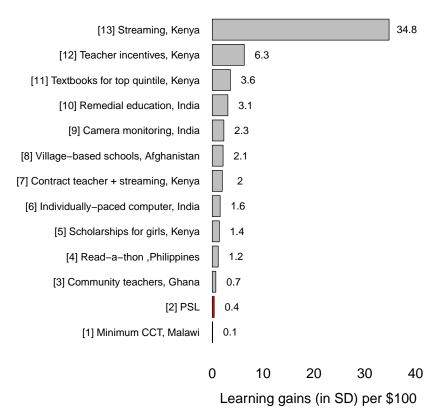
Note: Direct  $(\beta_5)$  and mediation effects  $(\beta_4 \times \theta_5)$  for the mediators selected via "Double Lasso". Note that the direct effect captures the treatment effect that is not mediated via the mediators. The percentage of the total treatment effect explained by each variable is in parenthesis. The point estimates in each panel are directly comparable to each other. Point estimates and 90% confidence intervals are plotted. Panel 6a shows treatment effects allowing only change in inputs as mediators. Panel 6b shows treatment effects allowing change in inputs and in the use of inputs as mediators.

Figure 7: Treatment effects by provider



Note: These figures show the raw, fully experimental treatment effects and the comparable treatment effects after adjusting for differences in school characteristics and applying a Bayesian hierarchical model. Figure 7a shows the intention-to-treat (ITT) effect, while Figure 7b shows the treatment-on-the-treated (ToT) effect. The ToT effects are larger than the ITT effects due to providers replacing schools that did not meet the eligibility criteria, providers refusing schools, or students leaving PSL schools. Stella Maris had full non-compliance at the school level and therefore there is no ToT effect for this provider.

Figure 8: Cost per child and treatment effects for several education interventions



Note: Figures show the learning gains per 100 (2011) USD. For more details on the calculations for [1], [4]-[13] see https://www.povertyactionlab.org/policy-lessons/education/increasing-test-score-performance. Data for [3] is taken from Kiessel and Duflo (2014). The original studies of each intervention are as follows: [7] and [13] Duflo, Dupas, and Kremer (2011, 2015); [1] Baird, McIntosh, and Özler (2011); [4] Abeberese, Kumler, and Linden (2014); [5] Kremer, Miguel, and Thornton (2009); [6] and [10] Banerjee, Cole, Duflo, and Linden (2007); [8] Burde and Linden (2013); [9] Duflo, Hanna, and Ryan (2012); [11] Glewwe, Kremer, and Moulin (2009); [12] Glewwe, Ilias, and Kremer (2010).

### **Tables**

Table 1: Policy differences between treatment and control schools

	Control schools	PSL treatment schools
Management		
Who owns school building?	Government	Government
Who employs and pays teachers?	Government	Government
Who manages the school and teachers?	Government	Provider
Who sets curriculum?	Government	Government + provider supplement
Funding		
Primary user fees (annual USD)	Zero	Zero
ECE user fees (annual USD)	\$38	Zero
Extra funding per pupil (annual USD)	NA	\$50 <sup>a</sup> + independent fund-raising
Staffing		
Pupil-teacher ratios	NA	Promised one teacher per grade,
New teacher hiring	NA	allowed to cap class sizes at 45-65 pupils <sup>b</sup> First pick of new teacher-training graduates

 $<sup>^{\</sup>rm a}\,$  Neither Bridge International Academies nor Stella Maris received the extra \$50 per pupil.

<sup>&</sup>lt;sup>b</sup> Bridge International Academies was authorized to cap class sizes at 55 (but in practice capped them at 45 in most cases as this was allowed by the MOU), while other providers were authorized to cap class sizes at 65.

<sup>c</sup> Bridge International Academies has first pick, before other providers, of the new teacher-training graduates.

Table 2: Balance: Observable, time-invariant school and student characteristics

	(1)	(2)	(3)	(4)
	Treatment	Control	Difference	Difference (F.E)
	Treatment	Control	Biliterence	Difference (I.L)
Panel A: School characteristics (N = 185)				
Facilities (PCA)	-0.080	-0.003	-0.077	-0.070
	(1.504)	(1.621)	(0.230)	(0.232)
% holds some classes outside	13.978	14.130	-0.152	0.000
	(34.864)	(35.024)	(5.138)	(5.094)
% rural	79.570	80.435	-0.865	-0.361
	(40.538)	(39.888)	(5.913)	(4.705)
Travel time to nearest bank (mins)	75.129	68.043	7.086	7.079
	(69.099)	(60.509)	(9.547)	(8.774)
Panel B: Student characteristics (N = 3,496	)			
Age in years	12.390	12.292	0.098	0.052
	(2.846)	(2.934)	(0.169)	(0.112)
% male	54.825	56.253	-1.427	-1.720
	(49.781)	(49.622)	(2.048)	(1.269)
Wealth index	-0.006	0.025	-0.031	0.010
	(1.529)	(1.536)	(0.140)	(0.060)
% in top wealth quartile	0.199	0.219	-0.020	-0.017
	(0.399)	(0.414)	(0.026)	(0.014)
% in bottom wealth quartile	0.266	0.284	-0.018	-0.012
1	(0.442)	(0.451)	(0.039)	(0.019)
ECE before grade 1	0.834	0.820	0.014	0.013
	(0.372)	(0.384)	(0.025)	(0.017)
Panel C: Attrition in the second wave of d	ata collection (N = 3	3,499)		
% interviewed	95.98	96.01	-0.03	-0.23
	(19.64)	(19.57)	(0.63)	(0.44)

The first wave of data was collected 2 to 8 weeks after the beginning of treatment; hence, the focus here is on time-invariant characteristics (some of these characteristics may vary in response to the program in the long run, but are time-invariant given the duration of our study). This table presents the mean and standard error of the mean (in parentheses) for the control (Column 1) and treatment (Column 2), as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. Panel A has two measures of school infrastructure: The first is a school infrastructure index made up of the first component in a principal component analysis of indicator variables for classrooms, staff room, student and adult latrines, library, playground, and an improved water source. The second is whether the school ever needs to hold classes outside due to lack of classrooms. There are two measures of school rurality: First, a binary variable and second, the time it takes to travel by motorcycle to the nearest bank. Panel B has student characteristics. The wealth index is the first component of a principal component analysis of indicator variables for whether the student's household has a television, radio, electricity, a refrigerator, a mattress, a motorbike, a fan, and a phone. Panel C shows the attrition rate (proportion of students interviewed at the first round of data collection who we were unable to interview in the second wave). The standard errors are clustered at the school level. The sample is the original treatment and control allocation. \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.05, \*\*\* p < 0.05, \*\*\* p < 0.01, \*\*\* p < 0.05, \*\*\* p < 0.01

Table 3: ITT treatment effects on learning

	(1-2	First way months after	· -	Second wave (9-10 months after treatment)			
	Difference (1)	Difference (F.E.) (2)	Difference (F.E.+Controls) (3)	Difference (4)	Difference (F.E.) (5)	Difference (F.E. + Controls) (6)	
English	0.05 (0.08)	0.09* (0.05)	0.07** (0.03)	0.17** (0.08)	0.17*** (0.04)	0.18*** (0.03)	
Math	0.08 (0.07)	0.08* (0.04)	0.06* (0.03)	0.17*** (0.07)	0.19*** (0.04)	0.18*** (0.03)	
Abstract	0.04 (0.06)	0.05 (0.05)	0.04 (0.04)	0.05 (0.05)	0.05 (0.04)	0.05 (0.04)	
Composite	0.07 (0.07)	0.08* (0.05)	0.06* (0.03)	0.17** (0.07)	0.19*** (0.04)	0.19*** (0.03)	
New modules	` ,	` '	, ,	0.17** (0.07)	0.20*** (0.04)	0.19*** (0.04)	
Conceptual				0.12** (0.05)	0.13*** (0.04)	0.12*** (0.04)	
Observations	3,496	3,496	3,496	3,492	3,492	3,492	

Columns 1-3 are based on the first wave of data and show the difference between treatment and control (Column 1), and the difference taking into account the randomization design — i.e., including "pair" fixed effects — (Column 2), and the difference taking into account other student and school controls (Column 3). Columns 4-6 are based on the second wave of data and show the difference between treatment and control (Column 4) in test scores, the difference taking into account the randomization design — i.e., including "pair" fixed effects — (Column 5), and the difference taking into account other student and school controls (Column 6). \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table 4: ITT treatment effects on enrollment, attendance, and selection

	(1)	(2)	(3)	(4)
	Treatment	Control	Difference	Difference (F.E)
Panel A: School level data (N = 175	5)			
Enrollment 2015/2016	298.45	264.11	34.34	34.18*
	(169.74)	(109.91)	(21.00)	(20.28)
Enrollment 2016/2017	309.71	252.75	56.96***	56.89***
	(118.96)	(123.41)	(18.07)	(16.29)
15/16 to 16/17 enrollment change	11.55	-6.06	17.61	$24.60^*$
-	(141.30)	(82.25)	(17.19)	(14.35)
Attendance % (spot check)	48.02	32.84	15.18***	15.56***
_	(24.52)	(26.54)	(3.81)	(3.13)
% of students with disabilities	0.59	0.39	0.20	0.21
	(1.16)	(0.67)	(0.14)	(0.15)
Panel B: Student level data $(N = 3,$	627)			
% enrolled in the same school	80.74	83.34	-2.61	0.79
	(39.45)	(37.27)	(3.67)	(2.07)
% enrolled in school	94.14	94.00	0.14	1.22
	(23.49)	(23.76)	(1.33)	(0.87)
Days missed, previous week	0.85	0.85	-0.00	-0.06
	(1.42)	(1.40)	(0.10)	(0.07)

This table presents the mean and standard error of the mean (in parentheses) for the control (Column 1) and treatment (Column 2) groups, as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. Our enumerators conducted the attendance spot check in the middle of a school day. If the school was not in session during a regular school day we mark all students as absent. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table 5: ITT treatment effects, by whether class size caps are binding

	$\Delta$ enrollment	(2) % same school	(3) % in school	(4) Test scores
Constrained=0 × Treatment	5.30***	4.04***	1.64**	0.15***
	(1.11)	(1.39)	(0.73)	(0.034)
Constrained= $1 \times Treatment$	-11.7*	-12.8	0.070	0.35***
	(6.47)	(7.74)	(4.11)	(0.11)
No. of obs.	1,635	3,625	3,485	3,490
Mean control (Unconstrained)	-0.75	82.09	93.38	0.13
Mean control (Constrained)	-7.73	84.38	94.81	-0.08
$\alpha_0$ = Constrained - Unconstrained	-17.05	-16.79	-1.57	0.20
p-value ( $H_0: \alpha_0 = 0$ )	0.01	0.03	0.71	0.07

Column 1 uses school-grade level data. Columns 2 - 4 use student level data. The independent variable in Column 4 is the composite test score. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. There were 194 constrained classes before treatment (holding 30% of students), and 1,468 unconstrained classes before treatment (holding 70% of students).

\* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table 6: ITT treatment effects on inputs and resources

	(1)	(2)	(3)	(4)
	Treatment	Control	Difference	Difference (F.E)
Panel A: School-level outcomes (N = 185)				
Number of teachers	9.62	7.02	2.60***	2.61***
	(2.82)	(3.12)	(0.44)	(0.37)
Pupil-teacher ratio (PTR)	32.20	39.95	-7.74* <sup>*</sup> *	-7.82***
•	(12.29)	(18.27)	(2.31)	(2.12)
New teachers	4.81	1.77	3.03***	3.01***
	(2.56)	(2.03)	(0.34)	(0.35)
Teachers dismissed	3.35	2.17	1.18**	1.16**
	(3.82)	(2.64)	(0.48)	(0.47)
Panel B: Teacher-level outcomes (N = 1,167)				
Age in years	39.09	46.37	-7.28***	-7.10***
3 mm y 1 mm	(11.77)	(11.67)	(1.02)	(0.68)
Experience in years	10.59	15.79	-5.20* <sup>*</sup> *	-5.26* <sup>*</sup> *
1	(9.20)	(10.77)	(0.76)	(0.51)
% has worked at a private school	47.12	37.50	9.62**	10.20***
•	(49.95)	(48.46)	(3.76)	(2.42)
Test score in standard deviations	0.13	-0.01	$0.14^{*}$	$0.14^{**}$
	(1.02)	(0.99)	(0.07)	(0.06)
% certified (or tertiary education)	60.11	58.05	2.06	4.20
•	(48.99)	(49.39)	(4.87)	(2.99)
Salary (USD/month)–Conditional on salary> 0	121.36	104.54	16.82**	13.90***
	(44.42)	(60.15)	(6.56)	(4.53)
Panel C: Classroom observation (N = 143)				
Number of seats	20.64	20.58	0.06	0.58
	(13.33)	(13.57)	(2.21)	(1.90)
% with students sitting on the floor	2.41	4.23	-1.82	-1.51
Ö	(15.43)	(20.26)	(2.94)	(2.61)
% with chalk	96.39	78.87	17.51* <sup>*</sup> *	16.58***
	(18.78)	(41.11)	(5.29)	(5.50)
% of students with textbooks	37.08	17.60	19.48***	22.60***
	(43.22)	(35.25)	(6.33)	(6.32)
% of students with pens/pencils	88.55	79.67	8.88**	8.16**
r, r	(19.84)	(30.13)	(4.19)	(4.10)

This table presents the mean and standard error of the mean (in parentheses) for the control (Column 1) and treatment (Column 2) groups, as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. Standard errors are clustered at the school level. The sample is the original treatment and control allocation.

\* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table 7: ITT treatment effects on school management

	(1) Treatment	(2) Control	(3) Difference	(4) Difference (F.E)
% school in session	92.47	83.70	8.78*	8.66*
	(26.53)	(37.14)	(4.75)	(4.52)
Instruction time (hrs/week)	20.40	16.50	3.90***	3.93***
	(5.76)	(4.67)	(0.77)	(0.73)
Intuitive score (out of 12)	4.08	4.03	0.04	0.02
	(1.35)	(1.38)	(0.20)	(0.19)
Time management score (out of 12)	5.60	5.69	-0.09	-0.10
	(1.21)	(1.35)	(0.19)	(0.19)
Principal's working time (hrs/week)	21.43	20.60	0.83	0.84
	(11.83)	(14.45)	(1.94)	(1.88)
% of time spent on management	74.06	53.64	20.42***	20.09***
	(27.18)	(27.74)	(4.12)	(3.75)
Index of good practices (PCA)	0.41	-0.00	0.41***	$0.40^{***}$
	(0.64)	(1.00)	(0.12)	(0.12)
Observations	93	92	185	185

This table presents the mean and standard error of the mean (in parentheses) for the control (Column 1) and treatment (Column 2) groups, as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. Intuitve score is measured using Agor (1989)'s instrument and time management profile using Schermerhorn et al. (2011)'s instrument. The index of good practices is the first component of a principal component analysis of the variables in Table A.11. The index is normalized to have mean zero and standard deviation of one in the control group. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. \* p < 0.10, \*\*\* p < 0.05, \*\*\* p < 0.01

Table 8: ITT treatment effects on teacher behavior

	(1) Treatment	(2) Control	(3) Difference	(4) Difference (F.E)
Panel A: Spot checks (N = 185)				
% on schools campus	60.32	40.38	19.94***	19.79***
ı	(23.10)	(25.20)	(3.56)	(3.48)
% in classroom	47.02	31.42	15.60***	15.37***
	(26.65)	(25.04)	(3.80)	(3.62)
Panel B: Student reports (N = 185)				
Teacher missed school previous week (%)	17.69	25.12	-7.43***	-7.55***
*	(10.75)	(14.92)	(1.91)	(1.94)
Teacher never hits students (%)	54.71	48.21	6.50**	6.56***
	(18.74)	(17.06)	(2.63)	(2.52)
Teacher helps outside the classroom (%)	50.00	46.59	3.41	3.55
	(18.22)	(18.05)	(2.67)	(2.29)
Panel C: Classroom observations (N = 185)				
Instruction (active + passive) (% of class time)	49.68	35.00	14.68***	14.51***
-	(32.22)	(37.08)	(5.11)	(4.70)
Classroom management (% class time)	19.03	8.70	10.34***	10.25***
•	(20.96)	(14.00)	(2.62)	(2.73)
Teacher off-task (% class time)	31.29	56.30	-25.01***	-24.77***
	(37.71)	(42.55)	(5.91)	(5.48)
Student off-task (% class time)	50.41	47.14	3.27	2.94
	(33.51)	(38.43)	(5.30)	(4.59)

This table presents the mean and standard error of the mean (in parentheses) for the control (Column 1) and treatment (Column 2) groups, as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. Our enumerators conducted the attendance spot check in the middle of a school day. If the school was not in session during a regular school day we mark all teachers not on campus as absent and teachers and students as off-task in the classroom observation. Table A.10 has the results without imputing values. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table 9: ITT treatment effects on household behavior, fees, and student attitudes

	(1)	(2)	(3)	(4)
	Treatment	Control	Difference	Difference (F.E)
Panel A: Household behavior (N = 1,115)				
% satisfied with school	74.87	67.46	7.42**	7.44**
	(19.25)	(23.95)	(3.20)	(3.23)
% paying any fees	48.11	73.56	-25.45***	-25.69***
1 7 8 7	(50.01)	(44.14)	(4.73)	(3.26)
Fees (USD/year)	5.72	8.04	-2.32**	-2.89* <sup>*</sup> *
	(10.22)	(9.73)	(0.96)	(0.61)
Expenditure (USD/year)	65.52	73.61	-8.09	-6.74
• • • • • • • • • • • • • • • • • • • •	(74.78)	(79.53)	(6.96)	(4.13)
Engagement index (PCA)	-0.11	-0.09	-0.02	-0.03
	(0.84)	(0.91)	(0.07)	(0.06)
Panel B: Fees (N = 184)				
% with > 0 ECE fees	11.83	30.77	-18.94***	-18.98***
	(32.47)	(46.41)	(5.92)	(5.42)
% with > 0 primary fees	12.90	29.67	-16.77***	-16.79***
1	(33.71)	(45.93)	(5.95)	(5.71)
ECE Fee (USD/year)	0.57	1.42	-0.85**	-0.87***
	(1.92)	(2.78)	(0.35)	(0.33)
Primary Fee (USD/year)	0.54	1.22	-0.68**	-0.70**
	(1.71)	(2.40)	(0.31)	(0.31)
Panel C: Student attitudes (N = 3,492)				
School is fun	0.58	0.53	0.05**	0.05**
	(0.49)	(0.50)	(0.02)	(0.02)
I use what I'm learning outside of school	0.52	0.49	0.04	0.04***
O .	(0.50)	(0.50)	(0.02)	(0.02)
If I work hard, I will succeed.	0.60	0.55	0.05*	0.04***
	(0.49)	(0.50)	(0.03)	(0.02)
Elections are the best way to choose a president	0.90	0.88	0.03*	0.03***
•	(0.30)	(0.33)	(0.01)	(0.01)
Boys are smarter than girls	0.69	0.69	-0.00	0.01
	(0.46)	(0.46)	(0.02)	(0.01)
Some tribes in Liberia are bad	0.76	0.79	-0.03	-0.03**
	(0.43)	(0.41)	(0.02)	(0.01)

This table presents the mean and standard error of the mean (in parentheses) for the control (Column 1) and treatment (Column 2) groups, as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. The index for parent engagement is the first component from a principal component analysis across several measures of parental engagement; see Table A.13 for details. \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table 10: Effect of mediator on learning

			outs	1	Management
	(1)	(2)	(3)	(4)	(5)
Treatment	0.188***	0.091**	0.115**	0.034	0.032
	(0.032)	(0.044)	(0.048)	(0.051)	(0.055)
PTR		-0.001	-0.000		-0.002
		(0.002)	(0.002)		(0.001)
Гeachers' age		-0.014***	-0.014***	-0.013***	-0.010***
		(0.003)	(0.003)	(0.002)	(0.002)
Гeachers' experience		0.006	0.008*	0.006	0.005
		(0.005)	(0.005)	(0.005)	(0.005)
Гехtbooks			-0.001		-0.000
			(0.001)		(0.001)
Writing materials			-0.000		-0.000
			(0.001)		(0.001)
% exp. in private schools					-0.000
			` ,		(0.000)
Teachers' test score					
			` ,		` ,
Certified teachers					
			(0.001)		` ,
% of time spent on management					
				` ,	` ,
Teacher attendance					
Hrs/week					
				(0.004)	
Index of good practices (PCA)					
					` /
Student attendance					
					` ,
nstruction (Classroom obs)					
					(0.001)
No. of obs.	3,492	3,458	3,458	3,492	3,458
R2	0.53	0.54	0.55	0.54	0.55
Mediators	None	Lasso	All	Lasso	All
Fextbooks Writing materials We exp. in private schools Feachers' test score Certified teachers We of time spent on management Feacher attendance Hrs/week Endex of good practices (PCA) Student attendance Enstruction (Classroom obs) No. of obs. R2	0.53	0.006 (0.005) 3,458 0.54	0.008* (0.005) -0.001 (0.001) -0.000 (0.001) -0.000 (0.0049) 0.001 (0.001)  3,458 0.55	0.006 (0.005) 0.027 (0.091) 0.002** (0.001) 0.008** (0.004)	0.005 (0.005) -0.000 (0.001) -0.000 (0.001) -0.000 (0.003) (0.048) 0.000 (0.001) 0.002* (0.001) 0.008* (0.004) 0.079*** (0.024) -0.048 (0.081) -0.000 (0.001)

The independent variable in all regressions is the composite IRT score across all test items. All dependent variables are standardized to have mean zero and standard deviation of 1 except the treatment dummy. Column 1 replicates the results from Table 3 and columns 2 and 3 include only raw inputs. Columns 4 and 5 include raw inputs and the use of these inputs. Column 2 and column 4 only include mediators selected via "Double Lasso", and columns 3 and 5 include all the mediators. The dependent variable is the composite test score (IRT score using both math and English questions). Standard errors are clustered at the school level. The sample is the original treatment and control allocation. \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

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Table 11: Baseline differences between treatment schools and average public schools, by provider

	(1) BRAC	(2) Bridge	(3) MtM	(4) Omega	(5) Rising	(6) St. Child	(7) Stella M	(8) YMCA	(9) p-value equality
Students	31.94 (27.00)	156.19*** (25.48)	-23.03 (49.01)	35.49 (27.69)	-0.83 (53.66)	31.09 (34.74)	-19.16 (59.97)	-22.53 (59.97)	.00092
Teachers	1.23* (0.70)	2.72***	1.42 (1.28)	1.70**	1.16 (1.40)	0.59	1.13	0.76	.66
PTR	-4.57	(0.66) 5.77*	-8.47	-5.45	-6.02	(0.90) 2.34	(1.56) -10.62	(1.56) -7.29	.079
Latrine/Toilet	(3.27) 0.18**	(3.09) 0.28***	(5.94) 0.26*	(3.36) 0.25***	(6.50) 0.23	(4.21) 0.22**	(7.27) 0.06	(7.27) 0.18	.96
Solid classrooms	(0.08) 0.63	(0.07) 2.81***	(0.14) 2.64*	(0.08) -0.11	(0.16) 1.85	(0.10) 1.59*	(0.17) -1.95	(0.17) 1.30	.055
Solid building	(0.75) 0.28***	(0.71) 0.22***	(1.36) 0.19	(0.77) 0.09	(1.49) 0.26*	(0.97) 0.19*	(1.67) 0.23	(1.67) 0.23	.84
Nearest paved road (KM)	(0.08) -9.25***	(0.07) -10.86***	(0.14) -7.13*	(0.08) -8.22***	(0.15) -4.47	(0.10) -7.13***	(0.17) -4.56	(0.17) -7.79*	.78
7 · · · · · · · · · · · · · · · · · · ·	(2.03)	(1.91)	(3.67)	(2.08)	(4.01)	(2.60)	(4.48)	(4.48)	0

This table presents the difference between public schools and the schools operated by each provider. The information for all schools is taken from the 2015/2016 EMIS data, and therefore is pre-treatment information. Column 9 shows the p-value for testing  $H_0: \beta_{BRAC} = \beta_{Bridge} = \beta_{YMCA} = \beta_{MtM} = \beta_{Omega} = \beta_{Rising} = \beta_{St.Child} = \beta_{StellaM}$ . Standard errors are clustered at the school level. The sample is the original treatment and control allocation. Since some providers had no schools with classes above the class caps, there is no data to estimate treatment effects over constrained classes. \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table 12: Comparable ITT treatment effects by provider

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	BRAC	Bridge	MtM	Omega	Rising	St. Child	Stella M	YMCA	p-value
Panel A: Student test scores									
English (standard deviations)	0.14	0.26***	0.17	0.02	0.24	$0.21^{*}$	0.03	0.24	0.10
	(0.09)	(0.09)	(0.15)	(0.12)	(0.16)	(0.12)	(0.18)	(0.17)	
Math (standard deviations)	0.04	0.35***	0.10	-0.05	0.22	0.19	-0.05	0.10	0.010
	(0.10)	(0.10)	(0.17)	(0.11)	(0.18)	(0.13)	(0.19)	(0.18)	
Composite (standard deviations)	0.08	0.33***	0.13	-0.04	0.24	0.21	-0.03	0.16	0.019
	(0.10)	(0.10)	(0.16)	(0.11)	(0.18)	(0.13)	(0.19)	(0.18)	
Panel B: Changes to the pool of teachers									
% teachers dismissed	-8.59	49.54***	13.93	-6.22	0.52	-0.79	-1.66	12.00	< 0.001
	(6.48)	(7.17)	(11.09)	(6.76)	(11.94)	(9.01)	(12.92)	(12.96)	
% new teachers	38.15***	70.80***	$47.19^{**}$	$22.61^{*}$	20.56	36.01**	-9.64	35.69 <sup>*</sup>	0.0060
	(11.14)	(13.13)	(18.75)	(11.91)	(20.12)	(15.23)	(26.28)	(21.10)	
Age in years (teachers)	-5.50***	-9.13***	-7.80***	-5.74***	-8.08***	-6.54***	-6.00**	-3.50	0.16
	(1.71)	(2.18)	(2.56)	(1.73)	(2.74)	(2.10)	(2.71)	(3.51)	
Test score in standard deviations (teachers)	0.12	$0.24^{*}$	0.23	0.17	0.17	0.23	0.17	0.05	0.46
	(0.13)	(0.14)	(0.18)	(0.13)	(0.18)	(0.16)	(0.18)	(0.23)	
Panel C: Enrollment and access									
$\Delta$ enrollment	31.89	7.61	12.60	28.84	16.39	25.39	15.79	27.57	0.48
	(25.45)	(26.73)	(32.73)	(25.02)	(32.89)	(28.71)	(34.03)	(34.18)	
$\Delta$ enrollment (constrained grades)	41.89	-29.68**	41.42	-3.48	41.63	22.52	_	_	0.48
_	(43.93)	(14.60)	(44.08)	(36.68)	(43.75)	(47.11)	(-)	(-)	
Student attendance (%)	18.44***	$12.81^{*}$	20.75**	17.54***	19.03**	19.39**	$16.68^{*}$	$17.45^{*}$	0.48
	(6.59)	(7.53)	(9.16)	(6.69)	(8.96)	(7.96)	(9.47)	(9.03)	
% students still attending any school	-1.97	1.27	-4.81	-2.03	-3.85	-1.98	-3.21	-3.19	0.36
Ç ,	(3.39)	(3.69)	(5.95)	(3.64)	(5.64)	(4.26)	(5.31)	(5.55)	
% students still attending same school	0.54	2.35	0.38	0.66	0.75	0.26	0.32	0.19	0.45
· ·	(1.76)	(1.91)	(2.54)	(1.87)	(2.55)	(2.22)	(2.59)	(2.74)	
Panel D: Satisfaction									
% satisfied with school (parents)	$11.73^{*}$	$10.94^{*}$	3.76	1.76	2.57	-0.34	9.95	8.58	0.24
•	(6.31)	(6.35)	(8.42)	(6.30)	(8.99)	(8.35)	(9.38)	(9.13)	
% students who think school is fun	4.06	2.73	2.49	3.25	3.44	2.60	0.02	4.75	0.59
	(3.89)	(3.65)	(5.41)	(4.03)	(5.55)	(4.65)	(6.58)	(6.10)	
Observations	40	45	8	12	38	10	24	8	

This table presents the ITT treatment effect for each provider, after adjusting for differences in baseline school characteristics, based on a Bayesian hierarchical model. Thus, this number should be interpreted as the difference between treatment and control schools, not as the mean in treatment schools. Column 9 shows the p-value for testing  $H_0: \beta_{BRAC} = \beta_{Bridge} = \beta_{YMCA} = \beta_{MIM} = \beta_{Omega} = \beta_{Rising} = \beta_{St.Child} = \beta_{StellaM}$ . Some operators had no schools with class sizes above the caps. Table A.16 in Appendix A has the raw experimental treatment effects by provider. Standard errors are shown in parentheses. Estimation is conducted on collapsed, school-level data. \* p < 0.10, \*\*\* p < 0.05, \*\*\*\* p < 0.01

## A Additional tables and figures

[Table A.1 about here.]

[Figure A.1 about here.]

[Table A.2 about here.]

[Table A.3 about here.]

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[Figure A.4 about here.]

[Figure A.5 about here.]

[Table A.16 about here.]

[Figure A.6 about here.]

#### A.1 Treatment effects at the matched-pair level

We can estimate the treatment effect for all 93 matched-pairs in our sample. We do this for learning outcomes, as well as for intermediate outcomes (e.g., teacher attendance). As an exploratory analysis, we plot the treatment effects for learning outcomes and for intermediate outcomes in Figure A.7.<sup>59</sup> Table A.18 shows the correlation between different treatment effects. The slope of the OLS line between two variables (y and x) is equal to  $Cor(x,y)\frac{\hat{\sigma}_y}{\hat{\sigma}_x}$ , and therefore there is a direct relationship between the slope of the fitted lines in Figure A.7 and the correlations in Table A.18.

[Figure A.7 about here.]

[Table A.17 about here.]

#### A.2 Tracking and attrition

A potential issue with our sampling strategy is differential attrition at each round of data collection. In the first round, enumerators were instructed to sample 20 students from the 2015/2016 enrollment logs, track them, and test them. However, if a student had moved to another village, had died, or was impossible to track, the enumerators were instructed to sample another student. Thus, even at the first round an endogenous sampling problem arises if treatment makes students easier or harder to track in combination with enumerator shrinkage. To mitigate this issue, enumerators participated in additional training on tracking and its importance and were provided with a generous amount of tracking time. Students were tracked to their homes and tested there when not available at school. As Table A.19 shows, we have no reason to believe that this issue arose. The effort required to track students was different between treatment and control (it is easier to track students at the school), yet the total number of students sampled, to obtain a sample of 20 students, is balanced between treatment and control (see Table A.19).

 $<sup>^{59}</sup>$ We use the same intermediate outcomes determined by "Double Lasso" in Section 4 as high predictors of learning gains.

#### A.3 Test design

Most modules follow the Early Grade Reading Assessment (EGRA), Early Grade Mathematics Assessment (EGMA), Uwezo, and Trends in International Mathematics and Science Study (TIMSS) assessments. For the first wave of data collection the test contained a module for each of the following skills: object identification (like the Peabody Picture Vocabulary Test), letter reading (adapted from EGRA), word reading (adapted from EGRA), a preposition module, reading comprehension (adapted from Uwezo), listening comprehension (adapted from EGRA), counting (adapted from Uwezo), number discrimination (adapted from Uwezo), number identification (adapted from EGMA), addition (adapted from Uwezo and EGMA), subtraction (adapted from Uwezo and EGMA), multiplication (adapted from Uwezo and EGMA), division (adapted from Uwezo and EGMA), shape identification, fractions, and word problems in mathematics.

For the second round of data collection the test did not include the following modules: Prepositions, shape identification, and fractions. These modules were excluded given the low variation in responses in the first wave of data collection and to make space for new modules. Instead, the test included letter, word and number dictation, and a verb and a pronoun module. Additionally, we included some "conceptual" questions from TIMSS released items (items M031317 and M031316) that do not resemble the format of standard textbook exercises but rather test knowledge in an unfamiliar way. The number identification module remained exactly the same across rounds of data collection (to provide us with absolute learning curves on these two items), while every other module was different. In addition, the word and number identification modules were identical to the EGRA/EGMA assessments used in Liberia previously (for comparability with other impact evaluations taking place in Liberia, most notably USAID's reading program (Piper & Korda, 2011) and the LTTP program (King et al., 2015)), but during the first round of data collection they were different. Two of the reading comprehension questions were taken from the Pre-Pirls released items (L11L01C and L11L02M) and one of the word problems was taken from TIMSS released items (M031183). Finally, we added a Raven's style module to measure the students' abstract thinking abilities.

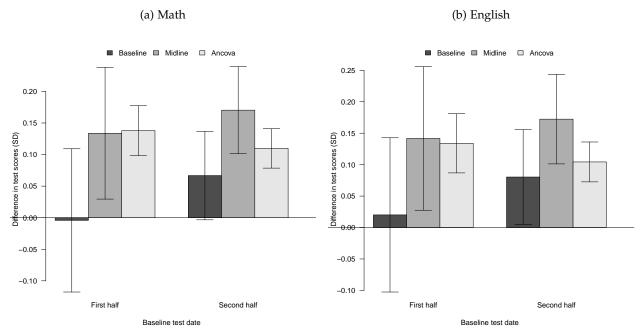
# **Figures**

Figure A.1: Timeline

Research Activities	Year	Month	Intervention Activities
		Jun	Operator selection
Randomization		Jul	
	2016	Aug	
Baseline		Sep	School year begins
		Oct	
		Nov	
		Dec	
		Jan	
		Feb	
		Mar	
Midline	2017	Apr	
		May	Year 2 decisions
		Jun	
		Jul	
		Aug	
		Sep	
		Oct	
		Nov	
		Dec	
	2019	Jan	
		Feb	
Endline	2019	Mar	
		Apr	

Note: Bridge signed its MOU with the Government of Liberia in March 2016, and thus started preparing for the program earlier than other providers.

Figure A.2: Treatment effects by date tested during the first round of data collection



Note: The panel on the left shows results for math test scores, while the panel on the right shows English test scores.

(a) All schools

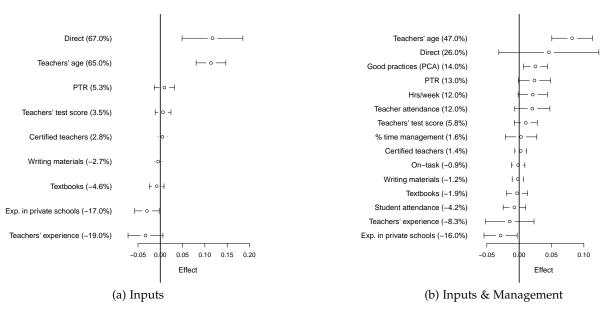
(b) Non-constrained schools

(c) Constrained schools

Figure A.3: Treatment effect on enrollment by grade

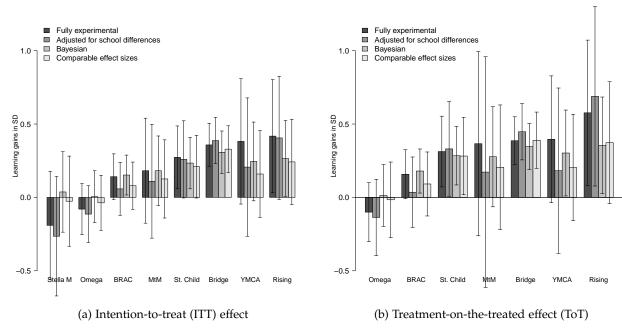
Note: These figures show differences in enrollment (2016/2017 compared to the 2015/2016 academic year) by grade. The dots represent point estimates, while the bars represent 95% confidence intervals. Panel A.3a shows the effect across all schools. Panel A.3b shows the effect in non-constrained school-grades, and Panel A.3c shows the effect in constrained school-grades.

Figure A.4: Direct and causal mediation effects



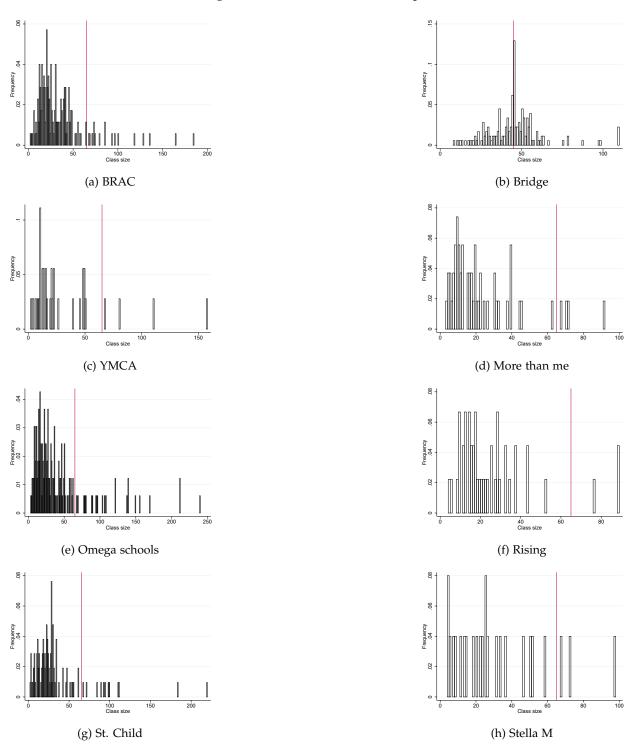
Note: This figure provides the direct effect ( $\beta_5$ ) and the mediation effects ( $\beta_4 \times \theta_5$ ) for all the possible mediators. The point estimates within the same panel are comparable to each other. Point estimates and 90% confidence intervals are plotted. Panel A.4a shows treatment effects allowing only changes in inputs as mediators. Panel A.4b shows treatment effects allowing changes in inputs and in the use of inputs as mediators.

Figure A.5: Treatment effects by provider



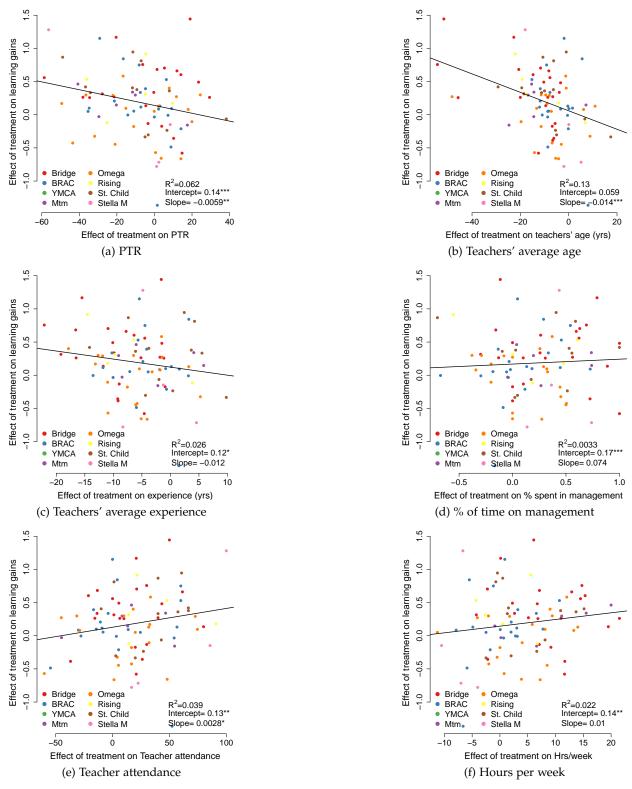
Note: These figures show the raw, fully experimental treatment effects, the effects after adjusting for differences in school characteristics (before the Bayesian hierarchical model), the effects after applying a Bayesian hierarchical model (but without adjusting for school differences), and the comparable treatment effects after adjusting for differences in school characteristics and applying a Bayesian hierarchical model. Figure A.5a shows the intention-to-treat (ITT) effect, while Figure A.5b shows the treatment-on-the-treated (ToT) effect. The ToT effects are larger than the ITT effects due to providers replacing schools that did not meet the eligibility criteria, providers refusing schools, or students leaving PSL schools. Stella Maris had full non-compliance at the school level and therefore there is no ToT effect for this provider.

Figure A.6: Class sizes and class caps



Note: These figures show the distribution of class sizes in treatment schools during the 2016/2017 academic year, as well as the class cap for each provider. The cap for all providers is 65 students, except for Bridge that has a cap of 45.

Figure A.7: Correlation between treatment effects at the matched-pair level for different outcomes



Note: In each figure, each dot represents a matched-pair. The y-axis across all figures is the treatment effect on learning outcomes. The x-axis is the treatment effect on the intermediate outcomes determined by "Double Lasso" in Section4. In Figure A.7a the x-axis is the effect on the pupil-teacher ratio (PTR). In Figure A.7b the x-axis is the effect on the average age of teachers. In Figure A.7c the x-axis is the effect on the average experience of teachers. In Figure A.7d the x-axis is the effect on the proportion of time the principal spends on management activities. In Figure A.7e the x-axis is the effect on teacher attendance. In Figure A.7f the x-axis is the effect on the hours per week of instructional time according to the official time schapele.

# **Tables**

Table A.1: External validity: Differences in characteristics of schools in the RCT (treatment and control) and other public schools (based on EMIS data)

	(1)	(2)	(3)
	RCT (Treatment and control)	Other public schools	Difference
Students: ECE	142.68	112.71	29.97***
	(73.68)	(66.46)	(5.77)
Students: Primary	151.55	132.38	19.16*
	(130.78)	(143.57)	(10.18)
Students	291.91	236.24	55.67***
	(154.45)	(170.34)	(12.15)
Classrooms per 100 students	1.17	0.80	0.37***
_	(1.63)	(1.80)	(0.13)
Teachers per 100 students	3.04	3.62	-0.58**
	(1.40)	(12.79)	(0.28)
Textbooks per 100 students	99.21	102.33	-3.12
	(96.34)	(168.91)	(7.88)
Chairs per 100 students	20.71	14.13	6.58***
	(28.32)	(51.09)	(2.38)
Food from Gov or NGO	0.36	0.30	0.06
	(0.48)	(0.46)	(0.04)
Solid building	0.36	0.28	$0.08^{*}$
-	(0.48)	(0.45)	(0.04)
Water pump	0.62	0.45	0.17***
	(0.49)	(0.50)	(0.04)
Latrine/toilet	0.85	0.71	$0.14^{***}$
	(0.33)	(0.45)	(0.03)
Observations	185	2,420	2,605

This table presents the mean and standard error of the mean (in parentheses) for schools in the RCT (Column 1) and other public schools (Column 2), as well as the difference in means across both groups (Column 3). The sample of RCT schools is the original treatment and control allocation. ECE = Early childhood education. MOE= Ministry of Education. Authors' calculations based on 2015/2016 EMIS data.

<sup>\*</sup> p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table A.2: Number of schools by provider

	(1)	(2)	(3)	(4)	(5) (1)-(2)+(3)+(4)	(6) [(1)-(2)]/(1)
	Randomly assigned	Noncomplian	t Replacement	Outside sample	Managed	% compliant in sample
BRAC	20	0	0	0	20	100%
Bridge	23	0	0	2	25	100%
YMCA	4	0	0	0	4	100%
MtM	6	2	2	0	6	67%
Omega	19	2	0	0	17	89%
Rising	5	1	0	1	5	80%
Stella	4	4	0	0	0	0%
St. Child	12	2	2	0	12	83%

Note: The table shows the number of schools originally assigned to treatment (Column 1) and the schools that either did not meet Ministry of Education criteria or were rejected by providers (Column 2). The Ministry of Education provided replacement schools for those that did not meet the criteria, presenting each provider with a new list of paired schools and informing them, as before, that they would operate one of each pair (but not which one). Replacement schools are shown in Column 3. Column 4 contains non-randomly assigned schools given to some providers. Column 5 shows the final number of schools managed by each provider. Finally, the last column shows the percentage of schools actually managed by the provider that are in our main sample.

Table A.3: Balance table: Differences in characteristics of treatment and control schools, pre-treatment year (2015/2016, EMIS data)

	(1)	(2)	(3)	(4)
	Treatment	Control	Difference	Difference (F.E)
Students: ECE	148.51	136.72	11.79	11.03
	(76.83)	(70.24)	(10.91)	(9.74)
Students: Primary	159.05	143.96	15.10	15.68
·	(163.34)	(86.57)	(19.19)	(16.12)
Students	305.97	277.71	28.26	27.56
	(178.49)	(124.98)	(22.64)	(19.46)
Classrooms per 100 students	1.21	1.13	0.09	0.08
-	(1.62)	(1.65)	(0.24)	(0.23)
Teachers per 100 students	3.08	2.99	0.09	0.09
-	(1.49)	(1.30)	(0.21)	(0.18)
Textbooks per 100 students	102.69	95.69	7.00	7.45
-	(97.66)	(95.40)	(14.19)	(13.74)
Chairs per 100 students	18.74	22.70	-3.96	-4.12
-	(23.06)	(32.81)	(4.17)	(3.82)
Food from Gov or NGO	0.36	0.36	-0.01	-0.01
	(0.48)	(0.48)	(0.08)	(0.05)
Solid building	0.39	0.33	0.06	0.06
<u> </u>	(0.49)	(0.47)	(0.07)	(0.06)
Water pump	0.56	0.67	-0.11	-0.12*
• •	(0.50)	(0.47)	(0.07)	(0.06)
Latrine/toilet	0.85	0.86	-0.01	-0.01
	(0.35)	(0.32)	(0.05)	(0.05)
Observations	93	92	185	185

This table presents the mean and standard error of the mean (in parenthesis) for the control (Column 1) and treatment (Column 2), as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. The sample is the final treatment and control allocation. Authors' calculations based on EMIS data. \* p < 0.10, \*\*\* p < 0.05, \*\*\* p < 0.01

Table A.4: ITT treatment effects on learning

	First wave (1-2 months after treatment)		Second wave (9-10 months after treatment)			
	Difference (1)	Difference (F.E.) (2)	Difference (3)	Difference (F.E.) (4)	Difference (F.E. + Controls) (5)	Difference (ANCOVA) (6)
English	0.05 (0.08)	0.09* (0.05)	0.17** (0.08)	0.17*** (0.04)	0.18*** (0.03)	0.13*** (0.02)
Math	0.08 (0.07)	0.08* (0.04)	0.17*** (0.07)	0.19*** (0.04)	0.18*** (0.03)	0.14*** (0.02)
Composite	0.07 (0.07)	0.08* (0.05)	0.17** (0.07)	0.19*** (0.04)	0.19*** (0.03)	0.14*** (0.02)
New modules	(0.01)	(0.00)	0.17**	0.20***	0.19*** (0.04)	0.16*** (0.03)
Conceptual			0.12**	0.13*** (0.04)	0.12*** (0.04)	0.10*** (0.04)
Observations	3,496	3,496	3,492	3,492	3,492	3,492

Columns 1-2 use baseline data and show the difference between treatment and control (Column 1), and the difference taking into account the randomization design — i.e., including "pair" fixed effects — (Column 2). Columns 3-6 use May/June 2017 data and show the difference between treatment and control (Column 3) in test scores, the difference taking into account the randomization design — i.e., including "pair" fixed effects — (Column 4), the difference taking into account other student and school controls (Column 5), and the difference using an ANCOVA style specification which controls for baseline test scores (Column 6).

p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table A.5: Heterogeneity by student characteristics

	Male (1)	Top wealth quartile (2)	Bottom wealth quartile (3)	Grade (4)
Treatment	0.20***	0.18***	0.17***	0.16
	(0.047)	(0.035)	(0.035)	(0.10)
Treatment $\times$ covariate	-0.021	0.030	0.061	0.0050
	(0.068)	(0.066)	(0.050)	(0.020)
No. of obs.	3,492	3,492	3,492	3,492

Each column shows the interaction of a different covariate with treatment. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. \* p < 0.10, \*\*\* p < 0.05, \*\*\* p < 0.01

Table A.6: ITT and ToT effect

	Diffe	Difference (Controls)			ANCOVA		
	Math (1)	English (2)	Abstract (3)	Math (4)	English (5)	Abstract (6)	
Panel A: ITT							
Treatment	0.18***	0.18***	0.046	0.14***	0.13***	0.031	
	(0.034)	(0.030)	(0.037)	(0.023)	(0.021)	(0.036)	
No. of obs.	3,492	3,492	3,492	3,492	3,492	3,492	
Panel B: ToT							
Treatment	0.23***	0.22***	0.058	0.18***	0.17***	0.040	
	(0.041)	(0.038)	(0.047)	(0.028)	(0.026)	(0.045)	
No. of obs.	3,492	3,492	3,492	3,492	3,492	3,492	

The treatment-on-the-treated effect is estimated using the assigned treatment as an instrument for whether the student is in fact enrolled in a PSL school during the 2016/2017 academic year. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table A.7: Treatment effects across various measures of difference in student ability

	Difference	Difference	Difference	Difference
		(F.E.)	(F.E. + Controls)	(ANCOVA)
	(1)	(2)	(3)	(4)
Panel A: Base				
English	$0.17^{**}$	0.17***	$0.18^{***}$	0.13***
	(0.08)	(0.04)	(0.03)	(0.02)
Math	0.17***	0.19***	0.18***	$0.14^{***}$
	(0.07)	(0.04)	(0.03)	(0.02)
Panel B: Base	IRT model s	tandarized b	v grade	
English	0.19**	0.21***	0.23***	0.18***
O	(0.09)	(0.05)	(0.04)	(0.03)
Math	0.19***	0.22***	0.23***	0.18***
	(0.07)	(0.04)	(0.04)	(0.03)
Panel C: IRT 1	model per gr	ade		
English	0.21**	0.23***	0.25***	0.19***
O	(0.09)	(0.05)	(0.04)	(0.03)
Math	0.22***	0.25***	0.26***	0.21***
	(0.08)	(0.05)	(0.04)	(0.03)
Panel D: Base	PCA			
English	0.16**	0.17***	0.16***	0.12***
O	(0.08)	(0.04)	(0.03)	(0.02)
Math	0.18***	0.19***	0.24***	0.19***
	(0.06)	(0.05)	(0.04)	(0.03)
Panel E: Base	PCA standar	ized by grad	e	
English	$0.17^{*}$	0.18***	0.19***	$0.14^{***}$
O	(0.09)	(0.05)	(0.04)	(0.03)
Math	0.23***	0.26***	0.28***	0.23***
	(0.07)	(0.05)	(0.05)	(0.03)
Panel F: PCA	per grade			
English	0.17*	0.18***	0.20***	0.15***
8	(0.09)	(0.05)	(0.04)	(0.03)
Math	0.21***	0.24***	0.25***	0.20***
	(0.07)	(0.05)	(0.05)	(0.03)
Panel G: % co	rrect answer			
English	2.99**	3.00***	2.97***	2.27***
G	(1.40)	(0.75)	(0.55)	(0.37)
Math	3.88***	4.14***	4.24***	3.36***
	(1.32)	(0.83)	(0.71)	(0.47)
Observations	3,492	3,492	3,492	3,492
			<u> </u>	

Column 1 shows the simple difference between treatment and control; Column 2 shows the difference taking into account the randomization design — i.e., including "pair" fixed effects; Column 3 shows the difference taking into account other student and school controls; and the difference using an ANCOVA-style specification which controls for baseline test scores is in Column 4. Panel A uses our default IRT model and normalizes test scores using the same mean and standard deviation across all grades. Panel B uses the same IRT model as Panel B, but normalizes test scores using a different mean and standard deviation for each grade. Panel C estimates a different IRT model for each grade. Panel D estimates students' ability as the first component from a principal component analysis (PCA), and normalizes test scores using **79**common mean and standard deviation across all grades. Panel E uses the same model as Panel D but normalizes test scores using a different mean and standard deviation per grade. Panel F performs a different principal component analysis for each grade. Panel G calculates the percentage of correct responses. \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table A.8: Student selection

	(1) Same school	(2) Same school	(3) Same school
Treatment	0.061 (0.082)	0.012 (0.026)	0.021 (0.019)
$Treatment \times Age$	-0.0042 (0.0064)	(0.020)	(0.01)
$Treatment \times Male$	(0.0064)	-0.011	
$Treatment \times Asset Index (PCA)$		(0.028)	-0.0061
No. of obs.	3,487	3,487	(0.011) 3,428

Standard errors are clustered at the school level. The sample is the original treatment and control allocation.

Table A.9: ITT treatment effects, by whether class size caps are binding without including adjectent grades

	$\begin{array}{c} (1) \\ \Delta \text{ enrollment} \end{array}$	(2) % same school	(3) % in school	(4) Test scores
Constrained= $0 \times Treatment$	2.96***	3.83***	1.53**	0.10**
	(1.08)	(1.43)	(0.67)	(0.039)
Constrained= $1 \times Treatment$	17.3**	-12.5**	-13.4***	0.36***
	(7.53)	(5.84)	(3.53)	(0.14)
No. of obs.	1,256	2,773	2,636	2,641
Mean control (Unconstrained)	-0.43	82.57	94.00	0.08
Mean control (Constrained)	-9.03	80.95	100.00	-0.33
$\alpha_0$ = Constrained - Unconstrained	14.30	-16.34	-14.95	0.26
p-value ( $H_0: \alpha_0 = 0$ )	0.07	0.01	0.00	0.07

This table mirrors Table 5, but adjacent grades are not included in the calculation of the constrained indicator. Column 1 uses school-grade level data. Columns 2 - 4 use student level data. The independent variable in Column 4 is the composite test score. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. There were 216 constrained classes at baseline (holding 35% of students), and 1,448 unconstrained classes at baseline (holding 65% of students). \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

<sup>\*</sup> p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table A.10: Intensive margin effect on teacher attendance and classroom observation with Lee bounds

	(1) Treatment	(2) Control	(3) Difference (F.E)	(4) Difference	(5) 90% CI (bounds)
Panel A: Spot check (N = 929)					
% on schools campus	68.15	52.40	15.75***	14.17***	2.51
•	(46.64)	(50.00)	(4.45)	(3.75)	28.11
% in classroom	50.96	41.05	9.91**	9.96**	-1.34
	(50.04)	(49.25)	(4.78)	(3.86)	24.44
B: Classroom observation (N = 143)					
Active instruction (% class time)	38.12	30.13	7.98	7.62	-4.75
	(28.93)	(32.11)	(4.86)	(4.75)	19.92
Passive instruction (% class time)	16.24	12.80	3.44	4.72	-4.93
	(17.18)	(19.83)	(2.95)	(3.23)	9.62
Classroom management (% class time)	20.82	10.67	10.16***	10.33***	0.77
-	(21.06)	(14.83)	(2.85)	(3.32)	16.99
Teacher off-task (% class time)	24.82	46.40	-21.58***	-22.66***	-40.24
	(32.65)	(41.09)	(5.92)	(6.26)	-10.32
Student off-task (% class time)	55.06	57.60	-2.54	-5.19	-16.05
	(31.23)	(34.87)	(5.26)	(4.88)	12.63
<b>Panel C: Inputs (N = 143)</b>					
Number of seats	20.64	20.58	0.06	0.58	-7.22
	(13.33)	(13.57)	(2.21)	(1.90)	5.36
% with students sitting on the floor	2.41	4.23	-1.82	-1.51	-7.48
	(15.43)	(20.26)	(2.94)	(2.61)	2.76
% with chalk	96.39	78.87	17.51***	16.58***	9.47
	(18.78)	(41.11)	(5.29)	(5.50)	27.85
% of students with textbooks	37.08	17.60	19.48***	22.60***	-1.21
	(43.22)	(35.25)	(6.33)	(6.32)	34.87
% of students with pens/pencils	88.55	79.67	8.88**	8.16**	1.36
	(19.84)	(30.13)	(4.19)	(4.10)	20.98

This table presents the mean and standard error of the mean (in parenthesis) for the control (Column 1) and treatment (Column 2) groups, as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. Column 5 shows the 90% confidence interval using Lee (2009) bounds. Panel A provides results from the spot check using the EMIS data (2015/2016) on teachers as a baseline, and treating teachers who no longer teach at school as attriters. Panel B provides the classroom observation information without imputing values for schools not in session during our visit, and treating the missing information as attrition. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table A.11: Treatment effect on schools' good practices

	(1) Treatment	(2) Control	(3) Difference	(4) Difference (F.E)
Maintains an enrollment log	0.90	0.80	0.10*	0.10*
	(0.30)	(0.40)	(0.05)	(0.05)
Log contains student name	0.89	0.82	0.08	0.08
	(0.31)	(0.39)	(0.05)	(0.05)
Log contains student grade	0.94	0.84	$0.10^{**}$	$0.10^{**}$
	(0.25)	(0.37)	(0.05)	(0.05)
Log contains student age	0.65	0.64	0.00	-0.00
	(0.48)	(0.48)	(0.07)	(0.07)
Log contains student gender	0.89	0.83	0.07	0.06
	(0.31)	(0.38)	(0.05)	(0.05)
Log contains student contact information	0.26	0.13	0.13**	0.13**
Ŭ	(0.44)	(0.34)	(0.06)	(0.06)
Enrollment log is clean and neat	0.39	0.26	0.13*	0.13*
	(0.49)	(0.44)	(0.07)	(0.07)
Maintains official schedule	0.98	0.89	0.09**	0.09***
	(0.15)	(0.31)	(0.04)	(0.03)
Official schedule is posted	0.84	0.70	0.14**	$0.14^{**}$
•	(0.37)	(0.46)	(0.06)	(0.06)
Has a PTA	0.99	0.98	0.01	0.01
	(0.10)	(0.15)	(0.02)	(0.02)
Principal has PTA head's number at hand	0.41	0.26	0.15**	0.15**
•	(0.49)	(0.44)	(0.07)	(0.06)
Maintains expenditure records	0.14	0.09	0.05	0.05
•	(0.35)	(0.28)	(0.05)	(0.05)
Maintains a written budget	0.26	0.22	0.04	$0.04^{\circ}$
Ŭ	(0.44)	(0.41)	(0.06)	(0.06)
Observations	93	92 ′	185	185

This table presents the mean and standard error of the mean (in parentheses) for the control (Column 1) and treatment (Column 2) groups, as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. p < 0.10, p < 0.05, p < 0.05, p < 0.01

Table A.12: Treatment effect on household expenditure

	(1)	(2)	(3)	(4)
	Treatment	Control	Difference	Difference (F.E)
Fees (USD/year)	5.72	8.04	-2.32**	-2.89***
-	(10.22)	(9.73)	(0.96)	(0.61)
Tutoring (USD/year)	0.35	0.38	-0.04	-0.03
	(1.22)	(1.34)	(0.09)	(0.08)
Textbooks (USD/year)	0.61	0.86	-0.25**	-0.22**
	(1.44)	(1.65)	(0.12)	(0.09)
Copy books (USD/year)	1.02	1.09	-0.07	-0.08
	(1.96)	(1.94)	(0.15)	(0.13)
Pencils (USD/year)	3.23	2.95	0.28	0.20
•	(3.05)	(2.88)	(0.31)	(0.16)
Uniform (USD/year)	9.24	11.45	-2.21***	-1.95***
	(6.31)	(5.18)	(0.63)	(0.42)
Food (USD/year)	42.94	46.43	-3.50	-1.66
-	(70.95)	(76.05)	(6.90)	(3.93)
Other (USD/year)	3.42	3.06	0.36	0.32
•	(4.56)	(4.28)	(0.34)	(0.27)
Observations	595	520	1,115	1,115

This table presents the mean and standard error of the mean (in parentheses) for the control (Column 1) and treatment (Column 2) groups, as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. p < 0.10, p < 0.05, p < 0.01

Table A.13: Treatment effect on household engagement

	(1) Treatment	(2) Control	(3) Difference	(4) Difference (F.E)
Attended school meeting	0.76	0.77	-0.01	0.03
Titteriaea serioor meeting	(0.43)	(0.42)	(0.04)	(0.02)
Made cash donation	0.12	0.11	0.02	-0.00
	(0.33)	(0.31)	(0.02)	(0.02)
Made in-kind donation	0.03	0.04	-0.01	-0.02
	(0.17)	(0.20)	(0.01)	(0.01)
Donated work	0.13	0.15	-0.01	-0.00
	(0.34)	(0.35)	(0.03)	(0.02)
Helped with homework	0.58	0.61	-0.03	-0.04
	(0.49)	(0.49)	(0.04)	(0.03)
Observations	619	543	1,162	1,162

This table presents the mean and standard error of the mean (in parenthesis) for the control (Column 1) and treatment (Column 2) groups, as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table A.14: Control variables

Student controls	Question	Questionnaire
Wealth index	A1-A7	Student
Age	B1	Student
Gender	B2	Student
Grade (2015/2016)	В6а	Student
School controls		
Enrollment (2015/2016)	C1	Principal
Infrastructure quality (2015/2016)	L1-L3	Principal
Travel time to nearest bank	L6	Principal
Rurality	L7	Principal
NGO programs in 2015/2016	M1-M4	Principal
Donations in 2015/2016	N1A-N3b_a_5	Principal

Table A.15: Mediated treatment effects, when the effect of mediators on learning is estimating using only control schools

	% of tota (1)	l treatment effect (2)
Direct	79.0%	66.0%
PTR	6.1%	6.2%
Teachers' age	70.0%	67.0%
Teachers' experience	-55.0%	-49.0%
Certified teachers		2.5%
Exp. in private schools		6.3%
Teachers' test score		2.0%
Textbooks		0.4%
Writing materials		-1.9%

<sup>\*</sup> *p* < 0.10, \*\* *p* < 0.05, \*\*\* *p* < 0.01

Table A.16: Raw (fully experimental) treatment effects by provider

	(1) BRAC	(2) Bridge	(3) MtM	(4) Omega	(5) Rising	(6) St. Child	(7) Stella M	(8) YMCA
Panel A: Student test scores								
English (standard deviations)	$0.19^{**}$	0.28***	0.19	-0.07	0.36	0.23*	-0.23	0.58**
,	(0.10)	(0.09)	(0.22)	(0.11)	(0.24)	(0.13)	(0.23)	(0.26)
Math (standard deviations)	0.09	0.39***	0.18	-0.06	$0.42^{*}$	0.28**	-0.17	0.27
,	(0.09)	(0.09)	(0.22)	(0.11)	(0.23)	(0.13)	(0.22)	(0.26)
Composite (standard deviations)	0.14	0.36***	0.18	-0.08	$0.42^{*}$	0.27**	-0.19	0.38
,	(0.09)	(0.09)	(0.22)	(0.11)	(0.23)	(0.13)	(0.22)	(0.26)
Panel B: Changes to the pool of teachers	. ,	, ,	, ,	, ,	, ,	. ,	, ,	, ,
% teachers dismissed	-6.83	49.98***	15.86	-9.12	-5.73	-2.63	-3.51	20.96
	(6.51)	(6.36)	(11.90)	(6.89)	(12.88)	(8.59)	(14.52)	(14.52)
% new teachers	39.62***	62.95***	69.54***	24.34*	24.38	40.94**	-21.93	62.20**
	(12.29)	(12.02)	(22.46)	(13.01)	(24.31)	(16.21)	(27.41)	(27.41)
Age in years (teachers)	-5.03***	-10.92***	-11.20***	-5.46***	-10.75***	-5.79**	-4.53	3.25
, , ,	(1.93)	(2.01)	(3.52)	(2.03)	(3.82)	(2.54)	(4.30)	(4.30)
Test score in standard deviations (teachers)	0.03	0.36**	0.48	0.18	0.18	0.32	0.16	-0.59
,	(0.17)	(0.17)	(0.31)	(0.17)	(0.33)	(0.22)	(0.38)	(0.38)
Panel C: Enrollment and access	, ,	, ,	, ,	, ,	, ,	. ,	, ,	, ,
$\Delta$ enrollment	38.02	-13.26	-25.98	51.27	19.31	44.86	-15.92	45.38
	(34.33)	(33.60)	(62.76)	(35.26)	(67.84)	(45.21)	(76.59)	(76.53)
$\Delta$ enrollment (constrained grades)	0.00	-23.85**	0.00	0.28	0.00	32.15	0.00	0.00
,	(0.00)	(11.19)	(0.00)	(37.16)	(0.00)	(61.95)	(0.00)	(0.00)
Student attendance (%)	20.09**	5.25	37.81**	18.01*	28.76	19.56*	9.71	13.53
, ,	(9.02)	(9.05)	(16.50)	(9.53)	(17.82)	(11.88)	(23.32)	(20.11)
% students still attending any school	1.27	5.19	-3.12	4.71	2.82	3.64	5.98	4.48
0 ,	(4.45)	(4.22)	(10.25)	(4.99)	(11.03)	(6.11)	(10.57)	(12.21)
% students still attending same school	0.80	4.42**	0.65	1.56	3.81	-0.82	1.03	-0.81
Ü	(2.20)	(2.09)	(5.07)	(2.46)	(5.45)	(3.02)	(5.23)	(6.04)
Panel D: Satisfaction	•	•	•		•	•	•	•
% satisfied with school (parents)	11.72	13.22*	0.75	0.21	4.95	-4.96	$29.49^{*}$	18.02
*	(7.30)	(7.14)	(13.34)	(7.53)	(14.44)	(9.62)	(16.28)	(16.27)
% students who think school is fun	5.83	2.11	0.50	4.86	9.44	2.84	-17.50	20.92
	(4.89)	(4.63)	(11.25)	(5.47)	(12.11)	(6.71)	(11.60)	(13.40)
Observations	40	45	8	12	38	10	24	8

This table presents the raw treatment effect for each provider on different outcomes. The sample is the original treatment and control allocation. The estimates for each provider are *not* comparable to each other without further assumptions, and thus we do not include a test of equality. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. \* p < 0.10, \*\*\* p < 0.05, \*\*\*\* p < 0.01

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Table A.17: Descriptive statistics by provider and treatment

(1) Provider	(2) Treatment	(3) Schools	(4)	(5) Teache	(6)	(7)	(8)	(9) Enrollmen	(10)	(11) Enrollmen	(12) t in constraine	(13) ed classes
			2015/2016	2016/2017	Dismissed	New	Classes	2015/2016	2016/2017	Constrained classes	2015/2016	2016/2017
BRAC	0	20	141	148	41	48	180	5,694	5,107	10	780	703
BRAC	1	20	141	209	33	101	180	5,684	5,872	11	1,130	1,138
Bridge	0	22	177	174	38	35	198	7,110	6,610	61	3,969	3,648
Bridge	1	23	236	212	174	150	207	9,788	8,282	72	6,909	3,475
YMCA	0	4	20	22	1	3	36	729	727	2	142	120
YMCA	1	4	27	40	6	19	36	908	1,068	2	217	238
MtM	0	6	52	41	21	10	54	1,140	1,312	2	155	167
MtM	1	6	46	64	20	38	54	1,145	1,223	2	171	159
Omega	0	19	132	130	33	31	171	4,895	5,200	12	1,255	1,232
Omega	1	19	151	196	26	71	171	5,764	6,841	19	1,953	2,446
Rising	0	5	47	43	23	19	45	1,209	1,308	2	202	185
Rising	1	5	36	47	11	22	45	918	1,134	1	87	89
St. Child	0	12	88	68	29	9	108	3,094	2,794	7	738	557
St. Child	1	12	81	100	22	41	108	3,351	3,506	9	877	797
Stella M	0	4	20	20	8	8	36	765	683	1	73	45
Stella M	1	4	31	27	9	5	36	958	978	3	213	192

This table shows the total number of teachers and students in treatment and control schools for each operator. Teachers in 2015/2016 are taken from the EMIS data, while teachers in 2016/2017 are taken from our first-year follow-up data. "Dismissed" refers to the number of teachers in the 2015/2016 EMIS data who are not working at the school at the end of the 2016/2017 academic year. "New" is the number of teachers working at the school at the end of the 2016/2017 academic year who are not in the 2015/2016 EMIS data. "Constrained classes" are those with more students in 2015/2016 than the class size cap.

Table A.18: Correlation between treatment effects at the matched-pair level

Variable:	Learning	PTR	Age	Experience	Management	Attendance	Hours/Week
Learning	1			-			
Age	-0.37***	1					
PŤR	-0.25**	0.025	1				
Attendance	$0.20^{*}$	0.056	-0.034	1			
Experience	-0.16	0.47***	-0.054	0.12	1		
Hours/Week	0.15	-0.19*	0.11	-0.00049	-0.18*	1	
Management	0.057	-0.020	-0.071	0.34***	$0.19^{*}$	0.084	1

Each number represents the correlation between treatment effects at the matched-pair level. Learning refers to treatment effects on learning outcomes, PTR is the pupil-teacher-ratio, Age is the average age of teachers, Experience is the average experience of teachers, Management is the proportion of time the principal spends on management activities, Attendance is teachers' attendance, and Hours/Week is the hours per week of instructional time according to the official time schedule. \* p < 0.10, \*\*\* p < 0.05, \*\*\* p < 0.01

Table A.19: Tracking and sampling in the first wave of data collection

	(1) Treatment	(2) Control	(3) Difference	(4) Difference (F.E)
Number of students sampled	24.8	24.6	0.13	0.035
_	(5.74)	(5.10)	(0.81)	(0.81)
Found at the school	18.2	16.7	1.49***	1.555***
	(2.30)	(4.70)	(0.55)	(0.54)
Found at home	1.73	2.91	-1.18**	-1.223**
	(2.12)	(3.97)	(0.48)	(0.47)
Interviewed	19.8	19.5	0.30	0.320
	(0.83)	(2.18)	(0.25)	(0.26)
Observations	88	90	178	171

This table presents the mean and standard error of the mean (in parentheses) for the control (Column 1) and treatment (Column 2) groups, as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. The table shows the average number of students we sampled (and tried to track), the number of students we were able to track at the assigned school or at home, and the total number of students we tracked and found during the first round of data collection. Standard errors are clustered at the school level. The sample is the original treatment and control allocation.

<sup>\*</sup> p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

## B Online Appendix

#### **B.1** Bayesian hierarchical model

Figure B.1 shows the distribution of treatment effects across all 93 matched-pairs in our sample. This gives us an idea of what the scale for  $\tau$  should be.

[Figure B.1 about here.]

Figures B.2 and B.3 show the posterior treatment effects and standard errors for different values of  $\tau$ . Assuming  $\tau = 0$  is equivalent to imposing that the treatment effect is the same across all providers (and thus that the average treatment effect is the best estimator for all providers). Larger values of  $\tau$  correspond to minimal pooling. Figure B.4 shows the posterior distribution of  $\tau$  in the case of a flat prior.

[Figure B.2 about here.]

[Figure B.3 about here.]

[Figure B.4 about here.]

Table B.2 shows the posterior treatment effect and standard error across different priors, as suggested by Gelman (2006).

[Table B.1 about here.]

#### **B.2** School competition

Within the World Bank (2004) framework for public service delivery, there is a "short route" to accountability if parents are able to exercise "client power" in their interactions with teachers and schools. Client power emerges from the freedom to choose another provider. Internationally, the charter school movement is closely tied to policy reforms aimed at giving parents freedom of school choice. The standard argument in favor of such reforms is that charter schools will be more responsive to parents' demands than traditional public schools because their funding is linked directly to enrollment numbers. However, there is limited empirical evidence that parent choice responds to learning quality in low-income settings (Andrabi, Das, & Khwaja, 2008). Furthermore, this mechanism may be more relevant for schools in high-density urban locations like Monrovia than in remote, rural locations where choice is *de facto* limited to one or two schools.

To measure school competition, we calculate the number of schools within a 5-km radius (as precommitted to in the pre-analysis plan). Since we do not experimentally vary the level of competition, we rely on sampling variation generated by the randomization assignment and control for time-invariant school characteristics and their interactions with treatment. Test scores, enrollment, and attendance in schools are statistically indistinguishable among schools facing competition below and above the median (see Table B.3).<sup>60</sup> This is also true if we let the treatment effect vary in a more flexible way (see Figure B.5).

[Table B.2 about here.]

[Figure B.5 about here.]

#### B.3 Satisfaction and support for the PSL program

For a government program to be politically viable, it needs the support of those affected by it. The PSL program has met with resistance from teachers' unions and provoked criticism from international organizations and the media.<sup>61</sup> Data we collected independently on levels of support for and satisfaction with the PSL program among students, parents, and teachers are shown in Table B.4.

There are three main messages from the data in this table. First, students are happier in PSL schools than in traditional public schools (measured by whether they think going to school is fun). Second, households with children in PSL schools (enrolled in 2015/2016) are 7.4 percentage points (p-value .022) more likely to be satisfied with the education their children are receiving. Additionally, most households, even in the control group, would prefer that providers manage more schools the following year (87% of households overall) and would rather send their children to a school managed by a provider than to a traditional public school (72% of households overall). Third, despite any (statistically significant) difference in the satisfaction of teachers across treatment and control schools, most teachers, even in control schools, would rather work in a school managed by a provider (64% of teachers overall) and would prefer that providers managed more schools the following year (85% of teachers overall).

[Table B.3 about here.]

<sup>&</sup>lt;sup>60</sup>To make the effects comparable we estimate the treatment effects for schools with and without competition at the average level of school and student covariates in our sample.

<sup>&</sup>lt;sup>61</sup>The Liberian government's announcement of the PSL program generated international coverage, from the BBC to the New York Times, focused on outsourcing and privatization (The New York Times, 2016; BBC Africa, 2016; Vox World, 2016; Foreign Policy, 2016; Mail & Guardian Africa, 2016b, 2016a), and even condemnation from a UN Special Rapporteur that Liberia was abrogating its responsibilities under international law (OHCHR, 2016).

## B.4 What "managing" a school means in practice

In this section we show data from the teacher survey on provider activities in each school. Our pair-matched design allowed us to ask provider-specific questions of teachers at control schools; their responses are shown in Table B.5. First, no provider visited a control school on a a regular basis, nor did they provide control schools with inputs. However, only 62% of treatment schools received provider visits on a regular basis (recall that there is non-compliance in our sample). Managing a school does seem to entail a wide range of activities. Teachers report that providers provided hard inputs (textbooks, copybooks, tablets, and repairs) and soft inputs (training and community meetings). The two most likely activities during the last visit from the provider entailed either checking attendance and school records and/or observing teaching practices.

[Table B.4 about here.]

#### B.5 Standard deviation and equivalent years of schooling

Figure B.6 shows how many standard deviations are equal to an extra year of schooling in different countries, using different exams and testing different underlying populations. The height of each bar is equal to the estimate of  $\beta_1 + \beta_2$  from the following equation  $Z_i = \beta_0 + \beta_1 Grade_i + \beta_2 age_i + \beta_3 male_i + \varepsilon_i$ . This is slightly different from the methodology used by Evans and Popova (2016). The graph also shows the 90% confidence interval of  $\beta_1 + \beta_2$ . For each data set we used a vertically linked 2LP IRT model to estimate comparable scores across grades.<sup>62</sup> The main message from this figure is: Reporting results in standard deviations can be misleading. What a standard deviation means in practice (compared to business as usual) varies depending on the questions in the exam, the population tested, and the country.

[Figure B.6 about here.]

### **B.6** Absolute learning levels

The test has some questions that are identical to those of other assessments, which allows us to compare absolute levels of learning: Two math questions taken from TIMSS released items (M031317 and M031316), two reading comprehension questions taken PrePIRLS released items (L11L01C and L11L02M), and the

<sup>&</sup>lt;sup>62</sup>The Global Reading Network (https://globalreadingnetwork.net) provided the EGRA/EGMA data. The Young Live data can be downloaded from the UK Data service webpage. Abhijeet Singh kindly provided the complementary files needed to vertically link the questions for Young Lives.

number and word identification matrices used during the Liberia Teacher Training Program (LTTP) program evaluation in Liberia (King et al., 2015).

Figure B.7 shows the average words per minute (wpm) and numbers per minute (npm) that students in different grades achieved at the 2013 LTTP program midline and at our own midline (for both treatment and control schools in both programs). Figures B.8 and B.9 show the results from 4th grade students (enrolled in 3rd grade in 2015/2016) in treatment and control schools in the TIMSS items, as well as the average for every country in 2011. Finally, Figure B.10 show the results from 4th grade students (enrolled in 3rd grade in 2015/2016) in treatment and control schools in the PrePIRLS items, as well as the average for every country in 2011.

Absolute learning levels are low. Despite the positive treatment effect of PSL, students in treatment schools are still far behind their international peers. Based on results for the TIMSS or the PrePIRLS items, Liberia (both treatment and control schools) is at the very bottom of the ranking or close to it. This is especially worrisome in regard to English learning. Liberian students perform well below their peers in other countries, particularly when considering that PrePIRLS is specifically designed for countries where most children in the fourth grade are still developing fundamental reading skills (and thus, in most countries the PIRLS assessment is used).

[Figure B.7 about here.]

[Figure B.8 about here.]

[Figure B.9 about here.]

[Figure B.10 about here.]

#### **B.7** Comparisons across providers

The assignment of providers to schools was not random. Providers stated different preferences for locations and some volunteered to manage schools in more remote and marginalized areas. Thus, any heterogeneous effects by provider or by provider characteristics are not experimental. Figure B.6 shows the treatment and control schools allocated to each provider. Table B.11 shows the difference in school characteristics (treatment and control) across providers.

[Figure B.11 about here.]

[Table B.5 about here.]

#### **B.8** Full list of schools

The list below shows all schools involved in the PSL evaluation program. School ID is the EMIS code for the school, provider indicates the provider that each "pair" was assigned to, and groupID identifies "pairs". Treatment is equal to one if the school was treated under the random assignment (and is missing for schools outside the RCT), Original is equal to one for schools in the original RCT list, and Final is equal to one for schools in the final RCT list after swaps. PSL indicates whether the school actually became a PSL school.

Table B.1: PSL schools

School ID	Provider	Treatment	GroupID	Original	Final	PSL
10035	BRIDGE	1	1	1	1	1
110027	BRIDGE	0	1	1	1	0
90031	BRIDGE	0	2	1	1	0
130045	BRIDGE	1	2	1	1	1
30004	BRIDGE	0	3	1	1	0
40279	BRIDGE	1	3	1	1	1
120108	BRIDGE	1	3	1	1	1
120097	BRIDGE	0	4	1	1	0
120446	BRIDGE	1	4	1	1	1
120694	BRIDGE	1	5	1	1	1
120101	BRIDGE	0	5	1	1	0
10100	MtM	0	6	1	1	0
10038	MtM	1	6	1	1	1
20027	BRIDGE	0	7	1	1	0
20057	BRIDGE	1	7	1	1	1
20167	YMCA	1	8	1	1	1
20182	YMCA	0	8	1	1	0
20082	OMEGA	0	9	1	1	0
20011	OMEGA	1	9	1	1	1
20176	OMEGA	0	10	1	1	0

School ID	Provider	Treatment	GroupID	Original	Final	PSL
20284	OMEGA	1	10	1	1	1
30036	MtM	1	11	0	1	1
30032	MtM	0	11	0	1	0
110355	BRIDGE	0	12	1	1	0
110354	BRIDGE	1	12	1	1	1
110069	BRIDGE	1	13	1	1	1
110072	BRIDGE	0	13	1	1	0
10025	RISING	0	14	1	1	0
10029	RISING	1	14	1	1	1
10107	MtM	1	15	0	1	1
10115	MtM	0	15	0	1	0
70009	STELLAM	0	16	1	1	0
70073	STELLAM	1	16	1	1	1
80206	BRAC	1	17	1	1	1
80214	BRAC	0	17	1	1	0
80230	BRAC	1	18	1	1	1
80195	BRAC	0	18	1	1	0
80192	BRAC	1	19	1	1	1
80266	BRAC	0	19	1	1	0
80189	BRAC	0	20	1	1	0
80226	BRAC	1	20	1	1	1
80227	BRAC	0	21	1	1	0
80202	BRAC	1	21	1	1	1
80188	BRAC	0	22	1	1	0
80212	BRAC	1	22	1	1	1
80196	BRAC	0	23	1	1	0
80201	BRAC	1	23	1	1	1
50010	BRIDGE	1	24	1	1	1
50009	BRIDGE	0	24	1	1	0

School ID	Provider	Treatment	GroupID	Original	Final	PSL
50012	SCHILD	1	25	1	1	1
50008	SCHILD	0	25	1	1	0
20026	BRIDGE	1	26	1	1	1
20282	BRIDGE	0	26	1	1	0
20038	BRIDGE	1	27	1	1	1
20025	BRIDGE	0	27	1	1	0
120281	BRAC	0	28	1	1	0
120285	BRAC	1	28	1	1	1
120294	OMEGA	0	29	1	1	0
120288	OMEGA	1	29	1	1	1
120280	OMEGA	1	30	1	1	1
120270	OMEGA	0	30	1	1	0
90128	SCHILD	1	31	1	1	1
90127	SCHILD	0	31	1	1	0
90039	SCHILD	0	32	1	1	0
90035	SCHILD	1	32	1	1	1
40077	BRIDGE	1	33	1	1	1
40019	BRIDGE	0	33	1	1	0
50014	SCHILD	0	34	1	1	0
50024	SCHILD	1	34	1	1	1
50147	SCHILD	1	35	0	1	1
50092	SCHILD	0	35	0	1	0
70161	STELLAM	1	36	1	1	1
70097	STELLAM	0	36	1	1	0
110007	MtM	0	37	1	0	0
112015	MtM	1	37	1	0	0
110269	OMEGA	0	38	1	1	0
110261	OMEGA	1	38	1	1	0
90155	BRIDGE	1	39	1	1	1

School ID	Provider	Treatment	GroupID	Original	Final	PSL
90153	BRIDGE	0	39	1	1	0
90161	SCHILD	0	40	1	0	0
90136	SCHILD	1	40	1	0	0
10068	BRIDGE	0	41	1	1	0
10134	BRIDGE	1	41	1	1	1
10067	BRIDGE	0	42	1	1	0
10053	BRIDGE	1	42	1	1	1
10059	MtM	0	43	1	0	0
10012	MtM	1	43	1	0	0
10052	MtM	1	44	1	1	1
10072	MtM	0	44	1	1	0
10054	MtM	1	45	1	1	1
10051	MtM	0	45	1	1	0
80185	BRAC	0	46	1	1	0
80137	BRAC	1	46	1	1	1
80154	BRAC	1	47	1	1	1
80162	BRAC	0	47	1	1	0
80155	BRAC	1	48	1	1	1
80164	BRAC	0	48	1	1	0
80180	BRAC	1	49	1	1	1
80138	BRAC	0	49	1	1	0
111001	MtM	1	50	1	1	1
111022	MtM	0	50	1	1	0
80096	BRAC	1	51	1	1	1
80061	BRAC	0	51	1	1	0
90037	OMEGA	1	52	1	1	1
90139	OMEGA	0	52	1	1	0
90122	SCHILD	0	53	1	1	0
90130	SCHILD	1	53	1	1	1

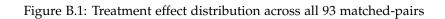
School ID	Provider	Treatment	GroupID	Original	Final	PSL
90169	SCHILD	0	54	0	1	0
90198	SCHILD	1	54	0	1	1
90008	OMEGA	0	55	1	1	0
90018	OMEGA	1	55	1	1	1
100011	STELLAM	0	56	1	1	0
100061	STELLAM	1	56	1	1	1
110142	BRIDGE	1	57	1	1	1
160011	BRIDGE	0	57	1	1	0
111253	SCHILD	0	58	1	1	0
111276	SCHILD	1	58	1	1	1
120305	BRAC	1	59	1	1	1
120242	BRAC	0	59	1	1	0
120271	OMEGA	1	60	1	1	1
120139	OMEGA	0	60	1	1	0
120106	OMEGA	0	61	1	1	0
120064	OMEGA	1	61	1	1	0
20173	YMCA	0	62	1	1	0
20200	YMCA	1	62	1	1	1
20178	OMEGA	0	63	1	1	0
20207	OMEGA	1	63	1	1	1
10009	RISING	0	64	1	1	0
111290	RISING	1	64	1	1	0
111212	RISING	0	65	1	1	0
111230	RISING	1	65	1	1	1
110040	OMEGA	1	66	1	1	1
110048	OMEGA	0	66	1	1	0
120328	OMEGA	1	67	1	1	1
120304	OMEGA	0	67	1	1	0
120327	OMEGA	0	68	1	1	0

School ID	Provider	Treatment	GroupID	Original	Final	PSL
120320	OMEGA	1	68	1	1	1
120245	BRIDGE	0	69	1	1	0
120257	BRIDGE	1	69	1	1	1
120259	OMEGA	1	70	1	1	1
120252	OMEGA	0	70	1	1	0
20245	BRIDGE	0	71	1	1	0
20003	BRIDGE	1	71	1	1	1
20009	BRIDGE	0	72	1	1	0
20005	BRIDGE	1	72	1	1	1
20021	BRIDGE	1	73	1	1	1
20213	BRIDGE	0	73	1	1	0
80102	BRAC	1	74	1	1	1
80110	BRAC	0	74	1	1	0
120224	BRIDGE	1	75	1	1	1
120226	BRIDGE	0	75	1	1	0
120215	OMEGA	1	76	1	1	1
120228	OMEGA	0	76	1	1	0
120208	OMEGA	0	77	1	1	0
120207	OMEGA	1	77	1	1	1
10089	BRIDGE	1	78	1	1	1
10043	BRIDGE	0	78	1	1	0
150043	YMCA	0	79	1	1	0
150082	YMCA	1	79	1	1	1
100111	STELLAM	0	80	1	1	0
100022	STELLAM	1	80	1	1	1
20053	OMEGA	0	81	1	1	0
20047	OMEGA	1	81	1	1	1
10007	RISING	0	82	1	1	0
10018	RISING	1	82	1	1	1

School ID	Provider	Treatment	GroupID	Original	Final	PSL
50030	SCHILD	1	83	1	1	1
50029	SCHILD	0	83	1	1	0
50070	SCHILD	0	84	1	1	0
50107	SCHILD	1	84	1	1	1
50111	SCHILD	1	85	1	0	0
50064	SCHILD	0	85	1	0	0
50076	SCHILD	0	86	1	1	0
50063	SCHILD	1	86	1	1	1
50067	SCHILD	0	87	1	1	0
50081	SCHILD	1	87	1	1	1
110092	RISING	0	88	1	1	0
110167	RISING	1	88	1	1	1
80023	BRAC	0	89	1	1	0
80014	BRAC	1	89	1	1	1
80051	BRAC	0	90	1	1	0
80056	BRAC	1	90	1	1	1
80027	BRAC	1	91	1	1	1
80022	BRAC	0	91	1	1	0
80047	BRAC	0	92	1	1	0
80001	BRAC	1	92	1	1	1
120361	OMEGA	0	93	1	1	0
120352	OMEGA	1	93	1	1	1
80060	BRAC	1	94	1	1	1
80070	BRAC	0	94	1	1	0
20063	YMCA	1	95	1	1	1
20239	YMCA	0	95	1	1	0
20071	OMEGA	1	96	1	1	1
20066	OMEGA	0	96	1	1	0
110022	BRIDGE			0	0	1

School ID	Provider	Treatment	GroupID	Original	Final	PSL
20131	BRIDGE			0	0	1
10129	RISING			0	0	1

# Figures



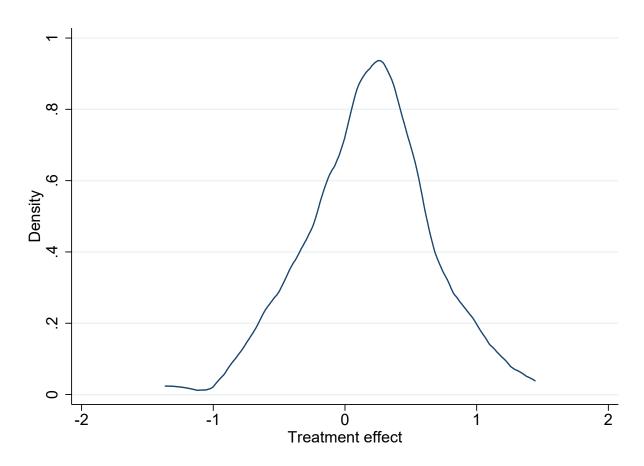


Figure B.2: Posterior treatment effects by provider for different values of  $\tau$ 

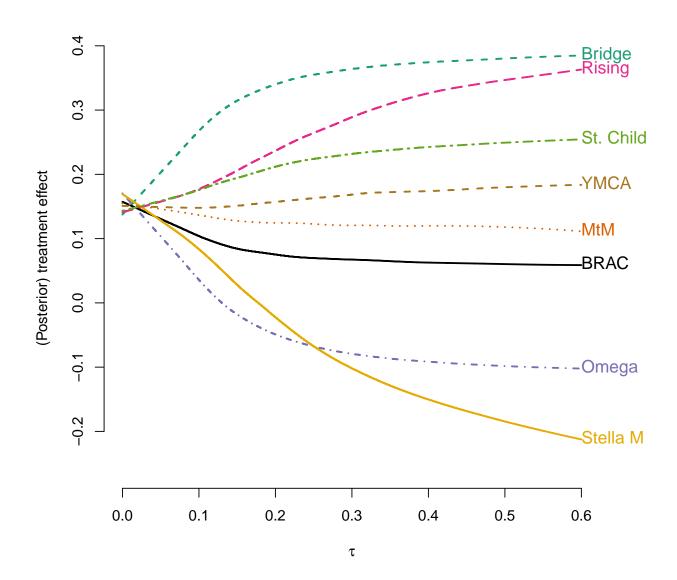


Figure B.3: Posterior standard errors by provider for different values of  $\tau$ 

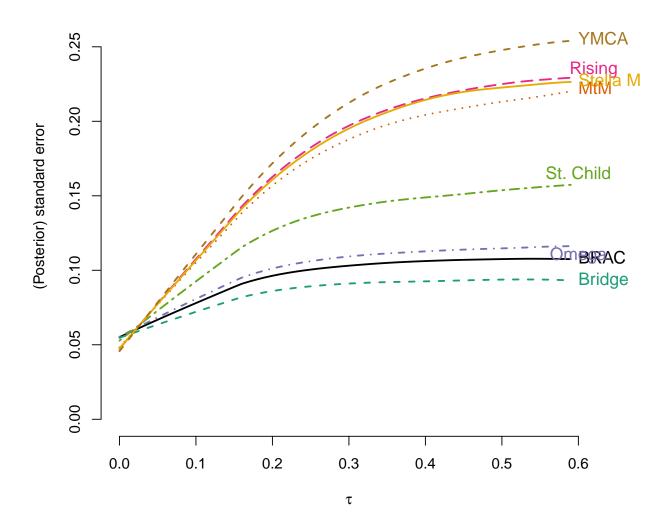


Figure B.4: Posterior distribution of  $\tau$ 

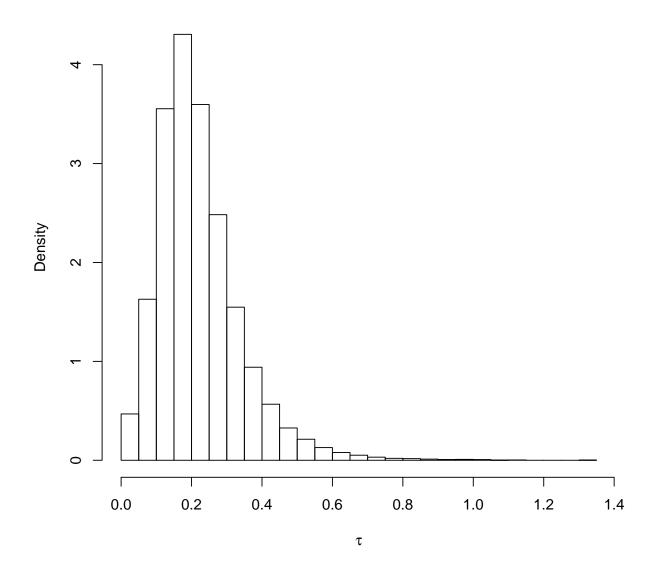
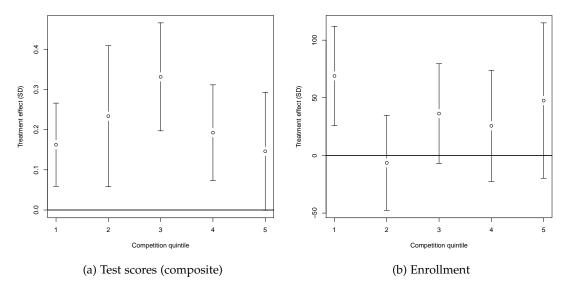
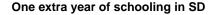


Figure B.5: Treatment effect by deciles of competition (number of schools within a 5-km radius)



Note: Treatment effect by deciles of competition (number of schools within a 5-km radius). Bars represent 90% and 95% confidence intervals (thick lines and thin lines, respectively). Panel B.5b shows the treatment effect on test scores. Panel B.5b shows the treatment effect on enrollment. Original treatment assignment.

Figure B.6: International benchmark: How much do children learn per year?



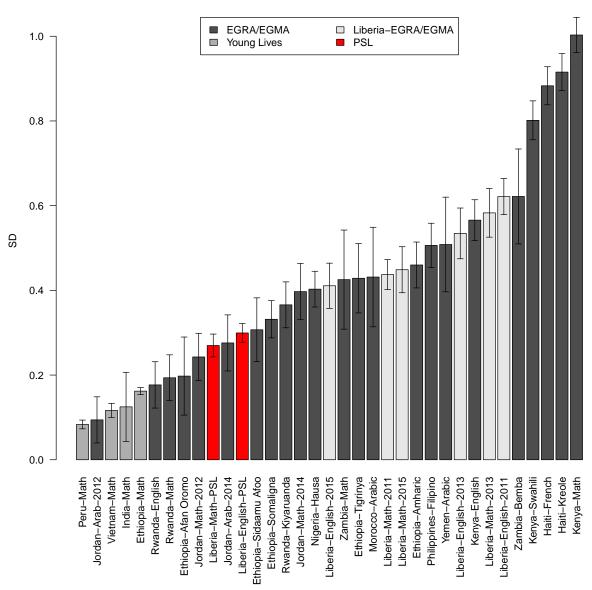
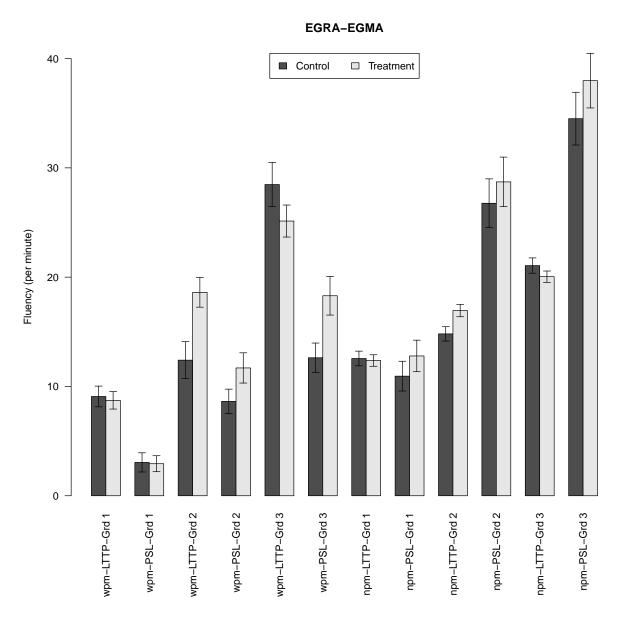
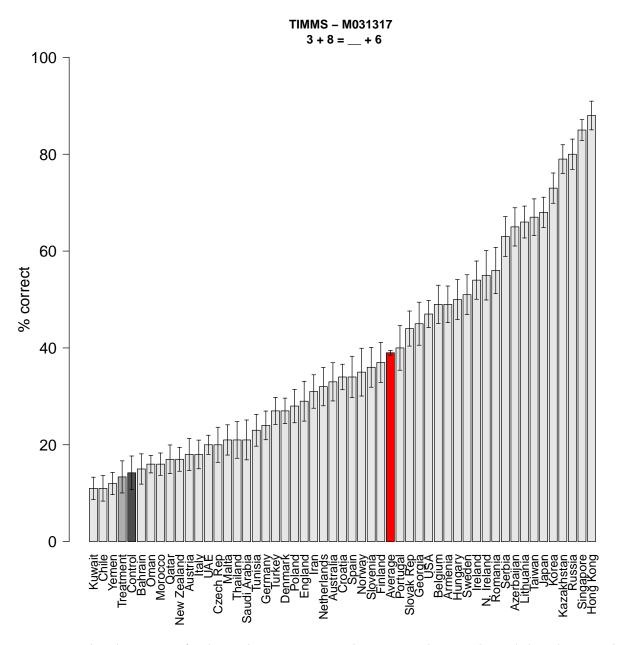


Figure B.7: PSL treatment effects on EGRA and EGMA vs. USAID's LTTP progra



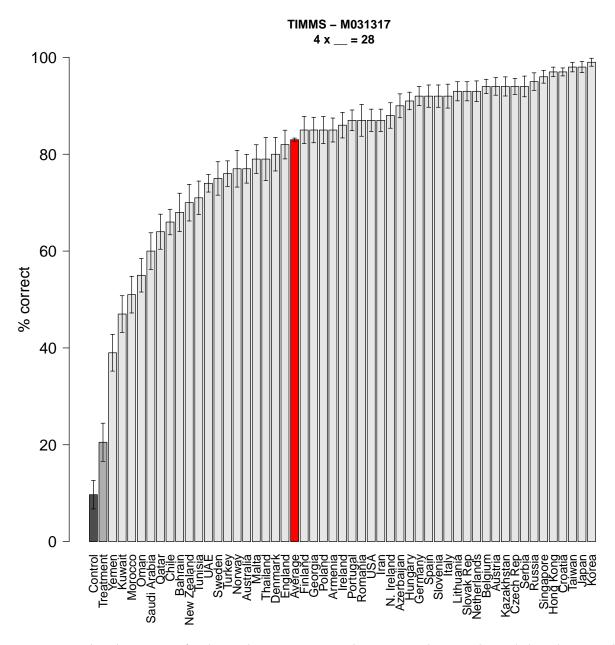
Note: Figures show the average number of words per minute (wpm) and numbers per minute (npm) in the LTTP evaluation and the PSL evaluation for students in grades 1-3.

Figure B.8: International benchmark for mathematics proficiency (1 of 2)



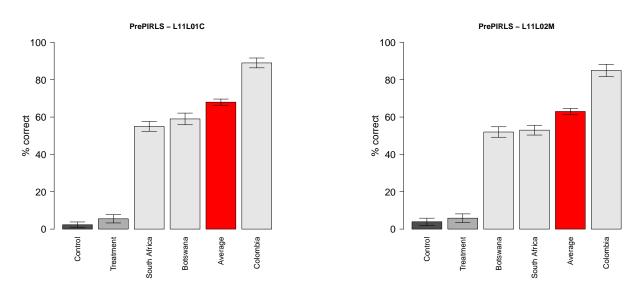
Note: Figures show the proportion of students with correct responses to this question in the PSL evaluation (only students in grade 3 in 2015/2016), and in TIMSS assessments. This question is multiple-choice in TIMSS and open-ended in our assessment.

Figure B.9: International benchmark for mathematics proficiency (2 of 2)



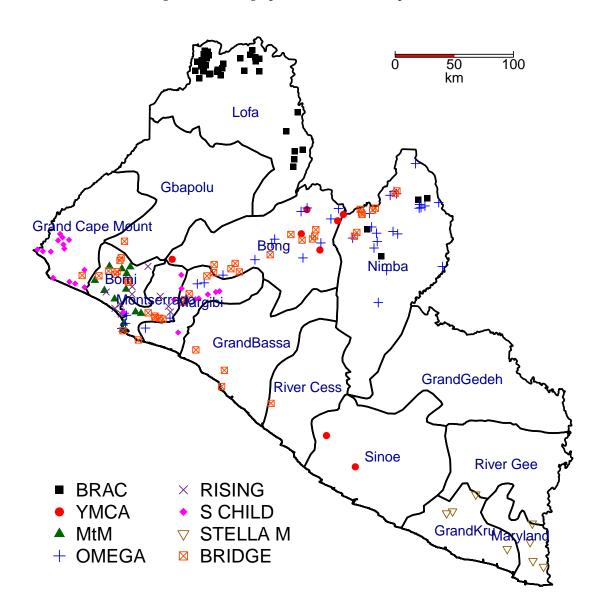
Note: Figures show the proportion of students with correct responses to this question in the PSL evaluation (only students in grade 3 in 2015/2016), and in TIMSS assessments. This question is open-ended in TIMSS and in our assessment.

Figure B.10: International benchmark for reading proficiency



Note: Figures show the proportion of students with correct responses to this question in the PSL evaluation (only students in grade 3 in 2015/2016) and in PrePirls assessments. Question L11L01C is open-ended in TIMSS and in our assessment. Question L11L02M is multiple-choice in TIMSS and open-ended in our assessment.

Figure B.11: Geographical distribution of providers



## **Tables**

Table B.2: Posterior treatment effects and standard errors for different priors

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	BRAC	Bridge	YMCA	MtM	Omega	Rising	St. Child	Stella M
Flat prior	0.080	0.329***	0.126	-0.037	0.242	0.210	-0.026	0.159
	(0.098)	(0.097)	(0.162)	(0.114)	(0.176)	(0.130)	(0.187)	(0.180)
Cauchy (0,25)	0.080	$0.329^{***}$	0.127	-0.037	0.241	0.209	-0.025	0.160
•	(0.098)	(0.097)	(0.162)	(0.114)	(0.176)	(0.130)	(0.186)	(0.180)
Half-normal	0.081	$0.327^{***}$	0.127	-0.035	0.241	0.208	-0.023	0.160
	(0.097)	(0.097)	(0.161)	(0.114)	(0.175)	(0.128)	(0.186)	(0.178)
Half-t(4)	0.080	$0.327^{***}$	0.127	-0.035	0.239	0.208	-0.022	0.160
	(0.098)	(0.097)	(0.160)	(0.114)	(0.175)	(0.128)	(0.184)	(0.178)

This table presents the treatment effect and the standard error for each provider across different priors. The Cauchy prior has a location parameter of zero and a scale of 25. The half-normal is a folded standard normal distribution. The half-t is a folded t student distribution with 4 degrees of freedom. \* p < 0.10, \*\*\* p < 0.05, \*\*\* p < 0.01

Table B.3: Competition, test scores and enrollment

	Test scores  Math English Composite				Access
				$\Delta$ enrollment	Student attendance
Competition= $0 \times \text{Treatment}$	0.20***	0.20***	0.20***	36.31**	15.14***
•	(0.06)	(0.05)	(0.05)	(16.43)	(5.01)
Competition= $1 \times \text{Treatment}$	0.19***	0.22***	0.21***	37.22*	18.91***
-	(0.05)	(0.05)	(0.05)	(21.93)	(6.69)
No. of obs.	3,462	3,462	3,462	179	175
C-NC	-0.01	0.02	0.00	0.91	3.77
p-value ( $H_0$ :C-NC=0)	0.92	0.72	0.97	0.97	0.67

Treatment effect for schools with and without competition. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. C-NC is the difference between the treatment effect for schools with competition (C) and without competition (NC). \* p < 0.10, \*\*\* p < 0.05, \*\*\* p < 0.01

Table B.4: Student, household and teacher satisfaction and opinions

	(1) Treatment	(2) Control	(3) Difference	(4) Difference (F.E)
Panel A: Students (N = 3,492)				
School is fun (%)	58.31	52.37	5.94***	5.90**
	(15.51)	(15.52)	(2.28)	(2.45)
Panel B: Households (N = 185)				
% satisfied with school	74.87	67.46	7.42**	7.44**
	(19.25)	(23.95)	(3.20)	(3.23)
% have heard of PSL	17.81	14.35	3.46	3.44
	(15.57)	(16.12)	(2.33)	(2.22)
% have heard of provider	56.93 (31.03)	23.93 (24.41)	33.00***	33.08***
% in favor of provider managing more schools	90.62 (18.01)	81.69 (34.79)	(4.10) 8.94* (4.88)	(3.66) 11.18** (4.83)
% would prefer to send child to a provider school	78.83 (26.67)	61.96 (42.13)	16.87*** (6.09)	16.73** (6.92)
Panel C: Teachers (N = 185)				
% satisfied with life	78.87	79.28	-0.41	-0.63
	(21.54)	(20.96)	(3.10)	(3.57)
% would choose teaching as a career	90.74	88.23	2.51	1.99
	(12.87)	(17.81)	(2.32)	(2.56)
% work a second job	16.27	23.77	-7.50**	-7.45**
	(20.34)	(25.80)	(3.45)	(3.74)
Job satisfaction index (PCA)	0.05 (0.86)	-0.14 (0.86)	0.18 (0.13)	0.21 (0.14)
% have heard of PSL	64.81	28.43	36.38***	35.19***
	(29.17)	(27.01)	(4.50)	(4.03)
% have heard of operator	93.99	39.76	54.23***	54.76***
	(17.85)	(36.46)	(4.53)	(4.28)
% would rather work at a provider school	70.99	43.12	27.87***	21.93***
	(22.65)	(36.80)	(6.00)	(5.98)
% in favor of provider managing more schools	85.80 (18.29)	81.15 (31.66)	(6.00) 4.65 (4.97)	1.46 (5.15)

This table presents the mean and standard error of the mean (in parentheses) for the control (Column 1) and treatment (Column 2) groups, as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "pair" fixed effects) in Column 4. Standard errors are clustered at the school level. The sample is the original treatment and control allocation.

\* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table B.5: Provider activities, according to teachers

	(1) Treatment	(2) Control	(3) Difference	(4) Difference (F.E)
Panel A: General opinion (N = 1,097)	Treatment	Control	Difference	Difference (1.L)
ranei A: General opinion (N = 1,097)				
Heard of PSL	0.65	0.28	0.36***	0.35***
	(0.48)	(0.45)	(0.04)	(0.03)
Heard of provider	0.94	0.40	0.54***	0.55***
D :1 ( 6' : ''	(0.24)	(0.49)	(0.05)	(0.03)
Provider staff visits at least once a week	0.64	0.00 (0.00)	0.64***	0.62***
Provider support rating (0-100)	(0.48) 67.30	15.08	(0.04) 52.22***	(0.04) 53.48***
Trovider support rating (0-100)	(30.23)	(30.50)	(3.88)	(3.64)
Panel B: What do providers provide? (N = 803)	(	(	()	(
• •				
Teacher guides (or teacher manuals)	0.74	0.02	0.72***	0.77***
Toucherale	(0.44)	(0.13)	(0.03)	(0.03)
Textbooks	0.88	0.03	0.85***	0.87***
Canybooks	(0.33) 0.58	(0.17) 0.01	(0.02) 0.56***	(0.03) 0.46***
Copybooks	(0.49)	(0.11)	(0.05)	(0.05)
Paper	0.69	0.01	0.68***	0.69***
Тарст	(0.46)	(0.11)	(0.04)	(0.04)
Teacher training	0.80	0.02	0.77***	0.81***
reaction dumining	(0.40)	(0.15)	(0.03)	(0.03)
School repairs	0.34	0.01	0.32***	0.37***
ī	(0.47)	(0.11)	(0.04)	(0.03)
Organization of community meetings	0.62	0.02	0.60***	0.65***
	(0.49)	(0.13)	(0.04)	(0.03)
Food programs	0.03	0.02	0.01	0.01
	(0.17)	(0.13)	(0.02)	(0.01)
Computers, tablets, electronics	0.45	0.01	0.44***	0.58***
	(0.50)	(0.11)	(0.06)	(0.05)
Panel C: What did providers do during their last v	isit (N = 715)			
Check attendance and collect records	0.50	0.10	0.40***	0.28***
	(0.50)	(0.30)	(0.06)	(0.06)
Observe teaching practices and give suggestions	0.63	0.13	0.50***	0.45***
	(0.48)	(0.34)	(0.06)	(0.06)
Provide/deliver educational materials	0.26	0.01	0.25***	0.22***
	(0.44)	(0.11)	(0.03)	(0.04)
Ask students questions to test learning	0.30	0.09	0.21***	0.10**
	(0.46)	(0.28)	(0.06)	(0.05)
Monitor other school-based government programs	0.08	0.01	0.07***	0.09***
Most with principal	(0.28)	(0.11)	(0.02)	(0.03)
Meet with principal	(0.42)	0.30	0.11	0.08
Meet with PTA committee	(0.49) 0.11	(0.46) 0.01	(0.08) 0.10***	(0.08) 0.10**
MICEL WITH I I'V COMMITTEE	(0.31)	(0.11)	(0.02)	(0.04)
Monitor health/sanitation issues	0.07	0.00	0.07***	0.06***

This table presents the mean and standard error of the mean (in parentheses) for the control (Column 1) and treatment (Column 2) groups, as well as the difference between treatment and control (Column 3), and the difference taking into account the randomization design (i.e., including "'pair'" fixed effects) in Column 4. Standard errors are clustered at the school level. The sample is the original treatment and control allocation. \* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Table B.6: Pre-treatment EMIS characteristics of treatment schools by provider

	BRAC	BRIDGE	MtM	OMEGA	RISING	SCHILD	STELLAM	YMCA	Total
Students: ECE	126.14	178.50	106.78	158.37	123.67	154.86	115.17	115.43	146.94
	(12.18)	(18.27)	(11.04)	(9.55)	(18.21)	(11.62)	(13.80)	(21.66)	(6.04)
Students: Primary	152.20	225.08	140.33	115.14	120.00	109.36	99.00	110.43	148.28
,	(11.72)	(35.58)	(43.47)	(7.96)	(14.47)	(7.57)	(16.13)	(20.35)	(9.68)
Students	278.34	403.58	247.11	273.51	243.67	264.23	214.17	225.86	295.22
	(19.59)	(39.60)	(46.23)	(13.21)	(26.78)	(14.53)	(29.01)	(32.47)	(11.97)
Classrooms per 100 students	0.97	1.28	2.16	0.56	1.90	1.11	0.00	1.45	1.07
•	(0.26)	(0.20)	(0.95)	(0.20)	(0.66)	(0.33)	(0.00)	(0.66)	(0.12)
Teachers per 100 students	2.97	2.49	3.95	3.17	3.55	2.76	3.21	3.17	2.98
•	(0.19)	(0.17)	(1.11)	(0.18)	(0.62)	(0.26)	(0.29)	(0.45)	(0.11)
Textbooks per 100 students	139.13	75.74	58.67	96.39	120.84	83.64	68.20	75.67	96.63
•	(16.65)	(11.50)	(23.96)	(22.27)	(42.49)	(19.15)	(15.53)	(24.30)	(7.90)
Chairs per 100 students	6.19	25.42	38.68	15.56	34.82	23.20	15.49	41.69	20.33
•	(2.23)	(3.30)	(11.89)	(2.94)	(9.86)	(7.27)	(11.59)	(16.75)	(2.04)
Food from Gov or NGO	0.03	0.39	0.67	0.31	0.78	0.64	0.67	0.00	0.36
	(0.03)	(0.08)	(0.17)	(0.08)	(0.15)	(0.10)	(0.21)	(0.00)	(0.04)
Solid building	0.26	0.61	0.33	0.14	0.67	0.41	0.00	0.71	0.37
0	(0.07)	(0.08)	(0.17)	(0.06)	(0.17)	(0.11)	(0.00)	(0.18)	(0.04)
Water pump	0.31	0.64	0.56	0.71	0.89	0.73	0.83	0.71	0.62
1 1	(0.08)	(0.08)	(0.18)	(0.08)	(0.11)	(0.10)	(0.17)	(0.18)	(0.04)
Latrine/toilet	0.78	0.87	0.81	0.88	0.89	0.91	0.93	0.86	0.86
	(0.07)	(0.06)	(0.13)	(0.05)	(0.08)	(0.06)	(0.07)	(0.14)	(0.03)
Observations	40	45	8	12	38	10	24	8	185

This table presents the mean and standard error of the mean (in parentheses) for several school characteristics across providers. The sample is the original treatment and control allocation. Source: EMIS data.

\* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.05, \*\*\* p < 0.01