

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

Mauricio Romero<sup>1</sup> Justin Sandefur<sup>2</sup> Wayne Aaron Sandholtz<sup>1</sup>  
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### 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”). Non-experimental 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 contact 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

<sup>1</sup>University of California, San Diego

<sup>2</sup>Center for Global Development

<sup>3</sup>Corresponding author: Mauricio Romero ([mromero@ucsd.edu](mailto:mromero@ucsd.edu)). We are grateful to the Ministry of Education, George K. Wehner, Deputy Minister Roselle Horton, Boris Manuqian, Niche Malan, and the Partnership Schools for Liberia (PSL) team, as well as Susannah Harris, Robin Hunt, and Joe Collins from AIC-FPG for their commitment throughout this project to ensuring a rigorous and transparent evaluation of the PSL program. Thanks to Jaga Daniel, Duckman Dibi, and their team at Innovations for Poverty Action who led the data collection. Ari Abajo, Dev Faki, and Benjamin Yan provided excellent research assistance. We're grateful to Michael Kremer, Kartik Muralidharan, and Pauline Rose who provided detailed comments on the government request of the independent evaluation of the PSL program. The design and analysis benefited from comments and suggestions from Hana Amisesh, Fouad Bouadma, Jeffrey Clemens, Joe Collins, Sarah Dwyer, Susannah Harris, Robin Hunt, Isaac Akpan, Gordon McCord, Craig McIntosh, Kartik Muralidharan, Owen Oates, Olga Romero, Santiago Suroodra, Diego Vera-Cruz, and seminar participants at the Center for Global Development and UC San Diego. A randomized controlled trials registry entry is available at: <https://www.asialia.com/openaccess/trials/1500> as well as the pre-analysis plan. IRB approval was received from IRB protocol #H2275 and the University of Liberia (protocol #17-08-39) prior to any data collection. UCSD IRB approval (protocol #160805) was received after the first round of data collection but before any other activities were undertaken. The evaluation was supported by the U.S. Optima Foundation and Aetna Trust. Romero and Sandefur acknowledge financial support from the Central Bank of Colombia through the Lucillo Carrizosa 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.

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