

# Blueprint for a flawless education system

*A competent and inclusive education system can produce empowered youth, says **Parth Shah**. He feels RTE can make this possible provided the state changes its role from controller to facilitator, from producer to financier and from inspector to informer.*

**Q**UALITY education and skills training are two of the most critical ingredients for youth empowerment, for the demographic dividend, and for a prosperous and peaceful India. The access to education is now almost universal; we have built schools, provided mid-day meals, uniforms and textbooks to attract students to schools. And more than 96% of school-going age children are in schools.

However, the learning outcomes are getting worse. Over the last five years, the percentage of class 5 students who can read a class 2 level text or do the math has been actually declining (details at [www.acercentre.org](http://www.acercentre.org)). The biggest reason by far of this declining quality of education is the governance system of state education and particularly the lack of active engagement and commitment of teachers to their students. On a given day, 25% of government school teachers are absent, one out of every four teachers just does not show up for work! Among those who do, one fourth are not engaged in teaching activity. How could students learn when teachers are absent or not teaching?

To build an ecosystem of education and skills training that can meet the challenges of the 21<sup>st</sup> century, we need a revolution, a paradigm shift in the role that the state, markets and civil society should play.

The role of the state needs three key changes:

- from controller to facilitator
- from producer to financier
- from inspector to informer

Let me illustrate this by discussing the concerns of equity and efficiency and how they can be met through this new vision of the role of the state.

### **Equity and efficiency in economic and social goods**

In the post-liberalisation India, the importance of the private sector in economic growth is well understood and

appreciated. Not even die-hard socialists argue that the state should occupy 'the commanding heights' of the economy any more. For economic growth, the state's role is primarily to enable the private sector as a facilitator, prudent regulator, impartial enforcer of contracts, and at times as a financier (say through public private partnerships).

Despite the recognised primacy of the private initiative in the production of economic goods, it is commonly assumed that the state must occupy 'the commanding heights' in the production of social goods like education and healthcare. The justification is that inequality in access to economic goods may be tolerated but in the access to social goods, equality must be the norm. However, in terms of efficiency, it is very hard to make a cogent case that the State is a more efficient producer of social goods than the market. It would mean arguing that an agency that is inefficient in producing bicycles and bread is somehow efficient in producing education and healthcare.

Why is the government commonly seen as incapable of cultivating farms or running factories? The answer exists in various forms. One is what we call the "Dialectics of Three 'I's." Interest, Incentives and Information. The (self) interest of government employees, like everyone else's, is to look after themselves. Individuals do not suddenly behave differently just because they work in a government school as opposed to a private one. The conflict between the public interest and the interest of government needs no further proof than the drama around the Sixth Pay Commission. The salaries were supposed to be increased in exchange for performance guarantees and administrative reforms. Salaries went up immediately; no one remembers anything about performance.

Incentives for efficiency are also weak. Government employees have little incentive to minimise costs, to find

and correct mistakes, to innovate, and to acquire necessary information about resources and customer demand. The high teacher absenteeism in government schools is just one indicator of poor incentives.

The information on which government decisions are based is normally as reliable as the statistics on poverty levels or balance of payments or industrial production index. The “Dialectics of Three ‘I’s” is what provides a systemic explanation of why governments are normally inefficient than markets in the production of economic goods.

If government is inefficient in producing food—cultivating land—then how could it become efficient in producing education—cultivating the mind? Tilling land is certainly a far simpler task than training the young. If government monopoly and controls play havoc in the production of simple economic goods, how could they be expected to offer opposite results in the production of rather complex social goods like education?

However, the equity concern requires that social goods cannot be completely left to the market; the state must play a role. The efficiency concern suggests that the state role should not be to produce social goods; it would be as inefficient in producing social goods as it is in producing economic goods. What role should the state play that would balance the equity as well as the efficiency concern?

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What has been done for the economy needs to be done for the education system—delicense, depoliticise, decentralise. High prices in terms of tuition fees and donations and long queues for admissions are signs of shortages of quality education institutions. The same paucity of supply existed for consumer goods before the 1991 liberalisation. People waited for years for a telephone connection. The same old license-permit-quota raj still exists in our education system. Schools and colleges should be made accountable not to education bureaucrats (licensors) but to parents and students (customers). The government policy should be to increase choice and competition in education as it has done in many areas of the economy—facilitate, not control.

We should combine the core competency of the private and the public sector. Let the private sector produce education—manage schools and colleges—and provide it to all who can afford to pay. For those who cannot afford to pay, let the government finance their education through scholarships, education vouchers, and loans. The government stands as a guarantor of education, not by producing it but

by financing it. Instead of focusing on the inputs to education, the government ensures the output—meaningful, high quality learning. This approach combines the efficiency and accountability of the private sector with the equity and independent supervision of the public sector.

The role of the government is to liberate the supply side, fund the demand of the poor, and monitor the access and quality of education. Let the private initiative and entrepreneurship—for profit and non-profit—govern our schools and colleges. Scholarships, education vouchers, and loans would offer the same freedom of choice to the poor as the rich enjoy today. Governments and NGOs should evaluate schools and colleges and publish the results so that parents can make informed decisions about right school or college for their child. Instead of becoming an inspector, the government should become informer and empower the parents to make their own choices that are right for their children.

One example of the new role of the state is the 25% seats in private schools under the Right to Education Act.

#### **The RTE Act: 25% opportunity seats**

The Clause 12 of the RTE requires private unaided schools to reserve 25% seats in the entry-level class (nursery or class 1) for socially disadvantaged and economically weaker sections. The government would reimburse private schools at equal to their fees or the per student cost in government school, whichever is lower. Various associations of private schools had challenged this compulsion in the Supreme Court. The Supreme Court in a 2-1 judgment upheld the constitutionality of the 25% reservation. When fully implemented, the Clause 12 would create world’s largest school voucher programme—public funds would support students to go to private schools of their choice.

The onus is now on the government to design a transparent, fair and accountable method to implement the 25% reservation in private schools. Instead of reservation, perhaps the initiative can be called 25% inclusion seats or 25% opportunity seats. A general estimate is that anywhere between 2.5 to 7 million poor students would benefit in the first year of full implementation. And this number would double every year thereafter for eight years. A large number of poor children’s future is at stake in proper implementation of the 25% opportunity seats.

Different stakeholders—parents, schools, and the government—have their own concerns and problems, and we need to understand these clearly and triangulate them well to create an effective model of implementation.

The poor parents are concerned whether those who really qualify would get seats in the elite private schools or the seats would get auctioned to the 'connected' and to the highest bidders. Even after getting admission, what other costs would the schools pass on, either directly or indirectly? How hard would schools and teachers work to make it easier for their children to adjust to this new challenging environment?

The schools need to make sure that it's easy for parents to get application forms, fill them with required supporting documents and run a credible lottery process for the final selection. They need to get their teaching and non-teaching staff aligned to the inclusion objective and train them for understanding and sensitivity. The schools are particularly worried whether the promised reimbursement by the government would come at all or in time. Many schools in Delhi admitted children under the 25% last year but are yet to see any payment from the Delhi government even after the year is over. The government has not yet outlined even the process of reimbursement clearly in a mutually acceptable manner. The high-fee private schools are worried about the reimbursement amount that would be far less than the fees they charge. The MHRD (Ministry of Human Resources Development) Minister has recently suggested that the government is considering ways to bridge this gap in the 12<sup>th</sup> Five Year Plan.

The government has to make sure that the qualified students are admitted under the 25% opportunity seats and its own officers do not abuse this provision to seek admission for their preferred students. It needs to supervise as well as help schools to achieve full-hearted social integration and holistic learning. The government must design an efficient process of timely reimbursement and also find ways to bridge the gap between reimbursement amount and the actual cost of private schools as far as possible.

I am confident that we can learn from this example and rethink the role of the state in education and skills training so that we build a 21<sup>st</sup> century education system in India. ■

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