

Private education development across Africa

The rapid growth of the middle class in Africa is resulting in the growth of private universities and schools across the continent, as parents increasingly seek a quality education for their children outside of the state offering.



Jaco Lotz

“The private education sector is experiencing unprecedented growth, with private providers in the rest of Africa lining up to partner with credible and experienced counterparts in South Africa, to be able to sustainably grow in response to the huge demand for quality basic and higher education institutions,” says Jaco Lotz, who heads international business development at ADVTECH, Africa’s largest private education provider.

Research about the growth of the middle class in Africa, conducted by the African Development Bank, shows that by 2010 the middle class had surged by 60% from a decade before, and the number keeps growing. The report highlighted the fact that increased prosperity led to a rise in investment in education, and that private education was increasingly seen as an attractive option for parents.

“We are really starting to see the effect of this continued rise in the ranks of those joining the middle class,” says Lotz.

In addition to the growth of the middle class, the sharp rise in demand for private education is also fuelled by the fact that the average age of Africa’s population is getting lower - in other words there is also growth in the younger population - as well as the fact that governments and the public sector simply can’t keep up with the demand for space in schools and public universities.

“Throughout Africa, governments are under pressure in terms of resourcing, and are battling to increase capacity in the public sector,” notes Lotz.

“As a result, private schools and universities are popping up all over Africa as business tries to capitalise on the demand, however many of these institutions don’t have full accreditation or, at present, a benchmark quality assurance standard.

“However parents are becoming more informed, demanding that institutions prove their track records and credibility, and that they are able to provide a quality education.”

Owing to ADVTECH’s track record in schools and higher education, and because they are a listed entity, the company is being approached by numerous education institutions throughout the continent who seek to partner with them, Lotz notes.

“Additionally, we are able to prove sustained good corporate governance, and as a result we are constantly being approached by institutions responding to the demand from parents who seek not only a private education for their children but a quality, accredited private offering,” he says.

Africa expansion

Last year, the International Finance Corporation (IFC), a member of the World Bank Group, acquired a 4% equity stake in ADvTECH, in a partnership aimed at supporting the company's plans to expand into the rest of Africa.

IFC Director for Eastern and Southern Africa, Oumar Seydi, noted at the time that the investment would further enable ADvTECH to fill gaps in the education market on the continent, which will enable Africa's workforce to meet the challenges of changing job markets in Africa and globally.

"This partnership with the IFC has enabled us to work on numerous projects, from acquisitions and partnerships, to developing new schools and universities. The pipeline is growing, and we are anticipating a domino effect in the future," Lotz says.

"We already have a significant footprint across Africa, with 6% of revenue coming from our African operations outside the borders of South Africa, which include Gaborone International School in Botswana, the University of Africa in Zambia in which we recently secured the majority stake, and CA Global and Africa HR Solutions, which fall under the Resourcing division."

Lotz says ADvTECH has expanded its delivery model through the implementation of technology-enabled models in both blended and distance learning, and that the IFC partnership is providing valuable on-the-ground insight to identify additional suitable investment opportunities and partners in other African markets.

"As a result, we expect to provide a quality education to thousands of new students in the foreseeable future, which is a very exciting prospect."

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