REPORT ON BUDGET PRIVATE SCHOOLS IN INDIA 2017

CENTRE FOR CIVIL SOCIETY
Social Change Through Public Policy

EdelGive Foundation
An Edelweiss Initiative

Report on
Budget Private Schools in India
2017

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For more information and other requests, write to:
Centre for Civil Society
A-69 Hauz Khas, New Delhi – 110016
Phone: +91 11 2653 7456 | Email: publication@ccs.in | Website: www.ccs.in/bpsreport

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CENTRE FOR CIVIL SOCIETY
Social Change Through Public Policy

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Edelgive Foundation, established in 2008, works toward bridging the gap between the users and providers of philanthropic capital and knowledge by bringing the skills, resources and talents of the for-profit world to the not-for-profit arena. It has established zero-cost forums for its corporate peers to engage with the Foundation and one another to identify promising grassroots organisations and direct their funds into high- impact projects. Beyond financial support, the Foundation provides NGOs expertise and advice on operational areas which are critical for achieving overall effectiveness.

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List of Abbreviations

APS	Affordable Private Schools
ASER	Annual Status of Education Report
BPS	Budget Private Schools
CBSE	Central Board of Secondary Education
DISE	District information System on Education
DFID	Department for International Development (United Kingdom)
EWS	Economically Weaker Section
GOV	Government schools
HFP	High Fee Paying (private schools)
K-12	Kindergarten to class 12
NAS	National Achievement Survey
NISA	National Independent Schools Alliance
NCERT	National Council of Educational Research and Training
NSS	National Sample Survey
PEF	Punjab Education Foundation (Pakistan)
PISA	Program for International Student Assessment
PPE	Per-Pupil Expenditure
PPP	Public-Private Partnership
RTE	Right to Education Act, 2009
SDG	Sustainable Development Goals
TET	Teacher Eligibility Test

Introduction to the Report

Ashish Dhawan | Founder and Chairman of Central Square Foundation (CSF)

In recent years, a dramatic change has taken place in India with the rapid growth of private schools across urban and rural areas. Currently the enrolment in private schools (aided and unaided, from Class one to 12) is 42.8 percent and it is increasing at more than five percent per annum (DISE 2015-16) though the latest Annual Status of Education Report (ASER) shows small decline in private enrolment in rural areas). If the current trend continues, private schools could soon be the dominant providers of education in the country. Although there is significant geographic variation in private school enrolment (high in north-west India and less in states in east India), there has been a general rise in the private school enrolment across both rural and urban areas. Most of this increase is due to the rapid rise of low-cost or affordable private schools. This presents a challenge of improving a large, heterogeneous and a highly complex system.

This rapid increase in private sector has resulted in greater scrutiny of the quality of education they provide. A lively debate has also ensued in the education community about the relative quality and efficiency of private and public education. These debates, though important, take attention away from the strengths of the public and the private sector and the complementary relationship they can develop. For example, some countries adopted policies that foster competition, incentives and accountability in the government sector after their successful implementation in the private sector. Usually quality of government schools is a reference point for private schools too; private schools need to provide a premium over government schools to justify their existence to ever demanding parents.

There is a growing body of evidence that on average private schools are more cost-efficient as compared to government schools. But this relative cost-efficiency is not necessarily accompanied by a higher level of student learning. A high-level diagnosis of the low learning levels reveals that this is due to systemic challenges faced by private schools and not due to some inherent characteristics of the private schools. For example, regulatory constraints make the process of setting up schools difficult, absence of quality standards leave a vast majority of private schools unable to gauge "good" education, and lack of access to high quality human resources and finance limits the ability of schools to respond to challenges quickly.

These challenges also speak toward the opportunities of creating a high-quality school system in India. I believe there are two critical factors for success to improve the private school system.

Firstly, we need to develop a robust ecosystem of support for private schools. We need more organisations which are creating innovative models for principal and teacher training, school operations, providing personalised technology solutions and access to finance. There is a need to realise the unique features of the APS market and create solutions which cater to the challenges that the market currently faces.

Secondly, we need a conducive, outcome-focused regulatory environment. Fortunately, there is a growing realisation in the government of the critical role of private schools. There is now a near consensus on the need to include private (unaided) schools in any national assessment of student learning which is going to be used to benchmark States and provide useful insights on student learning. Similarly, most States are cleaning up the enrolment data of government and private schools by linking them to Aadhar. There are some interesting initiatives on rating schools on quality standards and making this information available in the public domain. It is my opinion that government must simplify the regulatory processes while holding private schools accountable for student learning.

It is heartening to note that this report on budget private schools speaks to some of the challenges which I have mentioned. The report is a useful read for anyone interested in this sector: be it an entrepreneur planning to set up a school, a service provider working on teacher training or a policy maker interested in improving quality of private sector.

It looks at four key themes: demand, supply, ecosystem and regulation. It is unique in the sense that it captures voices across academia, school operators, service providers and even policy makers. The first section deals with parental aspirations and how they can demand accountability and exercise their school choice. The second section deals with innovation and quality in Budget Private Schools (BPS) and how the emergence and growth of these schools is a national as well as international trend. Further, the report explores the experiences of entrepreneurs working with BPS around blended learning, teacher training and school leadership. This is supplemented by investors in the BPS space and the challenges they see at a macro level. Finally, the report dissects the topic of regulation as it pans out in the Indian context.

Publisher's Note

Since early 1990s, Budget Private Schools (BPS) have changed the education landscape of India in terms of access, quality and equity. Edupreneurs who set up these schools are often from the same neighbourhood, as rarely anyone from outside goes to poor neighbourhoods to set up schools. In many ways, BPS are closer to the idea of common schools; they are genuinely community schools.

Over the last two decades BPS have attracted steady influx of children from communities that until recently were completely dependent on government schools. As various authors point out in this Report, BPS have infused private education sector with the hope of affordable and quality education of choice for poor households.

The BPS are critical in improving education quality and access at affordable cost, especially for children from lower and middle income families in India. Need of the hour is to engage with all stakeholders to leverage upon the vast pool of social capital created by BPS, as we progress toward realising the long-cherished dream of universal, high quality education for all. CCS took a step in this direction through the formation of National Independent Schools Alliance (NISA) in 2011. Our efforts since then have been two-fold: creation of an enabling regulatory ecosystem for independent schools through policy advocacy and research, and promotion of sectoral reforms that will enhance accountability and quality of education being imparted in BPS. We are hopeful that this Report will serve toward driving advocates, sympathisers and critics of private schooling to recognise the unique value created by BPS. For regulatory purposes, it is time to treat BPS as a separate sub-sector within the unaided private schools segment.

First edition of this Report aims to create a platform for informed interactions about the sector. Our aim in the years to come is to transform the nature of discourse on BPS from opinion-driven to evidence-based. We are committed to make this Report accessible to parents and experts alike. The various aspects of the BPS sector are presented through essays, interviews, case studies and info-graphics. It was a conscious decision of the editorial team to ensure that the Report is read by all individuals interested in school education in India. It is with the same objective that we are converting this Report into a micro-site to keep the discussion alive in the months to come.

Looking at the final draft of the Report today, we feel that the practitioners and experts who have contributed to this report have really set the benchmark very high for anyone who takes the work forward in future. Many of the authors have chosen to publish their original data and research for the first time in public domain through this Report. We are grateful to each of the authors as well as editorial board members who contributed their time, invaluable ideas and feedback at various stages of the report. We have immensely benefitted by interactions with experts like Dr. Shailaja Chandra and Mr. Madhav Chavan who could not write for the Report due to time constraints yet encouraged our efforts, offered support and shared critical insights at the time of conceptualisation of the Report. We acknowledge the contribution of Parth J Shah, Rohan Joshi, Srijan Bandyopadhyay, Divya Agarwal, Ayushi Jain and Nishtha Singhal in putting together this Report.

Originally, we intended to have the Report divided into four sections, demand, supply, ecosystem and regulation, with equal number of chapters under each section. Members of the editorial board had graciously agreed to lead each of these four areas and write editorials at the start of each section. Due to limited number of data-based essays, especially under demand and regulation sections, we had to deviate from this idea. Going forward we would like to improve on this by having policymakers and parents contribute directly to the Report. In this edition the essays have not been ordered by section, but to provide a narrative to make it easier for those readers not familiar with BPS to follow.

Since their emergence, BPS received a fair share of criticism from players in the Indian education sector. This criticism intensified with enactment of the Right to Education Act (2009), which paid special attention to quality of inputs (infrastructure, staffing and finances), with little focus on improving learning outcomes. However, we have noticed a gradual change in the wider attitude toward BPS in the last few years. Globally, there is a growing body of research into the working of low cost private schools and their impact on education outcomes. An increasing number of investors and service providers are working with these schools to understand them and improve their quality, efficiency and sustainability. The emergence of various school chains globally, some in partnership with government but majority independent of the state, is of particular interest as a means to scale best practices. As the sector continues to grow, some specific challenges such as transparency, accountability and regulatory compliance must be addressed.

It is evident that the BPS sector, once termed as 'shadow institutions' and 'teaching shops,' have come a long way over the years in establishing their credibility among parents and educators. Interestingly, BPS, while steadily improving their own performance have also raised the bar of quality and accountability for other schooling segments, especially the government schools, pushing them out of their complacency and giving mission mode impetus to the ongoing efforts to enhance quality of education.

We are excited to put out this Report for your reading and look forward to hearing your thoughts and feedback, and joining hands in the endeavour of strengthening community schools to ensure access to better quality education for all.

For the Right to Education of Choice!

Message from the Donor

Vidya Shah | CEO, EdelGive Foundation

EdelGive's grant-making work in the education sector over the last nine years has focused on supporting programmes and organisations working to improve learning outcomes for poor children in India. A 20-year crusade by civil society led to pioneering legislation and policy frameworks, while research from ASER and others have used data to establish what most of us already know: that Indian students fare abysmally poorly compared to their peers in other countries on all learning parameters. However, the increasing availability of good quality non-governmental data, largely indicating a mass migration of poor and middle class students from government schools to Budget Private Schools (BPS) has pressured the central and state governments to put quality high up on the agenda.

Our 'investments' have been in both BPS as also programmes aimed at improving learning outcomes (through teacher and principal training, community engagement, using constructivist methodologies) in government schools. Some of our grantees in BPS-like models include Samaritan Mission School in Howrah, providing good quality low cost English education to the children of Tikiapara; Shoshit Samadhan Kendra, a free residential school for the Musahar community of Bihar; Adharshila, in a remote village of Sheopur district of Madhya Pradesh; and RAZA, in an urban slum of Bangalore. Our flagship programme in the government sector is by way of a Memorandum of Understanding with the Government of Maharashtra and aims at improving learning outcomes in government schools in four districts. In Phase 1, with the help of Kaivalya Education Foundation and Gyan Prakash Foundation, we will cover 286 schools, approximately 28,000 children, nearly 1,200 teachers and 114 government functionaries in the district education system. Some of our other programmes include Ibtada in Rajasthan, and Gram Mangal and Learning Space Foundation, both in Maharashtra, working to improve quality in local government schools.

CCS' report on BPS provides a great conceptual framework through which to understand this sector and it's importance in giving back the power of choice to poor parents while maintaining accountability and minimum standards of delivery and performance. To my mind, BPS are an integral and inevitable part of any country's journey in achieving the goals of universal and free access to education under the SDGs. Conversations with education officers in Rajasthan and Maharashtra have revealed that learning outcomes came onto the agenda of state education departments only after several studies showed that even children from poor families were abandoning the state system on account of two reasons: the possibility of an English education, and more importantly a non-functioning state system with poor teachers, apathetic school administration and poor understanding of gender issues. In fact, in some districts, children were enrolled in both local BPS and government schools, the latter only to access the mid-day meal programme. I would therefore infer that in addition to providing choice to parents, the BPS sector has unwittingly introduced competition within the education sector, wherein state governments are being held accountable for decreasing enrolments and attendance and more importantly, for learning outcomes. For the first time, in the last few years, we are being told that learning outcomes are on the state's agenda, even ahead of infrastructure, mid-day meals and the usual administrative issues that governments hide behind when being asked to be accountable for quality. In fact, Maharashtra took the lead in stating their vision for education through Pragat Shaikshanik Maharashtra that introduced a school quality measurement tool to indicate schools that were *pragat* or 'progressive,' while creating a game-plan to make all schools *pragat*.

We can see the introduction of competition as being responsible for the rapid growth of other sectors as well. Not many years ago, airlines, telecommunications, insurance and banking were only provided by the public sector. Large monopolies in these sectors not only provided poor quality at high prices, but also hampered economic growth, limited expansion of markets and killed creativity and innovation. India's approach to privatisation in these sectors has been to open them to private and foreign players, in a phased manner and within a tight regulatory framework. All these sectors have powerful regulators in the form of the DGCA, TRAI, IRDA and RBI. Ultimately, consumers have benefitted vastly in terms of choice, quality, product innovation and a refined approach to customers, but most importantly, real costs have fallen or at worse, remained the same.

As the BPS sector grows, I have no doubt that we will see similar benefits for all parents in terms of access, quality and cost. Private players governed mainly by the profit motive, however, will need a strong and effective system of accountability and regulation, not only around admissions, quality, costs and outcomes, but also around safety and the emotional, mental and physical well-being of children. But the Government school system will need equal accountability and regulation. They must be under equal pressure to improve quality and access, particularly in mostly rural and inaccessible areas, or in highly caste-driven communities where the only choice is the local government school. I look forward to future reports by CCS that will explore the role of comprehensive regulation for the sector as a whole and consequent impact on choice, access and quality for all.

1
The emptying of public schools and growth of private schools in India

Geeta Gandhi Kingdon

Geeta holds the Chair of 'Education Economics and International Development' at Institute of Education, University College London. Her research is based mostly on statistical analysis of education, based on which she advises governments and donor agencies such as the World Bank, EU and DFID on their education-related aid to developing countries.

Private fee charging schools are loved and loathed in equal measure in India: loved in the sense of being sought after by parents for their children's education and often reviled by the press/ public/ authorities for being profiteering greedy 'teaching shops'. Despite their ubiquitous and growing presence, relatively little is known about private schools in India, largely because government statistics have tended to ignore them in data collection exercises, not just in the National Council of Educational Research and Training's (NCERT) National Achievement Surveys of children's learning levels, but also in terms of collecting data on their teacher absence rates, salary levels and pupil fee levels.

For sensible education policy making, it is vital to take account of the changing *trends* in the size of the private and public schooling sectors in India. Ignoring these trends involves the risk of poor policies/legislation, with attendant adverse consequences for children's life chances. In this short paper, I focus on the temporal trend in the size of these two schooling sectors, and spell out the risk of ignoring these trends.

There are several challenges in piecing together the picture on private unaided schooling in India, since there is no one comprehensive data source on private schooling in the country. The official District Information

[1] *'Recognition' is a government stamp of approval for a private school, to certify fitness to run as a school. The Right to Education Act 2009 obligates all private schools to be recognised and stipulates the conditions a private school must fulfil to be 'recognised'. Although state governments are clamping down on unrecognised private schools, surveys in various studies suggest that their numbers continue to be substantial, e.g. Muralidharan and Kremer (2006) find that in their national survey of 20 states, 51 percent of all private rural primary schools were unrecognised. Also see evidence from individual states in five other studies which find that between 41 and 86 percent of all primary private schools were unrecognised (summarised in Kingdon 2006).*

This paper examines the factors contributing to the tremendous growth of private unaided schools in India, and its correlation with declining enrolment in government schools. Triangulating from multiple datasets, the study extrapolates enrolment and fee statistics to understand the surge in private schools in urban and rural contexts. Policy bottlenecks such as RTE infrastructural norms are identified for an evidence-driven policy revision.

System on Education (DISE), which is meant to be the annual census of all schools in the country, generally cannot collect data from most of the so-called 'non-recognised' private schools[1] since such schools are not in the authorities' frame or list of schools. Moreover, DISE coverage of even the recognised private schools is thought to be incomplete. Finally, to compound matters, although the DISE questionnaire includes a question on 'school-type' which permits separately identifying and reporting on private-aided and private-unaided schools, in practice, in the DISE data report cards published annually by the official agency[2], these two types of schools are mostly lumped together and treated as a single category i.e. 'private schools'.

While the Annual Status of Education Report (ASER) published by NGO Pratham has been helpful in generating evidence on private as well as public schools covering about 15,000 villages across all Indian districts annually, it is based only on a rural survey and misses out urban India altogether. Moreover, it also lumps together private aided and private unaided schools into a single category i.e. 'private'. While for the states with few aided private schools the distinction is unimportant, in other states it matters significantly.

Despite sharing the word 'private' in their names, private unaided and private aided schools differ fundamentally in their modes of operation, with private aided schools comprehensively lacking autonomy[3]. By contrast, private unaided schools are autonomous fee charging schools run by private managements which recruit/appoint their own teachers and pay them salary scales determined internally. Thus, we refer to private aided schools simply as aided schools, and shall refer to private unaided schools as private schools. Thus, for the purposes of this paper, all Indian schools are categorised into three major types: government or 'public' schools run by state, central or local government; aided schools; and private schools. At the elementary school level, aided schools constitute only around five percent of all schools in the country and we do not study them. We focus entirely on private schools, comparing them with government schools where needed.

This paper draws together evidence from a variety of sources, including raw National Sample Survey (NSS) data for 2014-15 (71st Round NSS 2015), ASER data (various years), DISE data (2015), and data in studies carried out by individual scholars.

The emptying of government schools and growth of private schooling in India

Table 1 shows the temporal change in number of government and private schools, and Table 2 shows the change in their enrolments, based on the author's

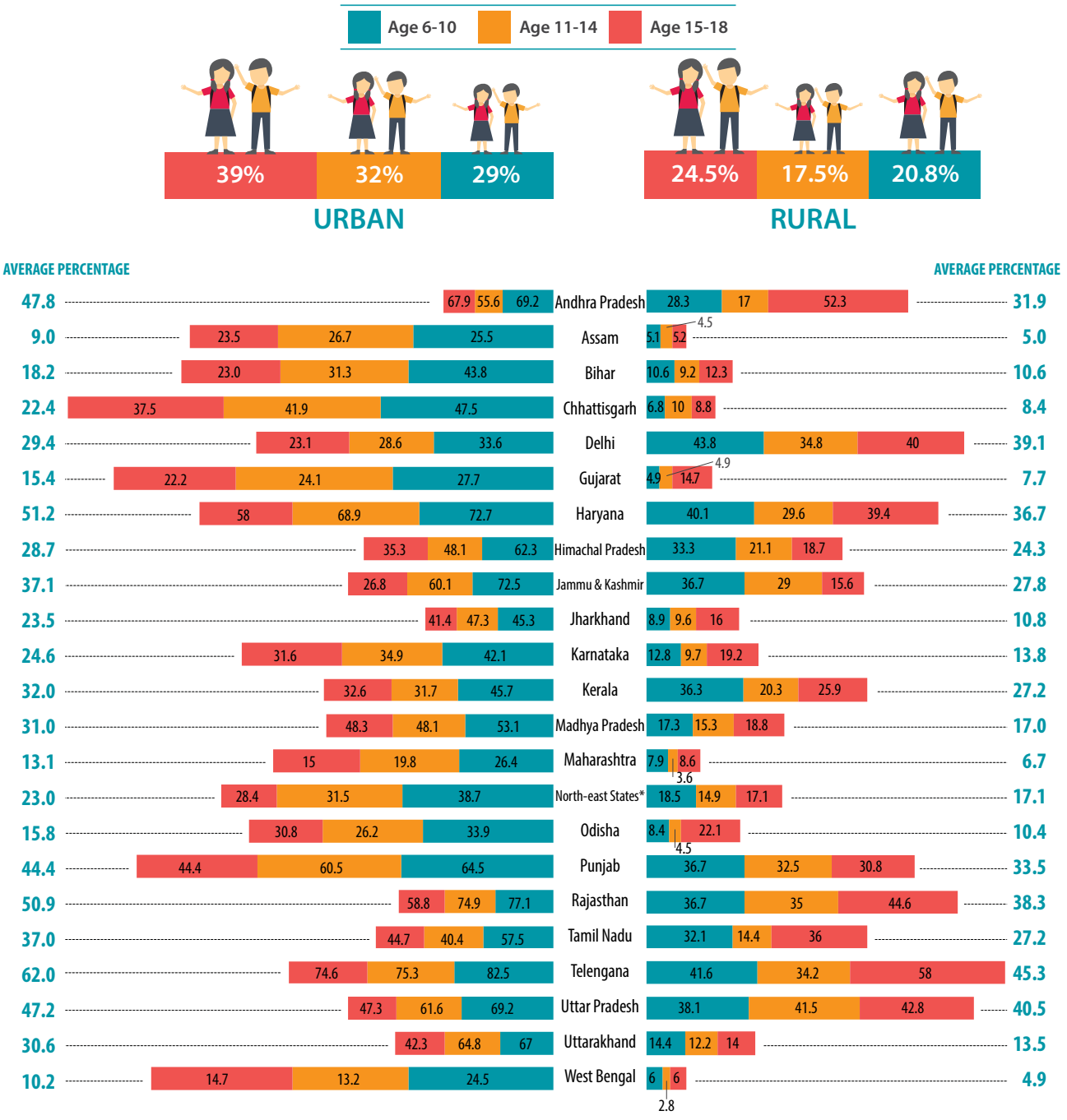
[2] *The agency that collates the DISE data nationally from all the states is the National University of Educational Planning and Administration, (NUEPA) in New Delhi.*

[3] *Centralising legislation in the early 1970s virtually nationalised the aided schools. Following extensive teacher union protests by the teachers of aided private schools, strikes and exam-boycotts over a period of two years in the large north Indian state of UP, the Salary Disbursement Act 1971 was passed by the UP Legislative Assembly and similar Acts were passed in other states, e.g. the Direct Payment Act of Kerala in 1972. These Acts virtually made aided schools like government schools; their teacher salaries are now paid at the same rate as government school teachers', and paid directly into their bank accounts from the government treasury, exactly as for government school teachers. Moreover, aided schools' teachers are recruited and appointed not by their respective managements but by a government-appointed State Education Service Commission, the same body that recruits and appoints teachers into the government schools. Finally, aided schools' fee is set by the government to be the same as in government schools i.e. zero/ nil.*

analysis of raw DISE data on 20 major states of India. Table 2 shows that over the four-year period 2010-11 to 2014-15, the total stock of government schools in India (20 major states of India) rose by a mere 16,376 government schools. By contrast, the number of private schools rose by 71,360 schools. Despite the modest increase in the number of government schools, the total enrolment in government schools over this period actually fell by 11.1 million students, whereas total enrolment in private schools rose by 16 million students over the same four-year period.

In some states, the growth of private schooling was very pronounced. For example in Uttar Pradesh (UP) over this short four-year period, the number of private schools rose by 31,196, private school enrolment rose by nearly 7 million students and government school enrolment fell by 2.6 million students.

Table 1: Percentage of children in private unaided schools, by state, 2014-15



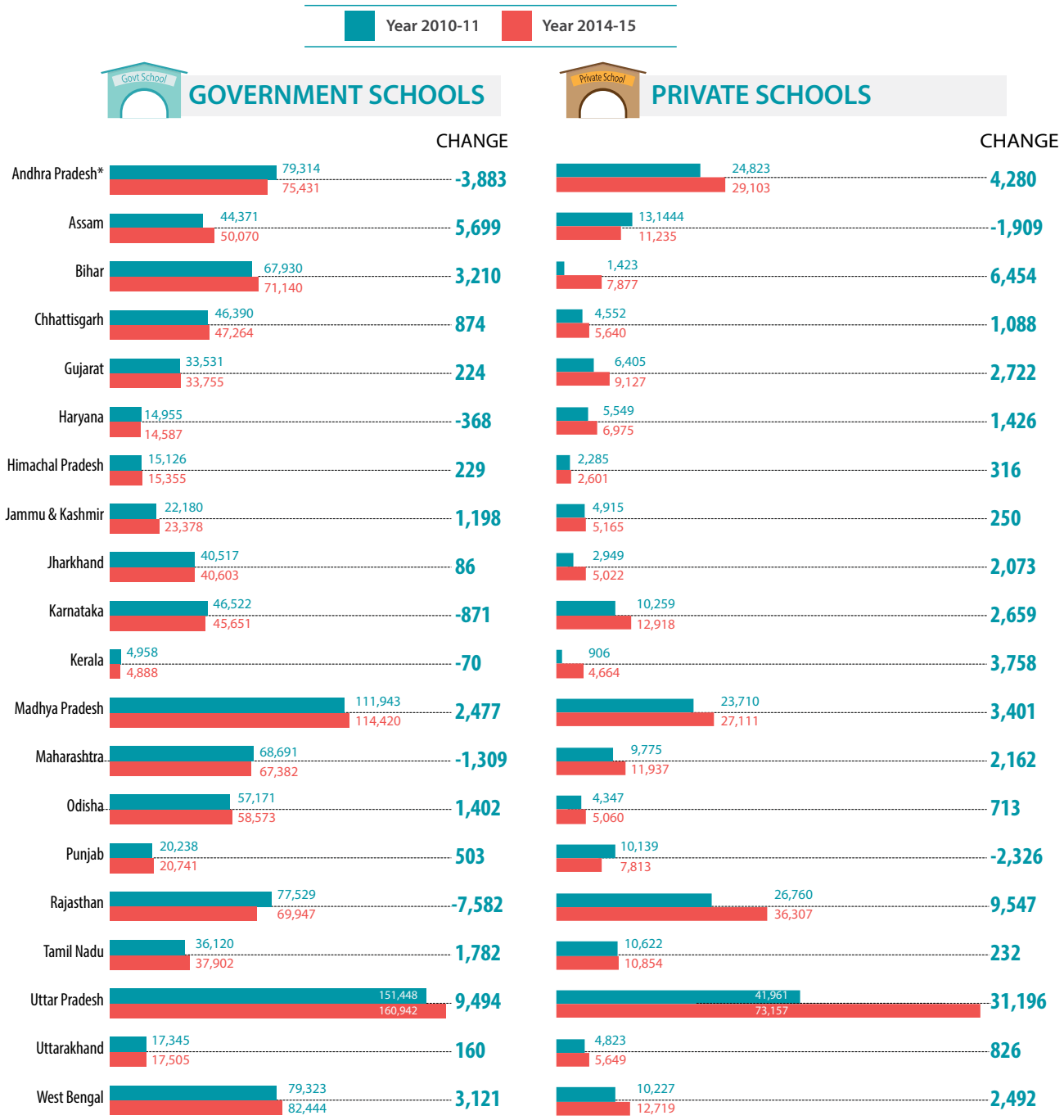
** The average of the North-east states; these are Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.*

The abandonment of government schools and the shift towards private schools is also visible when we examine how the number of government schools that are 'small' or 'tiny' has increased over time.

Abandonment of government schools, migration to private schools

We define a 'small' school as one with total enrolment (in the school as a whole) 50 or fewer students, which means ten or fewer students per class in a primary school (or six or fewer students per class, in an elementary school). We define a 'tiny' school as one with total enrolment 20 or fewer students, which means four or fewer students per class, in a primary school (or say three students per class in an elementary school)[4].

Table 2: Change in the number of government and private schools, by state (2010-11 to 2014-15)



** Telangana has been included as part of Andhra Pradesh, for both 2010-11 and 2015-16, in order to aid comparison over time.*

[4] *If a school has both primary and middle sections i.e. has eight grades (class one to five being the primary grades and class six to eight being the middle/ junior grades), then the number of students per class will be even lower.*

Table 4 illustrates the phenomenon of the abandonment and emptying of government schools by highlighting its manifestation in the rapid growth of 'small' and 'tiny' government schools in India. Firstly, the average size of government elementary schools in India fell from 122 students per school in 2010-11 to 109 students per school by 2014-15, a decline of 12 students per government school, or a decline of about ten percent over a short four year period. In some states, the average size of government schools fell steeply, e.g. in Maharashtra, UP etc. By contrast, the average size of private schools was significantly larger in the baseline year (202 instead of 122), and it also further rose from 202 to 207 in the four year period between 2011 and 2015.

We can measure the emptying of government schools further by examining the small-school phenomenon, and asking whether the number of government schools that are small or tiny is growing over time. Table 4 shows that in the year 2010-11, India (20 major states) had 313,169 small government schools (those with total enrolment of 50 or fewer students). These constitute 30 percent of all government schools. By 2014-15, the number of small schools had increased to 372,163 (35 percent of all government schools) and by 2015-16, their

Table 3: Change in students in government and private schools, by state

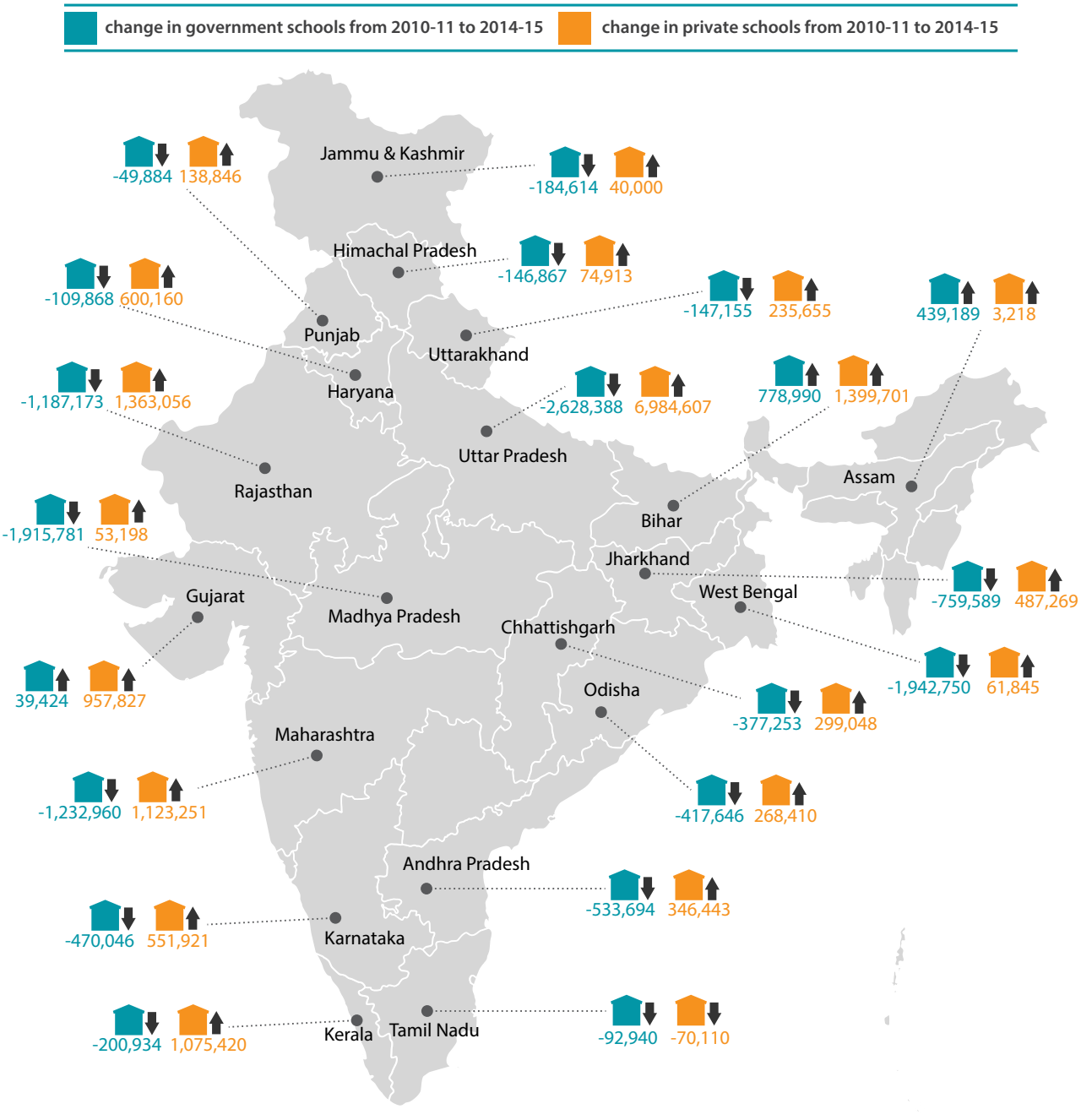
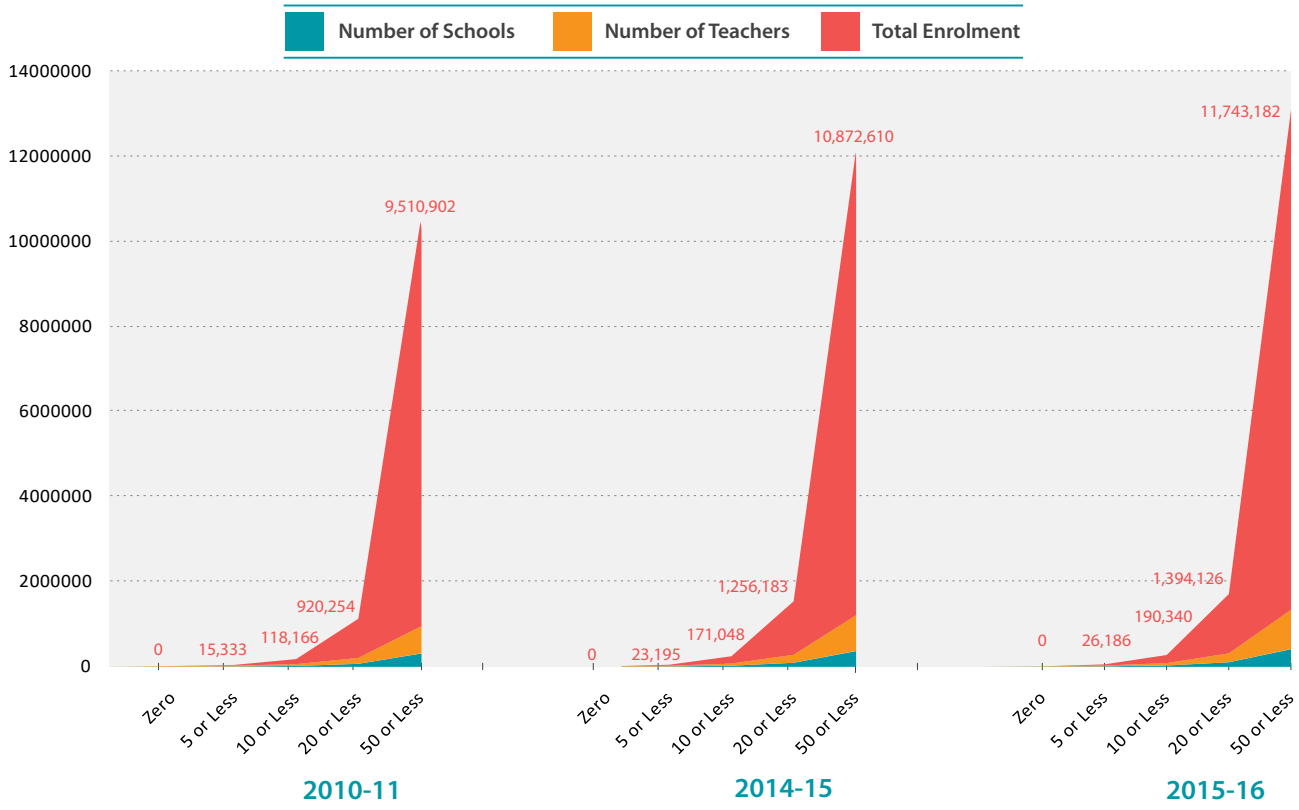
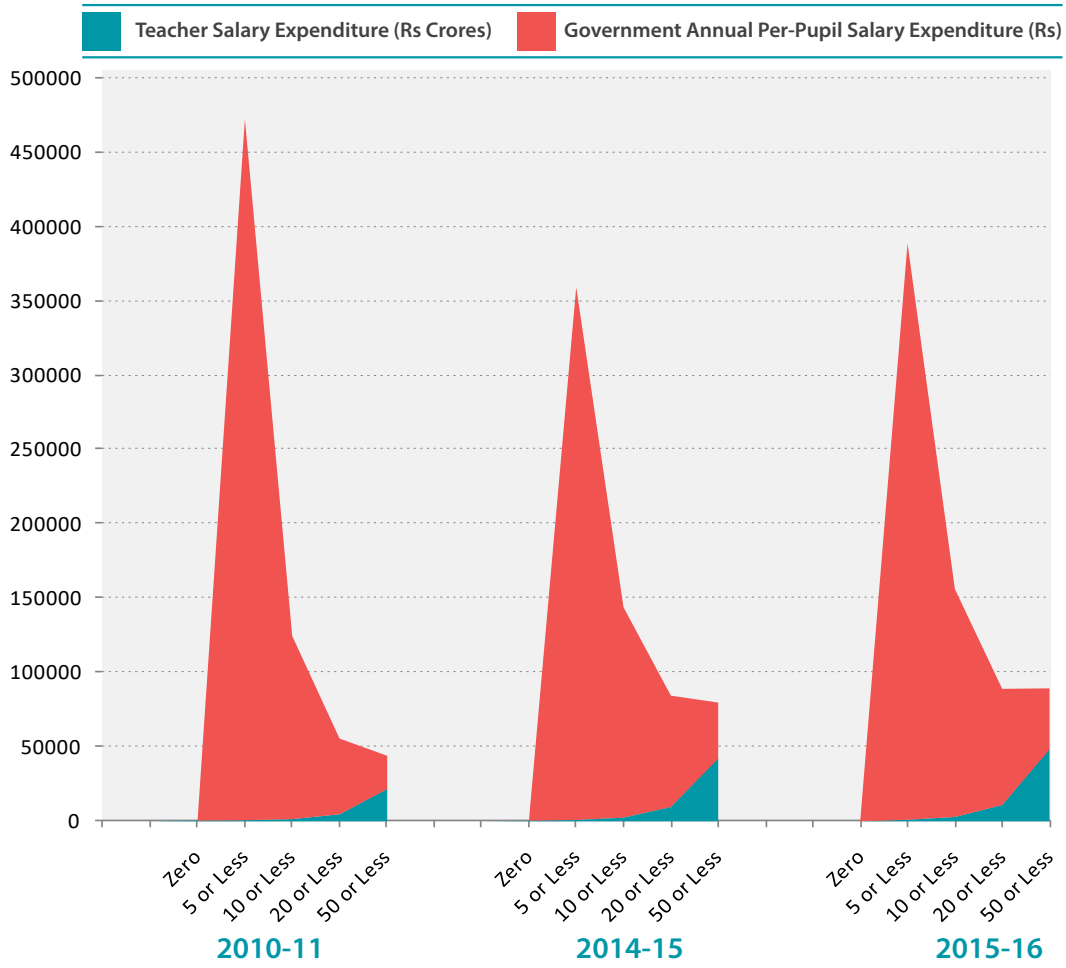


Table 4: Emptying of government schools over time in India
(The phenomenon of small and tiny government schools, and changes in it, over time)





number had further increased to 418,825 small schools (40 percent of all government schools). This is indeed a marked increase and signifies a rapid emptying of government schools in a short period. Correspondingly, the average number of pupils per small government school has also fallen from 30.4 pupils in 2010 to 28 pupils in 2015. Pupil teacher ratio also fell from 15 to 12.7 between 2011 and 2015. The government's teacher salary per-pupil-expenditure (PPE) has increased from Rs 1,887 per pupil per month in 2010 to Rs 3,191 in 2014 and further to Rs 3,430 in 2015.

What has happened to the number of government schools that are 'tiny' (with a total enrolment of 20 or fewer students)? Here too, the number of such tiny government schools has increased over time, from 71,189 tiny government schools in 2010 to 95,637 in 2014, and further to 108,183 in 2015. The average teacher salary PPE in these tiny government schools rose from around Rs 4,250 per pupil per month in 2010 to Rs 6,522 in 2015.

Table 5 shows the phenomenon of emptying government schools by state, in the period 2010 to 2015. Madhya Pradesh, Rajasthan, West Bengal and Andhra Pradesh witnessed the greatest emptying of government schools, in terms of highest absolute increase in the number of 'tiny' government schools. Madhya Pradesh, Maharashtra, West Bengal and UP witnessed the greatest emptying, in terms of highest absolute increase in the number of 'small' government schools.

The emptying of government schools, and the resultant swelling number of government schools that have become 'tiny,' is largely the result of an exodus of students from government schools and migration toward private schools, since there has been no drop in the child population. On the contrary, over the period under consideration i.e. between 2009-2014, there has been a substantial increase (4.3 percent) in the absolute primary-school-age population of six to ten year olds in India (IMRB Surveys 2009, 2014).

Fee levels of private schools

What are the fee levels of private schools, and can we benchmark them as 'high' or 'low'? Are private schools mostly of the high-fee variety or mostly low-fee, affordable schools?

While there is no official data collected from private schools on fee levels, fortunately the NSS questionnaire of 2014-15 (71st Round NSS 2015) included (in Section 6) detailed questions on education expenditure on each individual aged 5-29 years in the sample households. The variable we take as the measure of school fee is named in the survey as: "Course fee (including tuition fee, examination fee, development fee and other compulsory payments)." The survey also asks separately for expenditure on "books, stationery and uniform," "transport," and "private coaching," which we have not taken into considered, as we were interested in isolating only the course fee including all compulsory payments that a *school imposes as fee*.

To find out the fee levels of private schools, we took the sub-set of children who report studying in private unaided schools and are aged between six and 14 years old i.e. the elementary school age group. These children are of the age to which the Right to Education (RTE) Act 2009 applies, and are meant to be in classes one to eight. The mean and median 'total course fee' in private unaided schools, computed from the NSS data, are presented in Table 6. Before turning to that, Graph 1 shows that total course fee is very log-normally distributed, with a pronounced rightward skew, rather than normally distributed with the standard Gaussian bell-shape. When a quantity is log-normally distributed, the median is a better measure of central tendency than the mean, since it down-weights the undue importance of the few very high values i.e. it does not permit undue influence of the extremely high fee levels of the few children who study in the very high-fee elite schools. Hence, in Table 6, although we present both private unaided schools' mean and median fee levels, it is preferable to focus on the median fee levels.

Table 6 shows that median private unaided school fee level in urban India was Rs 500 per month and in rural India Rs 275 per month. Taking all India (rural and urban), the median fee was Rs 417 per month (or Rs 5,000 per annum).

There is, however, a great deal of inter-state variation in private school fee levels. For example, from Rs 117 per month in rural UP to Rs 692 per month (six times higher) in rural Punjab, or from Rs 250 per month in urban UP to Rs 1,800 per month (seven times higher) in urban Delhi. In general, it appears that the better functioning the government schools in a state, the less the need felt by poor parents for private education, and thus the more elite (high fee charging) the private schools that exist in that state. Similarly, the worse the government school quality in a state, the greater the perceived need by even the poorer families to demand private schooling of any description, leading to the higher supply of a lot of even 'low-fee' budget private schools.

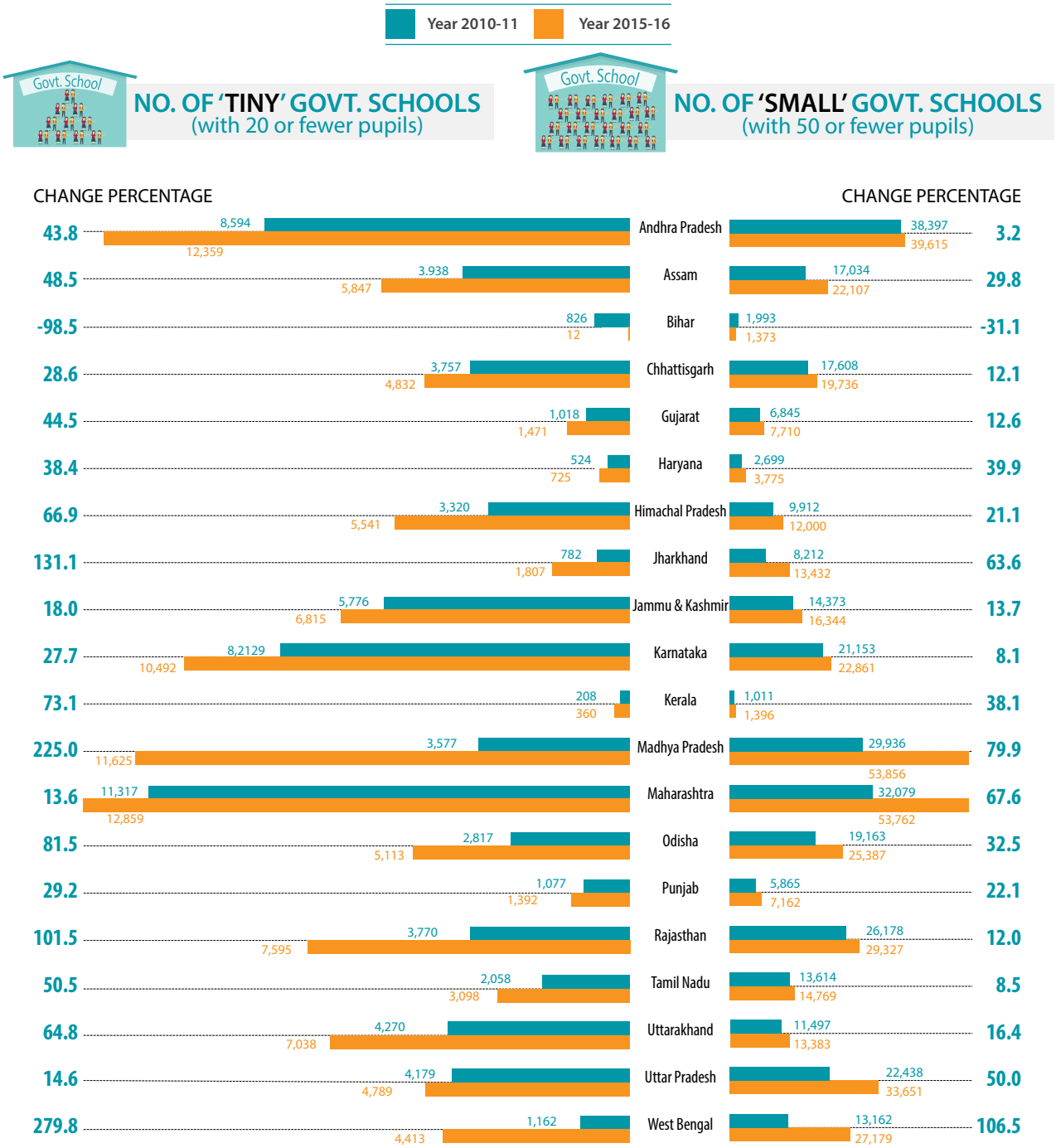
Benchmarking private school fee levels

Is the private unaided schools' fee observed in Table 6 low or high? Before turning to that, we examine what percentage of private-school students pay fee below given absolute threshold levels. This is presented in Table 7. It shows that in states such as Bihar, Madhya Pradesh, Rajasthan, UP and Odisha, about 70 to 85 per cent of children studying in private unaided schools are paying fee of less than Rs 500 per month (Rs 6,000 per annum). Only a minority (15-30 percent) of private school attendees pay fees above Rs 500 per month.

Benchmarking with respect to state per capita income

One way of benchmarking the size of the private school fee is to see its ratio with respect to the state per capita income (PCI). Here, since government reports mean (rather than median) PCI, we use the mean private school fee level rather than the median. Table 8 shows that nationally, private schools' mean fee is around 9.2 percent of the PCI.

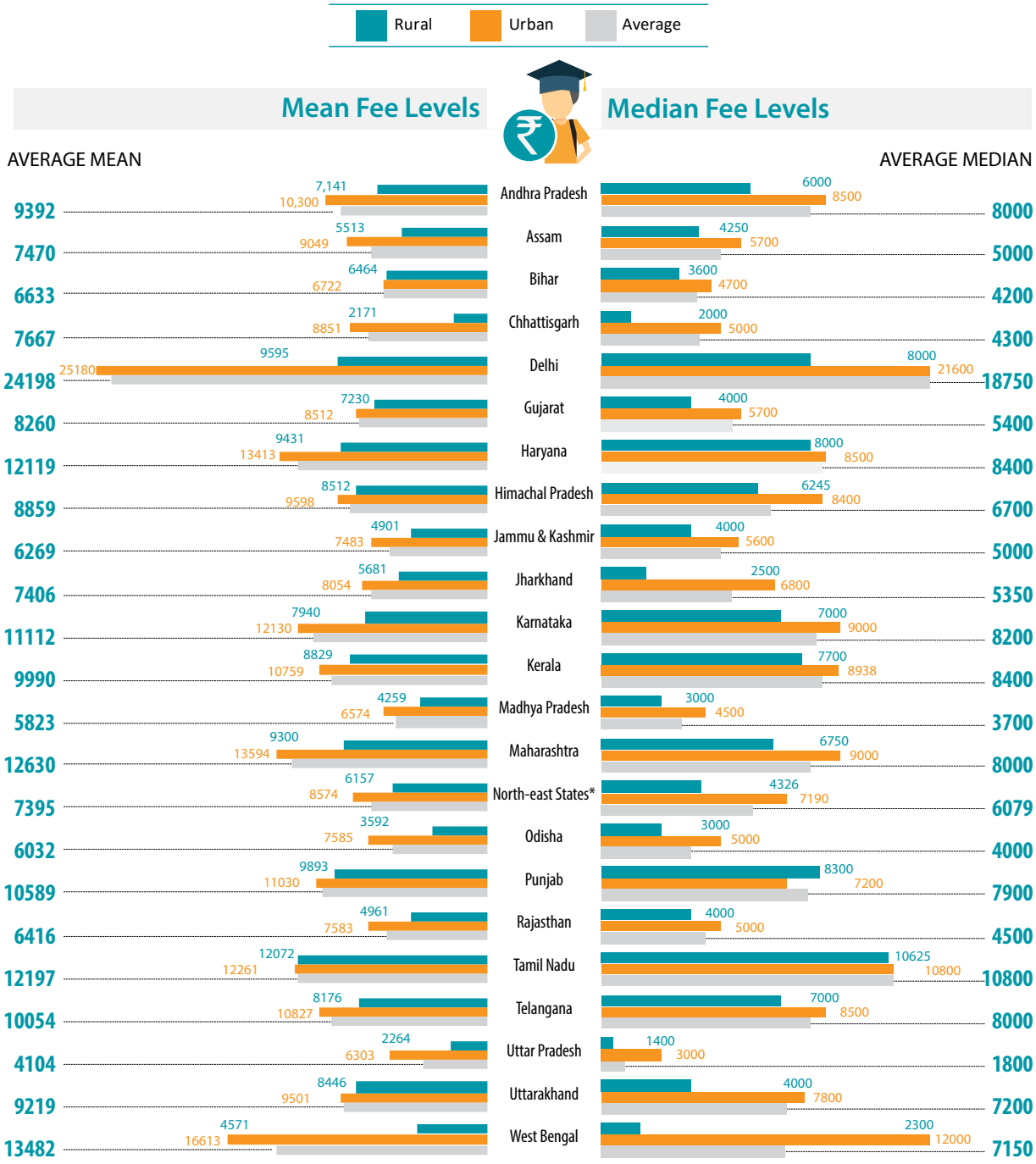
Table 5: Speed of emptying of government schools, by state
(or speed of growth of 'tiny' and 'small' government schools, by state)



Benchmarking with respect to the minimum wage of daily wage labourers

A second way of benchmarking the private school fee is to see to what extent the poorest paid workers can afford it. The last three columns of Table 8 attempt to do that. Srivastava (2013) suggests that a useful way of defining 'low fee' schools is: schools that can be afforded by the daily wage labourers, one of the lowest paid worker groups, who are paid the minimum daily wage as announced annually by the Ministry of Rural Development. Column (g) of Table 8 shows the officially mandated minimum daily wage of April 2014 for each state. We take it that daily wagers work 300 days a year and thus predict the annual wage for daily wagers. Expressing the median annual private school fee as a percentage of this annual minimum wage, column (h) shows that on average, private schools' median annual fee is around 10.2 percent of the annual minimum wage of daily wagers. UP is an outlier, in that private school annual fee is only 3.8 percent of the annual earning of daily wagers in the state, suggesting that even very poor people can access private schooling in UP; and this is

Table 6: Mean and median annual fee levels in private unaided schools for children aged 6-14, by state, 2014-15



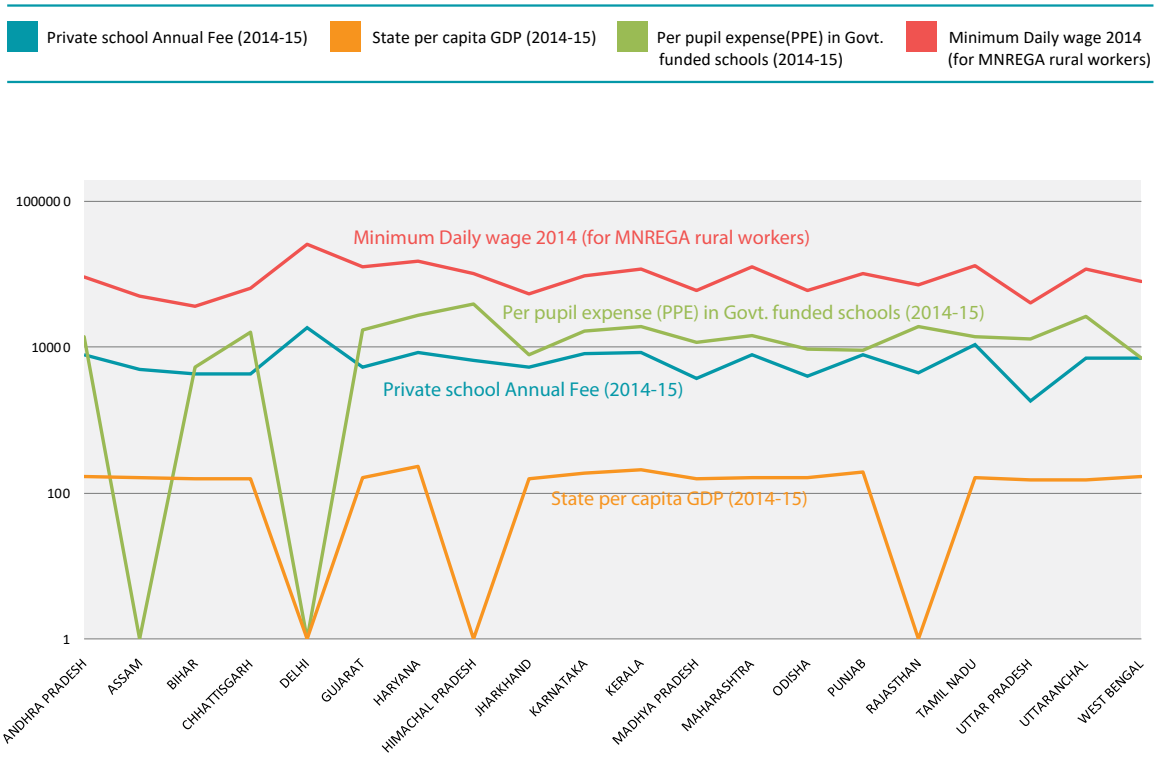
*The average of the North-east states; these are Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.

consistent with the high utilisation of private schooling in UP. Another variant for benchmarking private schools' fee is to ask: for what percentage of rural private school pupils is their actual monthly fee below the daily minimum wage of their state? Column (i) shows that, on average, 26 percent of rural private school pupils' monthly fee is below their state's daily minimum wage. While UP is again an outlier (with 67 percent rural private school pupils' monthly fee being below the minimum daily wage of UP in 2014), in states such as West Bengal, Odisha, Jharkhand and Chhattisgarh, the proportion is higher than one-third. This suggests that one third or more of the private schools in these states are 'low fee' schools by this definition i.e. those that educate children belonging to the poorest households.

Benchmarking with respect to the PPE in government schools

A third way of benchmarking whether private school fee level in a state is 'high' or 'low' is to compare it with the state's PPE in the government school system. Table 9 shows the private unaided schools' median fee levels and the PPE in the government funded school system, state-wise and for India as a whole. It shows that in India as a whole[5], just under 80 percent of the private-school-going children study in those private schools where the fee is below the government schools' PPE. In several states, more than 90 percent of private school students paid fees lower than the estimated PPE in the government funded schools. The last column in Table 9 shows that, averaging across the states, private school fee is only 47 percent of the PPE in government-funded schools estimated by Dongre and Kapur (2016), and that is when their calculation of government PPE is a serious under-estimation of the true PPE in the government school system. The level of private school fee also has implications for the reimbursement (from the government) to private schools for educating poor and disadvantaged children under the Right to Education Act 2009.

Table 8: Benchmarking private schools' fee levels against
(1) state per capita income, (2) Govt. funded schools' PPE, and (3) Minimum wages



[5] *The weighted average across the states for which the PPE data is available. Since the government provides free books and uniforms to all children attending government schools, the estimate of government PPE on education includes government expenditure on books and uniforms, but our private school's PPE (proxied by the school's fee) does not include expenditure on books and uniforms, which undermines the ability to compare private and public schools' unit costs of education. However, as shown in Kingdon (2017), the PPE estimates for public schools presented here are likely to be serious under-estimations of the true PPE of public schools.*

[6] *Section 18 of the RTE Act 2009 stipulates that no private unaided school can be established or continue to function without obtaining a certificate of 'recognition' from the government, and section 19 lays down the various penalties (including closure) for non-compliance with the given norms and conditions. While section 8 (g) of the Act specifies as the state's duty to ensure that government schools also conform to the norms of the Act, there are no penalties if they do not and thus, de facto, there is no incentive for government funded schools to comply.*

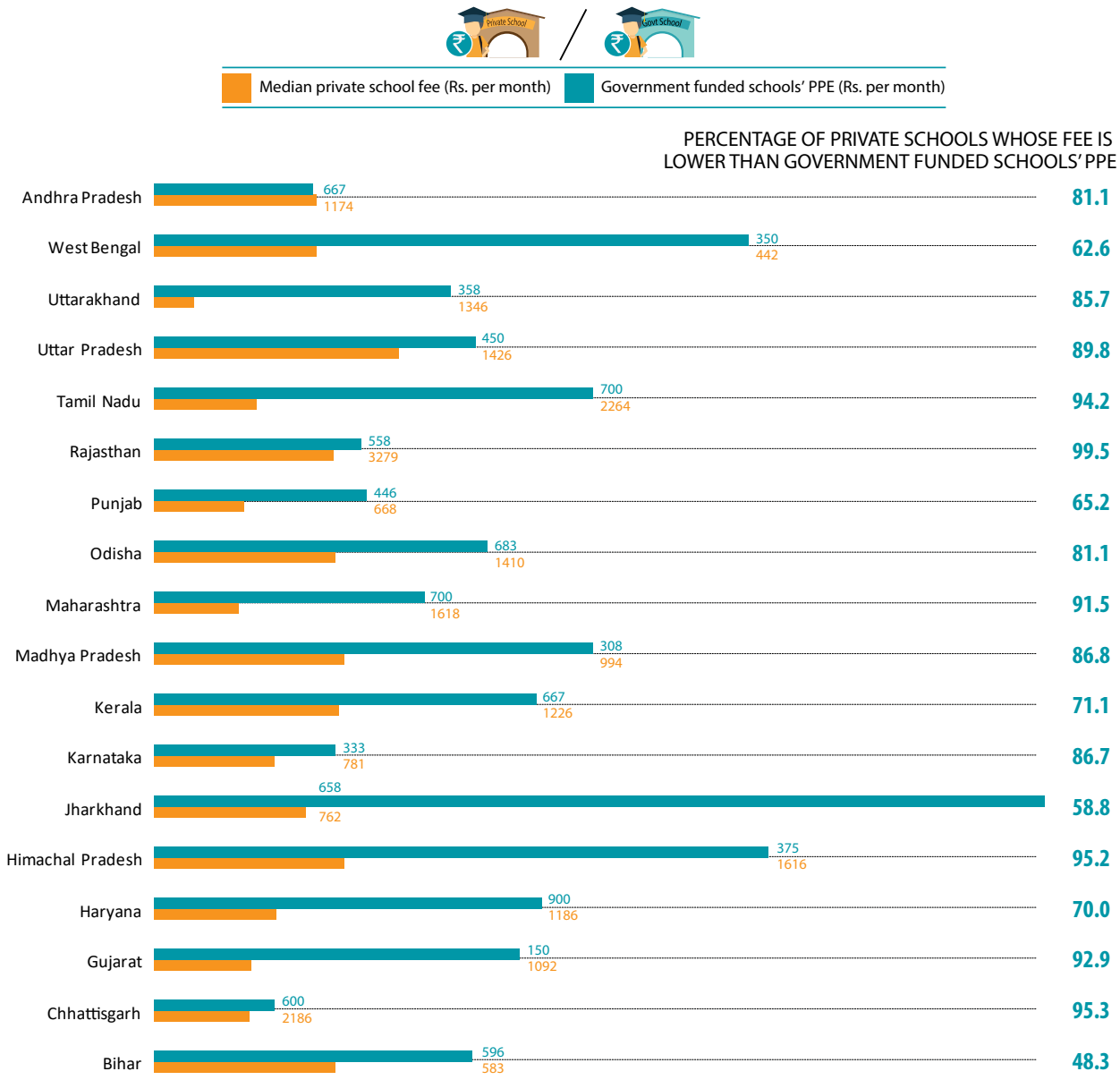
Conclusions and policy implications

Analysis of official DISE data in this paper demonstrates that despite the anecdotal evidence of government school enrolments being exaggerated in school-returns data, government schools have been rapidly emptying and, correspondingly, private schools have been growing fast in the period 2010 to 2014. The fall in enrolment in government schools is despite a 4.3 percent increase in the child population of primary-school age in the country over the same period. The fall in enrolment implies that holding other things constant (e.g. if number of teachers does not fall), PPE in the government school system has been rising and thus the value-for-money from public expenditure on government schools has been falling.

Analysis of fee data from NSS 2014-15 (71st Round 2014-15) shows that contrary to popular perceptions, a high proportion of private schooling caters to the poor. The evidence suggests that most private schools in India can be considered 'low fee' in the precise sense that their fee is below the government's PPE in its own schools. This evidence discredits the oft-repeated belief that much of private schooling in India is elite and exclusive.

The realisation that the bulk of private schooling in the country is 'low fee' is significant because perceptions about the nature of private schools have important implications for making of policy toward private schools. To take an example, the realisation that in the majority of private schools, fee levels are far lower

Table 9: Private schools' fee compared with government funded schools' PPE 2014-15



than government schools' PPE draws the education policy maker's attention to the fact that when a high proportion of the well-funded government schools themselves cannot comply with the infrastructure norms of the Right to Education (RTE) Act 2009[6], how can private schools do so (without public subsidy), since the majority of them run on a small fraction of the unit cost of government schools. The kind of data presented here to benchmark private school fee levels can help decision-takers to make more evidence-informed education policy that is more realistic and less wishful, and to avoid counter-productive effects such as the closure of the low-fee private schools which may be successfully imparting learning but which lack the resources to fulfil the demanding infrastructure norms[7].

Appendix

Table 1 - Percentage of children in private unaided schools, by state, 2014-15

State	Rural				Urban				TOTAL
	Age 6-10	Age 11-14	Age 15-18	Rural Total	Age 6-10	Age 11-14	Age 15-18	Urban Total	State Total
Andhra Pradesh	28.3	17.0	52.3	31.9	69.2	55.6	67.9	64.5	47.8
Assam	5.1	4.5	5.2	5.0	25.5	26.7	23.5	25.3	9.0
Bihar	10.6	9.2	12.3	10.6	43.8	31.3	23.0	33.2	18.2
Chhattisgarh	6.8	10.0	8.8	8.4	47.5	41.9	37.5	42.7	22.4
Delhi	43.8	34.8	40.0	39.1	33.6	28.6	23.1	28.8	29.4
Gujarat	4.9	4.9	14.7	7.7	27.7	24.1	22.2	24.8	15.4
Haryana	40.1	29.6	39.4	36.7	72.7	68.9	58.0	67.2	51.2
Himachal Pradesh	33.3	21.1	18.7	24.3	62.3	48.1	35.3	49.4	28.7
Jammu & Kashmir	36.7	29.0	15.6	27.8	72.5	60.1	26.8	53.0	37.1
Jharkand	8.9	9.6	16.0	10.8	45.3	47.3	41.4	44.7	23.5
Karnataka	12.8	9.7	19.2	13.8	42.1	34.9	31.6	36.5	24.6
Kerala	36.3	20.3	25.9	27.2	45.7	31.7	32.6	36.6	32.0
Madhya Pradesh	17.3	15.3	18.8	17.0	53.1	48.1	48.3	50.0	31.0
Maharashtra	7.9	3.6	8.6	6.7	26.4	19.8	15.0	20.3	13.1
North-east States*	18.5	14.9	17.1	17.1	38.7	31.5	28.4	32.9	23.0
Odisha	8.4	4.5	22.1	10.4	33.9	26.2	30.8	30.3	15.8
Punjab	36.7	32.5	30.8	33.5	64.5	60.5	44.4	56.2	44.4
Rajasthan	36.7	35.0	44.6	38.3	77.1	74.9	58.8	70.1	50.9
Tamil Nadu	32.1	14.4	36.0	27.2	57.5	40.4	44.7	47.5	37.0
Telangana	41.6	34.2	58.0	45.3	82.5	75.3	74.6	77.6	62.0
Uttar Pradesh	38.1	41.5	42.8	40.5	69.2	61.6	47.3	60.0	47.2
Uttarakhand	14.4	12.2	14.0	13.5	67.0	64.8	42.3	57.9	30.6
West Bengal	6.0	2.8	6.0	4.9	24.5	13.2	14.7	17.4	10.2
India Total	20.8	17.5	24.5	20.8	48.9	40.7	36.1	42.1	29.6

Source: *Author's calculations from the raw data of the National Sample Survey, 71st Round, 2014-15*
Note: **The average of the North-east states; these are Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.*

[7] *National Independent Schools Alliance (2014) calculated that by March 2014, just under 4,500 private unaided schools had closed down and just over 15,000 had received closure notices, due to not fulfilling infrastructure norms.*

Table 2: Change in the number of Government and Private schools, by state (2010-11 to 2014-15)

State	Government schools			Private Schools		
	2010-11	2014-15	Change	2010-11	2014-15	Change
Andhra Pradesh*	79,314	75,431	-3,883	24,823	29,103	4,280
Assam	44,371	50,070	5,699	13,144	11,235	-1,909
Bihar	67,930	71,140	3,210	1,423	7,877	6,454
Chhattisgarh	46,390	47,264	874	4,552	5,640	1,088
Gujarat	33,531	33,755	224	6,405	9,127	2,722
Haryana	14,955	14,587	-368	5,549	6,975	1,426
Himachal Pradesh	15,126	15,355	229	2,285	2,601	316
Jammu & Kashmir	22,180	23,378	1,198	4,915	5,165	250
Jharkhand	40,517	40,603	86	2,949	5,022	2,073
Karnataka	46,522	45,651	-871	10,259	12,918	2,659
Kerala	4,958	4,888	-70	906	4,664	3,758
Madhya Pradesh	111,943	114,420	2,477	23,710	27,111	3,401
Maharashtra	68,691	67,382	-1,309	9,775	11,937	2,162
Odisha	57,171	58,573	1,402	4,347	5,060	713
Punjab	20,238	20,741	503	10,139	7,813	-2,326
Rajasthan	77,529	69,947	-7,582	26,760	36,307	9,547
Tamil Nadu	36,120	37,902	1,782	10,622	10,854	232
Uttar Pradesh	151,448	160,942	9,494	41,961	73,157	31,196
Uttarakhand	17,345	17,505	160	4,823	5,649	826
West Bengal	79,323	82,444	3,121	10,227	12,719	2,492
India (20 states)	1,035,602	1,051,978	16,376	219,574	290,934	71,360

Source: DISE raw data, from www.dise.in

*Note: *Andhra Pradesh here includes Telangana even in 2014-15, in order to permit comparison with 2010-11. Thus, the reduction in the number of government schools in Andhra Pradesh by 2014-15 here is not due to removal of Telangana.*

Table 3: Change in student enrolment in government and private schools, by state (2010-11 to 2014-15)

State	Total student enrolment						Average enrolment per school					
	Government schools			Private schools			Government schools			Private schools		
	2010-11	2014-15	Change	2010-11	2014-15	Change	2010-11	2014-15	Change	2010-11	2014-15	Change
Andhra Pradesh*	6,186,492	5,652,798	-533,694	4,592,255	4,938,698	346,443	78	76	-3	185	170	-15
Assam	4,082,132	4,521,321	439,189	998,944	1,002,162	3,218	92	90	-2	76	89	13
Bihar	19,495,910	20,274,900	778,990	404,132	1,803,833	1,399,701	287	285	-2	284	229	-55
Chhattisgarh	3,808,619	3,431,366	-377,253	755,632	1,054,680	299,048	82	73	-10	166	187	21
Gujarat	5,901,456	5,940,880	39,424	2,017,575	2,975,402	957,827	176	176	0	315	326	11
Haryana	2,093,700	1,983,832	-109,868	1,304,015	1,904,175	600,160	140	136	-4	235	273	38
Himachal Pradesh	745,712	598,845	-146,867	284,026	358,938	74,913	49	39	-10	124	138	14
Jammu & Kashmir	1,213,246	1,028,632	-184,614	786,400	826,400	40,000	55	44	-11	160	160	0
Jharkhand	5,591,346	4,831,757	-759,589	928,935	1,416,204	487,269	138	119	-19	315	282	-33
Karnataka	4,624,287	4,154,241	-470,046	2,328,793	2,880,714	551,921	99	91	-8	227	223	-4
Kerala	1,075,886	874,952	-200,934	375,084	1,450,504	1,075,420	217	179	-38	414	311	-103
Madhya Pradesh	10,634,585	8,718,804	-1,915,781	4,623,450	4,676,648	53,198	95	76	-19	195	173	-23
Maharashtra	7,418,628	6,185,668	-1,232,960	2,433,975	3,557,226	1,123,251	108	92	-16	249	298	49
Odisha	5,659,929	5,242,284	-417,646	599,886	868,296	268,410	99	90	-10	138	172	34
Punjab	2,165,466	2,115,582	-49,884	1,642,518	1,781,364	138,846	107	102	-5	162	228	66
Rajasthan	7,132,668	5,945,495	-1,187,173	4,736,520	6,099,576	1,363,056	92	85	-7	177	168	-9
Tamil Nadu	4,262,160	4,169,220	-92,940	3,250,332	3,180,222	-70,110	118	110	-8	306	293	-13
Uttar Pradesh	19,688,240	17,059,852	-2,628,388	10,280,445	17,265,052	6,984,607	130	106	-24	245	236	-9
Uttarakhand	936,630	789,476	-147,155	617,344	852,999	235,655	54	45	-9	128	151	23
West Bengal	13,484,910	11,542,160	-1,942,750	1,349,964	1,411,809	61,845	170	140	-30	132	111	-21
India (20 states)	126,202,002	115,062,064	-11,139,938	44,310,225	60,304,902	15,994,677	122	109	-12	202	207	5

Source: DISE raw data, from www.dise.in

*Note: *Andhra Pradesh here includes Telangana even for 2014-15, in order to permit comparison with 2010-11. Thus, the reduction in government school enrolment in Andhra Pradesh by 2014-15 here is not due to the removal of Telangana. The increase in private school enrolments does not exactly mirror the decrease in government school enrolment because children may also shift to aided schools and because the child population of elementary school age increased in some states and fell in some states.*

Table 4: Emptying of government schools over time in India (The phenomenon of small and tiny government schools, and changes in it, over time)

Total number of pupils in the school as a whole:	Number of schools	Number of teachers	Total enrolment	Average pupils per school	Pupil teacher ratio	Teacher salary expenditure (Rs crores)	Government annual per-pupil salary expenditure (Rs)	Government monthly per-pupil salary expenditure (Rs)
2010-11								
Zero	4,435	14,304	0	0	0	486	---	---
5 or Less	8,675	21,277	15,333	1.8	0.7	724	471,866	39,322
10 or Less	21,008	42,843	118,166	5.6	2.8	1,457	123,288	10,274
20 or Less	71,189	138,033	920,254	12.9	6.7	4,694	51,005	4,250
50 or Less	313,169	633,323	9,510,902	30.4	15.0	21,536	22,643	1,887
2014-15								
Zero	3,009	6,063	0	0	0	291	---	---
5 or Less	9,333	17,328	23,195	2.5	1.3	832	358,693	29,891
10 or Less	27,118	50,456	171,048	6.3	3.4	2,422	141,597	11,800
20 or Less	95,637	187,399	1,256,183	13.1	6.7	9,440	75,148	6,262
50 or Less	372,163	838,385	10,872,610	29.2	13.0	41,630	38,289	3,191
2015-16								
Zero	5,044	6,961	0	0	0		---	---
5 or Less	12,196	19,419	26,186	2.1	1.3	1,016	387,992	32,333
10 or Less	31,963	55,822	190,340	6.0	3.4	2,921	153,441	12,787
20 or Less	108,183	208,534	1,394,126	12.9	6.7	10,910	78,260	6,522
50 or Less	418,825	923,929	11,743,182	28.0	12.7	48,340	41,164	3,430

Source: www.statereportcards/rawdata/201011 Data analysed here is for 20 major states in 2010-11 and (counting Telengana as a separate state) for 21 major states in 2014-15 onwards.

Note: The total number of government schools in these 20 major states in 2010-11 was 1,035,602; in 2014-15 was 1,051,978 (as seen in Table 4) and in 2015-16 was 1,046,500 (including Telengana). Data on government school teachers' salary for 2014-15 is taken from Vimala Ramchandran's Study (NUEPA, 2015), where mean government primary school teacher salary (averaged across new and experienced teachers) was Rs 40,600 per month, but for the sake of simplicity, we took it as Rs 40,000 per month. For 2015-16/2010-11, it has been inflated/deflated by nine percent, assuming a salary inflation rate of nine percent per annum. Thus, mean teacher salary is taken as Rs 28,337 in 2010-11 and Rs 43,600 in 2015-16. For illustration, in Uttar Pradesh, DA has increased by 15 percent each year for at least the past six years.

Table 5: Speed of emptying of government schools, by state (or the Speed of growth of 'tiny' and 'small' govt. schools, by state)

State	No. of 'tiny' government schools (with 20 or fewer pupils)				No. of 'small' government schools (with 50 or fewer pupils)			
	2010-11	2015-16	Increase in number of 'tiny' government schools		2010-11	2015-16	Increase in number of 'small' government schools	
			Absolute increase	% increase			Absolute increase	% increase
Andhra Pradesh*	8,594	12,359	3765	43.8	38,397	39,615	1,218	3.2
Assam	3,938	5,847	1,909	48.5	17,034	22,107	5,073	29.8
Bihar	826	12	- 814	- 98.5	1,993	1,373	- 620	-31.1
Chhattisgarh	3,757	4,832	1,075	28.6	17,608	19,736	2,128	12.1
Gujarat	1,018	1,471	453	44.5	6,845	7,710	865	12.6
Haryana	524	725	201	38.4	2,699	3,775	1,076	39.9
Himachal Pradesh	3,320	5,541	2,221	66.9	9,912	12,000	2,088	21.1
Jharkhand	782	1,807	1,025	131.1	8,212	13,432	5,220	63.6
Jammu & Kashmir	5,776	6,815	1,039	18.0	14,373	16,344	1,971	13.7
Karnataka	8,219	10,492	2,273	27.7	21,153	22,861	1,708	8.1
Kerala	208	360	152	73.1	1,011	1,396	385	38.1
Madhya Pradesh	3,577	11,625	8,048	225.0	29,936	53,856	23,920	79.9
Maharashtra	11,317	12,859	1,542	13.6	32,079	53,762	21,683	67.6
Odisha	2,817	5,113	2,296	81.5	19,163	25,387	6,224	32.5
Punjab	1,077	1,392	315	29.2	5,865	7,162	1,297	22.1
Rajasthan	3,770	7,595	3,825	101.5	26,178	29,327	3,149	12.0
Tamil Nadu	2,058	3,098	1,040	50.5	13,614	14,769	1,155	8.5
Uttarakhand	4,270	7,038	2,768	64.8	11,497	13,383	1,886	16.4
Uttar Pradesh	4,179	4,789	610	14.6	22,438	33,651	11,213	50.0
West Bengal	1,162	4,413	3,251	279.8	13,162	27,179	14,017	106.5
India (20 major states)	71,189	108,183	36,994	52.0	313,169	418,825	105,656	33.7

Source: DISE raw data from www.dise.in: analysis has been done for 20 major states of India
Note: Telangana has been included as part of Andhra Pradesh, for both 2010-11 and 2015-16, in order to aid comparison over time.

Table 6: Mean and Median Fee Levels in Private Unaided Schools for Children Aged 6-14, by state, 2014-15

	Annual Fee						Monthly Fee					
	Mean			Median			Mean			Median		
State	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Andhra Pradesh	7,141	10,300	9,398	6,000	8,500	8,000	595	858	783	500	708	667
Assam	5,513	9,049	7,470	4,250	5,700	5,000	459	754	622	354	475	417
Bihar	6,464	6,722	6,633	3,600	4,700	4,200	539	560	553	300	392	350
Chhattisgarh	2,171	8,851	7,667	2,000	5,000	4,300	181	738	639	167	417	358
Delhi	9,595	25,180	24,198	8,000	21,600	18,750	800	2,098	2,017	667	1,800	1,563
Gujarat	7,230	8,512	8,260	4,000	5,700	5,400	602	709	688	333	475	450
Haryana	9,431	13,413	12,119	8,000	8,500	8,400	786	1,118	1,010	667	708	700
Himachal Pradesh	8,512	9,598	8,859	6,245	8,400	6,700	709	800	738	520	700	558
Jammu & Kashmir	4,901	7,483	6,269	4,000	5,600	5,000	408	624	522	333	467	417
Jharkhand	5,681	8,054	7,406	2,500	6,800	5,350	473	671	617	208	567	446
Karnataka	7,940	12,130	11,112	7,000	9,000	8,200	662	1,011	926	583	750	683
Kerala	8,829	10,759	9,990	7,700	8,938	8,400	736	897	833	642	745	700
Madhya Pradesh	4,259	6,574	5,823	3,000	4,500	3,700	355	548	485	250	375	308
Maharashtra	9,300	13,594	12,630	6,750	9,000	8,000	775	1,133	1,053	563	750	667
North-east States*	6,157	8,574	7,395	4,326	7,190	6,079	513	714	616	361	599	507
Odisha	3,592	7,585	6,032	3,000	5,000	4,000	299	632	503	250	417	333
Punjab	9,893	11,030	10,589	8,300	7,200	7,900	824	919	882	692	600	658
Rajasthan	4,961	7,583	6,416	4,000	5,000	4,500	413	632	535	333	417	375
Tamil Nadu	12,072	12,261	12,197	10,625	10,800	10,800	1,006	1,022	1,016	885	900	900
Telangana	8,176	10,827	10,054	7,000	8,500	8,000	681	902	838	583	708	667
Uttar Pradesh	2,264	6,303	4,104	1,400	3,000	1,800	189	525	342	117	250	150
Uttarakhand	8,446	9,501	9,219	4,000	7,800	7,200	704	792	768	333	650	600
West Bengal	4,571	16,613	13,482	2,300	12,000	7,150	381	1,384	1,124	192	1,000	596
Total (weighted mean)	5,396	9,611	7,959	3,500	6,500	5,000	450	801	663	292	542	417

Source: The author's own calculations on raw data from the National Sample Survey (71st Round).
*Note: *The average of the North-east states; these are Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.*

Table 7: % of 6-14 year old private unaided school attendees who pay fee below given thresholds, by state, 2014-15

State	<=100 per month	<=200 per month	<=500 per month	<=750 per month	<=1000 per month	<=1500 per month	<=2000 per month	<=2500 per month	Government reimbursement amount to private schools (per month)	% pupils whose fee level is less than the RTE reimbursement level
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Andhra Pradesh	2.2	5.6	38.9	61.1	73.5	91.7	96.6	98.2		
Assam	5.7	15.7	58.5	74.8	87.4	93.7	95.6	98.1		
Bihar	7.4	21.8	68.4	76.4	85.9	93.1	95.6	96.4		
Chhattisgarh	9.1	30.0	60.5	69.5	75.5	81.4	84.1	90.0		
Delhi	3.4	5.5	14.3	26.5	34.9	49.2	59.7	69.3	1,190.0	35.2
Gujarat	4.9	21.8	61.2	74.2	85.8	90.5	93.2	96.3		
Haryana	1.6	5.1	36.6	56.4	68.6	85.9	92.2	95.1		
Himachal Pradesh	2.0	6.1	46.7	66.5	78.2	90.4	97.5	99.0	1,593.0	91.9
Jammu & Kashmir	3.1	12.1	71.1	85.9	92.5	96.9	98.5	99.3		
Jharkhand	9.2	24.5	55.0	70.9	82.3	95.0	98.9	99.3		
Karnataka	3.4	9.9	38.5	53.7	70.7	81.8	89.7	94.7	987.0	66.0
Kerala	1.7	4.6	31.7	54.6	73.5	90.6	96.3	97.5		
Madhya Pradesh	9.9	27.7	70.7	81.4	90.1	95.7	97.3	98.7		
Maharashtra	7.6	13.7	42.4	54.0	66.9	79.9	85.5	90.2		
North-east States*	4.1	10.5	51.1	79.8	92.5	96.9	97.7	98.0		
Odisha	11.3	29.9	69.7	86.6	91.3	96.1	97.8	98.3		
Punjab	2.5	7.8	41.2	58.2	72.3	85.9	91.4	96.4		
Rajasthan	3.6	18.0	69.1	81.4	89.6	94.8	97.2	99.0	1,383.0	92.8
Tamil Nadu	0.7	2.4	20.8	40.5	59.8	83.4	92.7	96.7		
Telengana	1.0	3.6	30.5	58.5	78.0	92.3	95.2	97.6		
Uttar Pradesh	32.7	61.2	83.2	88.2	91.5	95.2	96.5	97.4	450.0	80.6
Uttarakhand	2.4	14.2	43.8	62.7	81.7	87.0	92.3	98.2	860.0	71.0
West Bengal	11.7	27.4	46.3	54.9	62.0	75.1	83.7	88.6		
India Total	11.4	25.1	57.3	71.4	81.5	90.7	94.2	96.4		

Source: For fee information, National Sample Survey data
*Note: *The average of the North-east states; these are Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.*

Table 8: Benchmarking private schools' fee levels against (1) State per capita income, (2) Government funded schools' PPE, and (3) Minimum wages

	Private school fee, annual (2014-15)		State per capita GDP (2014-15)	Ratio of private school fee to State per capita GDP	Per pupil expenditure (PPE) in govtern-ment funded schools (2014-15)	PPE in government schools as a % of state per capita income	Minimum daily wage 2014 (for MN-REGA rural workers)	Annual private sch median fee as a % of the annual mini-mum wage*	% rural private school pupils whose monthly fee is below the minimum daily wage
State	Mean (a)	Median (b)	(c)	(d) = (a/c)*100	(e)	(f) = (e/c)*100	(g)	(h)	(i)
Andhra Pradesh	9,398	8,000	90,517	10.4	14,087	15.6	169	15.8	7.3
Assam	7,470	5,000	49,480	15.1	---	---	167	10.0	15.5
Bihar	6,633	4,200	36,143	18.4	5,298	14.7	158	8.9	12.8
Chhattisgarh	7,667	4,300	64,442	11.9	16,151	25.1	157	9.1	36.2
Delhi	24,198	18,750	251,267	9.6	---	---	---	---	---
Gujarat	8,260	5,400	122,658	6.7	17,106	13.9	167	10.8	14.1
Haryana	12,119	8,400	148,563	8.2	27,163	18.3	236	11.9	4.3
Himachal Pradesh	8,859	6,700	101,542	8.7	39,343	38.7	---	---	---
Jharkhand	7,406	5,350	52,589	14.1	8,020	15.3	158	11.3	33.8
Karnataka	11,112	8,200	93,703	11.9	16,914	18.1	191	14.3	20.2
Kerala	9,990	8,400	117,713	8.5	19,419	16.5	212	13.2	5.3
Madhya Pradesh	5,823	3,700	59,770	9.7	11,927	20.0	157	7.9	21.6
Maharashtra	12,630	8,000	125,833	10.0	14,712	11.7	168	15.9	15.8
Odisha	6,032	4,000	59,229	10.2	9,367	15.8	164	8.1	34.0
Punjab	10,589	7,900	101,529	10.4	9,142	9.0	200	13.2	5.3
Rajasthan	6,416	4,500	71,537	9.0	19,391	27.1	163	9.2	11.4
Tamil Nadu	12,197	10,800	128,366	9.5	14,229	11.1	167	21.6	1.6
Uttar Pradesh	4,104	1,800	40,373	10.2	13,102	32.5	156	3.8	66.8
Uttarakhand	9,219	7,200	115,632	8.0	26,236	22.7	156	15.4	8.9
West Bengal	13,482	7,150	78,903	17.1	7,001	8.9	169	14.1	42.9
India (Weighted mean)	7,671	5,000	83,285	9.2	11,523	19.4	172.2	10.2	26.5

*Source: For columns (a) and (b), National Sample Survey or NSS data; for column (c) state per capita income, see http://pib.nic.in/newsite/PrintRelease.aspx?relid=123563. For a few states, the 2014-15 state PCI was not available so it has been extrapolated from the previous two years' trend growth rate. For Column (e), Dongre and Kapur (2016) who report estimated PPE in government and aided schools, based on state budget documents and DISE data, but their PPE figures are serious underestimations (Kingdon 2016). For column (g), Ministry of Rural Development, http://eands.dacnet.nic.in/Graphs.xlsx (accessed 1.11.2016). *We assume 300 days of work a year.*

Table 9: Private schools' fee compared with Government funded schools' per pupil expenditure (PPE) 2014-15

	Median private school fee (Rs per month)	Government funded schools' PPE (Rs per month)	Private schools' fee as a % of government funded schools' PPE	% private schools whose fee is lower than government funded schools' PPE
	(a)	(b)	(c) = (a/b)*100	(d)
Andhra Pradesh	667	1174	56.8	81.1
Bihar	350	442	79.2	62.6
Chhattisgarh	358	1346	26.6	85.7
Gujarat	450	1426	31.6	89.8
Haryana	700	2264	30.9	94.2
Himachal Pradesh	558	3279	17.0	99.5
Jharkhand	446	668	66.8	65.2
Karnataka	683	1410	48.4	81.1
Kerala	700	1618	43.3	91.5
Madhya Pradesh	308	994	31.0	86.8
Maharashtra	667	1226	54.4	71.1
Odisha	333	781	42.6	86.7
Punjab	658	762	86.4	58.8
Rajasthan	375	1616	23.2	95.2
Tamil Nadu	900	1186	75.9	70.0
Uttar Pradesh	150	1092	13.7	92.9
Uttarakhand	600	2186	27.4	95.3
West Bengal	596	583	102.2	48.3
India (major states) Weighted mean	417	1091	47.4	79.4

Source: NSS (2014-15) data, for column (a) and Dongre & Kapur (2016) for column (b). Dongre & Kapur do not report government PPE for Delhi, Assam and Jammu & Kashmir. Columns (c) and (d) are calculated by the author. There is reason to believe that Dongre & Kapur's PPE figures are seriously under-estimated, see Kingdon (2016).

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2
Understanding consumer demographics for primary unaided private schools

Rohan Joshi

Rohan was previously Associate Director of Research at Centre for Civil Society. He has a long experience of working in the education space and has been a part of multiple large scale projects including School Excellence Program of Mumbai Municipal Corporation, and Skill Development Cell of the Department of Social Justice and Special Assistance, Government of Maharashtra.

Srishti Kumar

Srishti is Senior Research Associate at Centre for Civil Society. She has previously worked with the Joint Inspection Unit in the United Nations Office and the World Intellectual Property Organisation in Geneva. She holds a Masters in Economics from McGill University, Canada and has specialised in the field of Development Economics.

Introduction

Currently, there exists a significant knowledge gap in data with regard to unaided private schools in India. The National Sample Survey (NSS) Office, Ministry of Statistics and Programme Implementation, conducted a survey on 'Social Consumption: Education' during NSS 71st Round, January to June 2014 . In this survey, respondents have been requested to categorise the educational institution attended by type of management. This provides us with an understanding on the nature of demand with regard to unaided private schools in India today.

Initial data analysis of this study was conducted by Neel Shah as a part of his summer internship with the authors. Authors are grateful to Neel for his contribution.

This analysis uses information collected from the 71st NSSO survey on education (January to June 2014). The chapter studies the demographics of consumers in unaided private schools in India and their reasons for choosing to study in a private educational institution. It also presents data on education related expenditures for students of private unaided schools and contrasts them with those for government schools.

A total of 4,577 villages were surveyed in rural India and the number of urban blocks surveyed was 3,720 in NSS 71st Round for the central sample at all-India level. Stratification of the households was done on the basis of having any student (aged 5-29 years) receiving technical/ professional or general education. For this particular survey, eight households were selected from each sample village/ block. The total number of households was 36,479 and 29,447 in rural and urban India respectively.

For the purpose of our analysis, we have restricted our study sample to those currently attending primary school only.

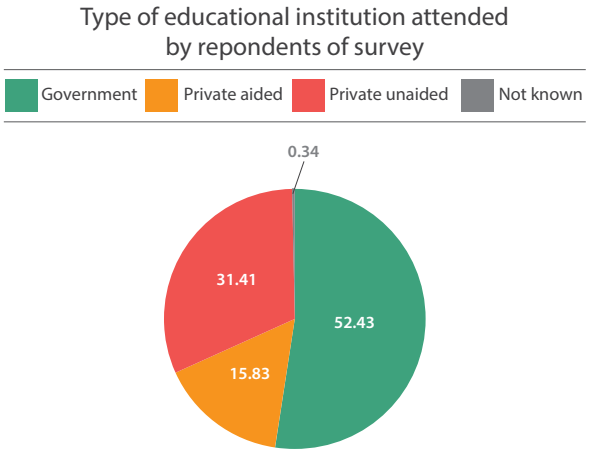
Methodology

For the purpose of this chapter 32 qualitative and 14 quantitative variables (71st Round NSS 2015) were reviewed. Measures of influence were computed for each of these variables and those for which this measure of influence was above a statistical threshold[1] were considered.

Further for section two, variations for every variable were studied by institution type[2] (government, private aided and private unaided) and those with statistically significant variations have been presented.

For the purpose of our analysis, we have restricted our study sample to those currently attending primary school.

NSSO sample description



Type of institution	Frequency	Percentage
Government	132,640	52.43
Private aided	40,046	15.83
Private unaided	79,455	31.41
Not known	852	0.34

[1] *Cramer's V was our leading measure of influence for qualitative variables and R^2, f^2, and r used as measures of influence for quantitative variables.*

[2] *For qualitative variables: One-way contingency table (sorted by institute type) was used to compute the standard deviations for private unaided schools, government schools, private aided schools, and for the sample, to measure the variation between institute types. For quantitative variables: Used simple linear regression models to measure any association between institute type and our selected variables, using the t-test and F-test (ANOVA) and adjusted R^2 value for each association.*

Findings

We divide our key findings into 4 categories as presented below:

- Section 1. Demographic data
- Section 2. Comparison with government schools
- Section 3. Data on reasons for choosing private schooling
- Section 4. Expenditure data

Section 1: Demographic data

This section contains data on sector, household occupation, social group and gender. These variables have been chosen as these variables are moderately influenced by 'institution type' (indicated by a Cramer's V of 0.1 or above).

Figure 1.1: Private unaided

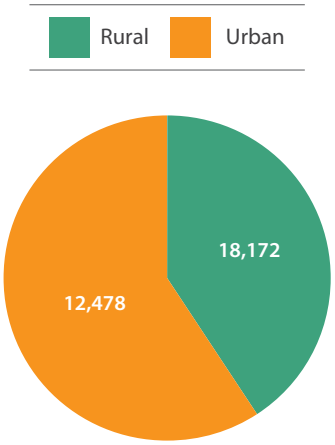


Figure 1.3: Social group

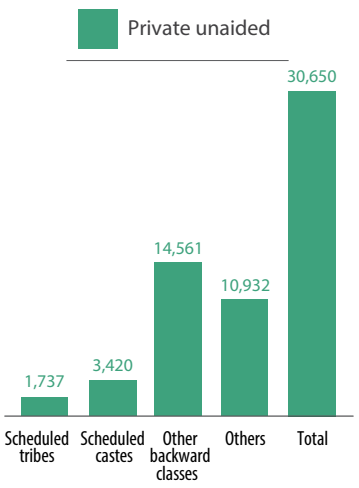


Figure 1.2: Household occupation

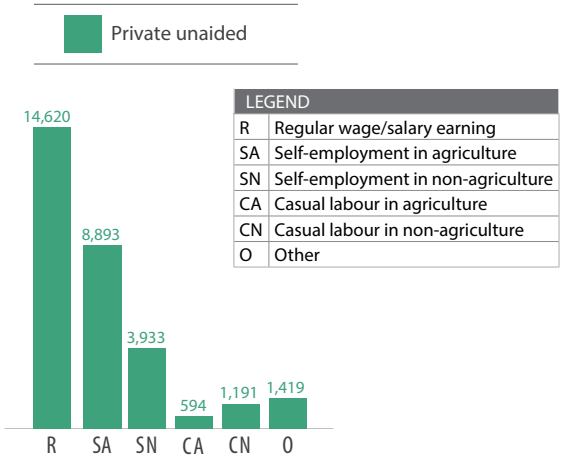
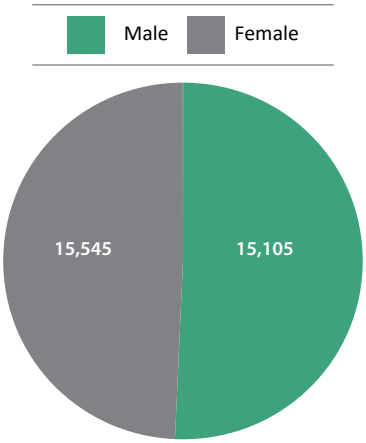


Figure 1.4: Gender



Section 2: Comparison with government schools

This section presents a contrast between private unaided schools and government schools on the following variables:

- Computer operating ability of parents
- Monthly household consumer expenditure
- Household occupation
- Geographical sector

Figure 2.1: Computer operating ability of parents

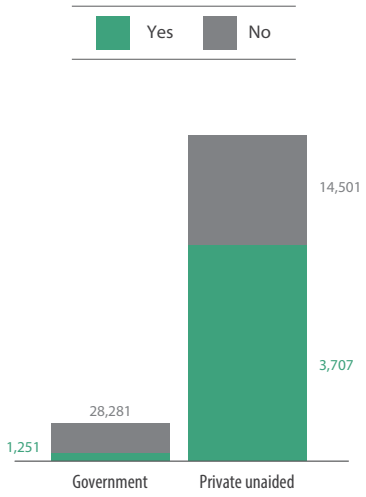


Figure 2.2: Monthly household consumer expenditure

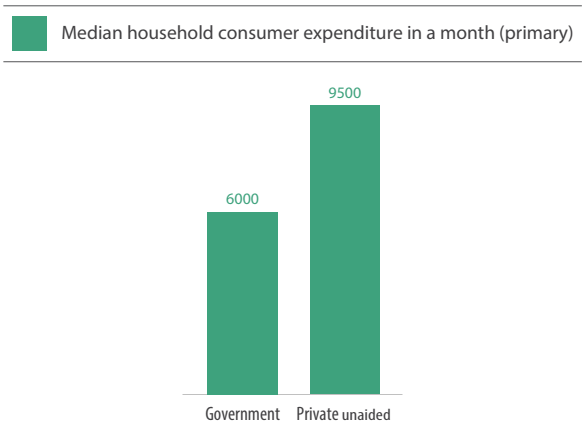


Figure 2.3: Household occupation

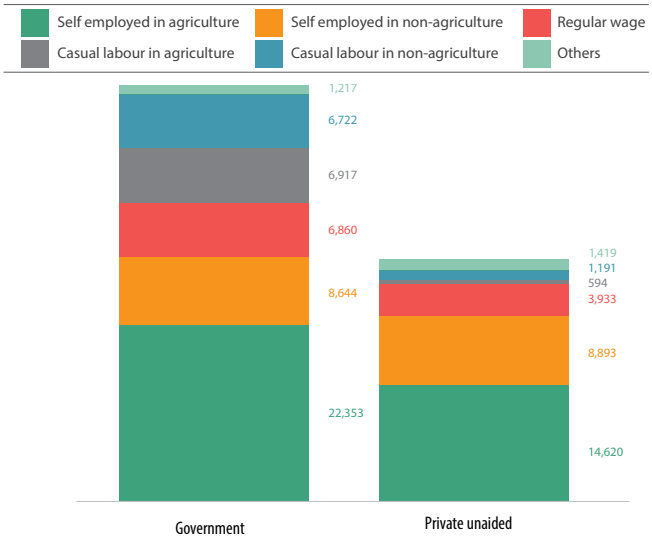
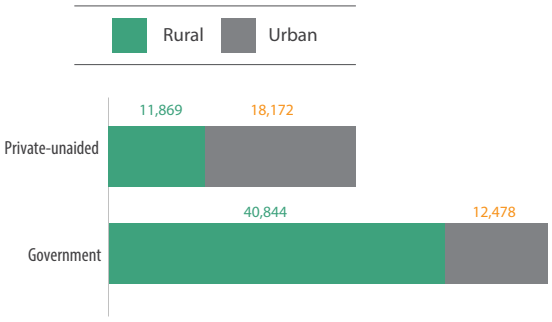


Figure 2.4: Geographical sector



Section 3: Reasons for choosing private education[3]

This section explores the following:

i. Reasons for preferring private institution – for those attending private aided and private unaided schools.
ii. Reasons for preferring private institution – by type of institute (aided or unaided).
iii. Reasons for preferring private institution for those who have recently changed from public to private schooling

Figure 3.1: Reasons for preferring private institution

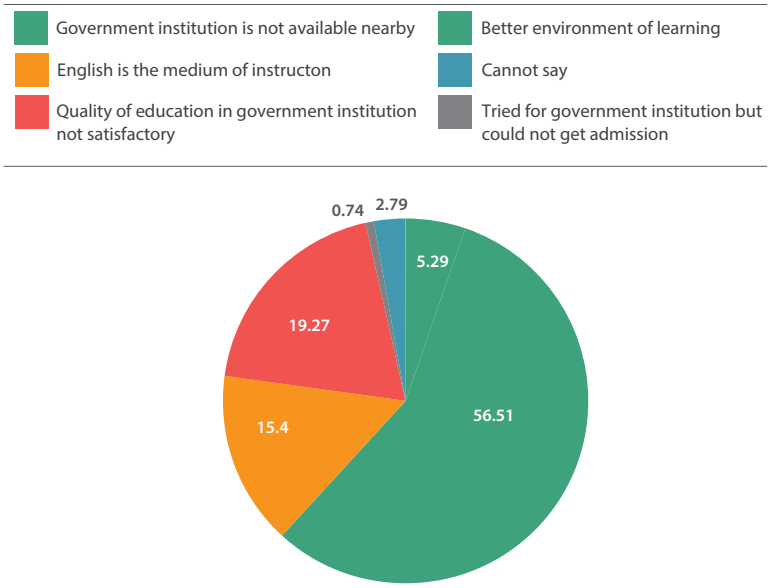
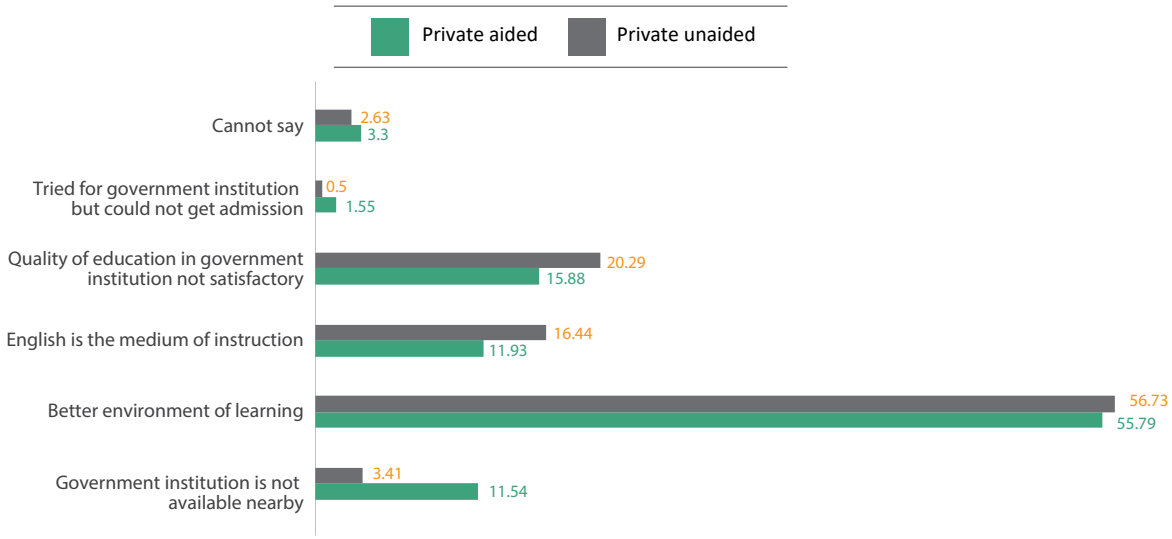


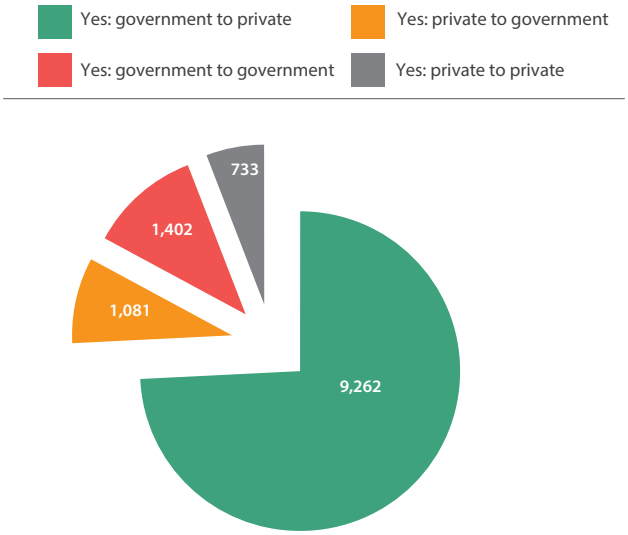
Figure 3.2: Reasons for preferring private institution – by type of institute



The above graph shows that 56.50 percent of students attending private institutions do so because it provides a better environment of learning and 19.27 percent do so because quality of education in government institutions is not satisfactory. One could also observe that proportion of students who attend private unaided schools for the reason that government institutions were not available close by are significantly lower than in private aided schools. Also, the proportion of students attending private unaided schools because the medium of instruction is English is significantly higher than in private aided schools.

[3] *Contingency tables for variables described in this section are presented in the annex.*

Figure 3.3: Distribution of individuals who changed educational institution

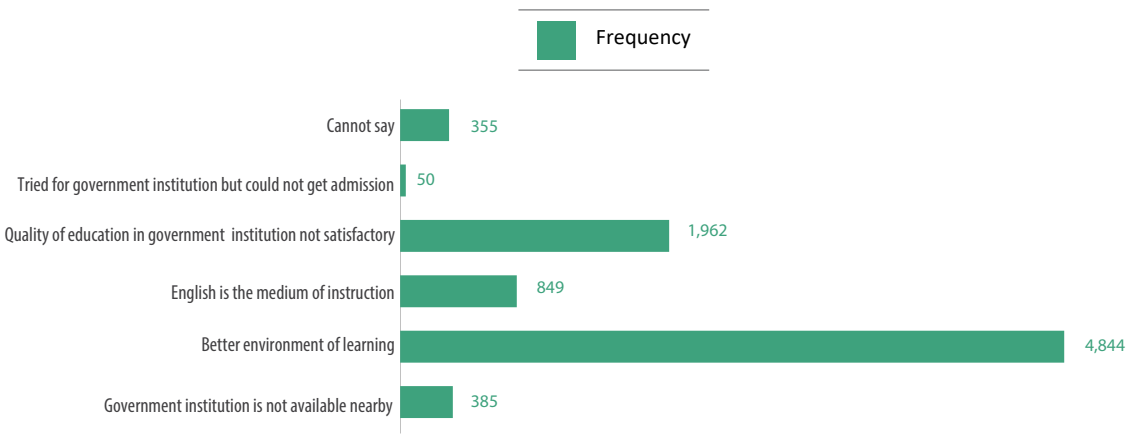


Changed educational institution in the last one year	Number of respondents
No	80,310
Yes: government to private	9,262
Yes: private to government	1,081
Yes: government to government	1,402
Yes: private to private	733

The above graph shows that a significant proportion of those who changed schools changed from government institutions to private institutions.

The graph below show that of those who changed from government to private institutions the majority chose the reason for choosing private institutions as being 'better environment of learning' or 'quality of education in government institution is not satisfactory'.

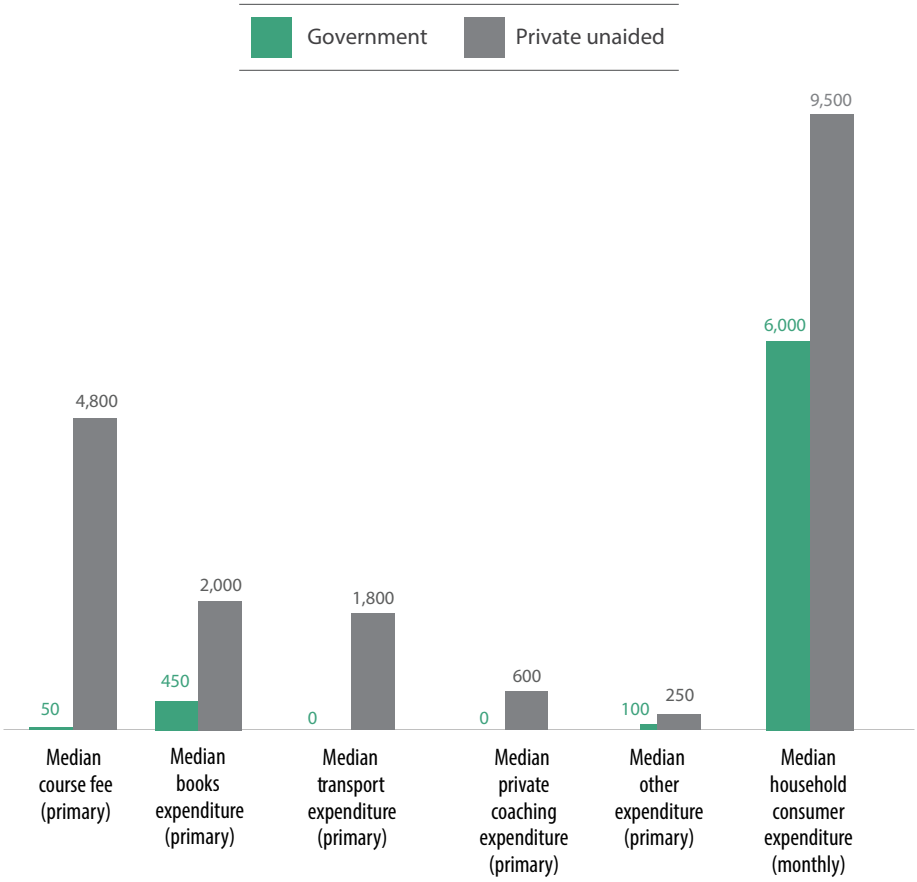
Figure 3.4: Reasons for preferring private institution for those who have recently changed from public to private schooling



Section 4: Expenditure data

This category contains data on household consumption expenditure, course fees, books expenditure, transport expenditure, private coaching expenditure, and total expenditure[4].

Figure 4.1: Expenditure – course fee, books, transport, private coaching, other expenditure and household monthly consumer expenditure



Expenditure – course fee, books, transport, private coaching, other expenditure and household monthly consumer expenditure.

Institute type	Median course fee (primary)	Median books expenditure (primary)	Median transport expenditure (primary)	Median private coaching expenditure (primary)	Median other expenditure (primary)	Median household consumer expenditure (monthly)
Government	50	450	0	0	100	6,000
Private unaided	4,800	2,000	1,800	600	250	9,500

The above figures show that median expenditure on course fee, books, transport and private coaching is higher for private unaided schools in comparison to government schools. The above figures also show that the students attending private aided schools come from households where the median household consumer expenditure per month is higher than that of students attending government schools. This could explain the higher expenditure on education for students attending private unaided schools in comparison to those attending government schools.

[4] *Four of these variables, household consumption expenditure (0.0796), total expenditure (0.0711), transport expenditure (0.0671), and books expenditure (0.0590) possessed adjusted R^2 of above 0.05, indicating a moderate influence by institute type. Incidentally, all four of these variables were in the "top-five" of our 14 quantitative variables, when ranked by adjusted R^2.*

Expenditure data presented for the three richest[5] and the three poorest[6] states in India

		Total expenditure on education	Course fee in unaided private schools in the state (level of current enrolment in primary)	Mean household consumer expenditure in the state (monthly)
Three states with the highest GSDP[7]	Goa	21,750	13,443	11,746
	Delhi	34,760	23,193	19,245
	Sikkim	18,127	11,634	9,681
Three states with the lowest GSDP[8]	Bihar	12,433	6,471	8,173
	Uttar Pradesh	8,289	4,674	8,984
	Manipur	13,821	6,545	8,604

Appendix

Sector

Type of institution (only attending primary)	Rural	Urban	Total
Government	40,844	11,869	52,713
Private aided	3,239	5,997	9,236
Private unaided	12,478	18,172	30,650
Not known	78	130	208
Total	56,639	36,168	92,807

Household type

Type of institution	Self employed in agriculture	Self employed in non agriculture	Regular wage	Casual labour in agriculture	Casual labour in non agriculture	Others
Government	22,353	8,644	6,860	6,917	6,722	1,217
Private aided	4,038	2,882	1,284	280	401	351
Private unaided	14,620	8,893	3,933	594	1,191	1,419

Social group

Type of institution	Scheduled tribe	Scheduled caste	Other backward classes	Others	Total
Government	10,501	11,098	19,820	11,290	52,709
Private aided	1,156	1,158	3,776	3,146	9,236
Private unaided	1,737	3,420	14,561	10,932	30,650
Not known	15	44	62	87	208

Scholarship received

Type of institute	Yes	No	Total
Government	13,067	39,646	52,713
Private aided	657	8,579	9,236
Private un-aided	683	29,967	30,650
Not known	11	197	208

[5] *Based on GSDP 2014-15*

[6] *ibid*

[7] *IMF World Economic Outlook (April-2015)*

[8] *ibid*

Scholarship type

Type of institute	ST	SC	OBC	Handicap	Merit	Financial	Others	Total
Government	2,541	2,897	3,649	14	102	673	3,191	13,067
Private aided	93	181	166	4	29	60	124	657
Private un-aided	98	76	276	4	35	46	148	683
Not known	0	0	5	0	0	0	6	11

Education completed

Type of institution	Yes	No	Total
Government	10,848	8,600	19,448
Private aided	2,588	1,217	3,805
Private un-aided	8,716	3,195	11,911
Not known	53	10	63
Total	22,205	13,022	35,227

Reason for preferring private institutions

Reason for preferring private institution	Percentage	No. of respondents
Government institution is not available nearby	5.29	2,111
Better environment of learning	56.51	22,540
English is the medium of instruction	15.4	6,124
Quality of education in government institution not satisfactory	19.27	7,687
Tried for government institution but could not get admission	0.74	295
Cannot say	2.79	1,111

Reason for preferring private institution by type of institution

Reason for preferring private institution	Private aided (percentage)	Private unaided (percentage)	Total (percentage)
Government institution is not available nearby	11.54	3.41	5.29
Better environment of learning	55.79	56.73	56.51
English is the medium of instruction	11.93	16.44	15.4
Quality of education in government institution not satisfactory	15.88	20.29	19.27
Tried for government institution but could not get admission	1.55	0.5	0.74
Cannot say	3.3	2.63	2.79

Changed educational institution

Changed educational institution in the last one year	No. of respondents
No	80,310
Yes: government to private	9,262
Yes: private to government	1,081
Yes: government to government	1,402
Yes: private to private	733

Reason for preferring a private institution among those who changed from a government to a private educational institution

Reason for preferring private institution	Changed from government to private
Government institution is not available nearby	385
Better environment of learning	4,844
English is the medium of instruction	849
Quality of education in government institution not satisfactory	1,962
Tried for government institution but could not get admission	50
Cannot say	355

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3
Beliefs and behaviours of low income parents regarding pre-school education

Irfan Ahmed
Senior Consultant
FSG

Akshay Kohli
Senior Associate
FSG

Tom Blathwayt
Executive director for Enterprise Development, Nesta

Vikram Jain
Director
FSG

Ashish Karamchandani
Managing Director
FSG

FSG's Program to Improve Private Preschool Education (PIPE) in urban India conducted customer research in 2015 with low income parents (households with monthly income Rs 8,000 to 25,000[1] or USD 120 to 400) of 2 to 6 year olds to understand their beliefs and behaviours regarding pre-school education. It started with in-depth qualitative research with 108 parents in 3 cities (focus groups of mothers and fathers, and family interviews) to understand the different ways parents think about their children and pre-school education, the choices they make, the way they make these choices (e.g. what criteria they use, how they develop these criteria, what information they gather), and how (if at all) do they assess the effectiveness of the choice post the decision. This was followed by quantitative research of 4300[2] parents in 8 cities (Figure 1) to get data to confirm/refute the hypotheses that had been developed during the qualitative research.

Market research partner: Hema Viswanathan and Barometer Research

[1] *The research was done with D1 to A3 customers in the New Consumer Classification System. This forms the middle 70 percent of urban households in cities of over 1 million population (from the 20th to the 90th percentile). The income is based on average self-reported incomes of these segments (8,300 to 18,100) with an upward adjustment at the higher end as the incomes were self-reported*

[2] *4300 shorter "listing" interviews and 2000 full structured interviews*

This chapter is based on insights from the Program to Improve Private Preschool Education (PIPE), a 6-year program (2015-2021) that aims to improve the quality of ECE in Affordable Private Schools that are currently serving low income urban households. The program uses financially sustainable models and is an FSG Mumbai Social Change at Scale Initiative.

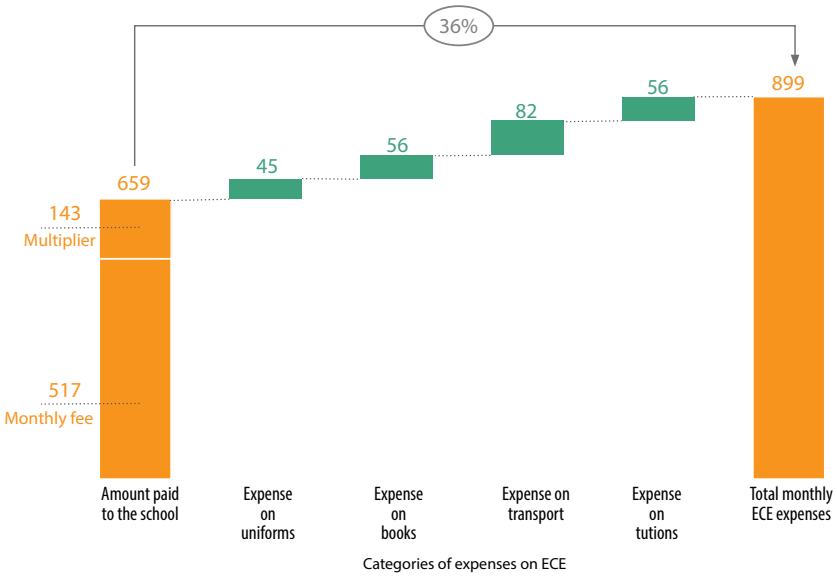
Figure 1: Customer research locations

Key insights on aspirations, challenges, choices and behaviour of urban low-income parents

- Parents are keen on giving their kids a pre-school education as they think it will help them do well in school. 90 percent of 3 to 6-year-old children are attending some form of formal pre-school education.
- Almost 90 percent of the families sending their children to a formal pre-school choose private pre-school education. Most of these are "English medium" pre-schools.
- Parents on average spend Rs 899 for their child's early childhood education (ECE). The expenditure on ECE

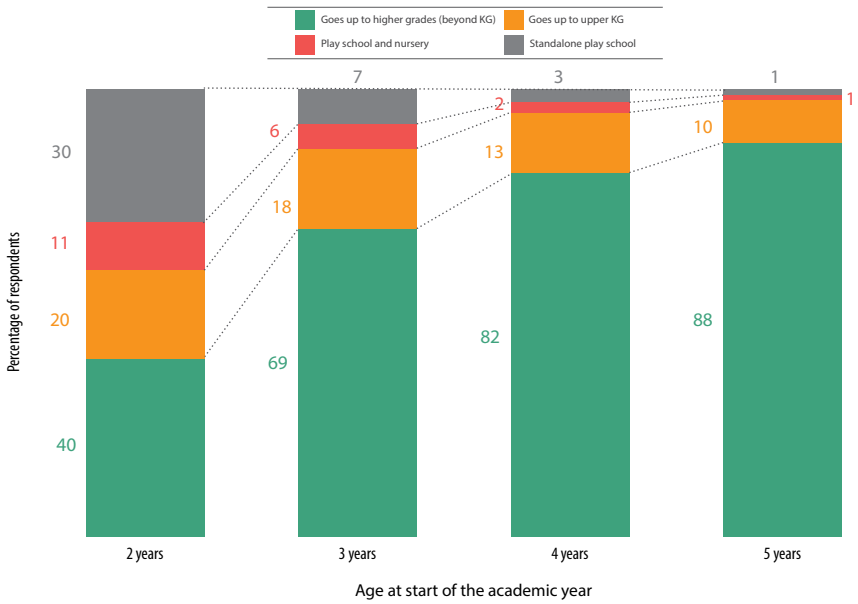
increases with income, and as a percentage of household income as well, the expenditure is higher for parents with higher incomes (Figure 2).

Figure 2: Total monthly household expenditure on ECE by category



- 80 percent of parents that are sending their 3 to 6-year-old children to pre-schools are sending them to a pre-school that is attached to a primary or secondary school (Figure 3).

Figure 3: Percentage of respondents choosing attached providers – by age



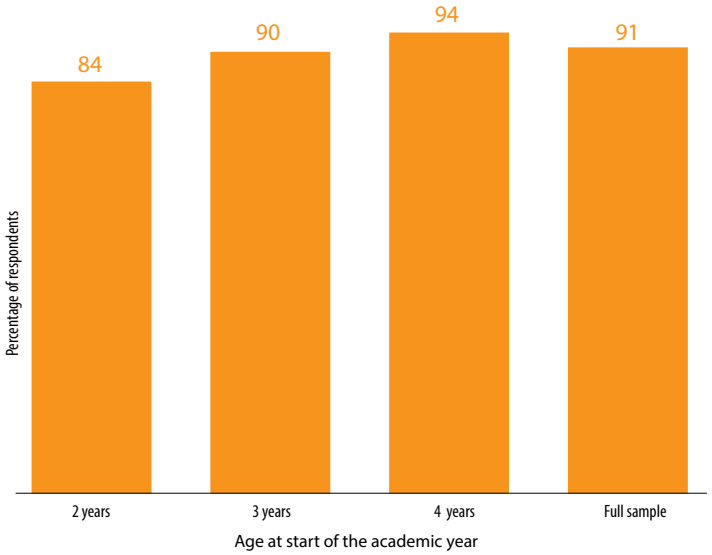
- Parents look for certain 'visible' markers of progress in their children, such as the ability to speak in English, recite poems, and write alphabets and numbers.

- Many parents do not feel empowered in contributing to their child's mental and socio-economic development. A key contributing factor is that parents are often not educated in English, but the children are going to a school that instructs in English. They consider their child's mental development to be the responsibility of the school.

- Parents prefer to learn about their children's performance through exams and rankings.

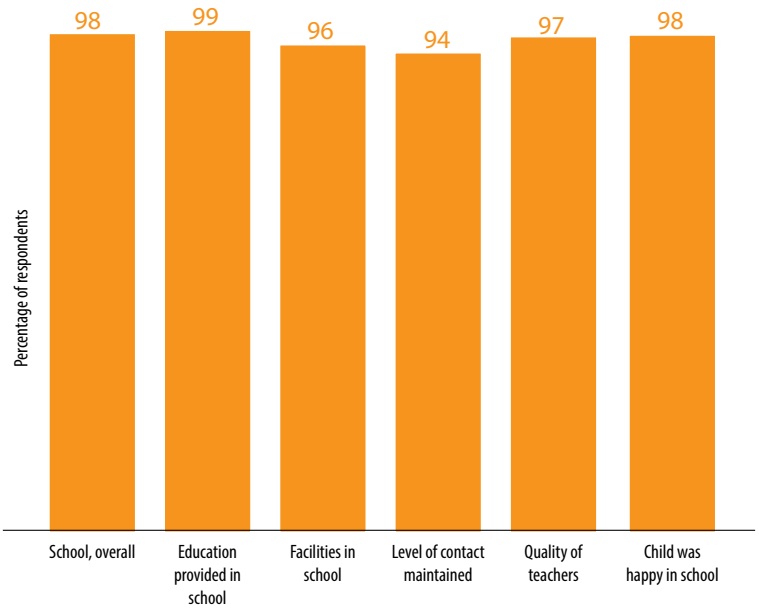
- The market is responding to what parents want. 98 percent of parents want their children to be assigned homework every day, and 90 percent of pre-school children are assigned homework every day. 98 percent of parents want their children to be given regular exams and the market is responding: 84 percent of two-year olds are being given regular tests i.e. at least once in 6 months (Figure 4).

Figure 4: Prevalence of regular testing (more than once in 6 months) – by child's age



- Over 98 percent of parents reported that they were satisfied (overall) with their pre-school provider. Satisfaction across a range of dimensions such as infrastructure facilities, quality of teachers etc. varied from 94 percent to 99 percent (Figure 5).

Figure 5: Satisfaction with provider



- Word of mouth recommendations are the most influential source of information about pre-schools for parents.

There was no significant difference across gender of the preschooler for most aspects of the parents' behaviour. There are some interesting differences by geography (e.g. majority of parents in Gujarat preferred education in local language, as opposed to English), but the basic behaviours are similar. To learn more about the above work (including the rationale behind the above insights and areas not covered above), download our report: http://www.fsg.org/sites/default/files/AECEP%20Customer%20Research%20vEXTERNAL2.pdf

4
Understanding parental choice for Budget Private Schools

James Tooley

James is Professor of Education Policy and Director of the E.G. West Centre at Newcastle University. The Centre is dedicated to choice, competition, and entrepreneurship in education. He has worked for over 25 years in educational development, including years of on-location experience in the developing world.

Introduction: India, a global leader in low-cost private schooling

An extraordinary grassroots revolution of low-cost private schools is taking place across the developing world. In this chapter, after first sharing some estimates of the numbers in low-cost private schooling in India and elsewhere, I outline what the literature says about the reasons for this demand from low-income families. The chief reason hinges on parental perception of superior academic quality in private schools compared to government schools. However, many critics question the rationality of these parental preferences; one recent, very influential research paper along these lines is explored in detail (Muralidharan and Sundararaman 2015). Our conclusion is that there is substantial on-going research that shows parental demand for low-cost private schools appears to be a reflection of their superior educational quality compared to government schools.

India is a leader in the low-cost private school revolution. The Annual Status of Education Report (ASER) has catalogued the growing demand for private schooling amongst the rural population. From around a quarter of all children in the rural population enrolled in private schools in 2014, the figure is now nearly one-third. In some states, the figure is more than half.

What proportion of the total school-aged population of India is in low-cost private schools? Some 'quick and dirty' calculations give an idea of the scale of the phenomenon. Recent estimates suggest that there are around 300 million school-aged children in India. Assuming a 69 percent rural, 31 percent urban split (in line with all India population) gives 93 million children in urban and 207 million children in rural India . In rural areas, 30 percent of

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children are in private schools, the vast majority of which are likely to be low-cost, so around 60 million children in rural India are likely to be in low-cost private schools.

In urban India, it is estimated that around 70 percent of children (65 million) are in unaided private schools. In a recent study from urban Patna, 49 percent of children in private schools were in low-cost provision (Tooley and Rangaraju 2015). Generalising from this figure suggests there are around 32 million children in low-cost private schools in urban India.

Hence, in India, total children in low-cost private schools could be around 92 million, around 30 percent of all school-aged children.

India is a world leader here, but the phenomenon is across other countries too, especially in sub-Saharan Africa. The most detailed research has been conducted in Lagos State, Nigeria. A census carried out in 2010 (Härmä 2011) found 12,098 private schools-with this number "growing year on year"—with 1,408,420 pupils. Around 75 percent of these were unregistered, therefore likely to be low-cost. Given estimates for growth since then, a conservative estimate now is of around 2.12 million students in low-cost private schools.

Why the demand? Parents perceive higher quality in private schooling; critics disagree.

Reasons for high demand by parents suggested by research include the attractiveness of English-medium schools and the convenient proximity of private schools. However, the recent, extensive 'rigorous literature review' from the British development agency DFID, concluded that the 'majority of studies' indicated that "perceived quality of education is a priority for users when choosing between schools, and that private schools are often perceived to be of higher quality than government ones" (Day Ashley et al. 2014, 30).

If demand for low-cost private schooling is led by parental desire for better quality education, the question that is rightly asked is: are parents correct in their perception of higher quality in private rather than government schools? The DFID review did find positive support for the statement that parents "make informed choices about the quality of education" (31). However, these informed choices were sometimes based on "informal sources" such as "networks of parents" (31), which again raises the question about the reliability of the information.

On the question of whether private schools are academically better than government schools, the DFID review equivocates. On one hand, their headlined conclusion is that "Pupils attending private school tend to achieve better learning outcomes" than those in government schools (15); on the other hand, this finding is tempered by the caveat that there aren't many good studies available (they point to only three of 'high quality'). Other authors concur:

> "There is very little rigorous empirical evidence on the relative effectiveness of private and public schools in low-income countries. Non-experimental studies have … typically found that private school students have higher test scores, but they have not been able to rule out the concern that these estimates are confounded by selection and omitted variables." (Muralidharan and Sundararaman 2015, 1013)

These authors, in a paper that emerged after the publication of the DFID-commissioned report (so not included as evidence), set out to fill this lacuna by presenting experimental evidence from a school choice experiment in pre-bifurcation Andhra Pradesh, India. The research featured a two-stage lottery to allocate private school places ('vouchers') to village children, and to create suitable control groups. Children were tested in Telugu (the regional language), Mathematics and English at the end of two and four years, while tests in Science/Social Studies and Hindi were also given after four years.

The study, published in the prestigious *Quarterly Journal of Economics*, has been hugely influential, and therefore is worth focusing on in some depth as, if its findings are correct, this has big implications for the debate on the rationality of parental choice.

The headline results show that there was no significant difference in achievement between the voucher children in private schools and those left behind in the government schools, apart from in Hindi (which only the private schools taught). However, the private schools were able to achieve the same as government schools for around one third of the cost, so they were certainly better value-for-money than the government schools.

For the authors, this leads to two sets of conclusions, depending on the audience. For policy makers, the fact that private schools were 'much more productive' than government schools (1062) suggests that "it may be possible to substantially increase human capital formation … by making more use of private provision in the delivery of education" (1058).

However, for low-income parents, the conclusion is far less optimistic. Because children's test scores were not better in private than government schools, "it is not obvious," the authors remark, that private schools "represent a better value for the marginal parent who is paying for private schools over a free public school". They point to the possibility that "*parents (especially poor and uneducated ones)* may make *misguided evaluations* of school quality based on visible factors that may not contribute to more effective learning" (1061-2; emphasis added). Perhaps "parents were not able to easily determine the effectiveness of schools at improving learning outcomes" (1062).

It is this kind of conclusion that has been taken up by critics of low-cost private schools. Karopady, who had been closely involved with the research, asks: "If private schools are not adding any value, why then do parents still prefer them?" (Karopady, 2014, 52). *The Times of India* opined "The findings dispel a popular myth that private schools lead to better learning" (Chowdhury 2015). Parents' choices of private schools "ironically, have little to do with outcomes" (Chowdhury 2015). Instead, they are to do with things like the neatness of school uniforms, the craze of English-medium teaching and other fripperies.

So, is that the considered conclusion we must accept – that parental choice of low-cost private schooling is based on parents being fooled about respective quality in government and private schools? Actually, no. It turns out that there was a fundamental flaw in the research design which brings into question the headline results. The problem was the language of the tests used. Given the importance of this particular research, we will focus on its challenges in detail in the next two sections.

Critique of recent major research: What language should be used for tests when comparing government and private schools?

Researchers wanting to compare achievement in private and government schools in India have long faced a dilemma: what language should be used for testing children in Mathematics and other non-language subjects? This is an issue because the medium of instruction in government schools is typically in the regional language, whereas private schools often purport to be English-medium.

Because of these different language mediums of instruction, researchers either ensure that Mathematics (and other non-language subject) tests are word-free (e.g. arithmetic operations only and/or wordless cognitive puzzles), or ensure that the instructions given in these tests are in both languages *on the same paper*, so students can choose which language to use for instructions on how to address each question.

Unfortunately, and curiously, the researchers in the Andhra Pradesh school choice study did not use either of these methods. It is not mentioned in the research paper, and I found out only by chance when I asked one of the project researchers to conduct tests to compare low-cost private schools with government schools in Hyderabad. He used different tests in Mathematics for the government and private schools, with instructions in English for the private schools (which were all, ostensibly

at least, English-medium) and Telugu for the public schools. He assured me that this was the method used in the Andhra Pradesh School Choice Project, which was confirmed by one of the authors: the language used in Mathematics (and other non-language) tests "tended to follow the medium [of instruction] of the school, with English-medium private school students taking the test in English and Telugu-medium students taking the test in Telugu (the split was roughly 50% each)" (Karthik Muralidharan, personal communication). Note, importantly, that this is not the same as the second solution to the language dilemma given above. In that case, both languages are given on the same paper so that all students still take the same test, but can choose which language to read. In the previous case, students in effect took different tests in Mathematics and other non-language subjects.

The aim of creating a randomised controlled trial–the 'gold standard' method used by the researchers–is as far as possible to ensure that participants in treatment and control groups are treated in exactly the same way apart from the unique factor introduced as the intervention – here school vouchers. This study violated that. Even if it wasn't obvious how this difference in treatment could lead to bias, one would still call into question the results. However, in this case one can see clearly how different tests could cause serious bias:

In poorer rural (or urban slum) areas of India, the 'English-medium' appellation carried by low-cost private schools is typically more of an aspiration than a reality, at least in the lower grades. Karopady noted "In the rural setting, while these schools could have more transactions in English, *they are some distance from being truly English-medium*." (Karopady 2015, fn 6, 52; emphasis added).This agrees with my research, which finds that low-cost English-medium schools in effect operate as hybrid schools, teaching in the mother tongue in the lower grades, with the aspiration of bringing everyone up to speed in English by higher grades. Hence, even in a simple comparison between public and private schools in rural areas, it would be unfair to give tests with English-written instructions to children in private schools (supposedly English-medium but in fact teaching in Telugu in the lower grades), as this would penalise them against those being given tests with Telugu instructions.

Indeed in this voucher experiment, the situation appears even more difficult because the children switching from Telugu-medium government to English-medium private schools were of lower academic achievement levels than those who remained (Muralidharan and Sundararaman 2015, 1028). For these children, trying to figure out Mathematics questions in English may have presented huge difficulties, particularly as questions asked were often very wordy. For instance, one asked "Which digit is in the hundred's place in the number 2345?" Another asked "Vaishali wants to buy a pencil worth Rs 4. How many 50 paise coins will she require to buy the pencil?" These and similar questions are impossible to answer without a strong grasp of English.

The unfairness persists even if children in private schools had more exposure to English than their counterparts in government schools by the time they reached the second and fourth years of their study, for it cannot be assumed that the language children learn in English lessons is the same language they will need in Mathematics, or that there is equal degree of English language immersion in language and non-language subjects. It is plausible, for example, that Mathematics' teachers were less fluent in English than language subject teachers, and so placed a greater emphasis on teaching in Telugu than language teachers. Also, it is well-known that the language of Mathematics is often very different from that found in English lessons (e.g. words such as 'even,' 'odd' and 'function' have completely different meanings in Mathematics and English lessons).

The key point is that the only fair way of assessing students in different language medium schools is to follow one of the two methods outlined above; using word-free tests or using tests with both languages translated side-by-side. As this was not done, we *simply do not know* what the relative academic performance of children in government and private schools was.

Fortunately, this is not the end of the story. Roughly half the private school students (those in Telugu-medium private schools) *did* take the same Mathematics and Science/Social Studies tests as those in public schools. Helpfully, the researchers did explicitly compare these students' academic performance with that of those attending (Telugu-medium) government schools.

Which are better, private or government schools? Comparing like with like

Given various technical caveats (Muralidharan and Sundararaman 2015, 1047-55), these results are not as statistically robust as the earlier findings. However, given that they are the only results we can sensibly use in the study, we can treat them as 'suggestive' and explore their implications.

When children with voucher in Telugu-medium private schools are compared with those in Telugu-medium government schools, the results are quite dramatic: 'the estimated impact of attending a Telugu-medium private school is positive for every subject, and the mean impact across subjects is positive (0.53 standard deviations) and significant' (1051). Table 1 (simplifying the researchers' Table X, 1052) shows the results of comparing like with like.

The results can be summarised as follows:

- In Year 2, estimated score differences between private and public schools are positive in favour of those having vouchers for all subjects apart from Telugu.

- By Year 4, estimated score differences are positive for every subject, and the mean impact when subjects are combined is large and positive (0.53 standard deviations) and statistically significant. Importantly, this is not simply the effect of Telugu distorting the results: Combining Mathematics and Science/Social Studies also gives a large (0.50 standard deviations), positive and statistically significant difference, albeit at the 10% level (1052, Table X).

Children with vouchers in private schools outperformed those in public schools *in all subjects after four years of the voucher program*. The combined result shows a large, statistically significant difference in favour of private schools. This is a hugely positive albeit suggestive finding for the school choice (voucher) debate.

The findings are also positive for those seeking comparisons between public and private schooling when parents pay school fees, (i.e. not when children are given vouchers). On the base-line scores in Telugu and Mathematics, when students had been in either Grade 1 or pre-school for a full year, there was a huge statistically significant difference in favour of private schools. (1039). Now, the researchers themselves were inclined to underplay this result given their headline findings that 'voucher' children didn't do any better in private schools. These large differences in favour of private schools were therefore likely to be "mostly driven by omitted variables and not by differential effectiveness of public and private schools" (1039). Given the doubts raised about their headline research findings, it may be that these 'omitted variables' are not as important as had been thought i.e. the superior performance found in low-cost private schools is likely to be a genuine school effect rather than simply to do with the educational and social background of the children's families.

This is important new evidence – an influential study that has been hailed as questioning parental preferences for private school actually reveals the opposite. Add this to the positive picture already mentioned from the DFID-commissioned review (Day Ashley et al. 2014), and the conclusion becomes stronger supporting the rationality of parental choice of low-cost private schooling.

Table 1: Comparing like with like - Telugu-medium private schools and public schools: estimated impact on test scores (in standard deviations) of attending private school with a voucher compared to public school

Year	Telugu	Math	English	Science/Social Studies	Hindi	Combined all subjects	Combined Math & Science/Social Studies
Year 2	-0.033	0.062	0.408	N/A	N/A	0.143	
	-	+	+			+	
Year 4	0.259	0.255	0.043	0.746**	1.384***	0.532***	0.496*
	+	+	+	+	+	+	+

(*** significant at the 0.01 level; ** significant at the 0.05 level; * significant at the 0.1 level)

Parental demand for low-cost private schools justified by higher standards

We asked at the beginning of this paper why there was such demand for private schools from low-income families, pointing to perhaps 30 percent of Indian school children attending *low-cost private schools*. A survey of research had suggested that an important reason parents choose private education, in India and other countries, is that they perceive academic standards to be higher in private than government schools. But are these perceptions correct? A DFID-commissioned review of the literature found evidence of academic superiority in private over government schools. However, a recent and highly influential study suggested this was not the case. Given the importance attached to this recent research, we explored this study and found its findings to be flawed. However, within the paper there was evidence to suggest that, when children in the same language-medium schools were compared, children in low-cost private schools on vouchers significantly outperformed those in government schools. Outside of voucher experiments too, the research showed children in low-cost private schools significantly outperforming those in government schools, after controlling for relevant variables.

Parental demand for low-cost private schooling is huge. Parents report that in large part their choice is because of the superior quality of private education. Their choices, increasingly borne out by the evidence, appear to be rational.

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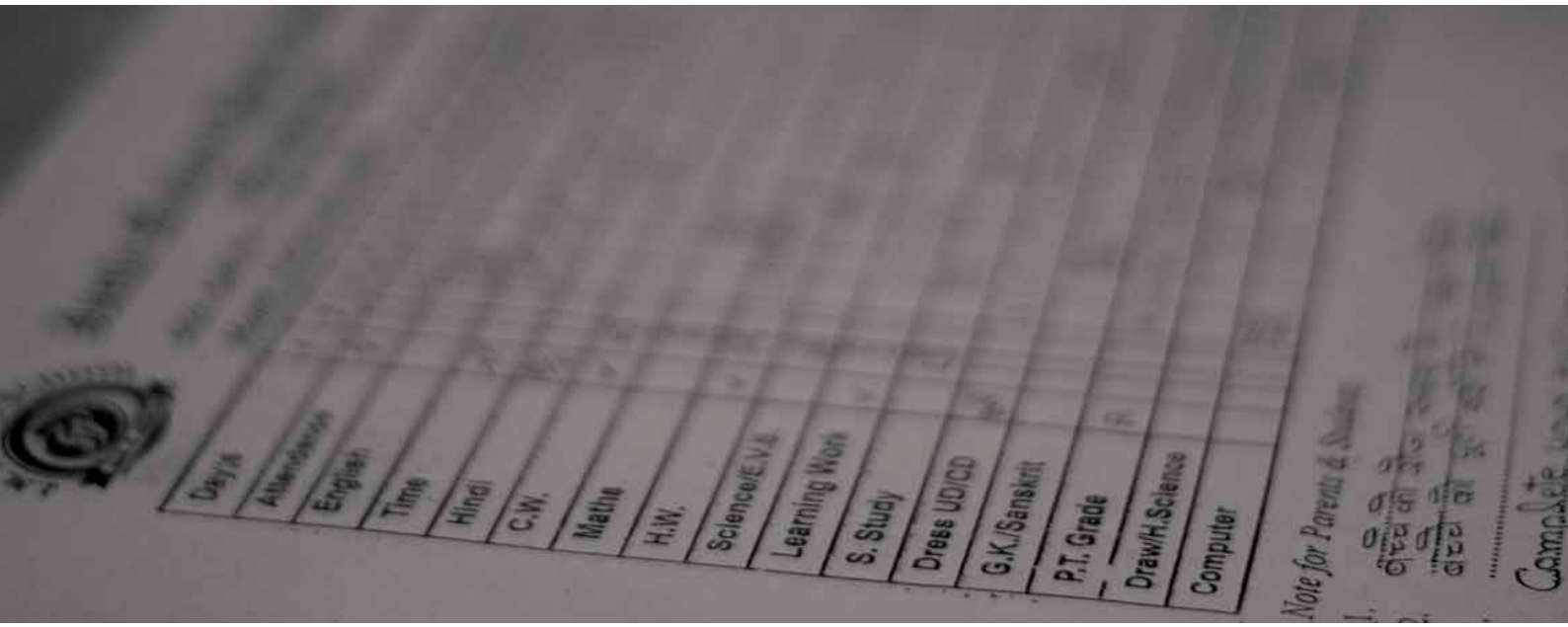


5

A discussion on education outcomes in Budget Private Schools based on data from large-scale assessment studies

Vyjayanthi Sankar

Vyjayanthi is Founder and Executive Director of Centre for Science of Student Learning. A Fulbright Humphrey fellow and an Ashoka fellow, she regularly consults globally for the Brookings Institution, the World Bank, UNICEF and LMTF. During her 10 years with Educational Initiatives, she pioneered Large Scale Learning Achievement studies in South Asia with nearly 90 research and assessment projects covering 15 million students and teachers.

The phenomenal growth in the size of the budget private schools (BPS) segment coupled with the decreasing student enrolment in government schools has been reported by many studies in recent years (e.g. World Bank 2009, Young Lives 2014, UDISE 2014-15). While various reasons such as lower teacher absence, lower pupil to teacher ratios, less cross-grade teaching, fewer holidays, longer school days and English-medium education in BPS are attributed to this large migration of poor students from government schools, one cannot rule out that this is also testimony to the common man's belief that private sector provides better quality education. Parents were poor clearly reveal their aspiration, preference and choice when they incur considerable expenditure to send their child to a private school. In a private school, parents spend money on various fees, uniforms and textbooks, all of which are free in a government school (Sarva Shiksha Abhiyan 2015).

But, do BPS live up to this promise?

Let us examine if children are learning better in these schools. A benchmarking study[1] in 2013 of

[1] *MSDF Benchmarking Study 2013. This study by Educational Initiatives covered GOV, BPS and HFP schools across 6 states. About 15,000 students each were tested from BPS and HFP in Delhi, Bangalore, Ahmedabad, Hyderabad, Dharwad and Rajkot. BPS were schools with a monthly fee of about Rs 1,000 while HFP schools had a fee range of Rs 2,000 to Rs 8,000.*

Large-scale assessment studies show that educational outcomes in BPS are slightly better than government schools, declining as one moves to higher classes. Recent data suggests that government schools are catching up, and it is therefore important for BPS to focus on quality of learning as their unique selling proposition moving from 'rote-learning' to learning based on understanding of concepts.

government (GOV), budget private (BPS) and high fee paying private (HFP) schools across 6 states in India shows that there are statistically significant differences in the average performance levels of the 3 school categories. The study tested students of classes 3-7 in Language (medium of instruction) and Mathematics. The results showed that students of *GOV perform the lowest compared to HFP, while BPS are ahead of GOV*. Average scaled scores across classes in Language ranged from 586-607 (HFP), 500-482 (BPS) and 470-473 (GOV), while in Mathematics they ranged from 574-615 (HFP), 501-491 (BPS) and 475-470 (GOV) (see Figure 1).

The learning gap between HFP and BPS was seen to widen as students moved to higher classes in both Mathematics and Language, with raising scores in HFP accompanied by falling scores in BPS for the respective classes.

However, a comparison of BPS with GOV revealed that the Language learning gap between these schools narrows as students move to higher classes, with falling scores in BPS accompanied by slightly rising scores in GOV. The Mathematics learning gap between BPS and GOV is consistent across classes with both showing similarly falling scores.

Figure 1: Language and Mathematics performance in classes 3-7

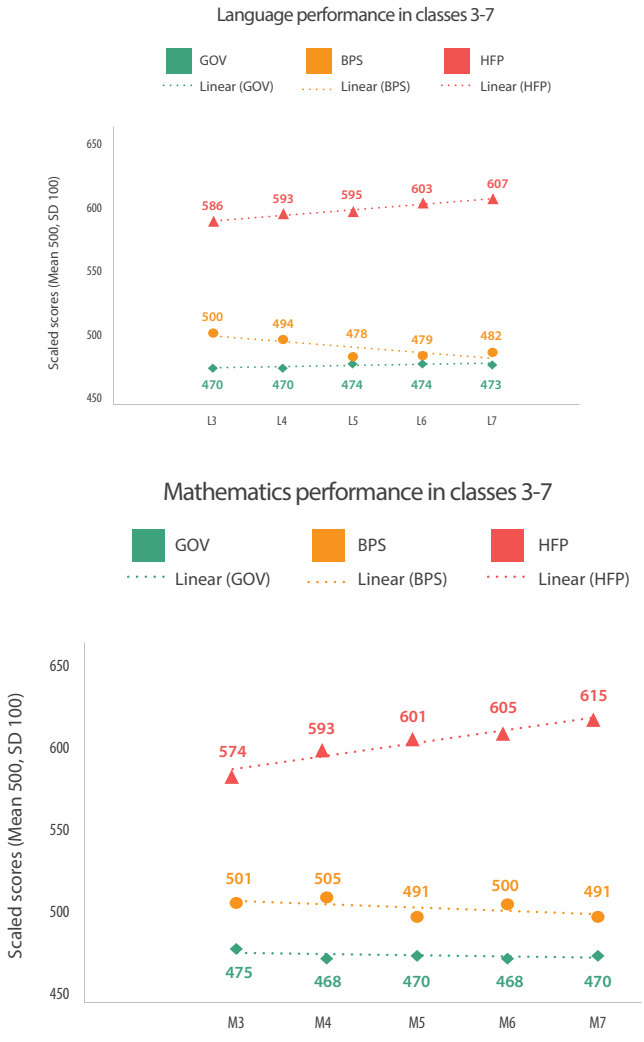
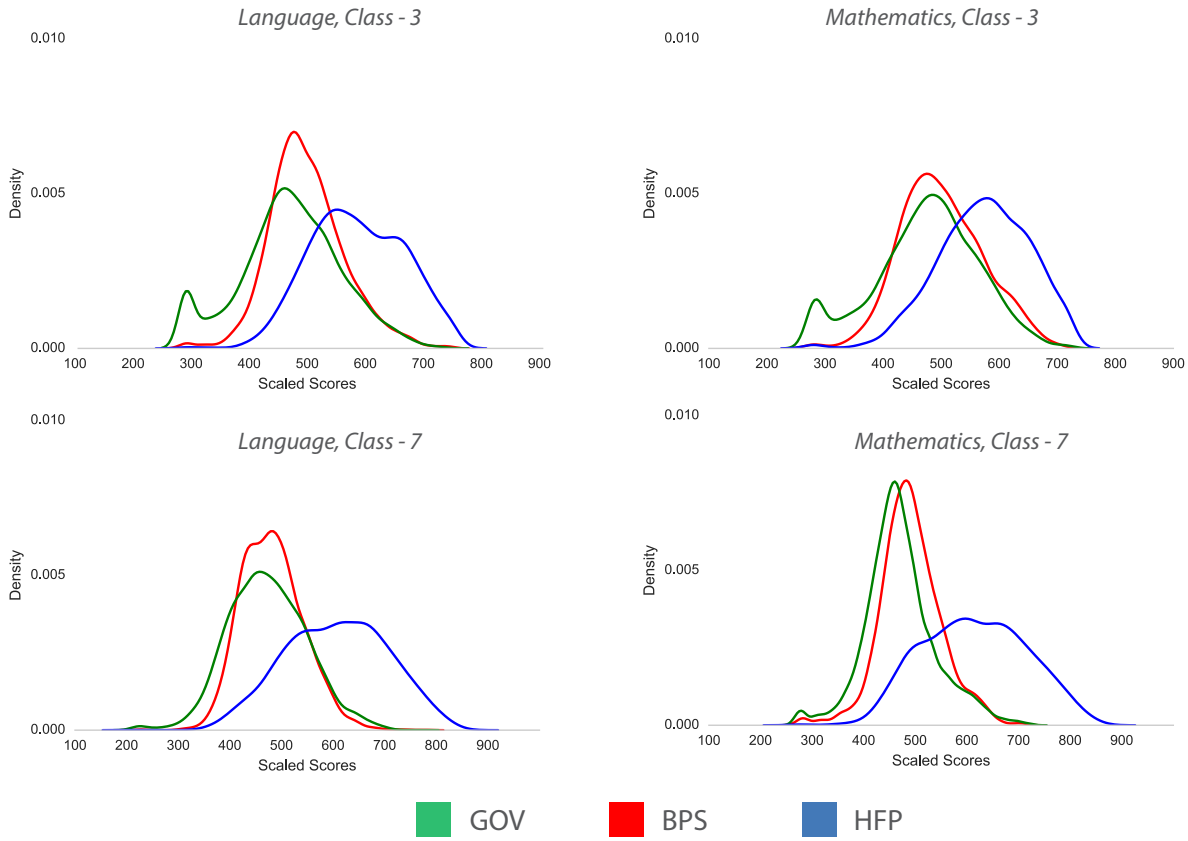


Figure 2 Student score distributions across school categories



The average performances of HFP and BPS were found to be different with effect sizes ranging from 1.0 to 1.5 standard deviations across all classes and subjects, while the average performances of BPS and GOV were found to be different with effect sizes ranging from 0.1 to 0.5 standard deviations across all classes and subjects.

The density plots of student score distributions (Figure 2) from the benchmarking study also reveal that student performance in BPS and GOV have a large overlap indicating that the learning levels for most of their students are similar and not as different as they are with students in HFP.

A large proportion of BPS and GOV student scores lie at the lower end of the scale in each class-subject where HFP students are hardly present which indicates that there is a significant difference in the minimum competency level of HFP students compared to BPS and GOV students in all classes.

The scores in BPS and GOV are more clustered than HFP which have a wider scatter of scores. This trend becomes stronger as students move from lower classes to higher classes. When read with overall performance, this means that as one moves to higher classes, more students are uniformly performing poorly in BPS and GOV, while in HFP some are progressing and some are being left behind.

What is the nature of student learning in BPS?

Research on student learning in Indian government and private schools have pointed out that the core problem in India is rote learning. Rote learning happens when students can recall facts and demonstrate routine skills without understanding their basis or when to use them. Students who rote learn will not be able to handle even routine problems if the questions are phrased in a slightly different form. Such students will also not possess higher order skills such as critical thinking or creativity and will not be able to apply what they learnt in the real-world context. National Curriculum Framework (NCERT 2005) notes that we have bartered away understanding for memory-based, short-term information accumulation.

This must be reversed and we need to give our children some taste of understanding.

Learning outcomes data in BPS from several large-scale assessment studies[2] show that students in these schools also practice rote learning. While there is some evidence of procedural learning or learning by rote, conceptual understanding is considerably weaker in these schools. Students also harbour several misconceptions in their understanding of concepts (see Table 1).

Analysis of student performance in question pairs testing procedural and conceptual understanding	
Conceptual question	Rote/Procedural question
37×8 is the same as _____ A. $37 \times 5 + 3$ B. $30 + 7 \times 8 + 7$ C. $40 \times 10 - 3 \times 2$ D. $37 \times 5 + 37 \times 3$	*6 4* *× 4* _____ _____
Class 5: 4.6%; Class 6: 3.0%; Class 7: 9.1%; Class 8: 14.0%	Class 5: 59.8%; Class 6: 67.2%; Class 7: 76.1%; Class 8: 79.1%
This question checks for an understanding of the concept of multiplication.	*This is a straightforward multiplication question.*
The same number must be filled in both the boxes below: *25 ÷ (box) = 1 x (box)* *What is the number? Tick it.* *A. 5* *B. 1* *C. 0* *D. 6*	7 ⟌ 56 *Quotient =* _____ *Reminder =* _____
Class 5: 18.6%; Class 6: 19.8%; Class 7: 36.0%; Class 8: 40.4%	Class 5: 28.5%; Class 6: 41.5%; Class 7: 45.1%; Class 8: 49.8%
This question checks for an understanding of the concept of division as a reverse of multiplication.	*This is a straightforward division question.*

[2] *Data for question examples in table 1 are from EI assessment studies of budget private schools in Hyderabad.*

Examples of students' misconceptions

Class 3	A	B	C	D
GOV	33.6	15.0	11.8	15.6
BPS	25.3	31.8	14.5	16.4
HFP	49.1	24.3	9.3	14.8

'Habits' are some actions that _____. Tick the correct answer.

A. we do often

B. we do sometimes

C. we do only once

D. we should not do

Misconception explanation: According to the results, apart from the GOV students where 33.6% chose the correct answer 'A' and around 18.4% did not attempt it, students from BPS and HFP were confused between the options A and B. The problem would have been due to the word 'often'. They might not have understood the meaning of this word and thus chose 'B' i.e.' sometimes'.

Class 7	A	B	C	D
GOV	60.0	21.0	7.0	5.0
BPS	70.0	15.0	7.0	4.0
HFP	45.0	44.0	4.0	6.0

Which of the following books is the heaviest?

2.19 kg A. 2.3 kg B. 2.08 kg C. 2.2 kg D.

Misconception explanation: All the three categories' performance is very low in this simple decimal comparison question. Most of the students have chosen option A which is a prevalent misconception among all students where they take the digits after the decimal point as whole numbers. It is also possible that they may have treated the given numbers as whole numbers and compared them.

Are higher test scores in BPS compared to GOV due to teaching quality?

While one cannot dispute the fact that one of the key environmental factors associated with higher levels of learning is the student's higher socio-economic background, in the case of BPS these are likely to be accompanied by other factors such as increased teacher presence, lower pupil-teacher ratio, higher parental interest, self-selection, sorting of economically advantaged kids into private schools etc. The evidence that improved student performance in BPS is due to the schools themselves and the teaching it provides is yet to be conclusively proven.

Is the lead in student test scores that BPS have over GOV maintainable?

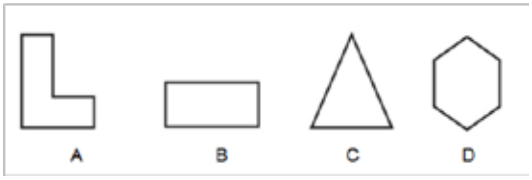
It may be worthwhile to note that the emptying of government schools and poor learning levels has spurred many states such as Rajasthan, Maharashtra, Delhi, Haryana and Andhra Pradesh to implement large intervention programmes in their government schools aimed at improving student performance. *India Today* (31st March 2013) in its article "Government schools outshine private schools in Delhi" stated that Delhi's government schools have outperformed private schools in the Central Board of Secondary Education class 10 results; government

schools had a pass percentage of 99.45 percent while the private unaided and aided schools stood at 99.17 and 97.26 percent respectively. ASER 2014 reported that Haryana has reversed its declining trends in literacy and numeracy with an improvement of five percent in the number of students who could do division and ten percent improvement in number of class five students who could read class two text. Similarly, a state-wide assessment study in Rajasthan by Centre for Science of Student Learning (CSSL) found that the student performances on several benchmarking test questions were higher compared to other studies.

ASER 2016 showed that government schools performed better as compared to private schools and states such as Maharashtra showed improvement in test scores in government schools compared to previous years. All this points out that the common belief that achievement of children from BPS is better than that of GOV may no longer hold true, as GOV are getting their act together to pull up their student learning outcomes.

Why is it important for BPS to focus on quality of learning as their unique selling proposition (USP)?

The mushrooming growth of the BPS segment is fuelled by the common man's frustrations the quality of government school education. This is coupled with the societal beliefs that private school education is elitist as paying a fee is prestigious and a symbol of upward mobility. Parents also feel that getting their wards admitted in such schools will provide a gateway to government jobs and secure their stake in the growing economy. While the initial growth of BPS in garnering percentage share of student enrolment has been propelled by these, it is worth pondering if the segment will continue to grow and remain relevant in a changing environment where government schools are showing signs of improving student learning outcomes.

Meena: _____ painted this picture? Naveen: Sneha painted this picture. A. How B. Who C. When D. Where	Which of the following figures is a rectangle? 
61% (Class 4, CSSL, Rajasthan, 2016-17)	*68% (Class 6, NAS); 76% (CSSL, Rajasthan, 2016-17)*
Question: _____ tore this paper? Answer: Srikant tore it. A. How B. Why C. Who D. How many	Which is the largest three-digit number using the digits 2, 3 and 4 only once? A. 234 B. 432 C. 444
National: 40%; State: 32% (Class 4, SLS, 2010)	*43% (Class 4, NAS), 46% (CSSL, Rajasthan, 2016-17)*

The USP of BPS has been to provide quality education at an affordable price. BPS compete with GOV to a large extent as the population it attracts are those migrating from the GOV. While BPS provide far better school facilities (more electricity, more computers, more toilets) and lower pupil-teacher ratios (17:1 rather than 26:1), it is important to note that many of these schools do not meet all the Right to Education norms on infrastructure (playground, classrooms etc). However, the schools operate at a third of what GOV spend per student. This is possible as BPS hire younger, less-educated teachers (who are more likely to be female and from the local community) and pay substantially lower wages. Private school teachers in Andhra Pradesh earn about one-sixth of what their GOV counterparts do (Muralidharan and Sundararaman 2013).

Any advantage that BPS so far has on better school facilities compared to GOV is likely to fade with successful implementation of national and state schemes like *Swachh Bharat Abhiyan* (that works towards clean and adequate number of school toilets) and promotion of digital literacy in schools. On the other end, if BPS would like to compete with the superior facilities that HFP provide their students, they will have to hike their fees which will push them out of the affordable school segment. Hence, it is prudent for BPS to use better quality learning rather than better facilities or infrastructure as their unique differentiator from GOV or HFP.

Which aspects require focus, to ensure quality of student learning in BPS?

Leverage the power of diagnostic learning assessment for gathering actionable insights into the learning problem.

The starting point to any improvement journey is to know where one stands in terms of learning through an assessment of student learning. However, unlike the traditional school exams or Board exams that provide information on "*how much the students scored*" and "*how many children passed*", BPS need to use diagnostic learning assessments that inform on "*what the students learnt*" and "*how well they learnt*". The data from such assessments empower the teacher to know student learning issues precisely. In the absence of such granular information on what students know and are able to do and where exactly are the learning gaps, even conscientious teachers who teach sincerely in classrooms will not be able to do much to improve learning, except teach the same way they usually do or provide more drill and practice to the students.

Teach for 'understanding' and not 'marks'.

While Board exams are seen as driving the rote nature of learning in our schools with their excessive focus on marks, one needs to understand that getting high marks in exams is not the same as good quality learning or learning with understanding. Our schools are full of examples of rote learning with students knowing how to calculate area but not really relate it to real life, who can recall definitions of gravity but not really understand or apply it, and who cannot use language functionally after studying it for many years. Rote learning is deceptive and gives an appearance that all is well as students score high in exams. Unless students learn with deep conceptual understanding, they will not be able to acquire higher order skills such as critical thinking, creativity and learning to learn. In this 21st century, which is touted as the knowledge century and the speed of innovation is faster than ever before, students' ability to evolve as thinkers depends on their learning with understanding, and hence the objective of teaching has to be toward understanding and not marks.

Enhance teachers' skills with training that targets the specific gaps they encounter in the classroom.

Teacher quality is closely related to student achievement, and teachers are also likely to have the same misconceptions as their students. Anecdotal evidence points out that for private schools, investing in teacher training is a double-edged sword. Teachers who get trained demand better pay or leave for other opportunities. On the other hand, if schools do not invest in teacher training, then improving student learning outcomes becomes a distant target. Hence, the answer is not to stop training but to come up with innovative models of teacher recognition and compensation that will retain trained teachers. Training can also be tuned for a higher ROI by being targeted to address specific gaps or misconceptions of teachers.

Orient school leadership for data driven decision making.

Ability of school leadership to use assessment data to set targets for learning achievement and to systematically monitor learning improvement is a key influencer on the

journey of a school in its 'poor-fair-good-great' continuum of school improvement. School leadership of BPS should be oriented for effective use of data in their decision making as these would be informed decisions and will have a larger potential to address the gaps effectively.

By prioritising learning, BPS could well ensure that they deliver on their promise of better quality education.

This is the way for these schools to grow and build on the goodwill they have received from the public so far.

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6
Self-reform based on standards: The accountability of private schools and parents

Kavita Anand

Kavita is Founder Director of both, Adhyayan Quality Education Services and Adhyayan Foundation. She was awarded the Ashoka Fellowship in 2015 for her social entrepreneurship and single minded focus on bringing quality to schools through leadership development. Over her career spanning 30 years, she has worked in organisations such as Aga Khan Education Services and the Sir Ratan Tata Trust.

Spokey Wheeler

Spokey is an RSA Fellow, and as Adhyayan's International Director, is leading the rapid adoption of the Adhyayan Quality Standard and its self-review and external validation programme. As the Director of Bespoke Solutions in India and internationally, he supports donor agencies, corporates, business, not-for-profit and state organisations in the areas of quality, strategic leadership and management, school set-up, and leadership coaching and development.

Post-independence, the Indian education landscape includes government, private-aided, private-recognised-unaided, and private-unrecognised-unaided schools. Despite these diverse governance models, Adhyayan is enabling schools of all sizes, ownerships and affiliations, to review (Hillman 2015) their own performance in order to improve their delivery of teaching and learning as a key element of the overall education of the child.

This self-review process is founded on a single quality standard, derived from globally agreed research backed impact descriptors of 'what good looks like' across six key performance areas (KPA). Of 270 schools undertaking school self-review to date, 60 percent are affordable private schools (APS). These consist of the recognised and unrecognised schools that cater to the needs of the lower middle and low socio-economic classes. Adhyayan's

This essay draws on Adhyayan's findings in 143 affordable private schools (APS) that reviewed themselves and agreed for their review to be validated. The essay argues that building a shared understanding of school quality across managements, administrators, parents, teachers and students is a precursor to sustained accountability of APS.

school self-review is an inclusive evidence based model that engages all stakeholders. The diagnostic views a school as a community based institution that must hold itself accountable to the purpose of providing quality education. The current essay draws on Adhyayan's findings in 143 APS that reviewed themselves and agreed for their review to be validated. The essay argues that building a shared understanding of school quality across managements, administrators, parents, teachers and students is a precursor to sustained accountability of APS.

Across the world, good schools have leaders who are invested in promoting and participating in teachers' professional development (Robinson 2009). The leadership and management of teaching and learning has become a large part of leaders' role in good schools, and many countries (OECD 2009) treat the professional development of school leaders as mandatory. It is widely accepted that "Despite the relative nature of power, principals have the power to set the tone and the agenda for sustained improvement. (Moller 2007)" The assertion that "the quality of an education system cannot exceed the quality of its teachers," from a McKinsey (2017) report for the Organisation for Economic Co-operation and Development on the impact of the Programme for International Student Assessment (PISA) rankings is indicative of the significance of academic leadership.

Adhyayan's school review data from all categories of schools (urban, rural, high fee, low fee) finds that most teachers are not being provided with professional development that meets their needs and improves their delivery. Further, most school leaders are not focused on finding out teachers' needs. They are not participating in the professional development of the teachers and are not aware of best practices in the leadership and management of teaching and learning. Through the process of the self-review, schools are recognising the need for the leadership and management of teaching and learning. They are also able to understand the link between supportive professional development of teachers by leaders and the increased learning outcomes in the classroom.

Adhyayan's partnering schools learn to review their school's performance by following a specific process: (1) Each school chooses representatives of all its stakeholders as its self-review team; (2) Together they learn how to collect triangulated evidence of the impact of their provision using Adhyayan's diagnostic tool; (3) The self-review team makes evidence based judgements on their school's effectiveness; (4) These judgements are peer validated by an external team; (5) The self-review and external review teams compare their judgements; (6)The school generates its recommendation report that enables it to create a target for professional development of its leadership and staff.

The data for this paper is drawn from the validation data of the schools' self-review against the Adhyayan Quality Standard. The data pertains to two of the six KPA in the Standard, i.e. 'Leadership and Management' and 'Teaching and Learning', across 143 APS in which the school fees is equal to or less than Rs 12,000 a year.

Participants

- School Self Review & Evaluation team (SSRE - school stakeholder team)
- School External Review & Evaluation team (SERE - Adhyayan team)

Findings

The key for reading the pie charts below:

Needs attention - Refers to the need to introduce good practice and make it robust

Variable - Refers to some good and some less than good practice within the school

Good - Refers to consistently good systemic practice of students, teachers, parents and leaders within the school that has a positive impact on the learning of the students

Outstanding - Refers to systemic practice that has a transformational impact on student learning across the school

Findings 1:

Data from the KPA of 'Leadership and Management'

15 percent of the schools indicate a good performance on this KPA and 63 percent schools are variable. To understand what contributes to the good performance, the three domains in this KPA were studied further (see Charts 2, 3 and 4).

The review of the schools identified "how well the school was led" as a clear challenge (Chart 2), though eight percent of the school leaders are interested in what is happening in the classroom and are influencing the quality of teaching. 32 percent schools were good, i.e. they were effectively and efficiently managed, while 57 percent were variable, indicating some good practices within the schools. Eight percent were outstanding, indicating that the DNA of good school management is present amongst some school leaders. The culture of the school (Chart 3) was also 57 percent variable, with 34 percent schools in 'needs attention.'

The 40 percent of schools with good management were schools that started and ended on time, that had a clear timetable for the day for all the classes and a substitution system that ensured an absent teacher's class received a replacement. The school calendar was in the children's diaries and the activities were shared between teachers. Tests and assessments were a regular feature of the school's working and the results were shared regularly with the parents.

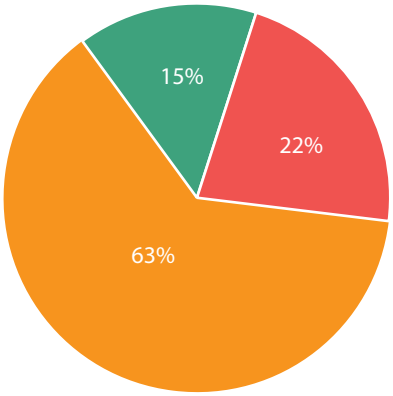

Chart 1: Status of schools on the KPA: Leadership and management

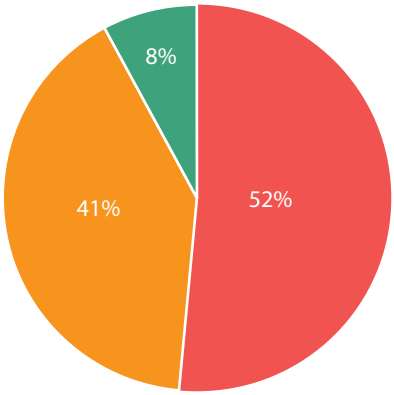

Chart 2: How well is the school led?

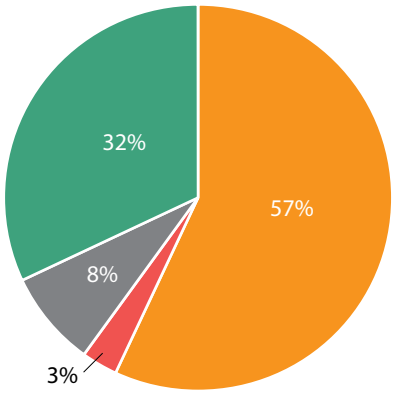

Chart 3: Is the school effectively and efficiently managed?

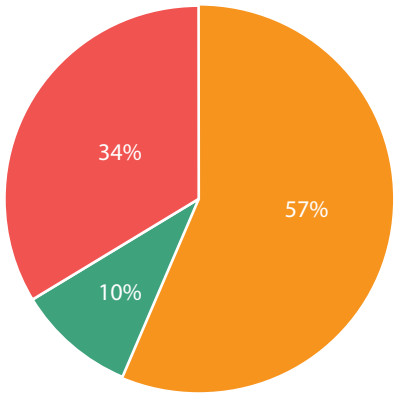

Chart 4: Is the school's culture and ethos robust and pervasive?

Delving deeper into how well the school was led and what contributes to the good performance on this point, the three aspects in this domain were studied further (see Charts 5, 6 and 7).

Providing direction and promoting the school's values in the classroom (Chart 5) was 38 percent variable and 51 percent 'needs attention'. However, performance on training programmes for staff (Chart 7) showed 81 percent of the schools needed attention. School leaders rarely visited the classroom and so had very little data, regarding the needs of their teachers. Therefore, the training, if any, provided in the school was ad-hoc, limited and not needs-based.

Even during the school self-review validation process, some school leaders preferred to delegate the activity of class observation to others in the self-review team. They attributed their reluctance to get into classrooms as stemming from the traditional hierarchy in the school. Their supposition was that walking into a classroom and sitting in it, creates a stressful environment for the teacher who would begin to feel that they were being "watched" and "doing something wrong".

Some schools adopt formal teacher appraisals. This requires leaders to conduct two or three observations for each teacher during the year. These observations are used largely for administrative purposes in the confidential files of the teachers or for deciding on promotion, rarely to help improve performance.

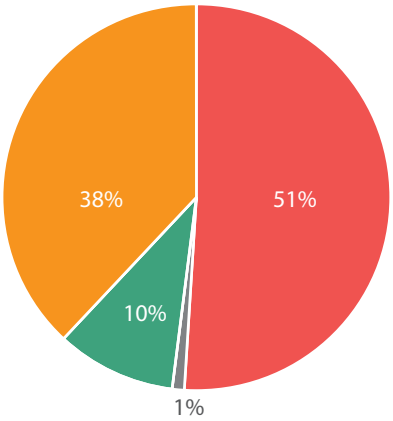

Chart 5: Do the principal and other leaders visibly provide direction and promote the school's values?

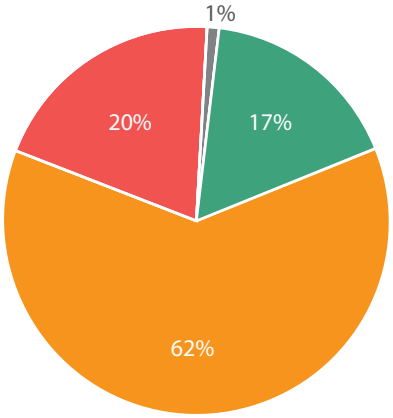

Chart 6: Do leaders hold to account those for whom they are responsible?

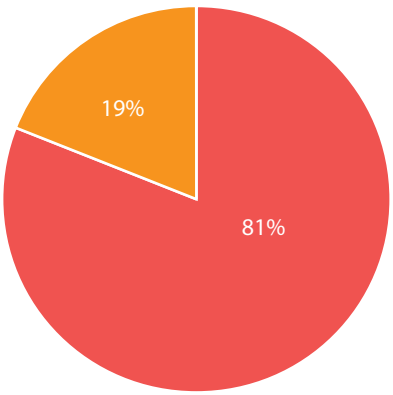

Chart 7: Does the school effectively organise training programmes for staff?

Case study of a school leader

The school leader had been in the school for two years. He was rigorous in taking rounds to ensure that teachers were in the classrooms and that the students were paying attention. He would pass down the corridors, looking inside but never entering the classrooms. You would hear the students suddenly reducing their noise as they instinctively knew that the school leader was in the corridors.

During student interviews, the leader was taken aback that students were able to identify the teachers who taught well and had clear expectations from them. He discovered that some of them had found ways of either approaching their own or other teachers for private tuition. Others said that they asked their friends when they did not understand. When he asked why they did not ask questions in class, they pointed to some students who asked questions, shrugging off the need to do so as well. Before this discussion, they had never spoken with him about their teachers.

The school leader knew about the teachers who were liked by the students, and said he was always on the lookout for teachers like them who were good. He felt most of the teachers in his school were marking time and waiting for a job with better pay or for a government job. He was surprised to hear that teachers could be provided in-service training in the school organised by himself and his leading teachers. He asked, "When can I do that?" His view was that teachers were not interested since all of them left when the last bell rang, leaving the premises "sometimes faster than students". A few stayed back to finish some work, usually filing data required by the government; they were the teachers whom he could request to help him with the work.

He agreed that if his responsibilities included staff development, he would be willing to work out ways of getting time with the teachers. He had a very good mathematics teacher who could develop the content knowledge of the other teachers. He also had some people in mind who could be good supervisors and coordinators. However, he felt the change of role should be a management decision, not for him to make alone.

Findings 2: Data from the KPA of 'Teaching and Learning'

Three percent of the schools are validated as good in Teaching and Learning. 57 percent are variable and 40 percent need attention. To understand what contributes to the good performance, the three domains in this KPA were studied further (see Charts 9, 10 and 11).

The review of the schools identified classroom environment as the largest contributor to 'good' Teaching and Learning. The relationships in the school and classroom and the quality of the children's learning were identified as the key challenges (Charts 10 and 11). Both domains had 45 percent schools in 'needs attention'. Six percent schools had good relationships and only one percent schools were good in their quality of learning.

The classrooms with a good environment were bright and airy. There was space between the rows of desks for bags and movement. All students had their books and notebooks, pens and pencils as required for the day. Classroom walls displayed student learning and clearly valued what their students created.

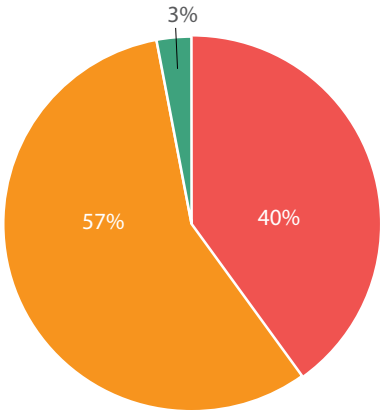

Chart 8: Status of schools on the KPA: Teaching and Learning

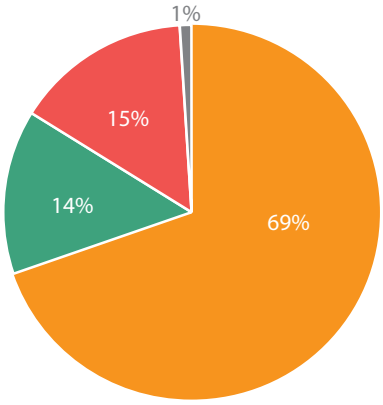

Chart 9: What is the classroom environment like?

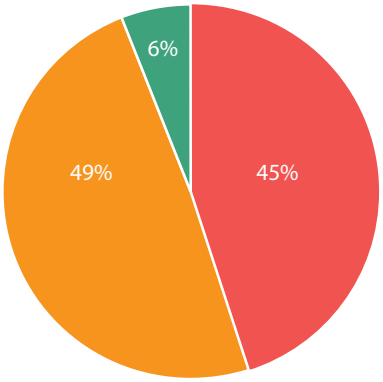

Chart 10: How good are the relationships in the classroom and school?

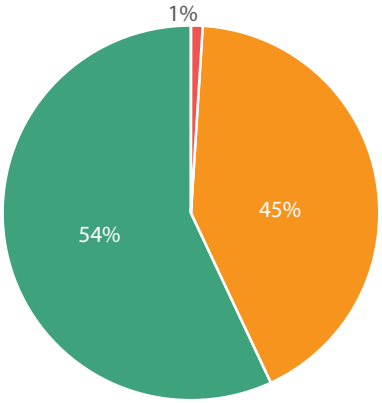

Chart 11: How good is the quality of children's learning?

To further investigate the strengths and challenges in the quality of student learning, the three aspects in this domain were studied further. (See Charts 12, 13 and 14).

It was found that the biggest contributor to poor performance of APS in relation to the quality of students' learning was that students were largely either being under-challenged in class, or over-challenged (Chart 12). Lack of challenge was visible in classes wherein the teacher ensured that all children did the same thing at the same time and were not allowed to progress to a higher level or speak with their peers about what they did not understand. Children were found in class, finished with the assigned work, either staring into space or then idly engaging with their peers who may or may not have completed the work. Over challenging was visible when students were asked to explain what they were doing and admitted that they could not understand what the teacher had taught. Since the school leader did not enter the classroom, they were unaware of both these frequently occurring situations.

In the 12 percent good schools that were able to engage and interest students regardless of their ethnicity, religion and gender (Chart 13), the students were on task, often in pairs or groups. Many of these schools had their mother tongue as the medium of instruction, but even those with English as the medium of instruction were found encouraging of children's voice. Students were given an equal chance to join in class discussion and teachers were careful to give responsibilities to students from marginalised communities.

In the 11 percent schools that were doing well in ensuring written work was well presented and marked by the teachers (Chart 14), leaders were calling for books of a class to go through them to understand what was being taught and understood. They were able to identify errors by the teachers and ask teachers what they would do to correct the errors. One school principal said he asked his teachers to show him what they would be writing on the board, which he then corrected before the teacher had the class. Another principal engaged his teachers in English speaking lessons on a weekly basis to improve their spoken language.

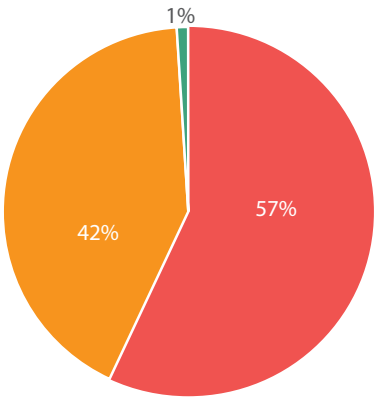

Chart 12: Are students being presented with work that challenges them?

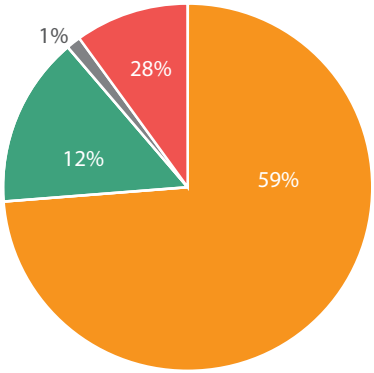

Chart 13: Are all students, regardless of ethnicity, religion or gender, equally engaged and interested?

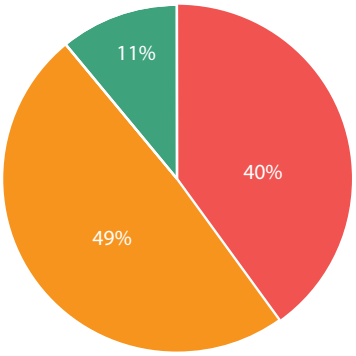

Chart 14: Is students' written work well presented and then regularly marked by their teachers? Does it challenge them?

Findings 3: Step 5 and 6 of the Adhyayan self-review and validation

With reference to the self-review and validation process, step 5 is called the Quality Dialogue. It is the day on which the school's team and the external team look at their evidence together and at the similarities and differences between the judgments which they have arrived at. For the school team, it's a day when they begin to understand what good looks like, and importantly, how schools with low budgets can take the first steps towards changing their leadership and management of teaching and learning.

The Quality Dialogue is conducted by using films and examples from schools of a similar socio-economic background in Leadership and Management and Teaching and Learning. The discussion enables the school team which normally consists of students, parents, teachers, leaders and alumni, to understand and arrive at a shared vision of a quality classroom.

The process concludes with step 6, in which the same team then begins to work on how each stakeholder can contribute to the realisation of their vision. School leaders recognise the need to use the methods of evidence collection throughout the year, to collect data and then act on it. Teachers get interested in new methods of engaging students. Parents on the team offer to speak with the parent body about the changes that the school wishes to bring into the classroom. Students on the team feel that they can convince the student body.

The team experiences their shared agreement and understanding of the strengths of the school and the prioritisation of what it needs to do to get better. Most importantly, for leaders who welcome it, there is a willingness of the stakeholders to contribute to the improvement that all have agreed on.

Discussion

APS do not have considerable access to funds due to the constraint on their income. They are often unable to recruit highly skilled teachers and do not have access to best practice in the leadership and management of teaching and learning. There are several ways in which teachers can collaborate to improve one anothers' skills and knowledge, to which teachers can get access provided a culture that promotes sharing across schools is built. Since leaders do not adopt best practices in the leadership and management of teaching and learning, the quality of teacher performance in the classrooms remains generally poor, and the children's outcomes often continue to be poor. Assessments of the quality of learning such as the Annual Status of Education Report (ASER) find year after year that students are doing worse than their performance in the previous year. Our assertion is that until the quality of teaching in the classrooms is improved, the outcomes are not going to become better. To change outcomes, the role and responsibilities of the school leaders will need to be changed, for which they need access to information on best practices from a family of schools that share their constraints.

Conclusion

The process of deciding the results of the review enable school stakeholders to jointly prioritise their needs and move forward. This forward momentum would in most schools, require the determination to change: (a) the leadership and management of teaching and learning; (b) the practices of teaching and learning themselves and the professional development of teachers to adopt these; and (c) the understanding of parents and

Case study of a teacher in an APS school

'M' is a Mathematics teacher of 12 years and is famous for her high expectation of students' work in terms of its neat appearance and maintenance. Her checking of books rarely goes beyond the universal 'tick' with a red pen, skimming and scanning the page as she proceeds to write 'seen', 'checked' and 'good' or 're-do'. She has more than 80 students in each of the five classes that she teaches in the single division school.

M talks about her successful students with a great deal of pride, those who have scored 90 percent and above. When asked about the students who find Mathematics difficult, she says she encourages them to come to her with their difficulties. She opines one or two show up at the staffroom door every day when she is on her tea break. She speaks to them outside, in the corridor. There is no place in the school for such one-on-one conversation between teachers and students.

M doesn't get as many parents asking her what they can do with students who are not performing. According to her the junior school parents meet the teachers more than the parents of older students. She meets "most" of the parents when the reports are handed out. She isn't allowed to provide them tuitions, but she does have students from other schools coming to her in the evenings. Every year she holds extra classes during the study leave before the exams.

M has a set pattern of teaching in which she solves two or three sums and then asks the students to solve the rest by themselves and show her what they have done. She allows the students to work in pairs and discuss the question with one another, provided they speak softly. She often asks one of the students to move to another bench to help students who do not know how to approach the question.

M insists that the students who do a lot of practice sums are the ones who do well. She looks up sums from textbooks from other schools and gives them to her 'best' students to solve. Sometimes she asks students to show different ways of solving the same problem in class, on the board.

students of what good teaching and learning looks like. Without a process like the self-review that enables shared understanding of school quality, it would be difficult for the stakeholders to desire and hold the school leadership accountable to, the required change.

Recommendations

School self-review is not meant for proving quality, but is a tool for improving quality. Adopting an inclusive process of school self-review is a first step toward adopting best practices of a quality school.

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7

Improving teacher quality and motivation in the Budget Private Schools sector

STIR's learning from working with BPS in Delhi: A case study

Unnattee Eusebius

Unnattee is an Education Leader at STIR, and is responsible for managing 50 teachers at 17 Affordable Private Schools. She has previously worked at Project Patang, an action research project initiated by Centre for Civil Society, and has been a Teach for India fellow.

Vaibhav Kumar

Vaibhav is an Education Leader at STIR, and works with 16 Affordable Private Schools. Prior to this, he was a Young India Fellow, pursuing Liberal Arts. He has previously worked on different projects on Science content development and as a full-time teacher for a community school on the IIT Kanpur campus.

James Townsend

James Townsend is Chief Programme Officer at STIR. He previously held senior roles at Teach First and the Institute for Philanthropy and started his career as a history teacher in east London.

The narrative was built with the support of Shivaji Chinchkar, Waseem Ahmed, Vikas Khera, Chandan Jha, Deepak Dubey and Suman Dasgupta. Authors are grateful to them for their contribution.

This case study uses learnings from STIRs experience with BPS in Delhi to attempt to build a set of lessons or guidelines for effective engagement with teachers in the BPS sector. It outlines the challenges that typical BPS teachers and principals face, shares learning about working effectively with different stakeholders, and shares factors that motivate teachers to improve teaching and learning in their schools.

At the heart of STIR's model are teacher networks. These are active, regular communities of practice in which teachers share ideas and learn from each other. One teacher described these networks as "the oxygen that keeps us breathing".

Teacher networks are designed to do three things:

- Develop the professional mindsets and behaviours that evidence shows are needed to create sustained change in teaching practice
- Stimulate ongoing interest and mastery in key thematic areas that are known to improve student learning
- Gain practical experience of leading classroom improvement, through the 'Learning Improvement Cycle,' where teachers learn to diagnose classroom problems, collaboratively develop solutions, and reflect on the outcomes

Through their experience of the networks, teachers see tangible improvement in their teaching and their children's learning. Seeing this change is highly motivating.

Increasing numbers of students in India are enrolling in budget private schools (BPS). Although there is a growing understanding about the profile and learning levels of the children who attend these schools, less has been written about the teachers working in the sector and how to engage them effectively in professional learning. Given the number of children now enrolled in BPS across India, an increased understanding of how to support and develop large numbers of BPS teachers is needed urgently if overall learning levels are to increase across the country.

This essay, based on STIR's learning from working with 102 BPS in Delhi[1] over a two-year period is an attempt to begin to build a set of lessons or guidelines for effective engagement with teachers in the BPS sector. We outline the challenges that typical BPS teachers and principals face, share our learning about how to work effectively with different stakeholders in the schools, and share the factors that we have seen motivate teachers to improve teaching and learning in their schools. Our hope is that the essay will be useful 'food for thought' for other organisations entering the space.

The BPS space is very fragmented and there are multiple stakeholders involved even in a single school. To have a successful collaboration, engagement with all the stakeholders at individual level is necessary.

Engaging Head Teachers and school owners

As leaders and 'gatekeepers' to their teachers, school owners and Head Teachers play a pivotal role in the

[1] *These schools are grouped into 6 networks that are created and led by 'Education Leaders' (ELs) who work for STIR. On average, three teachers from each school are members of the networks and attend network meetings approximately once a month, as well as work closely with their EL during school visits.*

smooth running of any program partnership. We have learned that where the Head Teacher is convinced with the value of the program, the chances of a successful partnership are significantly higher. To get them 'on board', we have learned that there are three important things to keep in mind.

Take time to build trust.

Taking time to build a relationship based on trust with Head Teachers is a must for any partnership to be successful. We have found that many Head Teachers are very suspicious of any new organization and its motives. In our experience, the suspicion is based on either a fear of data collected as part of a program being passed on to government agencies or shared with rival schools, or concern about teacher attrition. This is a very real concern: 10 percent of the 529 teachers who joined the STIR program in 2015-16 left their schools in a period of 7 months (just 160 teaching days). This leads to Head Teachers worrying that their teachers might shift to other better opportunities if they join an intervention focused on improving teacher quality.

During initial conversations, when the relationship is still being built, Head Teachers are often reluctant to express their fears and insecurities. Only by taking time to listen and build a relationship based on trust, can you show that the partnership you propose will help alleviate their concerns. That is, it will position their school favourably against the competition and attract teachers to the school, rather than lead to their 'secrets' being given away and their teachers leaving.

Build on Head Teachers' interests.

Head Teachers will all have their own reasons for wishing to work in partnership with any external organisation. In our experience, the greater your understanding of the interests and needs of particular Head Teachers, the better your chance of appealing to them successfully. As you look to build trust, take time to find out their interests and start your engagement where they are!

Some Head Teachers are looking for marketing strategies to increase their student numbers and a form of recognition such as teacher certification is the element that most appeals to them. Some Head Teachers have struggled to fulfil their aspirations of opening a school of their own. For them to feel part of a larger movement of similar people and to be included in conferences and summits is attractive. Some Head Teachers are simply looking to improve the quality of education and learning in their classrooms, and hence, being part of network meetings of teachers and gaining knowledge of classroom strategies and new ideas is what works in bringing them on board.

Respect the multiple priorities and responsibilities of Head Teachers.

Head Teachers are very busy people with many competing priorities and professional responsibilities, and being respectful of this is important. Many Head Teachers are often burdened with managing parents, filling in for absent teachers, and administrative and logistical work. In addition, for some Head Teachers, the BPS they run is a second priority as they are also employed in other mainstream (often government sector) jobs (30 percent of Head Teachers in STIR partner schools, for instance, have other jobs apart from running the schools).

These various demands on Head Teachers' time mean that their involvement in any teacher centric program tends to be limited unless they are given a specific role. We have found that a common perception amongst Head Teachers is that they don't need to be active in supporting any program beyond giving permission to their teachers.

Built-in programmatic components for Head Teachers make a significant difference to Head Teachers' engagement; taking their learning as seriously as that of their teachers is important.

Key Learnings

- Take time to build a relationship based on trust where they feel comfortable to express their concerns.
- Understand their varied situations and pitch the usefulness of the program to them according to their own interests and needs.
- Build in specific programmatic components for Head Teachers to ensure their support beyond just giving permission.

Motivating teachers requires more than just 'training'

Ground reality

Most of the teachers working in BPS in Delhi are female (92 percent of the total BPS teachers engaged with STIR, for instance, are female). Typically, teachers who are married tell us that they teach because the working day ends in the afternoon and allows them time to spend with their family after that. Other teachers tell us that teaching acts as a source of income whilst they access other opportunities.

So, let us picture the life of an affordable private school teacher: Aged 21, living in a claustrophobic dwelling with difficult living conditions in Delhi, Pooja Ma'am[1] teaches 32 fourth grade students most of whom are first generation learners. There is limited light and space in the classroom, reaching at the back of the class is almost an obstacle course. Often, classrooms are just areas partitioned within huge halls. The school building is a small home with 4-10 rooms and caters for children from grade one to eight.The day spans from 8am to 1pm. Most months the city is scorching and classrooms are poorly ventilated. Teachers' patience levels are tested every minute. On a normal day, Pooja has no free lecture periods. Then there will be days when the school is short of required teachers, so she has to combine multiple classes as well. The salary is very less, so she goes for professional course training right after school. After a day's work, when she reaches home, she is exhausted. After a break and relaxing a bit, she contributes in household chores as well. It's tough but she has been doing it for the last two years. Working in surroundings such as these, it is difficult to maintain motivation as a teacher. Any organisations engaging with BPS should therefore explicity design elements of their programme that focus on building teacher motivation.

Most of the teachers working in this space are working on a very tight schedule and many are not even paid a salary equivalent to basic minimum wage. Many teachers seek additional income through giving private tuition. Others prepare for professional courses or higher studies after school working hours to augment their skills and qualifications, either in education or a separate field. The majority of teachers in BPS have not received any formal teacher training.

Like Head Teachers, we have found that teachers' motivations and interests differ and understanding their starting point is very important in order to engage them effectively.

Motivating BPS teachers

With the above in mind, our experience suggests that several factors are important in motivating BPS teachers:

Firstly, since the majority of teachers do not have any professional educational degree and many are seeking additional qualifications, certification holds great value. We have learnt that a clear recognition and a meaningful certification pathway is a real incentive for teachers. At STIR, our partnership with the University of Roehampton has provided real credibility and value to participating teachers.

Secondly, providing opportunities for teachers to interact with teachers from other schools and feel 'part of something' gives teachers a sense of purpose that they may not otherwise have. At STIR, we provide a platform for teachers to learn and find solutions to their classroom problems through collaborative effort, during network meetings. This kind of interaction provides teachers with a chance to gain peer recognition as well as peer acceptance and approval which play a significant role in the social dynamics of a school. The influence of fellow teachers is very important in keeping teachers motivated.

Thirdly, as discussed above, the engagement of Head Teachers is important for the smooth functioning of any partnership. Our experience is that many teachers do not often receive positive feedback or encouragement from their Head Teachers, so creating opportunities for teachers to gain approval from them is a significant motivating factor. Often, teachers join or work harder in their engagement with STIR networks due to the push they receive from their Head Teacher.

Finally, we have seen that having one clear relationship or point of contact for teachers is important in helping teachers to trust the support they will be given. For STIR, our Education Leaders worked very hard to gain the trust of teachers needed to give the program a try.

Once the teacher sees value in the program, be it the content, collaboration, relationship with the facilitator or the prospect of improving learning, they start pushing the envelope and their participation increases. Education Leaders (or any core contact person) can then maintain motivation through informal appreciation on *WhatsApp* groups, recognition of teachers' work to their families in the form of letters and constructive feedback about their classroom and work as part of the program.

[2] The name of the teacher used here is fictitious to protect her identity

Key Learnings

- BPS teachers are not provided any formal teacher training. This makes skill development of a teacher a strong function of his/her intrinsic motivation – which requires cultivation.
- The teachers respond to the appreciation not just in the form of formal certification but also feel valued by the appreciation from their Head Teachers, informal appreciation on the *WhatsApp* groups by Education Leaders, recognition of their work to their families in the form of letters and the positive as well as constructive feedback they receive about their classroom.

Changing classroom practice requires 're-imagining' teaching.

One of the lessons we have learned in working with BPS (and all) teachers is that changing classroom practice requires more thought than simply telling teachers to do something differently. This seems to apply particularly to BPS teachers who are less likely to have been exposed to teaching methods beyond those that they experienced themselves as students.

We have found three particular strategies have been effective in helping teachers to shift their practice:

Growth mindset

Working explicitly on teachers' mindset as well as on their pedagogical skills and knowledge helps build a willingness to change practice. As part of all STIR network meetings, participating teachers are taught about the difference between a 'growth' mindset (which sees intelligence/ ability as changeable) and a 'fixed' mindset (which sees intelligence/ ability as static) and are given case studies to consider what a growth mindset response would be to different situations they may face as teachers. Adopting this framework seems to enable teachers to see their current practice afresh and gives them license to think differently about their role.

Micro-innovations

Recognise that teachers are likely to change their practice based on learning from people similar to themselves, rather than in response to someone they see as distant and different. A BPS teacher who sees someone in a school down the road enjoying significant success with a particular classroom practice can easily see the benefit and relevance of that practice.

At STIR, we have pursued this principle through the idea of facilitating the sharing between teachers of 'Micro-innovations' during network meetings. Micro-innovations are simple low cost solutions that teachers develop to overcome challenges within their classroom. This could be related to academic learning (for instance using a new password for class entry to build vocabulary) or for behaviour management (for instance using colourful behaviour trackers in the classroom). Providing teachers with the chance to share effective practices not only provides peer recognition but also enables teachers to believe that change is possible; 'If she can teach like that, why can't I?' Quick wins through Micro-innovations also helps in building credibility of the program.

"Network meetings help me understand how I can implement innovations in my classroom and also share my progress with others", says Savita Ma'am[2]. Every last week of the month, a network meeting is organised which provides a platform for teachers to discuss their learnings and challenges from the last meeting. She goes on to say, "I feel confident, when the meeting starts, as there is always a fun activity or song which makes us feel more comfortable, gives time to know each other with the small introduction and can also be implemented in the classroom. Role plays are what I enjoy the most!" Most network meetings focus on asking teachers to share their knowledge, learnings and collaborate to do group work. The valuable discussion often motivates them to share and learn from each other. Teachers conclude the meeting by filling in their teacher portfolios, which support them to keep a record of their work in the classroom and further plan for any upcoming idea they wish to implement. The portfolio is also a useful tool that helps teachers reflect on their teaching practices.

Driving collaboration

In our experience, working to change practice together with fellow teachers (both within and between schools) leads to a greater likelihood of change taking hold and a greater spread of ideas. It also builds camaraderie and a shared purpose that makes work more enjoyable for teachers. From a service provider/ NGO point of view, being able to work with several schools at once is far more efficient and cost-effective.

In the BPS space, however, getting schools to work together is not always straightforward. Schools that are geographically near each other tend to be in competition, and are therefore wary of the idea of collaborating with teachers from other schools. Even once schools are convinced by the idea of working together, logistical challenges of transport make things more challenging.

This makes it essential to convince schools on the benefits of collaboration. Once they understand that they are all in the midst of a larger problem and must work together to solve it, they start to cooperate. At STIR, we have found that the idea of a shared challenge and a common goal resonates very well with teachers. The average day of a teacher leaves little time for peer interaction as most teachers spend their working day interacting with children. Though that provides instant feedback and drives for improvement, it is important for them to interact with professionals like themselves, in a constructive way to reach the common goal. The opportunity provided in STIR network meetings to understand that other teachers have the same struggles and to work together to create joint solutions gives strength and validation to teachers. We have found that focusing collaboration on a certain area of development within a classroom provides common ground and increases the quality of discussion and interaction. Importantly for the BPS space, where many of the teachers have no formal teacher training, collaboration also give them access to a set of skills and techniques that can support them in their day to day teaching.

Key Learnings

- Think about the mindset needed to change practice as well as knowledge and skills.
- Enable teachers to learn from people like them, e.g. through sharing micro-innovations.
- Provide opportunities for collaboration and create a sense of shared purpose.

Conclusion

In a fragmented and transient space like Affordable Private Schools, teachers are often seen as responsible for the poor learning outcomes of students. For those working in the space, it is important to understand the context these teachers belong to and acknowledge their efforts first. The teachers feel motivated once they have 'light-bulb' moments (where they see students improving) in their classrooms and when their efforts for such moments get recognised. Given the kind of conditions in which these teachers work, it is important to give them a shared sense of purpose and make them feel part of a bigger movement as well. Additionally, it becomes essential to work in coherence with the Head Teachers (School Principals) to make the impact more sustainable and long lasting. Through STIR, we have initiated the movement of shared learning, where teachers are at the forefront as Teacher Changemakers.

[3] The name of the teacher used here is fictitious to protect her identity

8
Blended learning and use of technology in the Budget Private School sector

Zaya's learning from working with BPS: A case study

Neil D'Souza

Neil is the Founder of Zaya, a disruptive educational non-profit start up that is bringing the online education revolution to the bottom of the pyramid. In 2012 he was selected by the San Francisco Hub of World Economic Forum as a Global Shaper and also won the NASSCOM Social Innovation Award in India.

Online learning combined with a supervised blended-learning environment has the potential to transform the Indian education system by serving as the backbone of a system that offers more personalised learning approaches for all students.

Supervised 'blended learning' goes beyond simply using technology in the classroom, it involves a complete change in school culture and processes that enable teachers and students to get the best outcomes while keeping cost low. The second aspect of blended learning, cost, plays a very important role for BPS and the long-term impact they could have.

There are several challenges that BPS owners face in running their schools, especially if they want to focus on improving quality of education. One of the biggest ones is teacher quality and retention. Very often, school leaders shy away from investing in professional development of teachers because the teachers leave for a minimal increment to their competitor. This fear has led to almost negligible investment in the teachers' pedagogical growth and skills development. This is a classic 'chicken and egg' problem; school owners

The challenge of ensuring quality education in BPS through teacher development and investment in training highlights the issues of budgetary constraints and strikingly low teacher loyalty. This case study analyses the intervention of blended learning techniques in classrooms to address concerns over quality of education, and allow for significant improvement in attainment of learning outcomes without specialised teacher development.

know that they need to invest in teachers to improve quality and hence increase fees, but when they do so, teachers quit and school owners are left with investing in new teachers all over again. This has almost led to a stalemate for majority of the BPS owners.

Blended learning offers a solution to this problem. By providing teachers with scripted lesson plans and students with one to one learning tools, it offers assurances to school owners of consistency and quality.

Zaya's blended learning pilots

Our pilot projects were among the first in India to use blended learning with BPS/ government aided schools. There are five components to our model of blended learning that was tailored specifically for the BPS segment.

Program design for the school

We work with the school leaders and teachers to design a blended program that is integrated into their timetable and goals.

Providing scripted lesson plans to teachers

This mitigates the need for teachers to be highly trained and provides consistency in the quality of the teacher Led component of the program.

Providing infrastructure/ internet

Zaya provides a *ClassCloud* device that provides Wi-Fi and access to learning content for students.

Personalised learning platform

This allows teachers to create individualised plans for students based on their skill level. This is automated by technology.

Implementation and training support

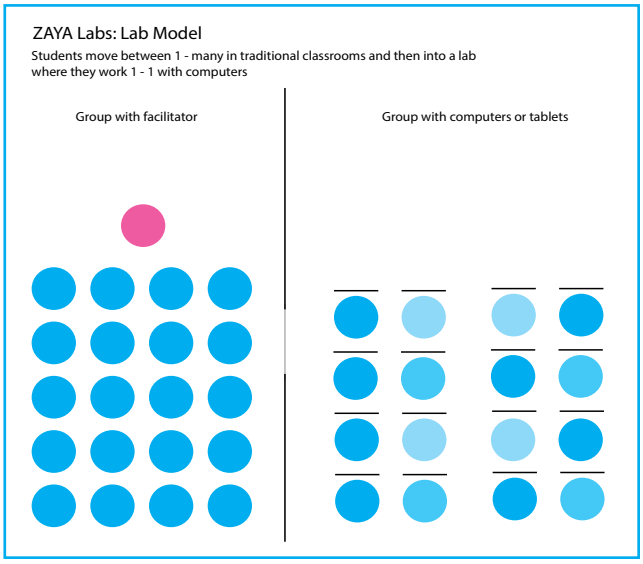
Teachers are provided regular support in the form of coaching and feedback to incorporate and follow the implementation and academic plan.

Zaya's blended learning approach

The two implementation models followed by Zaya are tailored for the BPS segment ensuring that the costs of infrastructure stay low. Schools only need 20 devices for up to 200 students to ensure effective learning for Math and English. For all other subjects, learning takes place through lesson plans provided to the teachers.

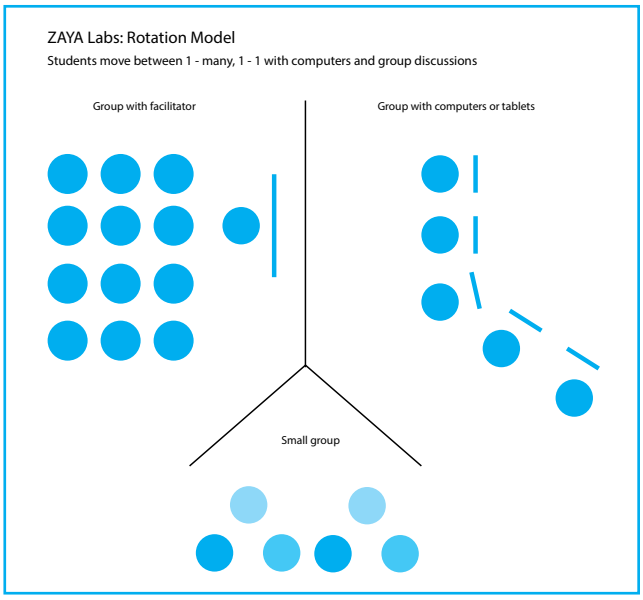
Learning Lab Model

In this model, students take turns at the teacher's discretion between learning modalities, classroom teaching and self-paced personalised learning. Based on children's understanding and grasp of the concept, the teachers decide how much time they need to spend in remedial learning by accessing the digital content through Zaya *ClassCloud*. At the other end of the spectrum, students that have proven to be above their grade level are also given a chance to work in the lab to exercise their knowledge with higher-level concepts.



Rotation Model

By adding peer and small group based learning to the above learning labs model we have assigned to children the three modalities of learning in rotation, as shown in the figure. At any one time, there are mixed-aged classes or groups of students at a variety of knowledge levels. By pairing students at different learning levels together, we were able to get the students more engaged. Our observation is that peer-to-peer learning builds confidence in the student mentors while freeing up the teacher to focus on children who have special needs. Because of our focus on the mastery of concepts, students who have a greater mastery can help other students who need more support. The students trust their peers and consider them a credible source of information.



Challenges

- School leadership is key to any intervention, even technology-enabled offline programs.
- Limited understanding of effort needed to integrate technology into core learning processes.
- Infrastructure is a big problem in implementing one to one learning solutions.
- Poor planning among teachers leads to unrealistic expectations to complete course material. Students are pushed to a higher grade without clear understanding or mastery of concepts even when technology is used as a tool.

Where is investment required for BPS?

Teacher incentives and loyalty

As mentioned earlier, the biggest challenge in successful implementation of blended learning really lies in the education of the school leaders and teachers. However, unlike in higher income private schools, where teachers are paid good salaries and the incremental difference for jumping ship is not that high, this plays a very big role in the BPS segment.

Teachers are not incentivised to change their behaviour and teaching methods. Firstly, financial incentives play a big part for teachers in this segment as they are already paid below market rates. Secondly, professional skill development is not a big enough or immediate benefit to them to undergo substantial changes from the status quo; the end result being that products and services do not get implemented in the intended way and unfortunately service providers think of it as a training issue.

The root cause is incentives. Unless service providers figure out what incentives matter to the teachers and how to keep ensuring that those are met, any external effort to change their behaviour is not going to sustain. The ones that want to improve their skills through these interventions will take the training and move to the next school that provides them with higher starting salaries. In government schools, although accountability can sometimes be the reason for lack of change, teachers are at least paid market rate salaries that cover their basic needs. Among the 2,000 school teachers Zaya has trained in the last 5 years,

90 percent have not stayed with the same school for over two years. So, the big question to ask is, "What are we doing to solve this problem?" Teacher training and behaviour change will flow naturally with this.

Product outcome vs. product market fit

Blended learning and other technology interventions often reach a product outcome fit. Zaya has over the years through its blended model managed to keep costs low by adopting a rotational model and improving student outcomes by significant margins. However, this does not guarantee a product market fit. While most providers' selling point to the BPS owner or parent is 'improvement of quality', the reality for the owner is very different.

Business models for service providers

Selling products and services to BPS schools is like selling to an SME owner or *kirana* shop[1] owner. A business owner has a fixed cost problem when running his/her business. These fixed costs are teacher salaries, rent, utilities, etc. When service providers try to convince school owners to buy their services, they forget that the owner is looking at that intervention as increasing his fixed costs. Services that improve learning outcomes do not lead to lowering fixed costs in the short term which makes them very difficult to sell. Hence, solutions whose only value is increasing learning outcomes find it hard to sell. Services/products that can solve the fixed cost issues will succeed, for example, if products can guarantee a reduction of teacher costs or professional development costs.

[1] *Kirana* shop translates as corner shop

9

Reimagining schooling at the margins

Muni International School: A case study

Ashok Thakur

Ashok is founder of Muni International School. An alumnus of Delhi University and ex-serviceman, Ashok established the budget private school to pursue his dream. He is passionate about the education sector, and hence left his cushy business and started a school through modest means.

Bhakti Patil

Bhakti is Senior Associate, Development, at Centre for Civil Society. She holds an M.Phil and a Master's in Sociology from Jawaharlal Nehru University. Her research engages with the core categories of Gandhian thought, particularly the ideas of Swaraj and Ahimsa, and the radical affirmation of human freedoms that they contain.

Muni International is an unaided private school in Uttam Nagar, West Delhi. The school is an exemplary case in the conceptualisation and implementation of a mode of teaching and learning that addresses the persistent crisis of effective and consistent teacher capacity-building, pedagogical innovations and financial sustainability that continues to afflict budget private schools (BPS) in the country. The school has been widely recognised for its distinct model of education and its demonstrated impact in consistently commendable student performance. The school has been ranked 1st on the Education World BPS rankings, 2016. Muni International School is also a part of the Ashoka Changemaker Schools Network.

Context

The BPS sector in India continues to grapple with limited resources, both in terms of financial investments and adequately skilled human resource. Catering

Photo credits for this chapter belong to Muni International School

This essay looks at the case of Muni International School, an unaided private school in Uttam Nagar, West Delhi. The school provides an exemplary case in the conceptualisation and implementation of a mode of teaching and learning that addresses the persistent crisis of effective and consistent teacher capacity-building, pedagogical innovations and financial sustainability that continues to afflict budget private schools in the country.

increasingly to lower economic strata, the schools are particularly constrained given that they often cannot increase tuition fees in correspondence with the costs of pedagogical innovations, technological interventions, formally trained teachers or management resources. The schools are often unable to attract and retain qualified teachers or maintain teacher motivation because of their low-fee structure, and the resultant, significantly lower salaries that the teachers receive. The inability to attract qualified human resource also translates into the relatively limited co-curricular and extra-curricular exposure for students, or training and skill-development opportunities for staff and management. This problem remains particularly acute given the existing structure of classroom learning that dominates mainstream pedagogy, the teacher-driven model of school education, where the personal inadequacies of a teacher have a direct bearing on student learning outcomes. The cognitive and academic development of students then continues to be delimited by teacher capacity, skills, training and individual dispositions.

Institutional profile

- Name of school: Muni International School
- Year of establishment: 2002
- Location/Address:
  Mohan Garden, Uttam Nagar, New Delhi
- Total no. of students: 700
- Demographic constitution:
  Students primarily from west and south-west Delhi, from low to middle-income families
- No. of classes:
  Kindergarten to Class X + Class XI to Class XII
- Average class size: 35
- Total no. of teachers: 35
- Tuition fee structure: Rs 850-1,300 per month
- Teacher Salary: Rs 5,000-20,000 per month

The distinctive pedagogical model adopted by Muni International effectively de-centres the role of the teacher in classroom teaching, drawing on the collective imagination and diverse potentialities of students to enable better classroom learning, building friendly competition and a cooperative ethic amongst students. The centrality of the student to the learning process also remains distinctive for its implications on curricular innovation and the cultivation of what have come to be regarded as necessary '21st century skill-sets' amongst them, often rendered peripheral in current school curricula, or owing to the additional human resource demands that they make on an already-saddled teacher community operating in BPS.

The concept

Muni International effects comprehensive reform, both in the development and delivery of curricula. It adopts a model of stakeholder collaboration through participatory school management and monitoring that enables effective and continual teacher-motivation, often a critical problem amongst BPS. Using a student-centred and student-driven model of education, the school allocates the responsibility of effective student learning amongst the key stakeholders in education: parents, teachers and school management. There are several key innovations that have been adopted by the school:

Peer-learning and student-centric classroom education

Lesson plans for each subject are delivered through the method of *guided discovery*, which encourages critical contestation and enquiry, enabling students to 'arrive at' concepts and ideas through interactions and collective imagination. In this method the teacher essentially lays out the conditions, raises questions and directs enquiry to enable students to collectively arrive at core concepts. Each classroom at the school is structured so as to enable students to sit in small groups of 4-6. The seating plan facilitates discussions and encourages students to share insights, concerns and seek clarifications from one another, rather than turning to the teachers as the singular bearer of knowledge. Students from higher classes teach and mentor students from lower classes. Within each class every student is assigned a 'buddy', a learning partner for whom every student is responsible. The circle of responsibility also expands to ones learning group thus ensuring that every student in class is learning and is accountable to her/his peers.

The peer-learning model is adopted across classes and subjects. The primary effect of a peer-based learning model, apart from its cost-efficiency, is that teachers are also able to assess the levels of conceptual clarity among individual students, thus enabling due customisation for student-specific learning needs.

Muni International adopts the *eklavya* model of education that makes shared learning through peer engagement, self-reflection and dialogue central to classroom learning. The *eklavya* model makes peer-to-peer sharing and exchange of ideas central to classroom education. Students from higher classes teach younger students, and students of a class teach one another through systematically ordered learning groups. The teacher then emerges primarily as a facilitator and enabler, supplementing learning and student dialogues within the classroom.

Collaborative and research-driven curricular interventions

A 'research lab' consisting of teachers, supervisors, parents, and elected student representatives assumes a central role in developing lesson plans, assessing the relevance of curricular content, ensuring its responsiveness to student needs and learning levels, and in addressing individual student needs or concerns. Teachers, parents and students share conceptual, and pedagogical challenges to commonly identify potential solutions. Student and teacher-members of the lab meet every day after school hours enabling timely and responsive interventions.

Enabling technologies for an enhanced learning experience

The school also leverages technological innovations to effectively customise learning for its students. The school has a functioning computer lab with 12 computers where students of all classes learn about computers. Computers are also used as a teaching aid as part of the curricular lesson plans. A blended learning model is used with each student accessing lessons through learning tablets that are provided for all students in classes 5 to 9. Tablets bring the National Council on Educational Research and Training (NCERT) curriculum to students, enabling them to access lessons of higher/lower classes and to transcend the limits of prescribed syllabi. Students are also able learn extra-curricular skills and cultivate arts (music, craft etc.) without the deployment of a dedicated teacher.

Holistic student assessments

Along with the Central Board of Secondary Education (CBSE) scheme of assessments, Muni International adopts an innovative process of continual assessment, anchored in the school's affirmation of every student's potential to reflect, dialogue and reform. Termed as the 'Am I Able' model, this process is designed to encourage cooperation and self-reflection amongst students. In this system, each student is not only evaluated by the facilitating teacher, but also by the class. The performance of every student is made contingent on the performance of the classroom 'buddy' assigned and on the performance of the learning group of peers. This three-way evaluation remains a continual and on-going process, and the appraisal is conducted after the completion of each lesson throughout the course of the academic year.

The parliamentary system for participatory school governance

A democratic and participatory process of school governance is adopted with the students driving everyday administrative responsibilities. A democratically elected student parliament leads the school management, shares the responsibility of and accountability for diverse portfolios (school cleanliness, security, student well-being, effective classroom management and co-curricular activities like music, performning art, agriculture and sports) that address the routine administrative requisites of the school. The elected student parliament includes an MLA from each class, and MPs that constitute the central governing body. The elected representatives also play a central role in the 'research labs', and consequently

in curriculum development and pedagogical interventions in the school.

Teacher training and performance assessments

All new teacher-recruits undergo a three–five day training module under designated supervisors as a part of their initial training process. Further, teachers also undergo periodic training (on need-basis) under internal and external resource persons based on their expressed needs and the requirements of the management. Participation in teacher-training programs is a significant component of the continuous teacher assessment adopted by the school.

Teacher appraisals are conducted once every academic year, but remain premised on continual performance assessment. Teachers are assessed by teacher-supervisors, who in turn are assessed by the school management. Parental feedback received during parent-teacher meetings and their participation in research labs is also taken into account while assessing teacher performance. Teacher increments and promotions are based on the annual teacher appraisal.

Engaging parents in the learning process

Parents are encouraged to actively participate in their child's learning process. The school conducts monthly parent-teacher meetings where teachers interact with parents, discuss student performance, behavioural concerns and achievements, and encourage parents to provide critical feedback. Parents are also encouraged to volunteer as members in the 'research lab', and participate in everyday decision making. The school has in place a Primary Parents Monitoring System (PPMS) which involves parents in a central role in the monitoring and reporting of student progress. The PPMS remains aligned with the distinct pattern of home-study (homework) adopted by the school: as part of their home-study, each student is expected to explain the concepts and lessons studied (recorded in the daily log maintained by every student) to her parents/ family members.

Conclusion

Operating squarely within the financial and managerial constraints that delimit the possibilities of schooling at the margins, the Muni International School, as such, remains a case in distinct organisational and pedagogical processes that re-imagines education in budget private schools. It demonstrates the possibility of imparting quality education to children from low income neighbourhoods at minimal costs. The pattern of student assessments makes every student responsible for her own learning, and that of her peers, fostering collective growth and cooperation amongst students. While the model effectively decentres the role and scope of the teacher in classroom learning, it sustains due teacher responsibility by linking teacher appraisals to student performance. Linking teacher appraisals with the efficacy of student learning also ensures teacher initiative in innovating for better lesson delivery and classroom learning experience. Teachers thus remain accountable to both students (parents) and management ensuring sustained student performance. Parental involvement in curricular design, school administration and monitoring, also effectively makes parents accountable for both, student learning and school performance.

This collaborative model of learning, teaching, administration and monitoring fosters greater transparency and good governance and ensures financial sustainability. It brings quality education to its students, who continue to learn through creative enquiry, dialogue and a remarkable ethic of shared responsibility toward learning, co-learners and the institutions and processes that make learning possible.

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10

How can market-based solutions help improve the quality of affordable K-12 education in India?

Prachi Windlass

Prachi is Director of the Michael & Susan Dell Foundation's India education portfolio which focuses on school education, college entrance and career readiness. She is on the board of several for-profit education companies and advisory committees to state governments and education departments. She has spearheaded the foundation's work on investing and managing a portfolio of innovative companies and creating role model states on student outcomes.

In recent years, the Indian government has focused on making schools more accessible so that more children can participate in the country's extraordinary economic growth. Enrolment in India's public and private schools has increased, yet the country still struggles with improving the low quality of education, especially in the case of underprivileged children. The Michael & Susan Dell Foundation works closely with the government as well as private schools to create affordable, high-quality options to improve learning outcomes for such children. Improving India's education system is, however, complex and requires an integrated and patient effort with a sharp focus on innovative solutions, clear accountability and systemic reforms --in addition to learning outcomes-- to bring about sustainable improvement in education quality. This complexity, coupled with factors like lack of quality talent and huge student dropout rates, have led to very low private investment in the sector. Yet, the potential is huge. With 250 million Indian children enrolled in schools, we believe that there is an enormous opportunity for private enterprises focused on providing services to the critical K-12 segment.

This essay provides an overview of the service providers in the affordable education market from an investor's perspective: the environment in which they operate, the challenges faced and examples of

This essay provides an overview of the service providers in the affordable education market from an investor's perspective: the environment in which they operate, challenges faced by them and finally a couple of examples on organisations that are showing some early signs of overcoming these hurdles.

organisations that are showing some early and very positive signs of progress.

Overview of the market: Huge untapped potential and an opportunity for scale

The Indian education market is expected to almost double to Rs 11,88,000 crores[1] by 2020, buoyed by the rapid expansion of the digital learning market and home to the world's largest population in the age group of 6 to 17 years. Although the sector continues to be plagued by poor infrastructure, high dropout rates and a shortage of trained teachers, it is heartening to note that in India, education is seen as an aspirational and important part of self-development. In fact, education commands a significant share of household expenditure across all income segments, with average household expenditure at over Rs 9,675 per month in 2014 (71st Round NSS 2015). Despite this, the sector has not seen much traction from venture capitalists or impact investors.

To date, the education sector has received a mere three percent of the equity investments made in the country. While impact investors seek high-quality solutions that meet the educational needs of all segments of society, their concerns centre on governance, growth potential and profitability of the available products and services. Given this scenario, the Michael & Susan Dell Foundation believes that early-stage investors can play an extremely important role in leading the way to a new era of impact investing—one that sees an uptake in the calculated risks investors will take, on entities/ private enterprises that have the potential to improve India's education system.

Since the Foundation began its work in India in 2006, with the goal of eradicating urban poverty through its focus on education and family economic stability, it has focused on scalable solutions supported by a combination of grants and impact investments. As an impact investor, the Foundation catalyses market shifts through pioneering investments, which bridge gaps that have not yet been addressed by the market for a low-income population. The objective is to create positive impact through market-sustainable models.

After having supported several non-profits in the education sector to improve their impact and enhance their scale of operations, the Foundation initiated its work with for-profit enterprises in education in 2012 to ensure financial sustainability and scale, without diluting its focus on the target segment (low-income populations) or quality. Since then, it has invested in seven education companies. The Foundation has also supported some of its existing grantees in adopting a revenue model and providing seed funding to a few of these ventures. The foundation has also invested in three early stage funds to boost the pipeline of investable opportunities in the affordable education space.

[1] Converted from USD 180 billion

Market-based models can effectively serve the K-12 sector

The K-12 education sector can be divided into three broad categories by age group:

1. Nursery and K-5 segment: This is the entry point of students in school, and is usually marked by high enthusiasm and involvement of parents in students' academic and non-academic growth. There is a lot of anecdotal demand documented from schools and parents for non-academic products and services during these years.

2. Grades 5-8 segment: During these years, the academic curriculum starts to get burdensome, and most schools start focusing on academics very rigorously.

3. Grades 9-12 segment: More than school curriculum-based education, this age group starts to become focused on test-prep for board exams and their college education.

From an enterprise's perspective, they can utilise any of these three business models, which are not necessarily mutually exclusive:

1. Direct contact programs with students within brick-and-mortar locations: These include pre-schools, budget private schools (BPS), test-prep coaching classes, tuition or supplementary education.

2. Service provisions to schools or other forms of contact programs: These can range from content, teacher training, enterprise resource planning (ERP), other technology solutions, educational aids and school management to course management.

3. Direct services to parents and/or students: This is generally through a product, app or is technology-based.The number of affordable private schools has not grown due in part to economics. The kind of infrastructure required to provide quality, and be compliant, makes them unaffordable for the population at the bottom of the pyramid. However, today service providers have a great opportunity to improve the quality of this 'installed base' of public and private schools.

As a result, I will restrict my continued assessment to focus on education ventures that offer products or solutions (reference solution 2 and 3 above) in the elementary and K-12 market segments targeted to low-income customers with monthly household incomes of Rs 25,000 or less, which is almost 70 percent of India's population.

The K-12 market is extremely challenging to serve

The K-12 education market is largely a B2B (business-to-business) market, where service providers need to sell either to private schools or to government schools. There are some common challenges faced by these service providers, including:

Demand side challenges

1. Selling to BPS

- Low margins: With a market-imposed cap of fee levels and high price sensitivity, BPS are constrained on their voluntary spends, thereby implying a limited budget for service and product providers. There is a buying preference among BPS administrators for products whose cost can be passed on to the parents.

- Lack of economic incentive: The benefits of services marketed to this segment are often cited simply as 'better class experience' or 'better learning outcomes.' Without drawing a direct economic link, providers fail to create a demand among the BPS administrators.

2. Selling to government schools

- Lack of clear decision-making: A host of bodies and authorities at the centre and state levels act as stakeholders when it comes to government schools. This causes confusion amongst private entities as to the right forum for pitching a product to the right decision-makers.

- Long and complicated procurement processes: Government purchasing requires any enterprise to go through a lengthy process. In addition, it often happens through the tender route, resulting in low margins.

- Need of track record: A track record of sales, company size etc. is needed to bid for any government project, thus restricting market entry for new players.

3. Challenges common to selling to both government and affordable private schools

- Long collection cycle: Due to a combination of the

above factors, education is usually a sector that requires calling on prospects, multiple meetings to close a deal etc.

- Cyclicality of sales: Initial quarters of the academic year see a spike in demand while it is sluggish during the rest of the year.

- Absence of user experience/feedback: The end user i.e. the student is seldom involved in the decision-making process.

- Lack of measurability: Intangible measures of quality of a product or service like enhanced learning, increased retention etc. make it tough to track impact.

- High Input Costs: Technology-oriented products seem to have the highest demand: however, they require extensive as well as expensive training and follow-up with teachers to drive adoption.

Structural challenges of the school market

1. Unorganised market with no aggregators: Most private schools are one-off establishments; there are very few chains of schools. For example, while the size of the pre-schooling market in India in 2013 was estimated to be between Rs 3,300 crores to Rs 4,950 crores[2], only 10-12 chains constituted the organised segment of this sector and had received investments. Email or digital marketing and other low cost channels are not very effective, making the sales cycles long and manpower intensive. Schools are rarely part of a unified network, association or group, making access difficult for service providers in addition to increasing the costs incurred on identifying customers.

2. Fragmented nature of the market structure: In India, classes are categorised into pre-school, primary school, middle school and secondary school. Different laws govern these categories with varying amounts of regulation or government intervention in each. This causes the very structure of the market to be fragmented and difficult to cater to as a whole.

3. Geographical fragmentation due to state level curriculum: With education being an item on the concurrent list, schools are governed not only by central laws but also state laws. Understandably, there is a great amount of disparity in the state laws, which is something any service provider looking at scalability would need to consider.

4. Fragmentation of syllabi/curricula: The Indian K-12 segment is not only open to being affiliated with a variety of boards, such as the Central Board of Secondary Education (CBSE), state boards, International Baccalaureate (IB), Indian Certificate of Secondary Education (ICSE) etc., but is also not always strictly governed by curricula prescribed by these Boards. A school affiliated with any board can still choose to have a syllabus of its choice, at least for the lower classes, depending on the pedagogical methods or age-level competencies it believes in.

Supply-side considerations

1. Focus on parents: Service providers must educate and convince parents of the benefits or need for solutions by focusing on the results, e.g. better learning outcomes. Tracking the relevance of available solutions, though cost-intensive, is essential if buyers are to be convinced of their need.

2. Need for holistic solutions: Present solutions are provided in isolation, tackling a specific issue with schooling or education without a complete understanding of the market. Hence, solutions tend to have low relevance for the intended market.

The B2C (business-to-consumer) market in the K-12 segment continues to be very small, and parents and students rely on schools as the primary providers of education.

For products and services sold directly to parents there needs to be a huge investment in marketing for product/service awareness and to highlight their benefits/value proposition. A lot of these products are technology-oriented or are focused on online learning. There is enough evidence to show that pure technology products often don't give tangible results, especially in lower grades/classes and in low-income level households. As a result, after the initial purchase decision, customer retention is low. In order to enhance loyalty, there is a need for consumers to recognise that technology is an enabler rather than a solution and that a hybrid model is needed in order to achieve greater improvement.

Promising solutions: Interviews with a school financing company and an EdTech company

Indian School Finance Company (ISFC): School financing companies emerging as a strong demand aggregator

The greatest facilitation of progress in the BPS segment, or any market for that matter, is the infusion of funds. This is where school financing companies come in.

[2] Converted from USD 500 million and USD 750 million respectively

Mr Neeraj Sharma, MD & CEO, ISFC provided us with some insight into the organisation's interaction with this market for the purpose of this essay. ISFC works extensively with BPS in the country, with 90 percent of their focus on the sector.

The company started with providing loans to schools that charge a minimum of Rs 400 in monthly fees. However, the company quickly realised that school fees was not the best parameter to judge these schools as fee range differed greatly across different states in the country. The BPS market is characterised by very high capital requirements in the face of low cash flows. Added to this are other existing liabilities, and thus loans in this sector tend to be within the range of Rs 25-50 lakhs. These are most commonly availed for specific projects such as adding rooms, digital classes, building science or computer labs or purchasing adjacent land. ISFC further encourages these schools to invest in infrastructure or hire better qualified teachers in order to allow for a hike in fees or increase in enrolments. Both these suggestions are aimed at augmenting the cash flow within the schools. More importantly, this has a direct and positive impact on learning outcomes. To test this hypothesis, ISFC has recently partnered with the Michael & Susan Dell Foundation to conduct a pilot program wherein 100 schools will be provided loans to invest in infrastructure, teachers etc. and will be subject to evaluations over a two-year period. Schools that show an improvement will be granted a fixed waiver on their loan amount.

Convegenius: EdTech companies pave the way for the future of education

While the challenges detailed out earlier in the essay have caused many education start-ups to shut shop, there are quite a few success stories that exist too. One such company is Convegenius, an EdTech start-up that aggregates available content to create customised learning and assessment tools. In an interview for this essay, Mr Jairaj Bhattacharya, co-founder, Convegenius, spoke about the way in which technology can be used to artificially remodel the teaching of concepts in a classroom and constantly adapt to a child's individual requirements. The company's product uses data and machine intelligence to provide personalised help to students. When asked about the BPS segment in particular, Mr Bhattacharya was quick to point out that the biggest challenges remain the long sales cycle, limited sales period, small order sizes and the numerous stakeholders who need to be convinced before a product may be sold to a school. To bypass these issues, Convegenius has deployed a strategy of seeking funded projects with partners who have long-standing relationships with these schools. They believe that the BPS market does have a sizeable demand for EdTech products as a tool of confidence building, digital literacy, as well as an aid to offset teacher inefficiencies. Direct selling, however, adds huge sales overheads. The funded project route, on the other hand, provides them the time to focus solely on creating a great product.

Way forward

There are many elements that can be integrated into business models from the start to overcome the challenges discussed:

1. Measure efficacy, develop standardised benchmarks and communicate these simply and repeatedly to the school stakeholders as well as the parent community. Parents have time and again unanimously voted for better quality educational outcomes for their wards, and objective outcomes in K-12 education could be the key to unlock this huge untapped opportunity.

2. A lot of companies are attempting to provide end to end solutions which provide many opportunities for partnership with other reputed vendors for leveraging existing content, aggregators like publishers and school financing companies.

3. Education is waiting for its data revolution and business models that leverage technology for applying data and analytics to improve learner outcomes can play a huge role here.

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11
Reasons for hope for investing in the Budget Private Schools sector in India

Brajesh Mishra

Brajesh is COO at Varthana, a non-banking financial company headquartered in Bengalure, dedicated to transforming affordable private schools in India. He has close to two decades of experience in retail banking and financial services including with ICICI, and was previously a founder member of the Indian School Finance Corporation.

As a long-distance runner, I love going to different cities to run the marathon events organised there. So here I was, in August 2016, running the half marathon in Hyderabad when I noticed a bystander holding one of the largest placards I had ever seen. "Stop schools from increasing fees!" the placard screamed, the person clearly from a parents association fighting their battle with schools.

I remember having mixed feelings about the message. As a parent, I was in support. But as someone who has been in the field of school financing for about nine years, I could not help but empathise with the thousands of school owners who charge low fees and selflessly serve the lower income segments, dedicating their entire lives to the cause. I am of course referring to affordable private schools or BPS that charge anywhere between Rs 6,000 per child per annum to around Rs 18,000.

Equally important, this also shows that the basic not-for-profit structure on which our education system is built does not seem to be working. After all, why would you have parents protesting in this age for something as basic as school fees? Shouldn't the law take care of this? Well, it looks like the idea of a private entity running a school was not even considered when the laws were being written. As if, such schools don't even have a right to exist.

But why should the private schools even be considered in the overall scheme of things? After all, don't most countries around the world rely only on public education? The answer is simple. Not only is the public education system in our country mostly broken, we

This essay analyses the potential funding models available to BPS, and the regulatory hurdles they face. It finds that the bottom up approach is the only way to address the issues of education in India and hence it is critical to empower school owners with the best resources available: access to credit, access to solution providers, access to a global network, and access to ideas.

have the legacy of private schools being a part of the landscape right from the pre-independence era. Private schools play an important role and with every passing day their importance is increasing.

In this article, I want to underscore how important it is to ensure that private schools have access to resources and why access to financial resources could make a critical difference to how the little ones in our country get educated. I also want to highlight the challenges this objective faces, both from regulators as well as the schools themselves.

The urgency

First, let us look at the role that private schools are playing in our country. Mentioned here are some well documented facts that bear repeating to set the context. India has the largest young population in the world, around 450 million. A third of this population is not enrolled in any school at all, while another third studies in government schools and the remaining third, around 150 million, study in private schools. While there are 1.2 million government schools, there are less than 300,000 private schools catering to an equal number of students, thereby creating a humongous demand-supply gap. In cities, close to 75 percent of the school-going kids study in private schools. Even in villages, the proportion of children in private schools is fast approaching 50 percent.

As a result of this demand-supply gap, most private schools are bursting at the seams even as government schools languish, sometimes with single digit enrolment. Classrooms are often divided into two parts with wooden planks or even curtains separating two grades of kids. Every year, schools are forced to turn back anywhere from 50 to 100 new admissions only because they don't have enough space.

As far as quality of education is concerned, private schools consistently outperform government run schools. I would hasten to add that this metric is not good enough. On an absolute scale, there exists a significant gap between what quality is needed and what private schools provide. But again, the premise is that private school owners will respond faster and with more agility to any quality improvement opportunities.

At the same time, the buying power and aspirations of people are increasing. As soon as families come out of abject poverty, the first thing parents do is secure as expensive an education as they can afford. A common statement we hear all the time is that they want their kids to have a better life than what they have been through and the only way out is a good education. Good education can variously be defined as command over English, computer-based education, learning life skills etc. With around 20 percent of household income being spent on kids across income segments, it is natural that parents, both rich and poor, want the best for their children. Further, television and the Internet have given enough exposure to people even in remote areas to see progress all over the world and it is only natural for parents to demand the same for their kids.

In addition, state governments have a notorious track record of putting unexpected twists and turns given that this is a highly-regulated sector. Some states may completely freeze issuance of new licences or introduce new conditions that either makes it impossible for new schools to come up or increase the setup cost manifold.

All these aspects add up to put a tremendous stress on the existing infrastructure, which will only increase with time. There is an urgent need to add more classrooms, an urgent need to build new school buildings, an urgent need to renovate existing schools, and an urgent need to equip these schools with computers, libraries and labs. The need for financial resources does not end here. Our teachers need regular training, salaries need to be paid on time, and a significant amount of money needs to be invested to ensure the safety and security of our little ones.

It costs a lot of money to provide all these facilities. Progressive schools need several lakhs every year to carry out improvements. And a new school requires crores if one were to set it up from scratch.

But is there any correlation between investment in schools and quality? Does pouring money into a school ensure better quality? These are very valid questions and we should be conscious that a school with better infrastructure does not guarantee better quality; there are a lot of other things that need to be done. Having said that, infrastructure does play a very important role. Just as commerce between two cities is not possible without good roads connecting them, just as a city cannot manage the flow of traffic without a proper integrated system and the sick cannot be treated without proper hospitals, schools cannot exist without good infrastructure. And this requires money-lots of it.

The question then becomes, where is this money going to come from, and why would anybody make such huge investments in our schools?

Philanthropy: not scalable, not predictable

Philanthropic money has traditionally supported schools since ages. A majority of religions and sects have established schools in most cities to serve not just their followers but also other students who wish to study there. The most visible ones of course are the Christian missionary schools which are known for high standards of teaching and also act as role models for scores of affordable private schools.

These schools get their funding from the religious trusts that govern schools across multiple geographies. Funding is seldom a problem with each school being run with an allocated budget, both for running day to day operations as well as for capital outlay.

Such schools, however, cater to a very small part of the total population and this option is not available to the other hundreds of thousands of schools that dot our country's landscape. Several schools have tied up with charities within India and abroad and look up to them for funds.

Accountability

One of the biggest characteristics differentiating private schools from public schools is accountability. Parents demand answers on what is happening in the class, how the child can improve futher, why a particular teacher behaves in a particular manner, or any other such question pertaining to studies. That said, parents are still shy of asking questions about money. They may complain about the increase in fees and may even pull the kids out of school if they cannot afford to pay but they seldom ask questions on utilization and source of funds. The only time when they get to know about finances is during the annual day speech made by the school owner. Needless to say, no one is really paying attention to these boring monologues; all that the parents want is to see their child perform on stage and get a chance to click some good pictures.

Schools can do a much better job communicating about their finances. Regular parent-teacher meetings are a great platform for disseminating information about the various initiatives and investments the school is making to provide a better experience for the child. Further, the direct involvement of the school owner with parents also helps a lot. Most parents have education as a very high priority and sacrifice a lot just to ensure that their child studies in a good school.
It is extremely reassuring to parents when the school management makes efforts to communicate and include parents in the decision making process.

The problem with a charity-led model is that it is not scalable. Further, availability of funds for perpetuity cannot be taken for granted as it depends on the ability and priority of the benefactor. If for some reason the funds were to dry up, a school may find itself in trouble. For a country as large as ours, finding donors for each and every private school's requirements for each year is simply not possible.

The draft New Education Policy of 2016 continues to recognise just two streams of funding for private schools: philanthropic funds and Corporate Social Responsibility (CSR) funds. While noble in intention, it is going to be virtually impossible to connect the hundreds of thousands of private schools with this money.

So, if money from charity is not enough, there remains just one option-tapping commercial sources of money. Such money comes in two forms, Debt and Equity. Before we talk about debt and equity, it is important to step back for a moment to understand the environment in which our schools operate and the regulatory framework governing our schools. It is important to be aware of how these constraints are limiting the options that a school has, to raise money from commercial sources.

The not-for-profit school structure

In Economics, there is a concept called 'Public Goods'. Commodities or services provided to all members of a society without profit, either by the government or by private entities, are called public goods. In olden times before GPS, navigating the seas was a very treacherous job for the captain of a ship. When approaching land during night or during fog, ships would ram against rocks and sink. The solution was to build lighthouses along the coast which would warn ships of the danger. But building and maintaining a lighthouse is a very expensive proposition. Where would all the money come from? Who would commission these projects? While everybody would agree that there was need for a lighthouse, nobody would want to invest in it simply because there were no financial returns on that project. Ultimately, the task would fall to the port authorities or the cities to build and maintain the lighthouses. This then, is the concept of public goods: those that are important, necessary and benefit the public at large but, no one individually wants to do it because of lack of financial returns.

Is education, especially primary education, also a public good? Is it something that will benefit everybody, but an activity that nobody has a financial incentive to undertake? The world is divided on this question, but in the Indian context it is clearly considered a public good from the regulator's point of view. Not just that, the turf has been given such exclusivity that even if someone wanted to, the law prohibits a for-profit entity to run a school.

The schools are to be run only by trusts or societies on a not-for-profit model. Any surplus generated cannot be taken out to be distributed as dividend but has to be retained and generally gets added to the corpus fund.

While this works well for government schools and missionary schools, it completely ignores even the existence of the thousands of small private schools that are run by individuals. These schools want to offer a service for which there is a ready and willing market: parents who want to pay, even though free education is available to them, for better education. Pretending that such schools do not exist isn't in my opinion a very good idea, and has actually caused long term harm. Here's how: there exists a very large market, currently comprising around 150 million kids that go to private schools, where the parents demand better quality and are willing to pay for it. At the same time, there are a large number of school operators and investors who have the expertise to run very good quality schools very efficiently. These people are forced to sit out or operate sub-optimally because the current system does not allow for returns to be realised. Not that the investors sit idle, they find other uses for the money and it is the education sector that loses out eventually.

There is another important issue. The trusts or societies are supposed to be regulated by the relevant regulators to ensure, among other things, that sources and application of funds and governance is up to standards. After all, there has to be the highest level of oversight and transparency when it comes to public goods. Unfortunately, the current regulators that govern the functioning of trusts and societies simply do not have the wherewithal to execute on this.

On the other hand, the regulator for corporates in the country is moving with the times. The Registrar of Companies (ROC) under the Ministry of Corporate Affairs has computerised all its processes, making it very easy for companies to upload information. There are stiff penalties for default and all the information is in the public domain. One needs to pay a nominal fee to access all the information for any company. You can look at the latest financials of a company, or its track record for the past few years. What is the capital structure? Who are the shareholders? How many times did the Board of Directors meet? Are there any defaults? All this information is available at the click of a button and at

a nominal fee. The irony then is that if one is looking for transparency and better governance, the promise is from the for-profit world.

Till such time that we have a structure where profits can be distributed as dividends and have the highest levels of transparency, equity money is not going to come in. There will surely be those creative structures allowing some amount of money to be invested, but if we hope that we will get money at the scale we require, there is not a chance.

Debt

Debt on the other hand, is a bit more straightforward. Schools can borrow money and repay it back over time with interest. The interest is an expense that, like all other expenses, can be paid from internal accruals. There are a few finance companies that offer loans to schools. This money is used to build additional classrooms, purchase computers and benches, build additional toilets, and set up laboratories.

Here again, the road is littered with obstacles. Some go back to the sector's structure and its problems, others have to do with law, and last but not least, the way schools manage their finances. Given that debt looks like the only dependable option in the near future, it is essential to look at these challenges closely and see how things can be improved. The trickle of debt flowing into the school segment needs to be replaced with a large flow and that can happen only when the bottlenecks are removed. Let us look at these big obstacles and see if there is a way to overcome the challenges.

In an ideal world, a school should simply go to a bank and be able to borrow money at the lowest interest cost. After all, schools have bank accounts that they use for depositing fee collections and for paying salaries. Unfortunately, this does not play out in the real world. Banks are wary of lending to trusts or societies, and in most cases, it depends on the initiative of the branch manager. We frequently come across cases where a branch manager would have approved an in-principle loan to a school, only to get transferred before the disbursement could be done. The new branch manager chooses to set his own priorities and ends up not lending to the school. Even private sector banks are not certain enough while dealing with schools. Once again, their not-for-profit trust/society structure ends up denying schools a dependable and lower cost of funds.

Finance companies on the other hand take a more pragmatic view and try to solve the problem by structuring the loans in a different manner. Many of them also provide doorstep service that schools appreciate a lot. As such, running a school is a very challenging job. If one were to keep chasing banks all day, it would be asking too much from the school owners.

The next big challenge pertains to the way our legal system fails to act as an enabler of business-more specifically, property records and recourse to law in the event of default.

Whenever a loan is given out, it has to be backed by security and the most preferred security is property. Property is immovable and generally appreciates over time, hence its preference over other forms of security. Unfortunately, navigating the complex world of property documentation is not an easy task. Property records are not computerised and at times it is very difficult

Other sectors

World over, barriers between what is private and what is public are rapidly breaking down. Health care with private for-profit hospitals is an example that immediately comes to mind. These hospitals don't find any problems raising money either through debt or equity. We also have mega infrastructure projects that are jointly executed in a public-private partnership. Even within education, there are several states that are exploring the public-private partnership route where the private partner will not only bring expertise but also financial resources to take over many or all public schools in the state. Globally the boundaries are disappearing even faster. Space, the final frontier, is witnessing initiatives by multiple private enterprises like SpaceX and Blue Origin, two companies leading the pack to make commercial space travel viable for future generations. Such private companies have direct access to all the traditional sources of funds. This was unthinkable just a few years ago, and breaks all paradigms of the past. Someday, we too shall embrace private participation in education and will give BPS their rightful place under the sun.

to establish the flow of title. Further, every state has a different process for creating charge on the property in favour of the lender. If a school does not have the property papers in order, this can have a very significant impact on its ability to get a loan.

Coming to recourse, during the occasional default, it becomes very difficult for the lender to depend on the law and order machinery to get an early resolution. With courts being heavily burdened and understaffed, these money related disputes or "economic offenses" often get low priority. It takes a long time for a verdict and this is a critical aspect impacting our nation's ease of doing business.

Finally, a large part of the responsibility lies with the schools as well. Most schools collect fees in cash, pay salaries in cash and have no reliable books of accounts. If someone decides to divert the money toward personal use, there is not much that can be done. Any lender wanting to get a sense of the cash flows can get frustrated with the quality of information that is provided. It is for this reason that so many schools even today are financially excluded. Today, the cost of being outside the financial system far outweighs the advantages. With India quickly becoming a data-rich country, there are immense benefits that can to be enjoyed if one is within the financially included space. Easy and low-cost access to money is an important resource to have on one's side. With increasing aspiration of parents and increasing competition, schools are very keen to upgrade their schools and it would be a shame if they are denied access to credit on account of reasons completely in their control. We are all looking forward to schools embracing digital payment methods following demonetisation and the government's push to promote digital payments. This could be the biggest game-changer since the opening up of the economy in the early 1990s.

The good news is that people are already realising the advantages of a good credit history. There are innumerable cases where people have been denied credit on account of a poor credit score and are now keen to improve it. Loan defaulters have been known to go back to their lenders and pay up to get a clean chit.

To summarise, we have seen how important private schools are to solving the education challenge in our country. We also saw why it is critical that schools get access to financial resources; as a nation, we don't even have enough classrooms to accommodate the nation's school going population. We have looked at the systemic problems which can only be solved by political will. We have also looked at how a large part of the problem can be solved by school owners themselves, by exhibiting more financially responsible behaviour.

In conclusion, one can just wonder with awe at the diversity of our country with problems so complex that there is no chance that one solution will be able to solve them, but also with a market so large that it allows several models to coexist with willing players in each model. In the context of education, affordable private schools will continue to play a critical role. It is only fair that the system acknowledges them and tries to address their problems. Free markets are probably the most robust environment in which we can get our schools to flourish. Investors and the money will automatically find their way to amplify the impact. There is no doubt about it.

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12

Scaling up a chain of Budget Private Schools in India: Experience of an edupreneur

The case of Sodha Schools in Gujarat

Ekta Sodha

Ekta is CEO of Sodha Schools, a chain of low cost private schools in Gujarat, ranked fifth in Gujarat for providing quality education at low cost, by one of Asia's leading education magazines 'Digital Learning.' She is also Vice President of National Independent Schools Alliance, which is associated with more than 39,000 private schools.

Need for a complete makeover…

I ran into a fellow Indian at an education conference at Harvard University in early 2011. She had worked to set up a venture in India for four years but had moved back to the USA, largely due to unsatisfactory progress on the legal and governance fronts. She wanted to know what my plans were for near future. I said, "Eventually I will have to go back to India to help my parents run the schools." She asked, "Where? Bombay? Delhi?" I said, "Gujarat, in a part of Gujarat that is far away from the rest of the world, particularly from Harvard." Anticipating her next question, I said, "We are based in Jamnagar." From Harvard to Jamnagar, that seemed quite a journey to her as she parted on a note of cheer and wished me *bon voyage*.

It has indeed been a joyful journey over the last few years expanding the network of *Sodha Schools* into rural and difficult areas and reaching more number of poor families whose children turn to *Sodha Schools* in search of high quality affordable education. On my return to India in 2011, however, the situation of schools was not

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The essay documents the response of a chain of low-cost private schools in Gujarat to the challenge of making quality education affordable and equitable. It has done so by devising solutions to problems of budgetary constraints and up-skilling of staff, re-staffing and instituting a rigorous recruitment process, developing training manuals and pedagogical supplements, and reforming assessment to capture 'learning reconstruction' internally.

that great. At one point, the schools that my parents started catered to a vast number of aspiring parents wanting to become first time private education buyers. We realised that the set way of running schools needed to be relooked at from the point of view of quality of education. A number of discussions with our key stakeholders such as teachers, school managers and most importantly parents, helped us gain important insights into changing aspirations of parents and what they perceived was lacking in the way *Sodha Schools* currently operated. The two schools at this point had an enrolment of around 1,600 students. The message from all these interactions was loud and clear: we needed to realign ourselves with the mission of delivering high quality education at affordable costs.

Quality of a school is only as good as its staff and their leader.

Our foremost step towards revamping the two schools was to conduct thorough assessment of teachers and managers, which led to a series of administrative decisions. We had to discontinue services of staff members who were not aligned with the quality standards that *Sodha Schools* were aiming to achieve. To fill the gap created by letting go of a few staff members, we brought on board fresh talent selected through rigorous selection process. Natural leaders from within the existing staff, who were set to take up management roles, now led the 60 new teachers that we recruited. Some of the experienced teachers were now assigned the role of 'Academic Coordinators' while a few switched to middle management roles.

Having developed a pool of talented new and old staff through appraisals and recruitments, we started looking closely into staff training and up-skilling. Although we faced great amount of initial resistance from the staff, we managed to convince them that high quality teacher and leadership trainings stand absolutely at the core of a smooth functioning, successful school. We developed most of our teacher training modules and material internally.

I advertised externally for the post of Schools' Manager. One of the first candidates who came to see us had completed an MBA in Finance. He had little knowledge of the school sector, but seemed willing to learn. We hired him after three rounds of interviews. In retrospect, I can tell that hiring somebody who was outside of the school education sector was probably a winning stroke.

Parents care a great deal about quality infrastructure.

In our initial interactions with parents, to our surprise, we found that they were particularly concerned about quality of infrastructure. While the definition of quality infrastructure differed from parent to parent, they all wanted children to study in a *much better working environment*. The core thought while making design changes in school infrastructure was that

the children spend minimum six hours every day in classrooms. Teachers have it even tougher in terms of keeping 30 or more youngsters interested to be in classrooms and actively participate in learning. We brought about a wide array of changes in the existing infrastructure, ranging from redesigning classrooms, introducing technology, to revamping the existing buildings with softer colours and more attractive furniture. These changes turned out to be a quick win amongst parents, who valued our new approach to the learning environment.

Redesigning pedagogy and assessments

When it came to pedagogy, use of government textbooks appeared to us as a key challenge in more ways than one. The first challenge was in terms of quality of government textbooks. We were aware that government expects private schools like ours to follow the textbooks prepared by State Council of Educational Research & Training (SCERT) from classes one to 12. Typically, these books are prepared with the best intentions; however, they fall short of offering comprehensive insights to students on various topics. There is a large market for private publications that has found this gap and is catering to these precise needs. We turned to these higher quality private publications. Thus followed the second challenge, where we were pointed out by the Education Department that using private publications in schools was illegal.
Many would agree that as an entrepreneur, we must come to terms with what government defines as specifics of regulation. We learnt that one way to get around the prohibition on private books was to create scripted lesson plans backed with *PowerPoint Presentations*. Effectively, this offers a three-layered curriculum to students: government textbooks, scripted lesson plans and *PowerPoint Presentations* outlining the desired learning methods.

Use of technology was another significant change we made in our attempt to redesign pedagogy in *Sodha Schools*. Coincidentally, use of technology for classroom learning was the focus of my doctoral studies. Lessons learnt during doctoral studies helped me bring the focus on self-organised learning; learning to teach using technology. One of the ideas here was also to equip students with skills that directly contribute toward their employability post schooling years.

Assessments are an integral part of pedagogical reforms. One of the challenges we faced here was in terms of use of standardised external assessment system. In the traditional assessment system, a student throughout his/her educational life goes through formal assessment only twice, namely, in classes ten and 12. These are more commonly known as Board Examinations. Apart from these, the government does not have any formal mechanism of testing students' learning health. Our assessment system relies heavily, if not entirely, on individual schools to devise their own assessments and testing students. One of the main limitations of this system of assessments is that it does not push us to critically evaluate the quality of teaching and learning. Additionally, it does not lead to adaptive and individualised learning.

In recent times, third-party assessments have emerged as a valuable alternative to traditional examination systems. However, our research on third-party assessment services showed that most of these were not affordable for low-cost private schools like ours charging as little as Rs 500 per pupil per month.

After much deliberation, we decided to use assessments developed in-house by a dedicated education team. This was a major shift from standard practice in private and government schools of teachers themselves setting question papers. These question papers ultimately lead to grading students based on their performance in the examinations. There are two things fundamentally wrong with this approach, which we set out to avoid:

First, teachers must not set their own tests, for the possibility of 'teaching to the test' increases. Personally, I am strongly of the opinion that the tests must be set by the in-house education team based on what was required to be learnt, not what the teacher believes has been successfully taught in the classroom.

Second, testing in most schools appears to be concerned with finding out what a student has achieved *and then leaving her there*. There is hardly any emphasis on what I call 'learning reconstruction,' reconstructing the lost credits: where did the child not perform well? Further, focusing on where students lack essential knowledge and skills and helping them reconstruct knowledge for better performance in future.

Systems, processes and review structure

There are many individual examples of successful schools that are in high demand. Often, great leaders

One summer afternoon in 2016 when the schools were on their annual break, I received a desperate call from our school manager. The manager urged me to rush to the school to face an angry media mob gathered outside one of our schools. On my way to the school I wondered what got the media upset with our schools, given all the good work that we do. Having reached the school, I found out the reason: "because we use private publications in our schools which is prohibited by law." Essentially, we were committing a serious offence while our effort was to add rigour to the curriculum by bringing in private books.

That afternoon, the media forcibly entered our schools, and without permission went through classrooms where books were stored, photographed them with the education inspector from the District Education Office (DEO). The group, which included a local leader of a prominent political party, went around in the storeroom with a video camera, and a sense that they had caught us smuggling contraband. That evening, images and videos from our school flashed all over the Gujarati news channels. Our crime was that we were using subsidised books that add rigour to disadvantaged children's learning. For the first time, I questioned whether it was worth moving back to India. Who gave the right to the media and political party personnel to enter our school, to go around my property without my permission, photographing books as if they were engaged in a drugs' raid? I don't think I will ever forget this incident.

guarantee a school's success. We looked at some of these unique models to try and replicate them in rural India to serve underprivileged children. In our view, it is very important that once you find yourself in a position of having a unique a service or a product, you make it viable to be replicated across different demographics.

After working in the school for a year, we decided to see how we can scale up what seems to be successful in two branches of *Sodha Schools*. We realised the importance of having systems and processes in place here. What you do on a daily basis in school has to be replicated in more than one school and you physically cannot be present to verify total execution. As our attempt toward institutionalising change and innovation, we created 'End of day Dashboard' in schools. The dashboard gives the school leader data-driven reports with updates on what happened in schools in each and every department. In turn, this daily, weekly and monthly data informs our decisions on many levels. It's very satisfying when you see your business achieving the same success in more than one location, seeing that things are fully and successfully replicated.

As soon as enrolments in *Sodha Schools* started rising, we realised that poor parents immensely valued quality education at affordable price that our schools were offering. This encouraged us to further establish systems and processes to ensure that our services can reach more difficult rural areas of Gujarat. Soon, we started putting on paper all that we were doing as systems, and had our first go at replicating it in the rural fishing village of Sikka, just outside Jamnagar.

Great customer service and accountability

Apart from serving high quality education at low-cost, our brand became synonymous with great customer service. We learnt a great deal from the hospitality industry here. In businesses that work well in the hospitality industry, the most important message conveyed, sometimes in subtle and little gestures, is: you are special; you are important to us; we value your custom; and we are very grateful that you choose to come back to us. Good hospitality businesses never take a guest for granted.

Bringing consumer focus into schools took our accountability to a whole new level. As a rule, every time a parent raises a query, we do our best to resolve it as quickly as possible and to 100 percent satisfaction. Backing our answers with evidence, we share them politely and present a neutral view to parents. We remind ourselves that parents have chosen our brand over government schools and other low-cost private schools; we do not take their custom for granted but value it. A huge number of our parents are daily wage earners. We value their time and make it a point to resolve their queries without them having to travel to the school. This differentiates us from other competitors, and parents value the fact that we know we are here to serve them. We consider that our

educational model is our product and delivering it successfully our service.

A small example can help illustrate how we value parents. Recently, one of our parents complained to us about the use of (neck) tie in school uniform. We heard him patiently for over half an hour. Eventually he ran out of steam and was surprised that I did not confront him; instead I listened to all his critical feedback. Just as he was leaving, very satisfied to have vented out, I asked if he had noticed any good changes as well, apart from the complaint he had. He said very confidently that one doesn't really talk about things that are good but essentially about the things that don't work. It's a lesson I learnt from him, and I am grateful to him for educating me.

Business of school education, not legal?

The biggest challenge on the ground in attracting young entrepreneurs into education is: is there enough transparency in the business of education? Can you legally make profit? The answer is no, not legally! According to a Supreme Court judgment, an educational trust, under which a school is recognised, is not allowed to make profit. What then is the incentive for young entrepreneurs to make a career in school education?

India has seen a surge in start-ups of educational services, because services for education are considered business, however, running a school is not. Scaling a chain of low-cost private schools for us has been full of such challenges.

After exploring many possibilities, we realised the best option to move forward was to create a set-up of an educational services' company alongside an educational trust. The services company would buy the land and build the buildings; the trust then rents these from the company. The education services company designs the assessments, creates curriculum workbooks, conducts teacher recruitment, teacher training, fees collection and so on. The trust again pays for these services. We figured that creation of this somewhat complex model was the only legal way to move forward paying due taxes on profit generated through services.

As I write this, many low-cost private schools across India continue to run as an educational trust/society without any sophisticated arrangement to draw profit. The transparency and accountability that is required in the education business is thus made illegal by government fiat.

Governance challenges

Last year, one of our school branches received 32 new admissions under Section 12(1)(c) of the Right to Education (RTE) Act 2009. It does not make us sad to educate kids who otherwise can't afford it. However, we were only reimbursed after a very long delay and for only half of our fees (even though our fees are Rs 500 per month). In our opinion, the delays in payments create a situation where some of our parents who previously paid fees acquired their below poverty line (BPL) cards and came back to us through RTE. While the provision has probably made private education available for the poor, it has also led to a situation where taking education to more number of underprivileged children has become difficult.

Sodha Schools took pride in the Gujarat RTE model where school recognition is contingent upon various input and output norms such as class size, student-teacher ratio, learning outcomes etc. Our observations from the field, however, show that the model has not really been implemented. The method of calculation of reimbursement under Section 12(1)(c) of RTE Act 2009 is not clear to private school owners. Our fear is that if the delays in payment and lack of transparency in calculation of reimbursement amount continue, private schools would be compelled to raise monthly school fees to make up for the loss. Would this not push parents out of high quality low-cost schools, which they consciously chose over the government schools?

Two models of scaling up, and the way forward

Scaling from 1,600 students to 5,000 students and an expected 6,500 by June 2016 has been an extraordinarily exciting journey. We value the choice of our parents and we appreciate that they have prioritised us over government and other low-cost private schools. We take pride in our customer service and in our understanding of how to serve what the market demands. We also take pride in serving communities that desire good education but have no good school to go to.

In 2012, with Professor James Tooley and Mr Yajuvendra Jadeja (Director, Sodha Schools), I went to Sikka, a fishing village in the outskirts of Jamnagar. Sikka has a population of about 20,000 as per the 2011 census data. We started talking to the fisher-folk at the jetty. One of the fishermen shared a heart-breaking story. His two sons were studying in one of the government schools in the village, one in class five and the other in class ten. He said with anger in his eyes, "Even after five years my son does not know basic literacy or numeracy. My son in class ten dropped out because he failed the Board Examination." Over the years, he had been to the school several times to raise this concern, but he eventually lost hope when the school headmaster reported him to the police for abuse. All that the father was asking for was to teach his children well for them to have a better future and break from the cycle of poverty.

This visit and interaction with some of the fisher-folk drove us to move forward with opening a new school in Sikka. All seemed well until we hit regulatory roadblocks once again. We proposed a school plan and sought permission for the construction of the school building. The sanction was delayed for one year because there was an error in the Draft General Control Regulation of the local Municipality. We had produced all the required documents needed for recognition without failing but were still delayed by a year for their errors. Finally when we received the sanction, we had less than five months to complete construction and start learning activities for the new academic year. When the school opened its doors for the first time, doors and windows of most classrooms were yet to be fixed. We opened the school nonetheless because 560 students had already lined up in anticipation of start of the enrolment process. Remarkably, not a single parent complained about the absence of doors and windows as they came in to enrol children in this semi-constructed school. Parents trusted us, having heard about Sodha Schools back in Jamnagar. As we reflect now, it was evident that having quality education was more important to the parents than finished construction of the school building.

Sikka School required a large capital investment. Entrepreneurs are familiar with this challenge of scaling up without having enough capital. As entrepreneurs, we know what we have created is of value to the potential consumers, but how do you do that without enough financial support? One approach is to grow organically and slowly, but when it comes to schools, the kids in rural areas cannot wait! They need good quality education at their doorstep and they need it now! They cannot wait for the next five years for an entrepreneur like you and I to save enough and reach them.

How do you make this understood to an official who thinks that a school cannot function without a playground? I guess we may never be able to.

We managed to overcome the challenge of capital investment by looking out for dysfunctional schools that managements no longer wanted to run. There were handful of such schools, with good infrastructure and government recognition. We opted to take over these schools through a lease model. Once we had taken over their management, rebranding was our next priority to align the schools with the brand of *Sodha Schools*.

There is plenty to look forward to as I mentioned at the start of this essay. Our journey so far has been eventful and enriching. It has also been full of challenges, with government regulations topping the list. But we are a spirited lot and we haven't let regulatory or other challenges break our spirit. We have thousands of kids waiting to get educated, and we have the desire to travel to difficult rural areas, where the kids are.

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Policy challenges of Budget Private Schools

Kulbhushan Sharma

Kulbhushan is President, Federation of Private Schools Association, Haryana. He is also President of National Independent Schools Alliance (NISA), State President of Patriotic Forum of India and State Working President of National Human Rights Protection Organisation. Previously, he has been general council member of the 'Rashtriya Madhyamik Shiksha Abhiyan' and member of the School Education Rules Review Committee.

Amit Chandra

Amit heads policy advisory at Centre for Civil Society (CCS). He successfully led an advocacy campaign 'Jeevika: Law, Liberty & Livelihood' for recognition of street vending as a legitimate occupation in the urban space, which led to legislation formation in Rajasthan and Bihar.

In India, the government is constitutionally bound to provide elementary education to children in the age group of six to 14. Our education policy is designed in a manner that primarily focuses on providing education through schools operated by the government. Arguably, schools operated by non-government institutions only get secondary focus. Therefore, we observe the difference in policy approach toward government schools and private schools. The approach taken toward government schools is of support and facilitation. However, the approach taken towards private schools happens to be more of control and regulation. School infrastructure norms are one area where this regulatory inconsistency is more evident. For example, when a government school does not have a library, policy response is to build libraries in all those schools through public funds. However, when

This essay outlines some of the major policy challenges faced by Budget Private Schools (BPS) in obtaining recognition, and goes on to show that most regulations are input based and do not focus on learning outcomes. The authors argue that input based regulations are unfair to BPS as these schools cater to poorer parents who cannot afford to comply by these norms, and therefore are forced to shut down.

a private school does not have a library, the policy response is to mount pressure on school management to build that library within a stipulated time with a threat to derecognise the school. We must understand that budget private schools (BPS)are community schools and part of the same eco-system where the students, parents and teachers live. The schools may not be significantly different from the ecosystem around it. Government adopts a supportive approach to build the capacity of government schools but adopts exactly the opposite approach for private schools with a heavy hand of regulation.

Private schools have always existed in India in small numbers and been largely confined to urban areas. However, BPS have evolved mainly in the last three decades and spread out to rural areas to provide quality education at affordable price. While BPS have come up and are catering to the needs of around 40 percent of school going children in the country, they have to operate under the same policy framework designed primarily for larger private schools and government schools. Compliance with regulatory norms has hence become a grave issue resulting in closure of thousands of schools across the country, or daily challenge of survival in case of those that are not yet closed down. Outlined in this essay are the major policy challenges faced by BPS.

Opening and running a school

In a country with the need of opening more and more schools, it is disappointing to know how difficult it is to open and run a school. A school, depending upon its location and standard (primary, secondary or senior secondary) requires 15 to 36 permissions (certificates, approvals and documents). It becomes even more difficult to run the schools as norms to comply change from time to time. According to a study by Centre for Civil Society (CCS) conducted in 2001, a minimum of 15 licenses and permissions are required to start a school. The only change since 2001 in the process of opening a school, which has happened in few states, is removal of the requirement for an 'Essentiality Certificate'.

Schools follow the rules and norms of the day during construction of school building and setting up other facilities. However, various authorities introduce new rules and norms to be followed with retrospective effect. It becomes very difficult to follow those norms, more so when it is related with infrastructure compliance. The government of Karnataka has decided that schools must have 1-1.5 acres land of open space as playground. Similarly, orders are issued requiring the school to have counsellor, psychologist, female support staff, courses in regional language, safety of school busses, installation of CCTV cameras etc. It becomes very difficult to comply and bear the cost of added provisions in the middle of the academic session. For example, the Labour Department in Telangana in its circular in December 2016 has asked schools to register all the teaching and non-teaching staffs below monthly salary of Rs 21,000 with a scheme of Employees State Insurance Corporation (ESIC) (based on the ESIC

Act amendment of 2008) mandating schools to pay employer contribution since 2008. While the intent of such provisions may be commendable, it puts schools in a very difficult situation.

Infrastructure norms

One of the main challenges in current approach to regulation of school education is that it is highly input-driven i.e. focus of regulation is on infrastructure, teacher salaries, compliance with various norms laid down by the central and state governments etc. While these norms seem to be designed for elite private schools, BPS also have to follow the same norms which don't go with the ecosystem of these schools. For example, schools running up to class five require around 200 square yards of land in order to be recognised, while schools running up to class eight require around 800 square yards of land[1]. Schools operating in unauthorised and slum areas either don't have enough land in their neighbourhood or don't have the capacity to buy land and therefore, mostly operate as unrecognised schools. Central Board of Secondary Education (CBSE) mandates land size of 1.5 acres in urban areas and three acres in rural areas for affiliation. This is one of the biggest hurdles for BPS due to which most operate only up to class eight.

Right to Education (RTE) Act 2009 also mandates that all schools be recognised or shut down. Heavy infrastructure norms and increased regulatory compliance has led to closure of thousands of schools across the country since inception of RTE. The penalty provision in RTE for schools that do not meet the norms and still operate is Rs 100,000 fine and further Rs 10,000 fine per day if they continue to operate still. According to media reports, around 7,000 schools in Maharashtra, 1,300 in Punjab, 786 in Karnataka and 1,200 in Delhi had received notice to shut down. Ministry of Human Resource Development has admitted to the closure of 2,173 schools in a written reply to a question asked in parliament. Many schools have also voluntarily closed down since they don't wish to take the risk of coming under allegation and having to pay the price for getting into noble cause. Even bigger numbers of schools are going to be closed down in years to come unless steps are taken by government to relax infrastructure norms. Parents are choosing to pay fees and send their children to BPS instead of government schools, which come without any fee and added freebies.

The due process laid out by the High Court of Haryana and Punjab in the example above, ensuring the right to education of a child is not compromised, is also not being followed. In some instances, governments are attempting to close BPS to ensure enough enrolment into government schools in the neighbourhood.

When the attempt of closing schools in Punjab was challenged in the High Court of Punjab and Haryana in Chandigarh, the court laid down due process to be followed to close down the schools to safeguard children's right to access schools. The due process to be followed in the event of school closures is:

Instead of an omnibus order, the authorities must inform schools of particular reason(s) for closure and/or of the specific deficiencies that exist before they could be asked to close down. This means the authorities must physically inspect each school, record deficiencies on a case-to-case basis, and pass speaking orders.

Education Department must prepare a list of every child that will be affected and guarantee a seat in a neighbourhood school of their parents' choice by mentioning the school by name (not just a general assurance that there are enough seats in the schools in the area).

Teacher qualification and salary

RTE Act 2009 mandates Bachelor of Education (B. Ed.) qualification as the eligibility criteria to become a teacher. Additionally, all teachers are required to clear Teachers' Eligibility Test (TET). However, state governments have not relaxed these norms, and made it mandatory for all teachers in private schools to clear TET within five years.

Firstly, India does not have such a huge number of trained teachers to replace the existing teachers.

[1] 200 square yards is equivalent to 167 square metres, 800 square yards is equivalent to 669 square metres

Secondly, BPS cannot afford the additional cost to pay for B. Ed. and TET qualified teachers.

Schools have also been asked to pay salary to teachers in accordance with contemporary pay commission guidelines. BPS are a low-cost solution to provide standard quality education with minimum fee to meet the paying capacity of low-income parents. Increased salary to teachers doesn't match with the socio-economic model these schools operate in. It leads to forcing schools to increase the fee, which does not match the paying capacity of parents to whom these schools cater.

Commercial charges and labour laws

On one hand, schools are meant to be not-for-profit organisations, but on the other they are levied with charges and taxes at commercial rates on facilities and amenities such as electricity, water, property, land conversion etc. Government must clarify the status of non-government schooling service providers. Labour laws which were created keeping in mind the health of labourers working in hazardous industries, have now been extended to schools. This means provisioning for ESIC scheme, Employees' Provident Fund and gratuity. The provisions do not seem to be a big requirement but give way to the threat of 'Inspector Raj.'

Fee regulation

On one hand, there is increasing expectation of services and facilities from parents, and very strict and uncertain regulations of government to operate under; on the other hand, increase of school fee is usually considered as exorbitant. Tamil Nadu, Rajasthan, Karnataka, Maharashtra and Punjab have passed laws to regulate fee in private schools and in some cases even courts have asked for government to determine fee charged by private schools.

Around 90 percent of private schools in India fall under the BPS category which charge school fee lower than government per child expenditure on education; that too when government calculation of per child expenditure includes only recurrent expenditure whereas private school fee includes all the input cost with the heaviest burden of capital investment into land and building. There are only limited high fee charging schools, out of which only a few are occasionally found at fault regarding fee determination for any academic session, but the heavy hand of fee regulation comes strongly on BPS. The government even lacks the insight into this diversified sector to be able to determine the fee. What can be done is, looking into reasons of increasing fee in cases where schools have raised more than 15 percent in any academic session and devising a solution accordingly.

Reservation of 25 percent seats under RTE Act 2009

Provision for reservation of 25 percent seats in private schools is designed for students of Economically Weaker Sections (EWS) & Disadvantaged Groups (DG) categories, whereas BPS largely caters to EWS category students only. As schools are designed to cater to the needs of low to middle-income groups based on their paying capacity, the quota for EWS category students in our schools doesn't make much sense. On-ground experience of implementation of Section (12)(1)(c) of RTE Act 2009 identifies serious gaps in execution:

- No clarity on entry level of admission as grade one or nursery
- Neighbourhood criteria with respect to government schools in the area
- Long period of admission process, as much as all year long in some cases
- Need to keep seats vacant, in case of no admission
- Provision of fee reimbursement to schools which is lower than government per child expenditure
- Long delays in fee reimbursement
- Parents from non-eligible income group getting their children admitted under EWS category based on fake income certificate
- Passing on responsibility of documentation, verification etc. to schools

The government should take up the role of provisioning for EWS category students and not get into providing it. The government should empower EWS category students with funds/scholarships to enable them to go to schools. Money should go directly to the children in advance.

Safety norms

Safety of students is of utmost concern to all. Yet, there should be some realistic, measurable and cost effective safety norms to be followed. At the same time, the norms must not be revised frequently without wider consultation of all stakeholders. In the past, state governments and courts have passed orders for building safety, fire safety, environmental safety, and safe transportation, without any consultation and hence, burdened schools with the cost of complying with these norms. The orders have gone to the extent of having psychologists, counsellors, CCTV camera in class and corridor, trained driver and conductor in bus, and many more. In one case, the Haryana High Court ordered schools to employ bus conductors from the transgender community, to ensure safety from sexual harassment cases. While the provisions may be desirable, cost effectiveness factor must be kept in consideration. While passing the safety norm related orders, government must seriously consider the cost-benefit analysis and feasibility of implementation.

Lack of financial support

While there is huge expectation from schools to bring the best infrastructural, academic and sports facilities, there is no financial support available to bring investment into the sector. Existing financial institutions such as banks don't provide loans to start or expand schools, as the schools are not-for-profit organisations. With increased intervention by central and state governments into opening and day to day running of schools, and overall operation and management of schools, the sector has become more vulnerable to corrupt officials. Government should create a 'School Investment Corporation' to bring investment to the school education sector. A good model to replicate can be *Punjab Education Foundation* of Pakistan. Government should work toward making school education free from 'Inspector Raj' of bureaucracy. With integration of technology, scope of human intervention should be reduced.

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What do policymakers think of Budget Private Schools?

Interview with Manish Sabharwal, member of the Central Advisory Board of Education

Manish Sabharwal

Manish is Chairman of TeamLease and member of Central Advisory Board of Education, MHRD. Prior to co-founding the company, he co-founded India Life, a human resource outsourcing company in 1996 that was acquired by Hewitt Associates in 2002. Manish also serves on various state and central government committees on education, employment and employability, and is a columnist for Indian Express.

What do you see as the role of the private sector in school education in India, more specifically of Budget Private Schools?

India faces the impossible trinity of cost, quality and quantity because 10 lakh employable youth will join the labour force every month for the next 10 years. The world of work is also changing rapidly that makes strong foundations of literacy, numeracy, and soft skills even more important than before because automation makes unskilled jobs extinct or very low paying. No country before India had chosen to give universal franchise at birth; no country at India's scale has ever achieved poverty reduction without close to universal literacy.

Indian policy makers need all the schools we can get and rather than care about a private or public school we should think about good and bad schools. From my

In this interview, Mr Sabharwal highlights some regulatory challenges faced by Budget Private Schools and outlines a more constructive approach to regulating the sector. He finds that current regulation focuses on inputs instead of learning outcomes, highlighting various deficiencies in the Right to Education (RTE) Act 2009. He finds that the only sustainable solution is to separate the government's three roles in education: that of policy maker, regulator and service provider.

vantage point at the exit gate of the school system– we have hired somebody every five minutes for the last five years but only hired five percent of the kids who came to us for a job. Some days I feel that a bad school is better than no school because at least the kids learn from one another. Most private schools in India are budget private schools (BPS), because a vast number of parents are willing to pay small amounts to avoid something that is free, as often our rights as consumers are higher than our rights as citizens.

Could you highlight some key challenges which the BPS sector faces?

Private schools face the legislative birth defect of not being able to attract third party capital in a corporate structure; this creates an adverse selection among education entrepreneurs (mostly real estate tycoons, politicians or criminals rather than former teachers or principals). This is further amplified by massive amounts of regulatory cholesterol that make private schools an ATM for low-level bureaucrats like Block Education Officers who are charged with enforcing the unenforceable.

Hardware[1] obsessed regulations are a huge challenge; children come to school for learning outcomes and there are many institutions that do not have the hardware of government schools but compensate where it matters with school leadership, motivated staff and hard work.

You have talked about the challenges that some provisions of the Right to Education Act, 2009 pose ahead of private schools. What are some of these challenges?

The Right to Education (RTE) not only fights yesterday's war of enrolment but it confuses school buildings with building schools. It is in an overly centralising piece of input focused legislation that needs to be amended to become the Right to Learning Act. The apartheid of different standards for government and private schools is unfair, corrosive and arrogant.

The no-detention policy till class eight seems appropriate, but is unfair to the student, parents and other students because at class eight suddenly some of them are thrown off a cliff. A move away from inputs and centralisation to learning outcomes and decentralisation recently happened in the USA when the 'No Child Left Behind Act' was replaced by the 'Every Student Succeeds Act.'

[1] *Hardware here refers to physical infrastructure*

How do you think these regulatory challenges can be highlighted and addressed in a constructive way? Are there any notable examples in India that you can talk about?

The only sustainable solution is to separate the government's three roles in education; that of policy maker, regulator and service provider. Policy makers should think about the broader objectives and be agnostic to public and private delivery. The regulator must apply policy as captured in legislation and rules to everybody irrespective of ownership, size, etc. Government schools are a very important public good that must continue, yet rules should be consistently applied to all schools, no matter their fee levels.

In terms of approach to regulation, how do you think the private schools sector should be regulated differently (e.g. balance between input norms and learning outcomes for school recognition, level of autonomy of school owners and managers etc.)?

Once you separate the three roles of government (policy maker, regulator and service provider), my sense is that we should pause, and think hard about the big policy issues (universalisation, costs, ownership, employability etc.). I think the primary objective of policy should be learning outcomes and the current hardware obsession must be replaced by recognition of the true drivers of performance. Intuitively, I agree with emerging research that the three obsessions of many governments in the last few decades, small class sizes, teacher salaries and teacher qualifications, have had poor connection with learning outcomes.

Are there any examples from the industrial or service sector which can help in redefining the approach to regulation of private schools?

I think the separation of roles as regulator, service providers and policy makers in telecom has benefitted consumers, investors and the government by sparking the telecom revolution. I think the Chinese approach to creating space for Fin-Tech to flourish has allowed China to become the leader in non-bank driven financial services and payments. I think America's approach to light touch regulation for drones at this stage is allowing that industry to find its feet. Policy makers must realise that during the early stages of any innovation in organisations and industry, it is important not to throttle the baby in the cradle.

There will be some mishaps by operators who don't have a long-term view but my sense is that drunk driving is not an argument against cars. So, while regulation of private schools is required, the case for consumer protection diminishes substantially in a world where information is real-time and always available. Consumer protection is an important objective but there are other ways to meet that objective in today's world, other than regulatory *fatwas* that reduce competition, prohibit innovation, and sabotage the statistically independent, genetically diverse attempts that create new life forms.

How do you see the government creating an enabling environment for the growth of the sector? What changes do you recommend? Can you suggest a set of guiding principles that the government can adopt when thinking of regulating the sector?

Cost, quality and quantity will always be in tension in regulation. A single institution can probably give you one or two of them but nobody can give you all three. At a system level, the only level that policy should care about, it is possible to find a balance between all three objectives by ensuring bio-diversity in institutional forms, ownership and ambitions.

For the first time in human history we have peak child

i.e. the number of people less than five years old is less than the number of people more than 65 years old; this has important implications for schools. Of course our young population in India ensures different problems, but the relevant war in education has surely shifted from enrolment to quality. Quality is hard to measure in a school but not impossible. We need a system that gives more weight to the choices of parents than the whims of education bureaucrats. Placing the child and parents at the heart of policy will automatically show the way forward.

Where do you see points of collaboration between government and private schools? Do you see a scope for Public Private Partnerships (PPP) where the state serves as a financier instead of the provider?

I do believe that separating education financing from delivery and paying the student rather than the institution should be important long-run policy objectives. But I think PPPs work well when there is ferocious competition among players, a level-playing field for all players, and lower regulatory cholesterol for all players. The 'premature load bearing' of PPPs in power and roads suggests that crony capitalism, corruption and disappointment could have been predicted.

Now that we have lessons from many other areas of physical and social infrastructure, education PPP's could be structured more effectively to increase learning outcomes. Civil servants are not usually good at providing services because there is no fear of failing or hope of rising. In fact, many private entrepreneurs don't recognise that the three most important levers we have for delivering outcomes i.e. spending money freely, hiring people on merit, and punishing or rewarding our people, is often not available in government.

I think the government must morph its role to financier but this does not mean there should be no government-operated schools. A former USA education secretary John Gardner wrote a profound book that asked the difficult question "Excellence: Can We be Equal and Excellent Too?" This tension plays itself out in a democracy in many ways and one of the most important manifestations of this tension is the quantity and vehicle of public funding of education.

I don't believe it's time to end government provision of education but it is time to review their monopoly on government spending to spur competition and innovation, and most importantly to end the adverse selection among education entrepreneurs because PPPs would finally enable passionate principals and teachers without huge financial resources to operate schools.

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What do policymakers think of Budget Private Schools?

Interview with Urvashi Sahni, member of Chief Minister's Advisory Council, Rajasthan

Urvashi Sahni

Urvashi is an educationist, social entrepreneur, and feminist activist. She is an Ashoka Fellow, a Non-resident Fellow at the Center for Universal Education at Brookings and an advisor to the Government of Rajasthan. In the last 3 decades, she has trained over 5,000 teachers, impacted approximately 100,000 teachers, and, touched the lives of over 300,000 students. She is currently working on a book about her Prerna Girls School.

What is the approach of the government toward the BPS sector in Rajasthan? Is there a special focus, and if not, should there be?

In Rajasthan, more than 40 percent children attend private schools, despite consistent efforts on government's part to keep them in government schools. Government of Rajasthan is concerned about the quality of low-cost schools in the state, and is worried that the community is moving away from government to private schools. In fact, enrolment in BPS have decreased, as children have moved back to government schools as they have seen the quality of these schools improve. While acknowledging the innovation that these schools demonstrate to attract more children, one must be careful with the low quality of education that

This write-up is based on the transcript of a telephonic interview conducted with Ms Sahni on 27 January 2017 by Srijan Bandyopadhyay

In this interview, Ms Sahni emphasises that it is the government's role to provide quality education to all children. She remarks that enrolment in BPS have decreased, as children have moved back to government schools as they have seen the quality of these schools improve. She also believes that PPPs in the education sector are possible only when the partnership is not driven by a profit motive.

is being provided there, which is demonstrated in studies like ASER. Notably, low-cost private schools run by organisations such as *Uday Foundation, Bodh, Grameen Shiksha, Digantar* and other alternative schools, which are not driven by profit motives have developed high quality pedagogy. These schools have shown consistent commitment toward partnering with the government.

The Honourable Chief Minister of Rajasthan is concerned that about 400 of private schools in Rajasthan are of good quality, while the rest are of lesser quality. In low cost private schools, we find basic infrastructure in place, and teacher and student attendance is satisfactory but the quality of teaching and pedagogy is alarmingly poor. With a stringent and uniform recognition process in place, it is unbelievable how some of these private schools have received recognition. It is possible that they are recognised through corrupt means.

Remarkably, post closure of many low-cost private schools in Rajasthan, there is now a reverse influx of approximately 0.9-1.5 million children from private to government schools. Credit for driving this change goes to community ownership and focus on building participation and rebuilding the trust of parents in government schools.

What education reforms in Rajasthan would you highlight, and what has been their impact?

(For example, merging of government schools resulted in closure of almost 17,000 schools affecting approximately 1 million students as reported by regional media. What was the rationale behind this? How was it possible for the government to move ahead with this decision, since it is typically difficult to close government schools?)

Integration of government schools has made them financially and administratively more viable. Integration of schools particularly strengthened the administration toward bringing greater teacher accountability. From children's point of view, these schools offer clear pathway in terms of Anganwadis, pre-school to class 12 under one roof. This has particularly improved enrolment and learning outcomes. Overall, integration has proven to be a good step. Initially, there was resistance from teachers, as there was greater push toward accountability for them: now there is a principal, their attendance is trackeds and their performance is monitored.

I recently met someone from the *URMUL Trust*, in the desert region in Bikaner, who told me that in more remote regions, parents prefer to send their children to schools with larger numbers, as they feel there is more accountability in large schools. Due to the remoteness, many smaller schools were not efficient.

One of the challenges with integration of schools is of geographical proximity to the children in remote areas. To overcome this challenge, a very good solution is to have the government include travel pay schemes which will help students reach integrated schools. Children in higher classes have already been availing this scheme. The education department has now proposed to the government to extend the travel scheme to all students. We have observed that administratively and pedagogically, it is easier to have larger, integrated schools. It is also much more expensive to run smaller schools separately, and is more expensive than private schools. The cost (per pupil) has gone down now, whereas the quality has gone up due to integration.

Studies have shown that BPS produce high return on investment, i.e. they produce learning outcomes similar to government schools at much lower cost. How do you see the government supporting/ creating an enabling environment for growth of the sector? Do you see a role for Public Private Partnerships (PPP) in education?

Current mindset toward PPPs in education appears to be coming out of lack of trust in quality of government system. This attitude is self-defeating. Government of Rajasthan is not particularly keen on PPPs as an option, as some may see this as reneging on government's responsibility of providing education to every child. Surprisingly, our experience so far has been that there are few takers from the private sector. I am in favour of adopting an approach of, "let us focus on fixing government schools which can be improved." We cannot say with conviction that the private schools are much better.

Having said this, the ground reality is complicated. In a vast and diverse geographical terrain such as Rajasthan, PPPs are perhaps better suited to more remote and inaccessible regions. Only the government can provide education in remote areas. If we must go the PPP way, the approach could be that of provision of certain fixed costs by the government, in addition to infrastructure such as buildings, fees and grants to private entities. My own experience with the difficulties of running a low-cost private school outside of Lucknow demonstrates that it is hard to reduce cost and maintain quality standards at the same time. The school still requires subsidies, given that we cannot charge more than Rs 300-350 per month, as parents cannot afford to pay more. Also, out of a total 350 students that attend, 100 are subsidised by the school.

Private schools are particularly exploitative toward teachers. Salaries paid to the teachers in these schools are much lower than the government pay-scales, while the learning outcomes are not remarkably better. There is of course higher demand from parents, and government schools are currently falling short of fulfilling parental demands. BPS come out of this lack of choice for parents; they are not really a solution. It is not possible to provide quality education at that low a cost (approximately Rs 14,000 per child per annum in Rajasthan). It is very important to look at the quality of education that is being provided in these schools. It is a solution as children are getting literate, but it is not an optimal solution as the quality is not good enough. Teachers simply cannot do better with such low costs, and it is a myth that education is being provided. The difficulty is in finding groups with non-profit motive. Very poor quality private schools would automatically shut if the government schools improved. At the same time, the government spends most of its funds on teacher salaries; it should also spend more on educational aids. A genuine alternative is community-based schools, especially in remote areas.

Private providers and NGOs can provide expertise, and share best practices, training and pedagogical expertise/ innovations to improve teacher capacity. Groups such as *Teach for India* who are credible partners, providing a high quality of education, are good intentioned, and don't intend to make money out of partnership with government. These are the kind of partnerships the government is on the lookout for. In Rajasthan, there are noteworthy examples of collaborations with such groups. For example, Study Hall Educational Foundation supports two model schools in Rajasthan. *Bodh* has collaborated with the

state government for years, providing Continuous and Comprehensive Evaluation in upward of 35 primary schools and has also trained many government teachers and principals. The government definitely sees them as credible partners.

Government needs to institutionalise some of these models and practices which have yielded results while being more mindful about the quality of its own institutions. Government could set up some model schools, maybe six-ten. Education needs to be a priority for the government, to develop the political will to do this, coupled with good executive initiative.

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If you can't beat them, empower them: The movement towards an outcome-based approach to the regulation of Budget Private Schools

Arvind Nagarajan

Arvind is a Director with the Pearson Affordable Learning Fund (PALF), focusing on investment activity in India and supporting all aspects of the investment process. He has worked closely with the BPS investments of PALF, co-authoring a publication, "The Inner Workings of Affordable Private Schools."

Let me paint a picture of a school environment. There is a vast central area, with a sizeable playground and room for parking, surrounded by a building with several spacious classrooms. Walking into classrooms, one finds nicely arranged desks, books and even eager students. At the same time though, we see that one classroom is missing a teacher, with the teacher from the neighbouring classroom 'covering' the class for the day. Another classroom has a teacher busy reading the newspaper while students are left to themselves with seemingly no assignment.

This scenario inside the school is an outcome of the traditional regulatory approach governments have typically taken for 'better education'. Understandably, ministers and education departments have used the existing tools and processes available to them to arrive at this approach. The tools and processes essentially include what are commonly considered as key elements of any education system: allocation of budgets, student enrolments, teacher recruitments, constructing spacious buildings and purchase of stationery and books, i.e. money and attention

The current approach to regulation stifles innovation as BPS struggle to meet demanding infrastructure requirements with little government support, making it harder for them to improve quality of delivery. This essay looks at global examples of regulation, and finds that a more pragmatic approach to regulation and provision of quality education requires both public and private participation.

focused on inputs to the education system. There is far less focus in our traditional regulatory approach on ensuring delivery of learning outcomes and improved life prospects for students.

The regulatory status quo is constraining efforts to improve education.

Leaders across Asia, Africa and Latin America have commonly chosen to use their regulatory power to impose stringent requirements on non-public providers who want to start and advance schools. These requirements generally include, to name a few:

- Stringent teacher accreditation
- Ownership of property on which schools are built
- High registering costs for new schools, with long waits and annual renewals
- Specific space requirements (e.g. playground)

These requirements, that illustrate the traditional regulatory approach, have some common features: One, a strong focus on inputs with a hope to improve quality of education; two, a significant increase in cost of serving students (thus inadvertently contributing to high cost constraints that education systems already face); three, creation of additional processes which require education providers to rely on the bureaucracy for various sanctions, creating opportunities for rent-seeking and corruption that we observe in many developing-country education systems.

This approach to regulation stifles innovation as BPS struggle to meet demanding infrastructure requirements with little government support. Paradoxically, this kind of regulation makes it harder for them to improve the quality of delivery. These schools are forced to choose amongst poor alternatives, either operate in the shadows without government approval or invest in meeting all the requirements through meagre student fees, thereby sacrificing investments in better pedagogical approaches. Despite these heavy constraints, entrepreneurs across Asia, Africa and Latin America continue to provide school offerings that parents desire as an alternative to an insufficient government education.

A change in mindset has enormous potential.

Fortunately, we at PALF are seeing increasing evidence that the tide is turning. Instead of approaching education with the question "How do I deliver education to every child?", more and more government ministers are starting with the question "How do I ensure every child gets quality education?" This is a subtle change, but a transformative one. It indicates governments; acting as pragmatic stewards of the education system, and prioritising implementation and

delivery of improved learning outcomes over ideology. Most importantly, pragmatic stewardship shifts the question from managing the public system to ensuring that every child, wherever they go to school, gets a good education.

Before we get into a proposed regulatory approach and some forward-thinking examples globally, I must start with recognising a few important facts that are illustrated through other essays in this series and elsewhere. First, many parents are frustrated with the poor performance of the government sector. Second, it is not realistic to believe that focusing purely on the government sector can deliver for all families; the numbers in BPS globally and in India are simply too large to believe that all parents will be drawn back to the government system. Third, given the evidence on the cost-effectiveness of BPS, it is worth asking whether and how they might become partners and collaborators in solving the system's problems. To modify an oft-used quote, "If you can't beat them, empower them."

Why now? Because we now have the data

Every President and Prime Minister wants similar outcomes from their education systems: economic growth, employment, international competitiveness, social cohesion, equality of opportunity, public health and democratic participation. Furthermore, leaders eagerly recognise that these benefits derive significantly from learning, specifically from people's acquisition and application of knowledge and skills.

Several decades ago, however, learning outcomes were extremely difficult to observe and compare across groups, and leaders understandably chose instead to focus on observable proxies for learning: money spent, students enrolled, teachers trained, and classrooms built. In focusing on inputs, the developing world was following in the footsteps of developed countries which in the 1960s and '70s also focused relentlessly on these measures. At that time, the thinking in both developed and developing countries was that extra investment would inevitably flow through into improvements in quality.

As often occurs, what was measured made progress, inputs in this case. There were important increases in expenditure, enrolment and equity. This was the case in both developed and developing countries. Inputs have increased, but they have delivered little of the ultimate objective, learning outcomes. Kremer et al. (2013) examined 30 rigorous interventions in primary education from around the developing world, in Latin America, Africa, and Asia. They found that when interventions provided more-of-the-same educational inputs without changing pedagogy or accountability, they consistently had insignificant effects on students' performance.

Now, more than ever, there is greater availability of learning outcome data and growing evidence of the limited relationship between the input proxies and learning outcomes. Initiatives such as the Learning Metrics Task Force (2013), an international committee of experts and stakeholders, developed key global learning metrics across various domains of education. They have informed the new Sustainable Development Goals (SDG) which do include learning outcomes among other goals.

The ability to actually measure learning in a scalable and cost-effective way is a fundamental shift that's taking place rapidly across the developed and developing world and the implications are enormous. Instead of leaning on inputs that have little relationship to student learning, we can understand the impact of interventions and institutions on the progress students make in their lives. This starts with the basic building blocks of literacy and numeracy to increasingly robust assessments of soft skills or mastery of key concepts related to technical fields.

This is not to overstate the case, as there is still a dearth of outcome-level data and many challenges with implementing formative and summative assessments in a scalable manner. But there is no doubt that we are in a period of rapid change that has significant implications for how public systems understand their contribution to student learning. More than ever before, education ministers can now approach regulation with one overarching question "Do you deliver results for students?"

A new approach

To be successful, a new approach to regulation must start with a few key principles.

Enable a range of different innovative models to 'join the cause' by allowing for both public and private (including not-for-profit) provision.

Even models that entail large-scale public provision benefit from a professional, innovative private/NGO sector to provide alternatives for families and drive

innovations that can later be adopted across the broader system. The extent to which private options are encouraged varies from 100 percent voucher programs (e.g. Chile, Netherlands) at one end of the spectrum to a mere tolerance for private endeavours (e.g. Ghana, Uganda) on the other. In all these systems though, private options are able to thrive and innovate to attract students so that families can at least exit the government system if they are unhappy with it. Learning innovations can also diffuse throughout education systems when private providers have room to innovate.

Ensure all providers are held accountable to delivering learning and contributing to system equity.

There are three main ways systems can hold providers accountable for learning and equity. First, they can tie some resource allocation (e.g. funding) to learning and equity results. Second, for public schools, they can use effective line management to hold school leaders accountable, by basing hiring, firing, promotion, compensation and other management decisions at least in part on successful learning and equity. Third, they can use regulation to reward and recognise, or impose costs and penalties on schools depending on their success. Effective systems should use all three of these mechanisms in a sophisticated way and do so based on reliable data on learning and equity, rather than input proxies.

Help relevant providers improve their delivery through support tools.

Building the capacity of actors in the system is as critical a system task as holding them accountable. Delivery plans can identify key areas where capacity building is required to achieve learning targets. Two main groups that often require systematic support are teachers and civil servants. For teachers, targeted coaching and properly structured peer networking both show strong evidence of efficacy. Coaching and peer networks can also be effective in supporting delivery plan owners. All too often, the only training teachers or officials get is passive, lecture-based and ineffective.

With these principles in mind, regulation can be an effective means of advancing learning and equity by incentivising delivery of these outcomes. The specific regulations will depend heavily on the type of education provision a government employs. Governments may choose to employ school management or adoption partnerships where public leaders contract with a non-public group to run a government-funded school, hiring its own teachers and taking responsibility for every aspect of provision in the school. They can choose a model of funding that follows students to different types of providers, not just public providers. Or they can create a plan to continue with predominantly public provision but create a regulatory environment that provides space for private alternatives to exist and innovate without undue burden.

That being said, regardless of the form of engagement with the private sector, effective regulations we've observed seek to:

- allow for broad-based entry of providers, after necessary due diligence, limiting entry costs and requirements so that innovations can be introduced to the system;
- require transparent collection and publication of data about the school's performance;
- provide for direct intervention where providers fail to deliver a basic level of learning, given the provider's student population; and
- motivate providers to improve the equity of the system by providing greater rewards for enrolling and teaching disadvantaged segments of the student population.

Broad-based entry of providers

Governments must seek to allow for the entry of providers without creating onerous processes or opportunities for corruption. Critical factors related to health and safety must be rigorously monitored to ensure an appropriate environment for students. Beyond this, most entry regulations will only serve to constrain the potential for innovation amongst providers. Two seemingly benevolent rules in many countries that constrain formal alternatives are extensive teacher accreditation conditions and costly infrastructure requirements. There are ways to relax these requirements, though, without "throwing the baby out with the bathwater." In particular, systems could require teachers meet certain basic requirements to protect students, while not mandating full accreditation (e.g. the adult must lack any criminal record and pass a basic test in the subject they teach). Furthermore, regulators can recognize that the title 'teacher' actually consists of several different roles, from mentor, to content deliverer, to facilitator, to classroom manager, and many of these roles may require less formal qualifications than systems currently

allow. Further, young teachers can also demonstrate that they are in progress towards receiving qualifications within a stated time period.

Providers must have sufficient autonomy to attempt new and different methods to achieve sufficient outcome levels. This includes flexibility regarding input decisions such as the use of technology and classroom space along with the appointment of teachers as well as their accreditation and performance measurement. Therefore, regulators should approach their task as one of removing most traditional regulations while adding new rules on an as-proven basis, to ensure solutions are grounded in evidence and not theoretical issues.

Where government seeks to contract with partners, there are risks associated with the process of selection. Public leaders must be clear in their objectives for the partnership and perform due diligence on potential partners to ensure they are willing and able to deliver against public objectives. Also critical is an open and transparent selection process with clear evaluation criteria open to the broader public. This step ensures that every partner is treated equally and the best providers make it through. These agreements have historically proven hard to exit, so getting it right from the start is essential.

A case study from Liberia

Liberia's education system is largely broken due to the lingering effects of the civil war and Ebola outbreak. Less than 60 percent of school-aged children in Liberia are in school, and among adult women who reached fifth grade in Liberia, less than 20 percent can read a single sentence.

In 2016, the education ministry set up a program of school adoption with several private providers in an open, competitive bidding process. They have set up a rigorous evaluation process and will allow for opportunities to continue operating schools based on those results. They have engaged donor agencies to support the initial setup of the program and to manage the implementation hurdles.

While there will inevitably be significant challenges, such as managing government obligations to pay teachers and maintain facilities, the bold action taken by the ministry is allowing for new innovations and improved education for tens of thousands of students across Liberia.

Transparent collection and publication of data

The importance of collecting and publicising data cannot be overstated. For private providers, the government must set up an accountability mechanism that is linked to their ability to continue operation. In some cases, even creating links to funding can be helpful in incentivising good behaviour. Regulation and funding ought to include a broad set of measures, including absolute assessment scores, score gains relative to expected gains (based on starting level and other observable student and household characteristics), and other priorities like equity characteristics. To ensure good, timely, and broadly accurate data, the system must be set up to check against other data sources regularly and to investigate unexpected blips or unusual patterns.

Whenever managing data collection, the risk of false or distorted information must be addressed. One often-necessary practice is auditing the assessment process to ensure, among other things, that tests are actually filled out by the students to whom they are targeted. Technology can be incredibly powerful in facilitating implementation and preventing tampering of results. There must also be efforts to ensure that all students take the assessments. Some providers will force students who are not expected to perform well to 'drop out' before high-stakes tests such as the tenth-grade national exams in India. As a result, the schools appear to perform better than they would if all students took the exams. To address such issues, regulators should perform audits of schools and impose requirements that assessment registers reflect enrolment registers. The general lesson is that more than one data set is necessary so that the results can be 'triangulated' and evidence of distortion identified.

For all of these issues, systems can become substantially more effective by treating local communities as valued partners in both providing and receiving information. Reliable information on outcomes should be easily accessible so that parents can make informed consumer decisions and contribute to system accountability and resource allocation. One consistent finding from several studies of choice in schooling is that families can be extremely effective allies to system stewards in reporting abuses,

A case study from Pakistan

Since the reform efforts in Pakistan are covered elsewhere, I'll only briefly discuss the progress made there. When my colleagues Sir Michael Barber and Katelyn Donnelly began work in 2010 in Punjab, Pakistan, local officials spent much of their time on administrative duties such as teacher transfers and court cases. They were distracted from a routine focus on ensuring the system was functioning.

One of the early metrics put in place was to track school visits by officials. At the beginning of the program, a school was visited twice a year, at most. Within two months of monitoring and reporting administrative visit figures this number jumped to 63 percent of schools being visited every month and within a year it was up to 96 percent. In addition, accountability measures were implemented, such as a central call centre that fields anonymous complaints on exams administered poorly. Also, while implementing a widespread voucher scheme, the government took care to ensure the physical pieces of paper families used were equipped with four different anti-fraud measures.

Quick progress is possible – what is measured and tracked can be managed. Of course, a visit doesn't guarantee progress, but this was an important precondition of ensuring basic management and accountability. Now the focus of attention is firmly on improving learning outcomes and the data collection system brings feedback on progress in literacy and numeracy every month from a sample of schools across the province.

verifying information, rewarding good performance with attendance and referrals, and penalising poor performance through direct pressure and taking children elsewhere[1]. Thus, in addition to ensuring their own access to reliable information, stewards should find ways to make simple, relevant information transparent and accessible to families. They should also empower families to use that information to support the system goals. Parents and communities can report information to public systems to help identify mismatches between reported results and the realities of provision. For example, officials can hold community meetings to elicit information or set up mobile-phone-based systems for families to report issues.

Direct intervention

Providers must experience the direct and speedy linkage between outcomes and rewards or consequences. It does not matter how well the system is designed on paper. If the rewards and consequences are not enforced in a timely manner, they will not be effective. One implication of this is that public and private schools that do not meet outcomes thresholds must face punitive consequences that most systems are not used to applying. Stewards must ensure reformed systems are well positioned to enforce such consequences in a timely and efficient manner.

Though there is very limited evidence of dishonest activity occurring in systems that allow for relatively open entry of providers, it must be proactively addressed. First, systems can take steps to mitigate this risk by maintaining information systems that track dishonest or low-performing private operators and limit their opening schools after the first discovered case. Second, systems in many ways are more vulnerable to this occurrence in the current unreformed status quo, as private providers operate in the shadows, and public systems lack reliable outcomes data through which to identify egregious actors. Open entry may result in a few more low-performing schools initially, but it will also result in more high performers, quicker and more binding accountability for low performers, and pathways for families to move proactively from low to high performers.

The benefit of a data-driven approach to regulation is that it allows for constant feedback and refinements or adaptation within the system depending on whether or not progress is being made. For example, if stewards' strategies uncover a shortage of quality teachers as a binding constraint to learning improvement, they can take steps to address this constraint. In fact, they will have more tools to address such constraints, as they can utilise several different provision, regulation, and

[1] *One example: In 2010, Andrabi, Das, and Khwaja showed in the LEAPS study in Pakistan that when villages have access to simple performance-based report cards, poorly performing private schools showed significant increase in learning outcomes and prices of all schools dropped (in part because schools then rely less on price as a signal of quality).*

funding approaches to do so. For example, stewards aiming to increase the supply of quality teachers can train more teachers, incentivise entry of providers that source and train their own quality teachers, and hold more quality teachers accountable to being present and teaching.

Motivate providers to improve equity.

Lastly, the government is responsible for ensuring every child has access to quality education. This includes students from the poorest areas, students in hard-to-reach rural areas and students facing learning or physical disabilities. The system must be designed such that providers actively seek to promote equity.

While the evidence on vouchers is mixed, variable-rate vouchers can be effective mechanisms for ensuring certain categories of students are not left out of system reform. There are logistical challenges to administering vouchers in a way that ensures portability and reliability for families and avoids corruption. Several developing countries are building biometric ID systems that can also facilitate effective voucher usage (and prevent illegal voucher replication). Voucher payments must be timely and reliable, so that providers are able to make good decisions for learning based on them.

The implications for India

As these examples illustrate, governments are increasingly taking more pragmatic approaches to regulation and the provision of quality education. While it's impossible to predict the pace of change, the direction is clear. We are moving toward approaches which recognise that the effective provision of education for students requires both public and private participation.

India has the perfect ingredients to take advantage of this new approach: a robust, highly diverse set of private schools across the country (estimates of greater than 200,000 schools); talented, committed entrepreneurs operating in the space; a demographic dividend that cries out for quality education to achieve economic productivity; and a cultural devotion to education that is second to none. To reform the system won't be easy. It will require bold and sustained leadership to drive a data-driven, outcome-oriented approach. India has the opportunity to be at the forefront of this movement. There are already examples in the country across districts and states of more pragmatic strategies for regulating providers. These efforts can hopefully be amplified to provide students across the country the education they deserve.

A case study from The Philippines

The Philippines' example represents a recent effort to refine regulations to achieve higher-quality education delivery at lower cost. Recently, the Philippines made some regulatory changes that allow for innovation within the education sector.

Firstly, it relaxed the requirement that all teachers regardless of private or public sector are certified through a LET exam. Now as long as teachers are on track to complete their LET within five years, they can teach in classrooms. This has allowed organisations like Teach for the Philippines and Affordable Private Education Centres (APEC) Schools, in which PALF has invested, to operate and bring fresh young talent into the education industry.

Secondly, a large barrier to the scaling of private schools is the high cost of capital of acquiring facilities. The Philippines recently relaxed its laws to allow school chains to rent, rather than own, facilities if they meet several other stringent requirements. A small change such as this can helpfully shift the dynamic for providers.

Lastly, in 2016, the Philippines expanded their education system to include classes 11 and 12 as part of the basic education that is a prerequisite to higher education. Recognising that they lacked public facilities to incorporate the large influx of new class 11 students, the education ministry set up a large scale voucher program. This has allowed private providers, like APEC, to rapidly deploy resources to ensure a smooth transition for students.

While it is still early days, there's no doubt the transition to an expanded education system has been greatly aided by the mobilising capabilities of numerous private providers.

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Envisaging a role of Budget Private Schools in light of universal and free access to elementary education

The case of Punjab Education Foundation in Pakistan

Aneela Salman

Aneela works as Social Development Adviser with the Department for International Development (DFID). During September 2013-October 2015, she served as the Managing Director of Punjab Education Foundation (PEF), an autonomous government body established to support the education of children from low-income families through Public Private Partnerships (PPP) with low-cost private schools.

Genesis of PEF

As of 2015, Pakistan has one of the highest illiteracy rates in the world, and the second largest out-of-school population after Nigeria. 25 million children are out of school in Pakistan, 13 million of whom are in Punjab and almost half are girls. These are alarming numbers indicating that around 12 percent of children in Pakistan are not enrolled in schools on time and nearly a quarter of children between ages of 7 to 16 years never enrolled. This education emergency requires efforts to be made on a war-footing involving both traditional and creative/innovative strategies to identify, enrol and retain out-of-school children and ensure both access and quality of education through the public and private sector.

Due to the critical situation in education, Government of the Punjab established an autonomous statutory body known as Punjab Education Foundation (PEF) in 1991 for the promotion of education. The foundation sanctioned loans and grants to non-

This piece explores the structure and role of Punjab Education Foundation (PEF), an autonomous statutory body established in 1991 and revitalised in 2004 to counter the crisis of illiteracy in Pakistan. PEF utilises multi-pronged strategies such as Education Vouchers Scheme (EVS) and New Schools Program (NSP) to ensure access to quality education by engaging with private entities and innovates independent Monitoring and Evaluation (M&E) techniques.

profit organizations, non-governmental organisation, private persons and institutions for setting up schools. However, these efforts did not reap desired results, as loan disbursement was slow, bad debt accumulated and litigation soared.

Over the past decade, private sector has emerged as a key provider of education services in Pakistan, both in absolute terms and relative to the public sector. In 2000, the private sector was catering to the educational needs of about 6 million children. This number increased to 12 million in 2007-08, equivalent to 34 percent of total enrolment. The number of teachers also doubled in private educational institutions during this period. This mushroom growth is a consequence of the inability of government initiatives to provide education for all and meet challenges of a growing population especially in the rural areas. We also see a parental preference to enrol children in private schools than public ones.

PEF emerged in its present shape as a response to such an education crisis where the Government realised its inability to provide education for all and recognised the potential of private sector to be partners in providing education to deprived communities. The PEF was restructured under the Punjab Education Foundation Act 2004. It was given the mandate to promote quality education through Public Private Partnerships (PPP), encourage and support the efforts of private sector through technical and financial assistance, and innovate and develop new instruments to champion wider education opportunities at affordable cost to the poor.

Pakistan Education Act II was passed in 2004 to revitalize the role of Punjab Education Foundation (PEF, originally established in 1991). PEF was now entrusted with the responsibility of "*promotion of education, especially encouraging and supporting the efforts of the private sector in providing education to the poor, through public private partnership*" (Osorio, Raju, et. al, 2014). Foundation Assisted Schools (FAS), the flagship program of PEF was launched in 2004 as a pilot covering 56 schools in the Punjab province. Three more programs namely, Continuous Professional Development Program (CPDP), Education Vouchers Scheme (EVS) and New Schools Program (NSP) were launched soon after. In 2014 the outreach of all three programs together was 1,595,924 in 36 districts of Pakistan.

There is widespread and broad consensus amongst various key players and stakeholders i.e. government, educationists, civil society and international partners to build on the strengths of both public and private sectors. Private sector provides efficiency and is responsive to the market demand and public sector provides regulatory framework and is focused on equity and inclusion. PEF was encouraged to develop innovative systems

for promotion of affordable quality education for the less privileged and marginalised sections of society and introduce new cost effective, economical and affordable PPP models. Hence with the emergence of new marketplaces and shrinking role of the state in the provision of public goods, the Government (through PEF) took on the new role of facilitator and partner in PPP set up. PEF has a major role in the Chief Minister of Punjab's Education Roadmap and is a key player in the '*Barho* Punjab *Parho* Punjab[1]' campaign. Under the expansion plan, PEF has been assigned the task to enrol 2.8 million children by 2019

Over the years, PEF has moved from strength to strength delivering on many fronts but especially two: per child model of funding in school education and learning outcomes-driven regulation of private schools. Gaining the trust of parents has been an important victory, through demonstrating that the Government's efforts are to ensure schooling for all children, in public or private schools. Through effective engagement with private schools, particularly low cost private schools, PEF has given us hope that Right to Education and private schools can not only coexist but the latter can in fact contribute majorly towards fulfilment of the Millennium Development Goal of universalisation of elementary education.

Working

PEF signs PPP contracts with private individuals and organisations to provide free and quality education to children from less privileged households and underserved areas. PEF provides cost/fee per child, free books and teacher training to partner schools. On the other hand, the private school owner is responsible for providing school building (owned or rented), hire and pay teachers, class furniture, teaching material, safe drinking water and clean toilets. The motivation of school owners to enrol and retain out-of-school children is the core strength of this business model; it also uses school owners as community mobilisers to convince parents to send their children to school.

Quality Assurance Test (QAT)

To ensure quality assurance in schools, PEF conducts a QAT on annual basis of all PEF partner schools to gauge their students' learning outcomes. It is mandatory for schools to pass QATs in order to continue PEF partnership/ funding. The contract is terminated if a school fails to pass QAT twice in a row. PEF has an Academic Development Unit for this purpose that develops and conducts QATs. It consists of a core team of subject specialists of English, Mathematics, Urdu, Physics, Chemistry, Biology and Computer Science. QAT results provide a quantifiable measure of the quality of education being provided in these low cost private schools.

Monitoring & Evaluation (M&E)

As part of the regulations, PEF established a separate M&E department in 2006, with the intention of bringing in continuous improvement through rigorous surveillance in all programs initiated by PEF. M&E monitors all program activities of PEF as an independent body and directly reports to the Board of Directors. M&E assesses performance in order to manage and improve the projects. PEF has developed Digitised Monitoring Mechanism for effective and efficient working and enhanced output of M&E. It is a robust digitised monitoring system that will help M&E to monitor the schools and program activities on tablets and to produce real time reporting for management. PEF has developed a school ranking system based on the QAT results and M&E reports, which helps evaluate school performance. Keeping the need of schools in mind, teacher trainings are also provided by PEF.

The major chunk of the funding flows from the provincial government, however a portion of funding and technical assistance is furnished by international donor agencies such as DFID and World Bank. The PEF Board of Directors is empowered under the Punjab Education Foundation Act 2004 to take financial and administrative decisions. Under the Chief Minister's Education Roadmap, there is rigorous coordination and communication between stakeholders; with increased focus on monitoring and data collection, there is added emphasis on evidence-based decision making.

Challenges

QATs are conducted in all PEF schools and PEF has a dedicated unit called Academic Development Unit to develop and conduct them annually. The activities of printing, conducting exams in schools and checking QAT papers is outsourced to different private service providers. These parties are selected after a competitive process following government procurement rules. Outsourcing these activities ensures timely, efficient and transparent conducting of QATs. Also, it is developing a market for such services so as the number of schools increases; PEF continues to build its capacity and expertise of evaluating these schools by outsourcing these activities to specialised service providers.

PEF has been able to establish clear standard operating procedures for all its activities, from area selection to partner selection, printing and conducting QATs, announcing QAT results and ranking schools on the basis of clear indicators. This transparency has helped protect

[1] *'Barho* Punjab, *Parho* Punjab' translates as 'Grow Punjab, Learn Punjab'

Both India and Pakistan have been facing similar challenges over the years in terms of access to and quality of education. Emergence of BPS, growing enrolments in private schools and emptying of government schools are some of the other common traits that connect the education systems of India and Pakistan. While Pakistan has emerged as a frontrunner in effective Public Private Partnerships to tackle some of these challenges, India is yet to define strategies for constructive and goals-driven engagement of the booming private sector in education. Listed here are the key learnings from PEF that could help various stakeholders, particularly the policymakers, in India to take some concrete measures towards better governance in education.

- Private schools tend to perform slightly better than government schools, primarily due to motivations of schools leaders.
- Mix of staffing between public (Pakistan Administrative Service) & private sector employees, has worked to the strength of both, and their combined efforts have been instrumental in PEFs success.
- Great deal of conceptual clarity is required in implementing PPP's, combining the strengths of public & private sectors.
- There is much technical expertise that can be provided to schools. Teacher development & training programs, to assist with the process of identifying teacher learning needs and provide customised training. This can be through private service providers.
- School leadership must be able to create and enforce strong accountability and monitoring mechanisms. Strong, clear systems are required to overcome challenges such as corruption, nepotism, and political involvement.

PEF from political influence/ interference and infused greater public trust in its systems. All of its selection criteria are publicly advertised and it also has a public complaint line, where immediate inquiry and strict action is taken if any partner is found violating any PEF agreement policies.

Low teacher salary in low cost private schools is a problem. However, as PEF administers a PPP arrangement where the school owner is responsible for hiring and paying the teachers from the funding they are provided. Low cost private schools operate in very poor areas, where it's difficult to find qualified teachers, so they hire local and less qualified teachers compared to public schools. It is however interesting to observe that school results of PEF schools and public sector schools in the same area are at times better or the same. In order to encourage school owners to hire and retain good teachers, PEF has recently increased per child funding which must be used to increase teacher salary.

Way forward

PEF is an essential part of the educational ecosystem and has an important role to play in the Chief Minister's Education Roadmap. It is complementary to the role of government schools and competing with the public sector. PEF schools are opened in areas where no schools exist within a radius of one km. In area selection, PEF prioritises rural, hard to reach areas and helping poor and disadvantaged communities. With focus on equity and inclusion, girl child enrolment and retention are also a major part of PEF work. Recently, poorly performing public sector schools have also been included in PEF programs to help design support systems for these schools. PEF has been brilliant in *access to education*; the challenge is to provide a decent *quality of education* in these low cost private schools. As demand for good teachers increases, better teacher salaries can be negotiated in the private sector.

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Organisation profiles

Adhyayan

Adhyayan is an education movement of Indian and international educationists, dedicated to improving the quality of leadership and learning in schools. We work alongside school leaders to assist them in transforming the quality of schooling and the learning opportunities of all their students by embedding internationally accepted approaches and practices contextualised for India.

www.adhyayan.asia

Centre for Civil Society (CCS)

Centre for Civil Society advances social change through public policy. Its work in education, livelihood, and policy training promotes choice and accountability across private and public sectors. To translate policy into practice, it engages with policy and opinion leaders through research, pilot projects and advocacy.

www.ccs.in

Central Square Foundation (CSF)

Central Square Foundation is a grant-making organisation and policy think tank focused on improving the quality of school education and learning outcomes of children from low-income communities in India. It aims to achieve systematic reform through grants to education non-profit organisations that create proof points for new standards of excellence, research that collates evidence and develops insights for addressing critical education-related issues, and advocacy that leverages evidence from its initiatives and research to inform public policy and create systemic impact.

www.centralsquarefoundation.org

Centre for Science of Student Learning (CSSL)

Centre for Science of Student Learning is a non-profit with a mission to improve the way children learn by building capacity to measure learning through high quality assessments & conducting research into the science of student learning.

www.cssl.in

EdelGive Foundation

EdelGive Foundation, established in 2008, works toward bridging the gap between the users and providers of philanthropic capital and knowledge by bringing the skills, resources and talents of the for-profit world to the not-for-profit arena. It has established zero-cost forums for its corporate peers to engage with the foundation and each other for identifying promising grassroots organisations and direct their funds into high- impact projects. Beyond financial support, it provides NGOs expertise and advice on operational areas which are critical for achieving overall effectiveness.

www.edelgive.org

FSG Mumbai

FSG Mumbai is a mission-driven organisation supporting leaders in creating large-scale, lasting social change. Through strategy, evaluation, research, and field work we help many types of actors – individually and collectively – make progress against the world's toughest problems. We also run our own initiatives and programs to drive long-term change. The Inclusive Markets team based in Mumbai works on market-based solutions that address development challenges central to the lives of low-income families. We provide thought leadership and support action across sectors including affordable housing, education, healthcare and sanitation.

http://www.fsg.org/ideas-in-action/inclusive-markets

Michael & Susan Dell Foundation (MSDF)

Founded in 1999, the central mission of the US-based Michael & Susan Dell Foundation is transforming the lives of children living in urban poverty through better education, family economic stability and health. Since 2006, the Michael & Susan Dell Foundation has invested more than INR 1,079 crores in non-profits and social enterprises in India.

www.msdf.org.

Muni International School

Muni International School, a budget private school in west Delhi, is demonstrating a system by which every child reaches their full potential by taking on shared responsibility for learning, school improvement and community action. Through the Eklavya System, children practice their learning by teaching each other, thereby building an 'everyone can' sensibility towards themselves and their worlds. Children at Muni International learn not just from the teacher, but also are equipped to seek knowledge from usual and unusual spaces: themselves, their peers, their juniors, and the world outside.

www.muniinternationalschool.org

National Independent Schools Alliance (NISA)

National Independent Schools Alliance (NISA) is a platform that brings together Budget Private Schools from across the country to give them a unified voice to address their concerns about legislations and bye-laws which apply to them and to facilitate quality improvement in schools. As of 2017, NISA represents over 50,000 schools, from 23 state associations.

www.nisaindia.org

Pearson Affordable Learning Fund (PALF)

The Pearson Affordable Learning Fund (PALF) is an investor in emerging market education companies meeting the demand for affordable education. The fund was created in 2012 as a part of Pearson, the world's largest education company. The fund has made 10 investments that operate in 7 countries, including investments in globally recognized school chains in South Africa, the Philippines, and Ghana.

www.affordable-learning.com

Sodha Schools

Sodha Schools is a chain of low cost private schools in Gujarat. Sodha Schools was ranked fifth rank in entire state of Gujarat for its educational quality at a very low price by one of Asia's leading education magazines Digital Learning.

STIR

STIR sees teachers as the solution, not the problem. We believe that increasing teacher motivation and professionalism will improve classroom effort and practice, and in turn improve student learning outcomes. As well as working in partnership with the government schools in UP, Delhi and Karnataka, STIR currently works with 102 affordable private schools in East Delhi.

www.stireducation.org

Varthana

Varthana is a non-banking financial company (NBFC) headquartered in Bangalore, dedicated to transforming affordable private schools in India. It provides loans and additional support to these schools and educational institutions. Loans are typically used to improve and expand school infrastructure, and to invest in solutions that contribute to improving student learning outcomes. Varthana currently serves more than 1,800 schools in 50 cities. The company currently operates in the states of Karnataka, Maharashtra, Odisha, Madhya Pradesh, Tamil Nadu, Rajasthan and Gujarat.

www.varthana.com

Zaya Learning Labs

Zaya Learning attempts to close the 'educational gap' and provide world-class learning to marginalised communities. It has developed an end-to-end, affordable Blended Learning model for the low-income Indian market, especially Low Cost Private School. Founded by IIM alumnus Soma Vajpayee and ex-Cisco engineer Neil D'Souza, it serves schools in over 6 cities, 400 classrooms, and 40,000 children.

www.zaya.in

CENTRE FOR CIVIL SOCIETY
Social Change Through Public Policy

EdelGive Foundation
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