

### Entrepreneurs in Education

In addition to the economic benefits, the international media attention, the increased tourism and the potential to market Panama as a film location - one of the most important benefits the Panama International Film Festival ( [www.paniff.com](http://www.paniff.com) ) can create is to foster education. "Helping to create film classes, courses and indeed an entire school is one of the priorities of PANIFF" says Rob Brown, CEO of PANIFF.

The following is an excellent article from AS/COA ( [policynewsletter@as-coa.org](mailto:policynewsletter@as-coa.org) ) on the state of education in Latin America, and how entrepreneurs can make significant impact on the quality of education in those countries.

#### PATHWAYS FOR CHANGE

By Fernando M. Reimers

Education entrepreneurs can positively influence educational reform in a number of ways. But regulations, inertia and a culture that discourages entrepreneurship are choking off initiative and broader change.

The celebration of two centuries of independent republican life in Latin America is an appropriate time to assess past achievements, current challenges and future opportunities. Nowhere is that critical examination more timely and necessary than for the educational institutions that were created precisely to prepare Latin American citizens for self-rule. Schools and universities in Latin America were reinvented after independence to allow the new independent political order to flourish.

Unfortunately, politics, economics and excessive bureaucratic regulations have failed the original intentions of the region's educational founders and stifled innovation.

It's useful, as a start, to reexamine those original intentions to remind ourselves of what still needs to be done. Francisco de Miranda, Simón Bolívar, José de San Martín, Miguel Hidalgo, and José Artigas shared many of the ideas of eighteenth-century Enlightenment thinkers regarding the role of education. They were aware, for example, of the views of Jean-Jacques

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Rousseau regarding the role of education in supporting the legitimacy of a social contract of rights and liberties, and in maximizing human potential.

Such ideas influenced the creation of the public education systems of Latin America, as well as of the education systems of Europe and the United States.<sup>1</sup> Over the past 200 years, these systems expanded to provide the majority of the population with the opportunity to complete a basic education and allowed a growing number to proceed to high school and college.

The early leaders not only advocated for public education; they created the institutions that made expansion of access possible, and they advanced the policies and programs supported by some of Europe's leading educators.

During a trip to London in 1810 to request financial support for the independence effort, Andrés Bello persuaded Simón Bolívar to visit Joseph Lancaster, who had invented the "monitorial" system of education, an approach that expanded the reach of tutors by getting them to work with monitors—more advanced students who delivered a curriculum to students grouped by age. This innovation of the early nineteenth century proved effective in educating large numbers of children at a modest cost and stimulated the creation of public education systems. Bolívar invited Lancaster to travel to the new republics once they were independent, and Lancaster indeed lived in Caracas from 1825 to 1827, where he oversaw the extension of the approach he had developed to a number of the newly created public schools. His methodology was further extended to support the creation of public education systems in Bogotá, Lima, Mexico, and Quito.

### Ambition Meets Disappointment

Given these auspicious beginnings and the clear alignment of the establishment of public education systems with the political goal of contributing to the consolidation of independent life, we might expect Latin American education systems to be global exemplars. In fact, while there are undoubtedly important examples of significant developments in education in many countries in the region, there is a growing awareness of the deficiencies. The educational systems failed most tragically in their incapacity to prepare all students for the kind of engaged citizenship necessary for effective democratic rule, to contribute to the global competitiveness of the economies in Latin America, or to reduce poverty and inequality.

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Global cross-national assessments of student skills, in which Latin American students systematically obtain the lowest scores, justify the widespread disappointment. Latin America's educational failings have been consistently documented in research conducted by the International Association for the Evaluation of Educational Achievement in Literacy, Mathematics and Science or Civics, as well as in studies conducted by the Organization for Economic Cooperation and Development in literacy, mathematics and science.

Such failings stand in sharp contrast to the developments observed in nations such as Finland, South Korea and Singapore, where education has been considered a national priority, and which today have some of the highest levels of access and rates of completion of K–12 education, in spite of the fact that four decades ago these education systems were no different than the education systems of many Latin American countries. As a result of sustained efforts to improve education over the last three or four decades, today the students in these countries have some of the highest levels of knowledge, skills and educational attainment.

In comparative rankings of the quality of tertiary institutions, Latin American universities also place poorly. None of the Latin American universities appear in the top 200 of the Shanghai Jiao Tong University Rankings of World Universities in 2010.<sup>2</sup> Worse, Latin American universities have fallen in these rankings in recent years. Today the most highly ranked university, Universidad Autónoma de México, is ranked at 222, followed by Universidade de São Paulo, 253.

The shortcomings of education systems in the region include gaps in the quality of education offered to different socioeconomic groups and to those who live in rural and urban areas, and the relative low quality of education—particularly the lack of emphasis on fostering skills that enable students to use what they know to solve new problems. In addition, schools prepare students very poorly for the solution of problems, for work and entrepreneurship, and for leadership, independent thinking and lifelong learning.

### Four Ways Entrepreneurs Can Change Education

Given the long history of the education systems in Latin America and the priority education already receives in the public statements of government officials, it is doubtful that the identified shortcomings will be overcome by “more of the same.” New thinking is necessary to improve the effectiveness of teachers and school leaders, to make curriculum more relevant to the current demands of citizenship and work, and to successfully engage the attention and imagination of

students. We should not conflate “old thinking” with government action and “new thinking” with private action; both public and private interventions can be ineffective as well as innovative. What is needed is innovation—the generation of novel approaches to meeting the education needs of the population in Latin America in ways that can be sustained and reach scale.

Today’s challenge is to establish systems of innovation in education that combat underperformance with processes of continuous improvement. Numerous areas in education are in need of such innovation, including curriculum and instruction in the areas of literacy, science, technology and engineering, entrepreneurship, citizenship and leadership, and global education. Innovative thinking is also needed in the areas of improving the general quality of instruction through teacher and principal education, conducting vocational and technical studies, expanding access to universities, increasing the links between universities and the productive sector of the economy, and raising the level of non-formal (such as non-degree awarding institutions or vocational schools) as well as formal education.

Steering such innovative solutions is the role of the education entrepreneur. More entrepreneurship is needed in the public as well as in the private sectors in education. In addition, entrepreneurial public-private partnerships are more likely to generate the innovative solutions that can produce scalable and sustainable solutions to some of the challenges discussed here.

Educational Entrepreneurs Have Four Paths Available to Them:

1. They could advance innovation as leaders in the public education system.
2. They could advance innovation by creating private schools or universities in the formal education system.
3. They could advance innovation through private institutions in the non-formal education system.
4. They could establish partnerships between private and public institutions. The administration of public education institutions would indeed benefit from entrepreneurial leadership. However, the constraints resulting from the regulatory frameworks of public administration and the impact of tradition and institutionalized politics limit the extent of innovation that is possible.

This makes it unlikely that entrepreneurial leaders of public education institutions will be able to produce significant redesign of the current programs and institutions on their own. The most

entrepreneurial secretary of education in a country such as Mexico, for instance, has clear institutional limits to the reforms that can be made in how teachers and principals are appointed, in the work load and performance of teachers, or in how teachers and principals are trained and supervised.

Private entrepreneurs can also establish schools and universities where they can develop innovative programs for underserved groups in the population or create higher quality or more relevant education programs. At present, much of the expansion of secondary schools and universities in the region is the result of this form of entrepreneurship. Most of the growth in access to higher education over the last decade, and in some countries also to secondary education, is the result of private institutions created by entrepreneurs. These entrepreneur-led facilities are meeting a demand not adequately satisfied by existing public institutions.

The ways in which they innovate vary. In some cases they set out to serve some of the poorest segments of the population, offering education services that meet the expectations of these groups with the flexibility necessary to accommodate their personal needs. In other cases, they set out to create programs that more clearly align with the needs of the labor market, or create incubators of innovation and facilitate links with the private sector.

The institutions that have emerged from these efforts range from universities serving the “bottom of the pyramid” to elite schools and universities. The willingness of parents to pay the tuition charged by these private educational establishments suggests a widespread perception that they are either the only alternative available to groups excluded from public options, or that they provide a higher quality education than public institutions with, for instance, more personalized instruction, better science and technology education, better sports education, more character education, better foreign language instruction, or better economic and employment prospects for their graduates.

Entrepreneurs can also lead educational innovation in the non-formal education sector, where there is less regulation. It is much easier to establish a private academy that offers instruction but does not lead to a formal degree than to establish an accredited school or university. Conceivably, the expansion of knowledge-based industries will stimulate a demand for learning that outstrips demand for the credentials provided by the formal education system. The non-formal field is a vast arena for innovation in education. It can provide a broad range of services, such as training for specific job skills, language instruction, after-school enrichment programs, summer camps, and character and leadership education. It can also offer university-level or graduate-level instruction that does not lead to a formal degree—for example, executive education for senior executives or professionals.

Nevertheless, although private education leaders are unencumbered by the institutional constraints faced by their public counterparts in their ability to design innovative solutions, they are limited by public regulations in the extent to which they can scale up their efforts or in the extent to which the participants in these education programs can be certified as possessing those specific skills. Private schools and universities need to be approved and supervised by government authorities, and the barriers to entry can be especially high for newcomers. Since formal education is a public good, all private entrepreneurs need some level of coordination with public officials who have authority to regulate activity in the formal sector, including the approval of privately initiated, managed or funded programs in public institutions. This process can create an onerous burden to change and thwart innovation. If new programs of teacher education, for example, need to be certified by ministries of education or by the most established universities, this may induce a bias to replicate the traditional forms of teacher education.

There is obvious great promise in facilitating coordinated efforts between public and private sector entrepreneurs. Capitalizing on their maximum freedom to design innovative programs, entrepreneurial leaders of private institutions can work closely with like-minded leaders of public institutions who can help them scale up such programs. Together, they can generate the quality and scale of innovation that is necessary to prepare students for citizenship and work in the twenty-first century.

A number of education entrepreneurs leading public-private partnerships in Latin America have stepped up to address the education challenges discussed in this article with innovative solutions. One example is the Palabrario program in Colombia, developed by the Colombian Fundación Corona, which improves teacher skills in early literacy instruction in several municipalities. Unlike most short-term programs of professional development that are disconnected from teachers' needs and workplaces, Palabrario has developed a long-term approach that creates a professional community to support the ongoing development of teachers, and which is anchored in the examination of teacher practice and the work of students.

Another example of innovation is Brazil's Escola Que Vale program, developed by the nonprofit organization Comunidade Educativa with funding from the Fundação Vale, that focuses on teacher training. Implemented in partnership with municipal governments, Escola Que Vale creates an infrastructure that supports the professional development of teachers in their places of work over a period of five years, anchored also in the examination of the work of students and teachers.

Other forms of successful partnerships include advocacy coalitions to focus attention, resources and improvement efforts on education, such as Brazil's Todos Pela Educação, which is the largest and most ambitious public-private effort on behalf of basic education in Latin America and has created multiple mechanisms to raise the visibility of education and to coordinate efforts to improve policy and implementation at the state and municipal level. In Chile, partnerships to revitalize vocational and technical education have produced innovative curricula linking education and work. One of the most established public-private partnerships is Fe y Alegría, a network of publicly funded schools in poor areas managed by the Jesuit Order in 13 Latin American countries. Fe y Alegría has generated multiple innovations in the areas of bilingual education, lessons through radio, vocational education, and teacher professional development. In more than 50 years of existence, it also has served as an effective mechanism for transferring innovative approaches across schools around the region through its network.

The reason that these public-private partnerships are interesting is they have generated innovative approaches to substantially improve education at scale, in ways that stand a good chance of sustainability. They differ from other public-private partnerships that are either of very small scale, ineffective or unsustainable.

### Here Comes the Tough Part

While these successful examples demonstrate that public-private partnerships are possible in Latin America, it is puzzling that there are not more entrepreneurs leading similar ventures. Their number pales in comparison to those who are leading purely private institutions in the formal or non-formal sector. This suggests that the shortage of public-private partnerships is not indicative of a shortage of entrepreneurs interested in the education field, but rather of specific constraints to the development of such partnerships. Those constraints include: cultural biases against entrepreneurship in the public sector, which result in limited financing, obtrusive regulatory frameworks, limited access to expert knowledge, and limited opportunities for the development of entrepreneurial leadership. A more detailed examination of those barriers follows below.

**Cultural Biases** The history of independent Latin America did not begin with an economy that fostered entrepreneurship. In the nineteenth century, most countries had agricultural economies that exploited low-skilled and low-cost labor, rather than rewarding ingenuity, invention or craftsmanship. The Enlightenment ideas advocated by some of the independence leaders thus clashed with the cultural values of this feudal economy.

The post-independence political order was only partially successful in changing the cultural values of agricultural, colonial societies. These cultural struggles are illustrated in the writings of Domingo Faustino Sarmiento (especially in *Facundo, Civilización y Barbarie*). The most celebrated independence heroes of Latin America are primarily military leaders; they do not include entrepreneurs like Benjamin Franklin or Paul Revere. Industrialization, which emerged in the twentieth century under the protection of import-substitution policies, and the associated mass emigration from rural areas to cities, did foster the development of modern values in contrast to the traditional values of agricultural societies, but these did not necessarily foster the development of entrepreneurial values.

To the import-substituting leaders, success in their protected markets depended more on good contacts with government officials than on entrepreneurial skills. The public education systems developed and expanded as these traditional values were dominant. To many government officials, education was an exclusive affair of the state, with no room for private participation. The very term “entrepreneurship” conjures notions of profit and business that were perceived negatively in the context of government. The contemporary rhetoric of these prejudices (“privatization of education” or “neoliberal education”) clouds examination of the facts.

Considering these biases, the entrepreneurial public-private efforts outlined earlier stand out as especially impressive. They are clearly an exception in a cultural context where not being entrepreneurial is the norm. The relatively modest role played by the private sector in education is explained, in part, by the effort to avoid detection. In such a cultural context, it is easy to understand why many private efforts in education today are ineffective. They are neither innovative nor entrepreneurial, but simply forms of nonstrategic philanthropy or charity, with limited impact and scale and sometimes with some of the same inefficiencies that plague public bureaucracies.

If successful public-private partnerships for educational innovation are fundamentally about scale, the availability of resources becomes a critical element in enabling them. Public sector officials’ distrust of entrepreneurs constrains the allocation of public resources to those public-private ventures. And the distrust operates both ways, limiting the availability of private capital for such partnerships. Without a concerted effort to build trust between these sectors, it is difficult to envision more resources available to support them.

**Regulatory Obstruction (And its First Cousin, Corruption)** Regulation is the principal mechanism through which governments prevent entrepreneurial innovation. There are good reasons for regulation, of course: it protects the public and assures the quality and relevance of the public goods. At best, regulation ensures that those who profess to have certain skills actually have



them. A medical degree based on standards set by public bodies provides a guarantee of quality medical care; similarly, a license to practice law, to pilot an airplane or to teach elementary school ensures a standardized level of competence.

The problem with regulation, however, is that its effectiveness depends on the capacity of the institutions authorized to enforce standards and on the willingness of regulators to advance the public interests they serve rather than their private interests. Where capacity is limited and incentives perverse, regulation becomes a barrier to the entrepreneur and to innovation.

The authority of school supervisors and ministry personnel to authorize the functioning of private schools or universities in systems that lack transparency occasionally creates the incentives for those supervisors to request bribes in exchange for the permits that authorize the functioning of those establishments. In systems of public administration where patronage is common, who regulates the regulators? Even when explicit bribes are not the currency that smoothes the transactions between entrepreneurs and regulators, the inordinate power and lack of accountability of regulators often extract substantial time and require significant skill on the part of entrepreneurs to maintain their enterprises. The time a private school principal spends smoothing things over with a school supervisor is time not spent managing her school.

**Limited Access to Expert Knowledge** Entrepreneurs are obsessed with impact at scale. They define it and look for ways to measure and benchmark their efforts, and they are devoted to developing a clear theory of action that helps them understand how to improve and sustain their activities. Few public-private partnerships in education in Latin America meet these criteria. More specifically, few have a clear theory of action that is based on the best available knowledge of how to achieve impact. Few bother to invest the resources required to evaluate results in ways that enrich theories of action for future innovations.

A theory of action is a conceptualization of how certain resources and processes will achieve particular results. For example, an after-school program for disadvantaged children, developed by organization X, could be premised on the theoretical assumption that the academic achievement of those children will improve, and that more of them will complete basic education. A theory of action often links direct program results (e.g. improved academic achievement) with larger social goals (e.g. higher graduation rates, leading to greater employability of those youth and lower criminality). So the theory of action of organization X could be something like: "If disadvantaged children at risk of academic failure are provided with additional instructional time and mentoring in the afternoons, and with a safe place in which to study and do their homework, they will be more likely to learn, succeed academically, stay out of trouble, and eventually get better jobs and live better lives." Furthermore a good theory of

action is based on expert knowledge about what has worked in the past and about scientific research and evaluation in the domain in question. It also permits the development of tools to evaluate programs as they unfold, and when they are completed to be able to improve the program and lay the foundation for better programs later.

Among the many leaders of public-private partnerships or funders of such efforts I have met in Latin America, all well-meaning and intelligent people, few have been able to articulate the theory of action that guides their efforts, and even fewer have communicated how that theory relates to established education and social science knowledge about what is known to work in addressing the problem they are attempting to solve. This is puzzling, since many of these individuals have highly successful business ventures, suggesting that they don't apply to their social enterprises the same sets of skills, practices and standards that they use to manage their businesses.

Limited Opportunities for the Development of Entrepreneurial Leadership Although social entrepreneurship is an emerging field of practice in Latin America, gradually replacing more traditional forms of philanthropy, it is not yet well established. As a result, education entrepreneurs lack a community of peers and institutions that can support them. Mechanisms of professional development for cultivating the qualities that would make them more effective entrepreneurs are largely nonexistent.

The most successful education entrepreneurs can hope to be recognized and supported by international organizations such as Ashoka, the Schwab Foundation for Social Entrepreneurship, or the Kaufman and the Skoll Foundations, but these global organizations can only identify a very small proportion of the entrepreneurs in the region, and therefore their impact is necessarily modest. More importantly, these organizations typically focus on entrepreneurs who have already demonstrated some success and are at an advanced stage of their careers. As a result, they don't serve to nurture nascent entrepreneurs.

The development of a field of practice or a profession of social entrepreneurship, with serious attention to youth in high school and college and to young professionals, is a necessary step if the number and quality of entrepreneurial public-private education partnerships are to measure up to the education challenges of the region. The institutions that will shape this field of practice should include the systematic study and teaching of social enterprise at advanced levels, including in business schools; the creation of networks that identify and support entrepreneurs; and the development of standards of practice that serve as guides to the profession.

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Two hundred years ago, a group of visionary leaders took the nations of Latin America on a journey of self-rule. They soon turned to education as a way of advancing that progressive political project. Much was achieved since the public education systems were formed in the early years of independent republican life. Successive generations of Latin American citizens were given more opportunities than their parents had to develop their potential.

Rousseau could not have imagined a more fitting tribute to his ideas about the nature of education in building a social contract. The present educational challenges are similarly tied to the challenges of advancing today's Latin American democracies, and they call for equally visionary leaders capable of driving the innovations that can prepare today's citizens for democratic participation and help them become capable and productive workers in the global knowledge economy. Leading such innovation represents an opportunity for entrepreneurs, even as they face the dilemma of going at it solo, in the public or in the private sectors, and in either formal or non-formal institutions. They must seize the synergies implicit in public-private partnerships to innovate at scale. If more entrepreneurs are to do this, specific constraints to such entrepreneurial public-private partnerships must be removed.

Nations that create a culture which celebrates entrepreneurship in education, reduces obtrusive regulations, increases transparency, fosters access to knowledge in informing innovation, and identifies, develops and supports entrepreneurs, will build on the legacy of those early visionaries. They will, accordingly, nurture the human capital, social inclusion and trust essential to sustain viable democratic republics. What better way to celebrate independence?