

TRANSFERS IN EDUCATION

March 2017

DIRECT BENEFIT TRANSFER

DBT can be implemented in three ways: Conditional and unconditional cash transfers, vouchers, and reimbursement of fees and education expenses. The vouchers and reimbursement options ensure that the money is used only for education. In cash transfers, parents can use part of the money for other necessities.



VOUCHER

Coupon to cover full or partial cost of education in a school of student's choice.

Case: PAHAL



CASH TRANSFER

Unconditional cash transfer or transfer conditional on set parameters such as attaining minimum attendance.

Case: Orissa



CASH TRANSFER

Repayment of expenses incurred on education.

Case: Children Education Allowance (For central government employees)

1 SECONDARY SCHOOLS: DIRECT BENEFIT TRANSFER

HOW MANY CHILDREN ARE DENIED THE RIGHT TO SECONDARY EDUCATION?

Out-of-School Children

Higher Secondary Level (Grade 11-12)



142
Million children around the world

30%

42.2

Million children in India

Where is the shortage?

Government Schools: Private Schools

Primary	10:1	125:1	7:1
Secondary	1:1	2:1	1:1
Higher Secondary	1:1	0.2:1	1:1
	Madhya Pradesh	Orissa	India

Source: UNESCO Statistic 2014

HOW TO STRUCTURE A PILOT?

OBJECTIVE | Increase secondary school enrollment

WHERE | Identify districts on set parameters such as: a) Low ratio of secondary schools to potential candidates; b) Economic backwardness; c) Literacy rate; and d) School attendance levels.



WHO | Any child residing in the area who has successfully cleared Grade 8 will be eligible to receive a stipend.

WHAT | DBT to cover cost of tuition fee, textbooks, stationery, uniforms, shoes, transport (boarding expenses if the school is out of town), and other related expenses.

If a student chooses government schools, there are three policy options: 1) DBT gets void; 2) Amount may go to student based on performance indicators such as attainment of distinction; 3) Voucher amount can go to school as an untied grant. School may decide where to spend money.

HOW TO STRUCTURE A PILOT?

- **CONDITIONS** | a) Attend school for at least 75 percent of the school year.
 - b) Obtain at least 45 percent marks on average in final examinations.

PRIVATE SCHOOLS | Schools interested in the scheme to register themselves at the local executive body. The schools should also create awareness in their areas to encourage enrolment. It should discontinue collection of fees from DBT recipients and issue notice to students not fulfilling attendance requirements.

School Management Committees and Parent Teacher Associations to play a key role in coordinating the role at the school level and ensuring school accountability.

HOW TO STRUCTURE A PILOT?

CHALLENGES | There could be several challenges at the implementation level and adequate mechanisms should be put in place to ensure smooth operations of the project

a) Issue: Schools could overwrite students or inflate attendance to siphon funds.

Solution: Each student should be enrolled according Aadhaar ID; Enrollment, attendance, and performance of each DBT students should be tracked through computerized systems to enable remote monitoring and evaluation of the project, progress, and counter any corrupt practices.

b) Issue: Inflation of marks to meet the conditions.

Solution: A third-party assessment agency to verify learning levels.

c) Issue: To address quality improvements beyond the minimum criteria i.e. attainment of pass rate

Solution: Performance incentives for schools and students. Schools that record high growth for indicators such as retention and enrolment should be incentivised. Awards for best performing DBT recipients.

2 RTE 25% RESERVATION: HOW TO ENSURE EFFICIENCY?

RTE 25% Efficiency

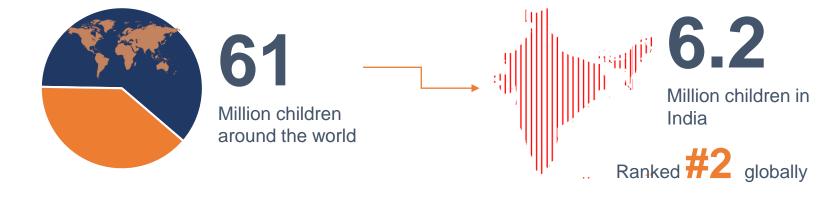
- Focus on effective implementation of policies/schemes that encourage inclusive education e.g. RTE Sec 12(1)(c).
- Convert the 25% reservation into DBT.
- 22,000 of 26,000 private schools in Rajasthan have fees lower than government schools.
 - —This incentivizes private schools to show higher fee on paper.
 - —If the money is given to parents, they can ensure the minimum price is charged and prevent any fraud.

3 VOUCHER FOR OUT-OF-SCHOOL CHILDREN

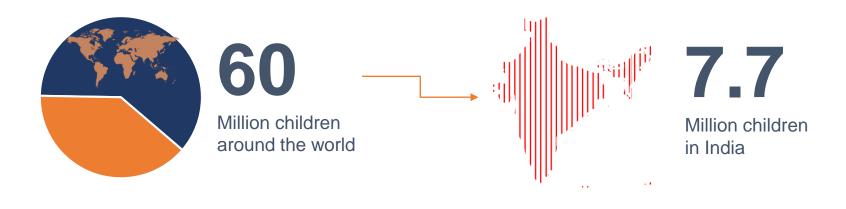
HOW MANY CHILDREN ARE DENIED THE RIGHT TO EDUCATION?

Out-of-School Children: Elementary

Grade 1-5



Grade 6-8



Source: UNESCO Statistic 2014-16

DIRECT BENEFIT TRANSFER FOR UNDERSERVED COMMUNITIES

WHAT | Provide DBT for helping out-of-school children and differently abled.

IDENTIFICATION | Self targeting; Several techniques, such as Proxy Means Testing (PMT), can be employed to verify household income/welfare/eligibility.

Offer **aspirational schools including** boarding schools, cover the cost of boarding if they stay with a relative and not in a formal hostel.

UTTARAKHAND: PAHAL SCHEME

WHEN | 2007-14

WHERE | Initiated in Dehradun and later expanded to Nainital and Haridwar in 200809

WHAT | Pahal aimed to impact educational achievements of outofschool children by enrolling them in private schools. It was launched in areas with no government schools within a radius of 1 kilometer.

6-14 years old who have been out-of-school for at least a year, never enrolled, or do not have access to a government school within a radius of 1 kilometer were eligible. Student identification was done on the basis of household surveys.

The scheme provided Rs. 3,000 per student annually. In return, the school provided textbooks, uniforms, remedial teaching, computer education and other co-curricular activities.