

The last two or three years have witnessed a fairly vigorous debate in the education space over the role of the private sector in education, particularly at the elementary level, and its merits and/or otherwise. The somewhat contentious provisions of the then Draft Right to Education Bill, 2005, recently passed as The Right of Children to Free and Compulsory Education Act, 2009, also contributed to this debate. Among other things, the Act stipulates that even unaided schools under private management would be responsible for providing free education to disadvantaged children between the ages of six and fourteen years from their immediate neighbourhood, at least to the extent of 25 percent of their strength in the entry class.

Although the Act has yet to be notified, not surprisingly, this provision has managements of recognised private schools up in arms. Joining them, albeit for very different reasons, are the proprietors of the unrecognised private schools, who risk monetary fines and jail terms if they continue to operate their schools without seeking recognition as prescribed under the Act. Ironically therefore, 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.

While the numbers offered by different sources vary slightly, it does appear to be more or less agreed that private (recognised) schools in India account for anything between 15-25 percent of available schools. The District Information System for Education (DISE) data for 2007-08, released in November 2009, places the number of schools under private, unaided management at 173,282 out of a total of 1,250,775 schools in India¹, or about 14 percent. If one adds the number of aided schools under private management, we arrive at a figure of nearly 20 percent. According to NCERT's 7th All-India Educational Survey based on figures for 2002, enrolment in such private schools was 15 percent and 19 percent at the primary and upper primary stages respectively. While NUEPA and NCERT data capture the picture as related to recognised schools, ASER only notes the fact of private school enrolment without distinguishing between recognised or otherwise, thus providing the slightly higher figure of 21.8 percent children enrolled in private schools in 2009.

While there are minor variations in the private school enrolment indicated by ASER between 2007-2009, it would seem to be fairly clear that roughly one-fifth of elementary schools in India are under private management. If one adds the number of unrecognised private schools, about which little data is available, the percentage of children enrolled in what may be called non-government schools may be conservatively assumed to be between 25-30 percent, if not more. A study in 2006 showed that even in rural areas, almost 28 percent of the population had access to fee-charging private schools². In 2009, ASER data indicates that nearly 44 percent villages have access to private schools, and it would seem safe therefore to assume that this is a sector that is now well established.

At the same time, it may not be correct to presume that private schools are coming up in the absence of government schools; in many cases, they come up in areas with poor government school performance³. Various studies have shown that while the private school sector has grown in recent years, leading to a decline in the relative enrolment in government schools, the former do not necessarily compete with the latter in terms of addressing unmet demand. Rather, in establishing themselves in areas where government schools already exist, these private schools meet differentiated or quality demand, attracting children from higher-income groups or from advantaged social groups⁴.

Many years ago, when Milton Friedman first postulated his concept of vouchers in schools, he was convinced that liberalising the school sector would result in the emergence of a market where none existed, with educational “entrepreneurs” entering the market to take advantage of opportunities offered and in turn, to offer quality school services⁵. While the effectiveness of voucher programmes remains a matter of some debate, it does seem true that the desire of parents to find an alternative to poorly performing government schools may have led in recent years to a growth in the number of available private schools, under both recognised and unrecognised management. In his book, *The Beautiful Tree*⁶, James Tooley argues quite convincingly that notwithstanding the costs involved, poor parents in urban areas are choosing to vote with their feet and move their children from free government schools into private (and in many cases, unrecognised) schools, thus setting off an increase in the number of such schools.

¹ Mehta, Arun C (2009), *Elementary Education in India, Where Do We Stand? State Report Cards 2007-08*, New Delhi: National University for Educational Planning and Administration.

² Muralidharan, Karthik and Kremer, Michael (2006), “*Public and Private Schools in India*”, Harvard University, Boston.

³ *ibid.*

⁴ Tilak, Jandhyala B.G. and Ratna M. Sudarshan (2001), *Private Schooling in Rural India*, NCAER Working Paper No. 76, New Delhi: National Council for Applied Economic Research.

⁵ Friedman, Milton (1955), “The Role of Government in Education”, in *Economics and the Public Interest*, Robert A Solo (Ed), New Brunswick, NJ: Rutgers University Press.

⁶ Tooley, James (2009), *The Beautiful Tree*, New Delhi: Penguin Books India

It is certainly true that there is greater interest in establishing private schools today than there was earlier; no longer viewed as a purely philanthropic activity, the setting up of private schools is now attracting more and more corporate firms who see this as a potential business. In the case of some real estate developers, it is even being seen as another form of forward integration, making the purchase of apartments in their developments more attractive by virtue of guaranteeing a “good” school in the neighbourhood; a case in point is the recent announcement by a well-known real estate group, of a chain of 150 CBSE schools to be set up all over India. Similarly, the provisions of The Right of Children to Free and Compulsory Education Act, 2009, requiring the earmarking of 25 percent seats for children from disadvantaged families, are being viewed by many in the private sector as an opportunity to invest in setting up schools, in order to take advantage of the “guaranteed” reimbursement of costs by government.

The government’s proposal to establish 2500 “model” schools in various districts through the Public Private Partnership (PPP) mode has also generated significant interest in the private sector, with several corporate houses exploring options of investing in the sector. Thus, the creation of educational “entrepreneurs” does appear to be taking place to some degree, even though the numbers remain comparatively small.

But what of quality in these private schools? As ASER 2008 showed, when various variables such as family background, income and others are controlled for, the difference in learning levels between government and private schools becomes marginal⁷. Similarly, Education Initiatives (EI), India’s largest private sector testing organisation, found that “any lead that private schools show in their learning outcomes over government schools can be completely explained away by... (1) students’ socio-economic background, (2) students’ initial levels, (3) rote/procedural nature of learning tested. In other words, if you control for factor 1, look for improvements between say, Grade 3 and Grade 7 (to nullify any initial advantage), and the test is not rote/testing procedural knowledge only, private schools (do not) show any advantage over government schools”⁸. In part of course, the trouble arises on account of the usual assumption in reference to private schools—they are generally seen to be high-end private schools of the likes of say, a Delhi Public School in New Delhi or a Cathedral in Mumbai. The reality however, is that a majority of private schools are only marginally different from their counterparts in government; the major difference lies in their ability to ensure accountability amongst the teaching staff.

In fairness, it must be said that this is an area that remains open to debate and further research. Tooley for instance, records a difference of 16-17 percentage points in the learning levels of children in private schools in urban areas, as compared to their counterparts in government schools⁹, but it is not clear whether this is after controlling for factors of the nature mentioned in the preceding paragraph. His findings are clearly in contradiction to findings elsewhere, so there is certainly a case for deeper examination of the underlying causes.

Given that ASER 2009 data reconfirms what has been observed in earlier years in respect of enrolment, finding only about 4 percent children in the 6-14 year age group still out of school, the question of what happens to the 96 percent children in school acquires great significance. Since this year’s data has been discussed in some detail elsewhere in this report, let us take just one example, that of reading ability; on an overall basis, ASER 2009 finds that nearly 47 percent children in Class 5 are unable to read a Class 2 text. More worryingly, at the national level, the percentage of children in Class 5 unable to read a Class 2 text actually shows an increase between 2008 and 2009, from 44 percent to 47 percent. Regardless of how the difference between government and private schools is explained, the fact remains that these are unacceptably high numbers.

Going forward, two conclusions would appear to be inescapable; first, private management participation in the school sector is only likely to increase over time, and it may be wise to develop policies that address this situation. It may even be time to move away from our traditionally hypocritical approach to private investment, which insists that such investment should be on a not-for-profit basis, thus compelling school operators to find alternatives by which they can make a return on their capital, to a regime that actively encourages private investment within a regulated environment. Second, action is urgently required to improve quality in our classrooms, whether these are in government or private schools. A failure to address this need will lead to increasing numbers of children going through the school system without learning very much, something that no nation can afford.

The most significant thing that ASER has done over the last five years has been to focus attention on the need to improve learning outcomes. Greater public awareness and parental demand, improved infrastructure and more resources have brought us to a point where enrolment is reasonably satisfactory. But we would be failing future generations if we do not take this to the next logical step, improving what children do once they’re in the classroom. It is to that—regardless of whether the child is in a government or private school—that we must now turn our attention.

⁷ Wadhwa, Wilima (2009), “Private Schools: Do They Provide Higher Quality Education?”, in *Annual Status of Education Report (Rural) 2008*, Mumbai: Pratham Resource Centre.

⁸ Sarangpani, Padma (2009), “Quality, Feasibility and Desirability of Low Cost Private Schooling”, in *Economic & Political Weekly*, Vol. 44 No. 43, October 24 - October 30, 2009, New Delhi.

⁹ Tooley, James (2009), *op cit*.