

# Private education for the poor in India

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A quiet revolution has been taking place in the education sector in India over the last few decades. This is the rise of private education, or affordable private schools, for the poor. Affordable private schools are defined as self-sustaining, private, unsubsidised schools with monthly tuition fees of around 800 Rupees (US\$17). There are also private aided schools in India that operate under private management with government aid but they have not been classified as affordable private schools for the purposes of this article.

Although the popular perception has been that private schools cater only to the elite, academics like James Tooley have shattered this notion by showing that private unaided schools are playing an important, if unsung, role in reaching the poor and satisfying their educational needs. In his research in the 'notified slums' of the Old City of Hyderabad (India's sixth largest city with a population of 7 million), only 35 per cent of school-going children were found to be attending government schools (Tooley, 2005). According to the 2009 Annual Status of Education Report (ASER), roughly one-fifth of all elementary schools in India are under private management. In fact, 50 per cent of urban children and 20 per cent of children in rural India go to private schools (Muralidharan, 2009), while in urban India 61 per cent of the total increase in primary school enrolment in the period 1986–1993 was 'absorbed' by private schools (Kingdon, 2005).

## Why are poorer parents choosing private education?

How can this transition of low-income parents from being beneficiaries of the government school system to being consumers of private schooling services be explained? The 1999 Public Report on Basic Education in India (PROBE) cites the breakdown of government schools as often more decisive than the ability to pay in explaining the increased popularity of private education.

*In rural Himachal Pradesh... there is a good deal of purchasing power, but the government schools function well, so there are few private schools. In central Bihar, by contrast, poverty is endemic, yet private schools can be found in many villages due to the dysfunctional state of government schools.*

*(PROBE Team Report, 1999, p.102)*

Teacher absenteeism and negligence in government schools are clearly significant factors that have led to this breakdown. As per Kremer et al's (2005) survey, 25 per cent of teachers in government primary schools in rural areas were found to be absent on a given day, and of those who were present, only half were engaged in teaching. The other significant factor for dissatisfaction with government schools is their inflexibility, or non-responsiveness, to parental demands. For example, government schools have not met parent's demands to make English the language of instruction.

## Are parental preferences linked to the quality of education being provided by affordable private schools?

Recent research funded by Gray Matters Capital (GMC), the charitable arm of Gray Ghost Ventures<sup>2</sup>, attempts to throw light on the consumer behaviour of parents of affordable private schools. What they found is that these parents, who are members of the working class (domestic workers, auto-rickshaw drivers, taxi drivers, plumbers, salespeople, bank tellers, electricians and cooks), are active school shoppers. They look to education as key to inter-generational social mobility and providing their children with a 'better life'.

Although the research findings suggests that quality is one of the three key factors that drives school selection (the other two being availability and cost), the same research points out that, in the absence of a rating system or reliable third party information, parents of affordable private schools often do not have the ability to gauge quality but instead use 'proxies' of quality. So 'English and computer education' is determined by whether a child can read English news tickers on television; 'good academics' is defined as schools that give homework and maintain strict discipline; and 'teaching quality' is defined as teachers that can speak English and are authoritative.

While the 2009 ASER shows that private school students have a 41 per cent reading advantage in English over their public school peers, it is important to note that not all research on private schools support the claim of better quality. The 2011 GMC-funded research carried out by Micro Credit Ratings International Limited (M-CRIL) in 112 of Hyderabad's affordable private schools notes that the overall performance of students in these schools is lower than expected in both English and maths, with maths results being much lower than English across primary and secondary classes.

According to this assessment, despite the lower than expected performance of these students in both the Annual Status of Education Report and National Council for Educational Research and Training tests, the results in the Class 10 state exams are satisfactory, with an average pass rate of 86 per cent as against the state average of 82 per cent. These statistics point towards rote learning tendencies.

However, if one looks at two other metrics – student-teacher ratio and average attendance of teachers – both are positive in the case of the 112 affordable private schools analysed. Student-teacher ratio is healthy at 25, well below the national average of 40, and the average attendance of teachers is also strong at 91 per cent (as opposed to the 77 per cent in the state and 75 per cent in India as a whole). Moreover, despite low levels of student learning outcomes, school leaders' response to poor performance has been proactive – in other words, many of these schools are now using innovative teaching methods and games to improve conceptual



Samaritan Help Mission (SHM), Kolkata: Sophie Gerard, SHM

learning and student learning outcomes. This is where I would argue that there is a marked difference between affordable private schools and government schools. In the former, there is both flexibility and accountability, through parents being the fee-paying clients of these schools. While in the latter, the fundamental inability to hire and fire teachers and to hold them accountable for student learning outcomes hampers the ability to increase quality.

## The impact of regulation

The very idea of the poor being able to make 'choices' is undercut by regulation in India; in particular, the recent Right to Education Act (RTE) 2009, which seeks to universalise elementary education for children in India. The Indian Government believes in what Tooley calls 'accepted wisdom', that the poor cannot be targeted effectively by the private sector and that such services will always be exploitative.

The RTE 2009 comes down strongly against proprietors of unrecognised private schools, who risk monetary fines and prison sentences if they continue to operate their schools without seeking recognition within three years. According to the Act, schools must have a certain size of land plot, playground, library, teacher qualifications and salaries. While private schools for the rich will be able to meet these norms, affordable private schools will find it virtually impossible to meet these criteria. Parth Shah, President of the Centre for Civil Society, argues that requiring affordable private schools to pay government scale salaries will be a death knell. Either they would have to raise tuition fees substantially or close down; either way, the poor would lose the one option they have to escape failing government schools. The irony is not hard to see – an Act that seeks to universalise elementary education for children in India has succeeded in alienating a significant proportion of those who are engaged in contributing to that very objective.

## School rating system

One way out of this contradiction is the implementation of a graded recognition system that evaluates and rates schools through independent agencies. GMC has, in fact, developed a school rating system, working with partners like The Teacher Foundation, ASER and M-CRIL, which is currently being used to assess affordable private schools. This rating system uses student learning outcomes, learning environment, strategy and governance, parent engagement and other metrics that enable the shift from an input to an outcomes focus in education. This tool can be modified to assess public schools. In addition, this process could enhance competition around quality by incentivising schools to acquire higher ratings and also assist parents in making more informed choices.

## Private-public partnerships

Another option is to hand over the management of government schools to private schools that have demonstrated quality, assessed through rating systems alluded to above – in other words, a public-private partnership. Under this option, private school management will need authority over teachers and will have to be accountable through retaining quality standards.

## School vouchers

Another measure currently being discussed is the school voucher concept. Vouchers could enable parents to enroll their child in a school of their choice. Variations on the idea include tuition reimbursement and direct cash transfers. Proponents of school choice, like Shah and Amitav Virmani – Country Director of the international charity ARK, which runs a pilot voucher programme in New Delhi – argue that vouchers will break the monopoly that government schools have on public funds, empower parents with choice that will increase competition among educational institutes and engender better quality education. However, for vouchers to



Light of Life Trust: Suleiman Merchant, Light of Life Trust

work, this competition needs to be real. Will school vouchers work in rural or tribal areas where the supply side is constrained? According to Shah, the idea has immediate application in urban and peri-urban areas, where the proliferation of private schools is high. His argument is similar to Narayan Murthy's – the founder of Infosys, India's leading technology services company – who believes that the government should exit the education sector in urban areas and focus instead on remote rural and tribal areas.

Another argument is that even in an area where there is only one government school, giving money through a voucher to a parent is more effective than giving money directly to the school. In addition, there is a pressing need to convert all subsidies to government schools to a per-child cost. This will break the shroud of mystery around how much each municipal and state government spends on education. Some argue that vouchers will only reduce the state's responsibility and interest in building the capacity of educational institutions at the national, state, district and local levels, and that the real need in India is to focus on improving systemic features like the quality of teacher training and academic support.

## Conclusion

The deadline of the Millennium Development Goal (MDG) of universal primary education (UPE) by 2015 is drawing close. If India is to meet this target, it can be done not just through a top-down public-funded programme, but by unleashing the potential, effort and creativity of school entrepreneurs in slums and rural areas.

## References

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## Endnote

- 1 Notified slums are those that have been classified as slums by municipalities, corporations or any other local authority. Non-notified slums have more of an uncertain legal standing, and are often composed of temporary, crowded tenements in an unhygienic environment.
- 2 Gray Matters Capital is the philanthropic foundation of Gray Ghost Ventures, a social investment company that seeks to invest in visionary people with an emphasis on micro-finance and education.

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