

PRIVATE EDUCATION: WHAT THE POOR CAN TEACH US

BY JAMES TOOLEY

The burgeoning private education sector in India holds some surprising lessons for both developing and developed countries alike.

A common assumption about the private sector in education is that it caters only for the elite, and that its promotion would only serve to exacerbate inequality. On the contrary, recent research points in the opposite direction. If we want to help some of the most disadvantaged groups in society, then encouraging deeper private sector involvement is likely to be the best way forward.

This piece outlines three developments in India, all of which involve the private education sector meeting the needs of the poor in distinct ways. But India is not unique in this respect. Similar projects are happening all over the developing world¹.

GOVERNMENT SCHOOLS FOR THE POOR

To explore what to many would be a counterintuitive proposition—that private education can help the poor—let’s begin by investigating the lot of some of the world’s poorest people, the poor who live in the slums and villages of India. First, how do government schools serve these people? To find out, the Indian government sponsored the 1999 PROBE report—the Public Report on Basic Education in India—which paints a bleak picture indeed of the “mal-functioning” of government schools for the poor². When researchers called unannounced on their random sample of schools, only in 53% was there any “teaching activity” going on. In fully 33%, the head-teacher was absent. Alarmingly, the team noted that the deterioration of teaching standards was not to do with disempowered teachers, but instead could be ascribed to “plain negligence.” They noted “several cases of irresponsible teachers keeping a school closed...for months at a time,” many cases of drunk teachers, and head-teachers who asked children to do domestic chores, “including looking after the baby.” Significantly, the low level of teaching activity occurred even in those



schools with relatively good infrastructure, teaching aids and pupil-teacher ratios.

Is there any alternative to these schools? Surely no one else can do better than government, given the resources available? As it happens, the PROBE report pointed to the private schools that were serving the poor and conceded—rather reluctantly—that such problems were not found in these schools. In the great majority of private schools—again visited unannounced and at random—there “was feverish classroom activity.” Private schools, they said, were successful because they were more accountable: “the teachers are accountable to the manager (who can fire them), and, through him or her, to the parents (who can withdraw their children).” Such accountability was not present in the government schools, and “this contrast is perceived with crystal clarity by the vast majority of parents.”

PRIVATE SCHOOLS FOR THE POOR

To many, the existence of these private schools for the poor will be a surprise. They were to me too, until I began conducting fieldwork for the International Finance Corporation on a group of such schools coming under the banner of the Federation of Private Schools’ Management based in Hyderabad. The Federation has some 500 private schools serving poor communities in the slums and villages. I was impressed by both the entrepreneurial spirit within these schools—they were run on commercial principles, not dependent on government handouts or philanthropy—but also with the spirit of dedication within the schools for the poor communities served—not for nothing were the leaders of the schools known as ‘social workers’.

Given the existence of these private schools and the way they are responding to the needs of the poor, it might be thought that the government was assisting them in their task. In fact, the opposite is true. These schools suffer under restrictive and inappropriate regulations, from

statutory rules stating that a school must have a playground of 1,000 square yards to a requirement for government-trained teachers within the school. To be recognized by the government, private schools must also deposit up to 50,000

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Rupees (about \$1,200) in a stipulated bank account, of which neither the capital nor the interest can be touched. Given that the fees charged in these schools ranged from 25 Rs per month (that's 60 cents) to 150 Rs per month (about \$3.50 per month), with most of the schools grouped near the lower end of the range, such sums are completely prohibitive.

Fees of around \$10 per year are not affordable to everyone, it is true, but they are affordable to a huge range of poor families. Most significantly, the great majority of the schools offer a substantial number of free places—up to 20%—for the poorest students, allocated on the basis of claims of need checked informally in the community.

All of this suggests that if one is interested in serving the needs of the poor in India, then trying to reform the totally inadequate, cumbersome and unaccountable government system is unlikely to be the best way. Instead, reform the regulatory environment to make it suitable for the flourishing of private schools for the poor, help build private voucher schemes using overseas and indigenous philanthropy, and encourage public voucher schemes, so that parents can use their allowance of funding where they see the schools are performing well, rather than wasting them in unresponsive state schools.

CONCLUSION

Of course, not everything is perfect. There is still a high rate of illiteracy in India (50% in some states); and the Indian government could still overwhelm the entrepreneurial spirit in education with stifling regulation and red tape. But all this evidence suggests that the received wisdom about the role of the private sector in helping the disadvantaged is completely misguided. In developing countries, it is not the state that has the greatest potential to help the poor, but the private sector. Of course, the very poorest may need additional assistance to help them attend these schools, in terms of public or private vouchers (or both). But the state's major role should be to help ensure that the regulatory and investment climate is conducive to the development and nurturing of these schools. And if this is true for India, then it may also be true for the developed world too.

Endnotes

1. J. Tooley, *The Global Education Industry* (London: IEA/IFC, 1999), and *Reclaiming Education* (London: Continuum/Cassell, 2000).
2. The Probe Team, *Public Report on Basic Education in India* (Oxford: Oxford University Press, 1999).

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