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Private Equity:

Are Governments Responsible for Private Schools in Times of Crisis?

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https://www.justiceinschools.org/

Escuelas particulares *(as private schools in Mexico are called) comprise a small fraction of the Mexican educational system. They serve between 10 to 20 percent of the student population, depending on the instructional level. Mexico's educational private sector pales in size in comparison to other nations both in the Global South and North that have entrenched voucher and charter school arrangements, both of which have not been introduced in Mexico. However, despite their modest size, private schools play a large role in the Mexican system. They contribute to the goal of full educational coverage, which the public sector has been unable to achieve, and they stand in for public schools where the latter fail to provide certain educational goods. Furthermore, the private sector is very diverse: it includes elite schools, middle class schools, and low-fee schools; religious and secular schools; and schools serving ethnic Indigenous students. Private schools are also said to be valuable insofar as they enable social and cultural pluralism. But they are also charged with creating or exacerbating social stratification. Due to the diversity of these schools and the families who demand their services, their effect on educational justice is worth considering.*

On March 14, 2020, the Mexican government announced[1] that all schools—public and private, at every level from preschool through postsecondary education—would close for one month in response to Covid-19. They remained closed for seventeen months. After the initial shutdown, the government quickly implemented *Aprende en Casa* (Learning at Home), a distance learning program built on existing infrastructure for educational television.[2] This program allowed students without home computers or internet access to continue their education, which was particularly important for rural families who often lacked these resources. Teachers were expected to supplement this national system, assigning homework and communicating with their students via telephone, text messages, video calls, and social media.[3]

This disruption to education impacted all schools, including private schools. Before the pandemic struck, approximately 10% of Mexico's primary school students and 20% of secondary school students attended private schools. But with all students suddenly forced to learn from home, some private school parents questioned whether those school fees were now worth the cost.[4] Their concerns were compounded by the economic downturn that Mexico experienced during the pandemic. "Because we've seen so much unemployment," one business leader explained, "the first thing [families] take off the list is paying for a private school."[5]

With the future of their schools uncertain, panic set in for teachers, administrators, and families. "We are facing a tremendous crisis," lamented the president of the National Association of Private Schools. "Many schools are losing students and will certainly have to close."[6] For one principal of a middle-class private elementary school with fewer than 80 students pre-pandemic, losing more than five kids in three months started to feel like "the most severe crisis the school has ever faced [...] Many parents experienced a very difficult economic situation [...] We tried to support them, but that meant a significant reduction in our income while keeping our regular expenses [...] Even when we shifted online

we still had to pay the rent, otherwise we would lose the building."[7] This school leader's experience was hardly unique. By the end of the 2021-2022 school year, private schools had seen enrollment drop by 19.5%, from preschool through upper-secondary education. At the end of that same academic year, the Ministry of Education registered a drop of 3,038 private schools in the same education levels, compared to the academic year 2018-2019.[8]

In the summer of 2020, private schools petitioned the government for assistance, requesting forgiveness for payroll and property taxes, and asking to reopen for in-person learning before the national shutdown was lifted. At first, it seemed that the government might provide some support to private schools. In early August 2020, President Andrés Manuel López Obrador stated: "No one will be left without the right to education and to the best of our ability we will also help these private schools. We have to do it because it is about education."[9] However, ultimately the government denied all petitions from private schools, with the Secretary of Education explaining that "our relationship with private schools is about study plans and programs," not finances.[10]

The situation in Mexico raises a question: during times of crisis, what do governments owe to the private schools that exist alongside their public system? This question is relevant not only to Mexico but to countries around the world where private schools educate significant numbers of students. And given the likelihood of future pandemics, climate disasters, and civic unrest, times of crisis will almost certainly come again. Was the Mexican government's refusal to support private schools an ethical policy choice? Were more ethical alternatives available?

Prioritizing the Most Vulnerable or Creating New Vulnerability?

At first glance, the answer to these questions seems simple: In a time of crisis, the government should prioritize the most vulnerable. And the most vulnerable students were clearly not private school students. Even before the pandemic, the Mexican education system struggled to produce equitable results, with the richest 20% of students five times more likely than the poorest 20% of students to complete upper secondary school.[11] The pandemic only exacerbated this inequality, as students in rural areas struggled to access even the digital learning materials provided by *Aprende en Casa*.[12] In contrast, most private schools were located in less socially disadvantaged areas, where students had better access to the internet.[13] And students from private schools came from families who could afford school fees and were thus better resourced than the poorest students. What grounds could justify diverting government resources from schools that struggled to educate their students even before the pandemic hit to private schools that (on the whole) served a more affluent and advantaged population?

Moreover, private school students whose schools closed would not be denied an education; after all, schooling from preschool through upper secondary school is compulsory in Mexico. "Nobody's going to be left out. We're ready to receive this wave of migration from private schools," Deputy Education Minister Marcos Bucio announced at a press conference.[14] One could argue that, rather than divert funds to private schools, the government should reserve its funds to ensure that the public system was ready for those private school students whose schools closed. Students who didn't wish to attend public school could enroll in another private school. From this angle, the policy was clearly equitable.

However, it was unclear whether the public system could actually absorb large numbers of private school students. The Mexican education system frankly relies on private schools to cushion enrollment, especially at the preschool and upper-secondary education levels. For example, while preschool was declared compulsory by Congress in 2004, the public system has not kept pace with the demand for enrollment.[15] From 2010 to 2019, the number of private preschools grew at a higher rate than public ones,[16] and 15.7% of preschool students were enrolled in the private system in 2019-2020.[17]

Upper-secondary education, in turn, was declared compulsory by Congress in 2012. Representatives set a ten-year period to achieve 100% of enrollment at this level. However, by 2021, the gross rate of enrollment was only 77.2.[18] Though the number of public high schools grew faster than private ones in that decade, and though private high schools were more likely to exist in places with higher-income families, still 18.1% of upper-secondary students across the country were enrolled in a private school in 2021.[19] Without private schooling, the gross rate of enrollment in upper-secondary education would be only 63.2. It is difficult to deny, then, that private preschools and high schools in Mexico contribute to the public goal of expanding access to education.

Offering support to help private schools stay open potentially could have helped stem the flood of students who left the educational system during the worst years of the pandemic. In total, in the academic year 2021-2022 there were 1,681,250 fewer enrolled students than there were in the school year 2019-2020, a decrease of 5.5%.[20] Among the population between 3 and 29 years old who were not enrolled in school during the 2020-2021 academic year, 400,000 reported that their main reason for non-enrollment was that "There was no school, it was far, or there were not enough spots."[21] The highest percentages of unenrolled students were found in preschool and upper-secondary education, exactly where private school enrollment is highest. These numbers suggest that the government's lack of support for private schools did in fact end up hurting Mexico's youth.

Furthermore, the government could have used the pandemic to nudge the private system toward more equitable and inclusive ends. To support vulnerable students and make private education more accessible, the government could have offered conditional support, requiring private schools to strengthen their impact on the public good. For instance, it could have made financial support contingent on private schools' providing scholarships based on socioeconomic need. Similarly, the government could have taken individual schools' needs and student populations into consideration—perhaps by giving support only to those private schools serving a higher percentage of middle-class and low-income families, or those located in areas where such families reside.

Direct financial support for private schools would have been unusual, but not entirely unprecedented. Two tax subsidies for families already existed: private school fees were not taxable, and parents with children in private schools could exclude part of the tuition from their taxable income. These forms of state support have become such a vital part of the educational system that when the federal administration proposed eliminating the tax exemption for school fees in 2013, arguing that it amounted to a regressive economic incentive, all parties in Congress (except the then-president's party) rejected the proposal. One representative in Congress declared, "Public education has not been able to meet the educational needs of the country. Many middle-class Mexican families make great efforts to invest in their children's education, making tuition payments in private schools [...]." So perhaps the government already had more of a financial relationship with private schools than the Secretary of Education suggested when he denied their requests for assistance.

Furthermore, maybe there were good reasons for the government to support all private schools during COVID, regardless of the student population they served. School closures are difficult and disruptive for children, families, and communities under any circumstances,[22] and the Covid-19 pandemic was a particularly chaotic time for young people; one could argue that working to preserve stability for children in times of turmoil would in fact be a worthy ethical goal. One mother of a primary student diagnosed with special needs lamented the disruption the pandemic caused her daughter: "She is just desperate! She misses her friends. She is constantly saying that she wants to see her friends, her teacher, be at school."[23] Students across the country faced the same disruption, which was compounded for students whose schools never reopened. Furthermore, private schools offer Mexican students communities that are difficult, if not impossible, to find in the public system. Among other things, they can provide

alternative pedagogical philosophies and methods and offer religious education.[24] A principal of a Montessori elementary school said that multiple parents forced to leave the school shared with her "their frustration of taking their children out of a school community with the kind of Montessori pedagogy we practice [...] which was the kind of education they wanted for their kids."[25] Private schools allow students and families to build community around shared values. Losing these unique environments and school communities could create new populations of vulnerable children.

Reopening Early, Moving Ahead, Leveling Down

And what of the private schools' other request? Even if the government chose not to grant tax subsidies, they could have allowed these schools to open their doors to in-person instruction if they could do so safely. With their small size and strong infrastructure, many private schools were well-positioned to provide safe in-class learning opportunities. While there was little guidance from the federal government about the necessary conditions for reopening, the non-profit organization Mexicanos Primero created the Back to School Index, an analysis of the very different conditions across Mexican states and municipalities, which might have allowed some schools to return earlier than others. One of the two dimensions in the index was *Opportunity to Return*, which considered three main indicators: schools' characteristics, households' vulnerability, and epidemiological context (infection, hospitalization, and vaccination rates). According to the index, some schools across the country, both public and private, presented a high opportunity to return before the government finally reauthorized in-person classes in June 2021.

However, *Opportunity to Return* was not the only dimension on the Back to School index from Mexicanos Primero. The second was *Educational Urgency*—in fact, the initiative was created to "reverse a management of the opening and closing of schools based solely on epidemiological information,"[26] shifting the focus to educational equity instead. A school's urgency to return was based on family demographics that contributed to students' marginalization and prevented them from accessing remote learning. Many schools with high educational urgency were located in rural areas, which were far less likely to have private schools than the urban centers. So while granting private schools' requests for early reopening might have made sense from a health perspective, it might not from an ethical one.

Furthermore, if private schools had been authorized to open, the result would have been a deepening of the existing problem of inequality. While private schools are not a homogenous group, in many cases the students who attend them are socio-economically better off than those in public schools, particularly public schools in rural or low-income areas, which scored high in educational urgency. Authorization to reopen would have exacerbated already existing inequalities, giving private school students the social and pedagogical advantages that come with in-person instruction.[27]

Indeed, the highest profile case of a private school wishing to reopen early underscores these questions about equity. When Humanitree School, founded by Mexican billionaire Ricardo Salinas Pliego and located in a wealthy neighborhood of Mexico City, reopened its doors without government permission, they faced a scandal. One Twitter user vividly expressed their concern: "What privileges does @RicardoBSalinas have that his Humanitree school in Lomas is open when @SEP_mx [the Federal Secretary of Education] has not given the green light?"[28] While Humanitree's average class size of 12 students[29] did make reopening safer than it would have been in more crowded classrooms, those small class sizes came at a big cost: 15,000-17,000 pesos per month, a prohibitive amount for all but the wealthiest families.[30] Why should such "privileged" children, in the words of the disgruntled Twitter user, receive yet another advantage, in-person instruction, when so many across the country were denied it? At the same time, requiring private schools who requested to reopen to remain closed didn't actually

provide any benefit to the most disadvantaged children. What far-reaching consequences would the rigid mandates that kept both private and public schools closed ultimately have? Would Mexico see a leveling down effect, sending a generation of students into the job market with diminished qualifications? Would the social-emotional challenges of remote learning have negative effects on their mental health for years to come?

Looking Back and Looking Ahead

So was the Mexican government's response to private schools during the pandemic ethical educational policy? Recall that over 3000 private schools closed in just three years, disrupting the lives of thousands of students and their families. Should the government have helped those schools stay open—even at the cost of diverting resources from other vulnerable populations during this time of unprecedented crisis?

While this case explores the ethics of the Mexican government's response to private schools during COVID, many countries around the world rely on private schools to educate students. What responsibility—if any—do governments have to help private schools remain open? What responsibility—if any—do governments have to the children and families who have come to rely on those school communities? How should these countries respond if their private schools ask for aid in the next time of crisis?

Endnotes

1. https://www.gob.mx/sep/es/articulos/comunicado-conjunto-no-3-presentan-salud-y-sep-medidas-de-prevencion-para-el-sector-educativo-nacional-por-covid-19?
2. https://oecdedutoday.com/wp-content/uploads/2020/07/Mexico-Aprende-en-casa.pdf
3. https://link.springer.com/chapter/10.1007/978-3-030-81500-4_6
4. https://www.reuters.com/article/mexico-education/in-mexicos-televised-return-to-classes-parents-turn-to-state-schools-idINL1N2FO09W
5. https://www.trespm.mx/edomex/disminuyen-alumnos-en-escuelas-privadas-por-crisis-de-covid-19
6. Alfredo Villar, quoted here: https://www.reuters.com/article/salud-coronavirus-mexico-clases-idLTAKBN25K1GV
7. Personal interview
8. This is our own calculation, based on SEP. (2019). Principales Cifras del Sistema Educativo Nacional 2018-2019. Ciudad de México: SEP; and SEP. (2022). Principales Cifras del Sistema Educativo Nacional 2021-2022. Ciudad de México: SEP.
9. https://mexiconewsdaily.com/news/coronavirus/private-schools-may-get-help/
10. https://cuestione.com/nacional/maestros-sin-trabajo-el-problema-que-viene-tras-el-cierre-de-escuelas-privadas/
11. UNESCO: https://unesdoc.unesco.org/ark:/48223/pf0000374614
12. https://www.tandfonline.com/doi/full/10.1080/08856257.2021.1874152
13. Based on National Commission for the Improvement of Education (2021), which classified public and private schools under the degree of *Social Backwardness of their location, according to the* Index of Social Backwardness (Índice de Rezago Social), developed by the National Council for the Evaluation of Social Policy (Coneval).
14. https://www.reuters.com/article/mexico-education/in-mexicos-televised-return-to-classes-parents-turn-to-state-schools-idINL1N2FO09W
15. In 2021 the gross and net rate of enrollment in this level was 71.7 and 69.8, respectively. Gross enrollment counts the total number of students enrolled at that level, regardless of age. In contrast, net enrollment counts only those students in the ideal age range for that level; for upper-secondary schools, net enrollment would include students aged 15-17.
16. National Commission for the Improvement of Education (2021)
17. Own calculation, based on SEP. (2020). Principales Cifras del Sistema Educativo Nacional 2021-2022. Ciudad de México: SEP
18. The net enrollment (the enrollment for students of the ideal age for that level of education) was even lower at 63.2. Source: National Commission for the Improvement of Education (2021)
19. National Commission for the Improvement of Education (2021)
20. The number of students in the private system (preschool to upper-secondary education) decreased from 3,755,809 to 3,025,091 (19.5%), from 2019-2020 to 2021-2022. The public system passed from
21. According to the *Encuesta para la Medición del Impacto COVID-19 en la Educación*
22. While there is little research about the impact of school closure in Mexico, research from other countries highlights the distress felt by students and families when their schools close. See Eve Ewing's *Ghosts in the Schoolyard* (2018), for example, for an account of the trauma of public school closures in Chicago.
23. https://www.tandfonline.com/doi/full/10.1080/08856257.2021.1874152 While this quote is attributed to an anonymous parent in the paper, the authors note that "most Mexican participants [in the study] attended inclusive private schools."
24. For instance, according to the mission statement of the Colegio Israelita, "The Hebrew and Judaic Studies Program is the essence of the institution. It gives students a sense of identity, belonging, responsibility and solidarity with the Jewish People at the individual, community level and with the State of Israel. It connects students with the origins, traditions, history and future of their people." See https://www.colegioisraelita.edu.mx/nuestra-escuela. Along similar lines, the mission statement of Colegio Maguén David states: "We believe that Judaism is a philosophy of life that can train our students with ethical values

and fundamental principles under a vision that allows them to integrate into Mexico and the world as citizens with a solid Jewish identity, respectful of the place where they live. See https://www.chmd.edu.mx/linea-educativa/ For more on religious education in Mexico, particularly Catholic education, see Valentina Torres Septién, *La Educación Privada En México (1903-1976)*. México, D. F.: El Colegio De México, 1997.

25. Personal interview

26. https://inee.org/sites/default/files/resources/Case%20Study%20-%20Mexicanos%20Primero_Back%20to%20School%20Index_BAT.pdf

27. The distributions of the school's monthly tuition by educational level the tuition costs' distributions for primary and secondary private schools, with 50% of the academic offer costing at most MX$ 2,600 (US$ 135.13) and MX3,700 (US$ 192.30) per month for the primary and secondary levels respectively. The academic offer for the primary and high school levels is mostly low-cost, while secondary schools are mostly medium-cost. At the same time, in terms of the demand, families in Mexico City who enroll their children in private schools seem to prefer more expensive schools as their children's educational level progresses. Juan Espindola and Karla Pinel, "Private schooling and educational justice in Mexico," (unpublished manuscript).

28. https://lasillarota.com/metropoli/2020/10/27/dan-clases-presenciales-en-colegio-humanitree-pese-prohibicion-252181.html.

29. 177 students spread over 15 groups averages to 11.8 students per group. Data retrieved from: https://elpais.com/mexico/2020-11-10/el-colegio-del-empresario-salinas-pliego-imparte-clases-presenciales-a-pesar-del-cierre-impuesto-por-la-pandemia.html

30. The cost is approximately $700-800 USD per month. https://elpais.com/mexico/2020-11-10/el-colegio-del-empresario-salinas-pliego-imparte-clases-presenciales-a-pesar-del-cierre-impuesto-por-la-pandemia.html