

Transforming a national education system

Client goal

Loravia is a fictional country located in Eastern Europe with a population of 20 million. The government of Loravia wants to achieve major improvements in both the quantity and quality of education for its children. Because McKinsey has great deal of global knowledge and expertise in the education sector, the Loravian Department of Education has asked McKinsey to provide advice on how they can achieve this transformation in its school system.

Description of situation

Loravia's free-market economy is still developing, having emerged from many decades under communism. Recently, the government of Loravia put in place a new economic plan, with aspirations to transform its economy and "turbocharge" its development so that it is well positioned to compete with its European neighbors. The government of Loravia realizes that the education of its children is a critical factor in meeting its economic-development goals. It intends to transform its school system over the next 10 years so that it is able to support its economic aspirations.

Schooling in Loravia is completely public, and is provided by a network of government-run schools, which admit children from ages 5 through 18.

The first stage of this effort is to diagnose the current state of education in schools in Loravia to determine how best to meet the government's future aspirations.

McKinsey study

McKinsey has been asked to support the Loravian Department of Education in diagnosing the condition of its current school system, and in identifying the most important areas for improvement.

Question 1:

What are the issues you would want to investigate in diagnosing the condition of the current school system in Loravia?

Question 2:

The chart below shows some important education-related measures for Loravia, and also for some comparison countries. Three sets of comparison countries have been used. In the first set are some of Loravia's neighboring countries in Eastern Europe. In the second set are some of the most developed economies in Europe. Finally, in the third set are some countries that have similar sized economies to Loravia on a per person basis (similar GDP per capita).

What can you observe from this chart?

	Students per school	Students per teacher	Government spending on education per student (US\$)	Average international assessment score
Loravia	500	18	5,000	41
Close neighbors				
Neighbor A	400	16	3,000	38
Neighbor B	700	20	4,000	43
Neighbor C	800	20	5,500	48
Developed EU economies				
Developed A	500	21	8,000	54
Developed B	350	23	8,500	55
Developed C	400	20	9,000	53
Similar economies				
Similar A	600	22	3,500	45
Similar B	500	20	4,000	44
Similar C	300	19	4,500	46

Question 3:

One of the clients at the Loravian Department of Education mentions the example of neighbor country C, which outperforms all of Loravia's economic peers and neighbors in the international assessment. She believes that the more concentrated school structure in this country is a big reason for its better outcomes in the international assessment. She suggests that having larger, less fragmented schools allows for more effective selection and training of teachers, leading to improved education outcomes for the students.

What would be the reduction in the total number of schools in Loravia if it were to reach the same average school size as neighbor country C?

- 15 percent of Loravia's population are currently attending school.

Question 4:

Based on the issues and information discussed so far, what further issues would you want to investigate as part of the diagnostic of the current education system in Loravia?