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GOVERNMENT EDUCATION:

Are we getting our money's worth?

As we debate over the concept of choice, the poor have already made theirs.

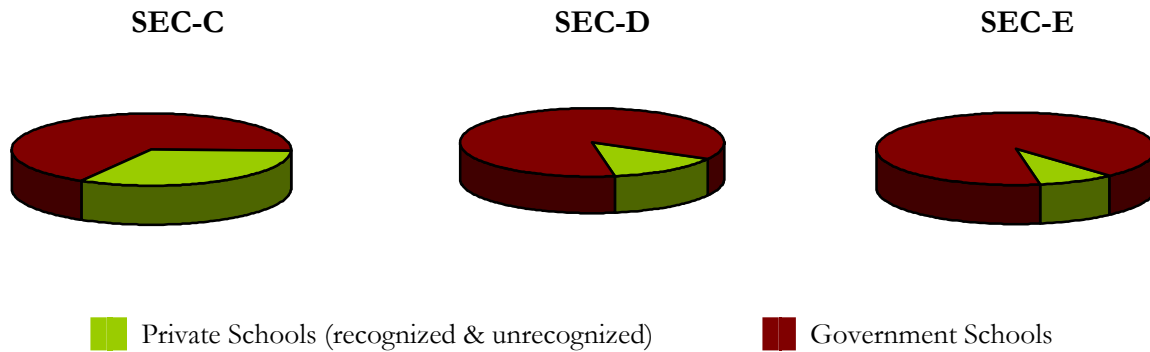
The Centre for Civil Society (CCS) survey, 'Education for the Poor' executed by AC Nielsen ORG MARG tried to gauge customer satisfaction with government school education. Here, the poorest parents of Delhi belonging to the socio-economic classes¹ of C, D and E, households with an income of less than Rs. 5,000/- per month, were asked how much they were willing to pay for government school education, if they had to pay for it themselves. The average answer was an astonishing Rs.66/- per month.

When asked what they thought it cost the government. They said Rs.100/- per month per child. Nearly 37% of them felt the government was spending about Rs. 50! In reality, these schools cost you and me, the tax payers, on a conservative estimate, Rs.800 per month per child! Government school education is valued by its consumers at less than 1/8th of what it costs the exchequer. The discord between the perceived value of government schools and the actual value is indicative of the quality of the education provided. Rs. 800/- has not translated into quality worthy of that amount for the consumer.

It is therefore not surprising that poor parents are increasingly voting with their feet and preferring to pay for education than avail of free government education. The survey found that 14% of the households were sending their children to private recognized schools. The number was higher among SEC C households at 28%. Among SEC C households, an equal number are with private Hindi and English Medium schools.

¹ Socio-economic classes are classified on the basis of education and occupation. For example, a person who is a petty trader and has completed his or her SSC/HSC would belong to the SEC C category but one who is a petty trader and has only upto 4 years of school education would belong to the SEC D category. If this person is illiterate he or she would belong to the SEC E category.

POOR PARENTS CHOOSE PRIVATE SCHOOLS OVER GOVERNMENT



The penetration of private education stretches further as 45% of parents of children studying in government schools mentioned they have to spend money on private tuitions. According to the survey, on an average, parents are spending nearly Rs. 2,200/- per year on private tuition. A poverty premium study in Sanjay Colony, an unrecognized colony of Delhi, similarly explored the premium paid by the poor there for basic services like education.

The study found that the families spending the least on yearly fees (government schools) were spending the most on private tuition. A final verdict on the quality of government schools is given by the teachers. **Of the 95% government school teachers who had children in schools or colleges, 37% were sending their children to private schools.**

Private Schools for the Poor

The average fees charged by the private primary schools surveyed was Rs. 241/- per month. 42% of them were charging fees between Rs. 100/- and 200/- per month. This trend towards budget private schools for the poor has been true across India and Sub-Saharan Africa. James Tooley in his study of the education facilities available in the slums of North Shahadara highlights that the fees charged in these areas by private primary schools varies from Rs. 50 a month to about Rs. 300 a month. In fact, parents were willing to pay for their children's education at a private unrecognized school than avail of the nearby 'free' government school. An important reason for low tuition fees in such schools are the low teacher salaries. According to the study in North Shahadara, a government school teacher gets paid nearly seven and half times higher than a teacher from a private unrecognized school. Paying lower allows these private schools to hire more teachers, have lower student-teacher ratios and reduce multi-grade teaching. According to Karthik Muralidharan, a researcher at Harvard University, an idea of the cost-efficiency of

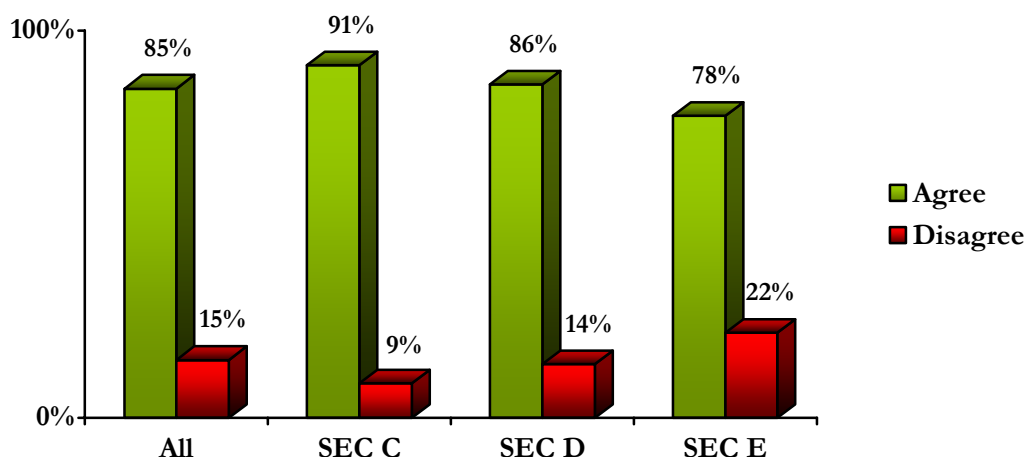
private schools can be gathered from the fact that the total monthly revenue of a typical rural Indian private school is less than the monthly salary of one government school teacher.

Unfortunately, there is also no correlation between teacher salaries and better student outcomes. Testing around 3500 children in Mathematics and English, the North Shahadara study found that children in unrecognized private schools on an average scored 72% higher in mathematics than government school students, 83% higher in Hindi and 246% higher in English.

Education Vouchers: Funding students, not schools

The survey also tests the acceptability of Education Voucher concept amongst parents, government school teachers and private schools. Education Vouchers are an alternative way of financing education for the poor. Vouchers are coupons given by the government that cover total or partial cost of education at any school of the parent's choice. They give poor parents the purchasing power and choices that are afforded by their rich counterparts. Vouchers can be redeemed at both private and government schools. Under such a system, schools become accountable to parents rather than education officials. If a parent is dissatisfied with the school's service, she may withdraw her child from that school and move to another school.

MOST PARENTS AGREE THAT FUNDING STUDENTS IS PREFERABLE TO FUNDING SCHOOLS



Nearly all parents (98%) liked the concept. 79% of parents from SEC E households found the concept personally relevant to them. Majority (57%) recalled that it gives them the freedom to send their child to a school of their choice. Parents were also asked what they thought was the optimal amount for a voucher to be accepted by them. The average answer was Rs. 5232 as an annual voucher. Incidentally, this is almost

equal to what the MCD spends on primary school education in Delhi and is nearly half of what the Delhi government spends in government secondary schools.

More than 3/4th of the government teachers and parents and, 82% of the private school managers and principals felt that parents must have a say in the management of government schools in order to improve the education system. This reinforces the claim for a decentralized education system where teachers and schools are accountable to parents as opposed to education officers.

The government has tried to facilitate this in the Right to Education Bill by forming Village Education Committees that give equal representation to parents. However, this is only a voice entitled to them by the government and not *necessarily* a voice that will be acted upon. Education Vouchers give parents the opportunity to assert themselves in the management of the school in two ways – by exit- choosing a better school over the badly performing one and, by voice- having a say in the improvement of the school. Since the school would get its funds through the number of students it can retain, the schools would have to ensure that their students are learning and performing well. If the school fails in this objective, the parent may choose to send his child to a better one. This would act as an incentive for the school to keep a check on the dropout rates. The basic idea of education vouchers is to *fund students instead of schools* in such a way that money would follow the student to whichever school he chooses.

Education Vouchers have been mooted out by the Ministry of Human Resources and Development from the Approach Paper on the five year plan on the premise that there is very little evidence to prove its success. The Ministry was unwilling to test the feasibility of the concept even as a pilot because it would *direct public money to private schools*.

One of the main reasons why educationists see government school as necessary for achieving universal education is because it caters to the poorest children. But if a voucher system benefits the poorest and expands their set of choices, it is perhaps wise to be indifferent towards the philosophical issues over public versus private forms of provision and focus instead on working out efficient policies that benefit the weakest sections of the society.

While detractors of the voucher system insist that the voucher experience is limited, research reveals that education vouchers have been employed in several countries with considerable or limited success. The

voucher experience shows that learning outcomes have either increased considerably or marginally. However, in no event has it had a negative impact on student learning.

Global experience of Education Vouchers

Education Vouchers have been experimented in eleven countries across the world as diverse as Chile, Ivory Coast, Sweden, USA, Denmark, Czech Republic and UK. In some countries like Netherlands these have been *universal voucher programmes*. Here, irrespective of her parents' income, every child receives a voucher in the mailbox on her fifth birthday. Other countries have had *targeted vouchers* restricted to special disadvantaged groups like the African Americans in Milwaukee, USA or low-income parents in other countries.

The Cleveland Voucher program, USA's first publicly funded voucher program, showed that voucher students in private schools had increased test scores in languages and science. In this program low-income students were provided vouchers through lottery since the government did not have enough money to give to all deserving students.

In Bangladesh, vouchers are in the form of conditional cash transfers. Bangladesh has two direct cash transfer programmes. The oldest one, the Female Education Stipend Programme, was initiated as a solution to the high dropout rate among girls. Parents of girl children are given cash directly for the education of their child in any recognized school. The renewal of the cash transfer is based on the child's school transcripts. Based on the success of this scheme, a similar programme to increase access to primary education among boys was kicked off.

Voucher programmes introduce government schools to a competitive spirit and instill in them the urge to excel. Since the non-performance of government school students has no effect on the existence of the school, the school itself is not inclined to challenge itself for better results.

The voucher system does not deny that it is ultimately the state's responsibility to ensure that every child is educated. However, this does not mean that the state should be in the actual business of *running* schools especially given the increasing flight of even poor children from government schools. A voucher system does not lead to the shutting down of government schools but, it is also important that we allow for government schools to respond to the choices of voucher students.

For a government school to ensure that a voucher student chooses his school over the private one, he has to be allowed the autonomy to compete. In the current setup, managers and principals of government schools, unfortunately, wield very little power and authority over their staff. This is, perhaps, one of the main reasons for the failing government school system.

In absolute terms the private schools catering to the poor, although better than their government counterparts, themselves are not of exemplary quality. The threat of losing their clientele to better schools (since vouchers would add to the fee paying capacity of the poor), would push them to respond to the needs of the parents and students. However, it is equally important that the licensing structures and policies preventing smaller schools from competing with powerful schools be reformed. These include access to formal credit and venture capital to run and expand existing schools.

The CCS survey on education puts a monetary value on government education- the price it would command among the poor. From the results, it is evident that the benefits that the government hopes to achieve by spending crores of rupees on this system are not filtering down to its consumers.

Parents, rich or poor are making their choice when it comes to which school their children should attend. The government can either hinder this process by redirecting public resources to building more inefficient government schools, or it can give needy children a helping hand to look beyond the limits of their parents incomes, to look to a future bright and full of hope.