

A Scholarship For Everyone

Why school vouchers are the best way to give India's children access to quality education

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The Times of India has launched a generous scholarship for 400 students to access quality higher education "to nurture the next generation of APJ Abdul Kalam's". Laudable as such benefactions are, to achieve scale against our teeming population young people's opportunity to access good education and achieve their potential should not depend on philanthropy, but be the duty of a responsible and just government.

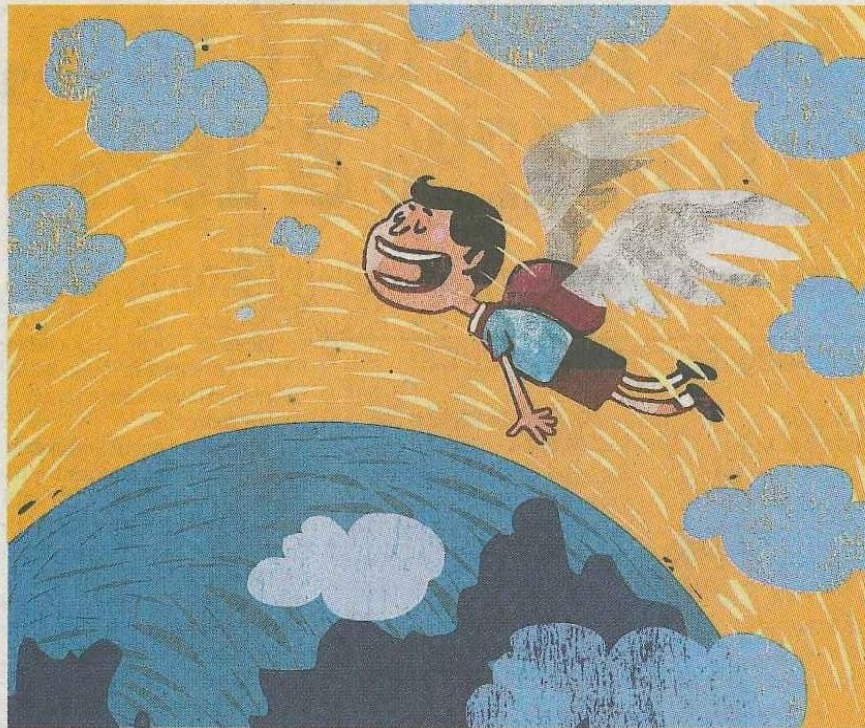
The way of giving government funding can alter the fortunes of India's children. Specifically, direct benefit transfer (DBT) or school voucher to parents would be a scholarship to every eligible child, enabling him/her to attend any school of their choice whose fee is up to the monetary value specified on the voucher.

Equally importantly, voucher funding would make India's lax government schools and teachers more accountable by linking a school's funding (and thus teacher salaries) to its ability to attract and retain children.

Under the current funding structure, far from retaining children, government elementary schools have been emptying at an alarming rate: official DISE data show that between 2011 and 2016, total enrolment in government schools fell by 13 million and that in private schools rose by 17.5 million. This exodus has rendered many government schools pedagogically and economically unviable, with 40% of all government schools now having fewer than 50 students in total!

Under DBT, the government gives a voucher – a promissory note – of a given monetary value, to the parent of each eligible child. If the voucher is fixed at, say, Rs 500 per month, the parent can admit their child in any school that charges fees up to that amount, but she can also supplement the voucher from her own pocket to avail a higher fee school, if she so wishes. Parents can choose any type of institution, ie private, aided or government school.

Many countries have used school



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vouchers to good effect, eg Colombia, Chile, the Netherlands, New Zealand, US, etc. Under a universal DBT scheme, all children are eligible for a school voucher; while under a targeted scheme, only designated groups would be eligible, eg children of 'economically weaker sections'.

This kind of public scholarship to children is a radically different way of funding education. Presently government grant goes directly to schools, but under a voucher scheme it would go indirectly to schools via parents. Secondly, vouchers represent a per-student grant to schools, rather than the current 'block grant' whereby each government-funded school gets a lump sum (usually equal to its total teacher-salary bill) irrespective of the number of children in the school – which is a major cause of inefficiency.

The power of vouchers is that a voucher-bearing parent, like a fee-paying parent, can hold the school accountable because she has the power to deprive the school of its revenue by taking her child

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(and thus the voucher) away to a different school, if she is dissatisfied with the quality/ effort of a school. Under voucher funding, schools are compelled to compete with each other to attract children, and thus have to give good results.

A voucher scheme can also be made an agent of greater equity in education, with the voucher value being set inverse to family income, ie with poorer children getting higher value vouchers, instead of a uniform voucher value for all children.

The government has two main objections to DBT in education. The first is its belief that in backward rural areas private schools will not come up, even with the

lure of government voucher funding. However, this fear is unfounded. National Sample Survey data 2014-15 show that median fee in private unaided elementary schools was Rs 292 pm in rural and Rs 542 pm in urban India, and that 25% children in unaided schools of India paid a 'total course fee' of less than Rs 200 pm (57% paid less than Rs 500 pm, 82% paid less than Rs 1,000 pm and a mere 3.6% paid more than Rs 2,500 pm). Given that 25% private school managers charge less than Rs 200 pm, even a relatively low value voucher of Rs 500 pm will represent untold riches in remote rural areas, and is likely to produce a strong supply-side response.

MHRD's second problem with DBT funding of schools is that the many emptying government schools – with their few enrolled students – would get too little revenue under voucher funding to pay their current teachers. Here, the central government and many state governments are already contemplating school 'consolidation', ie merging the tiny government schools with bigger government schools nearby, and redeploying teachers from under-enrolled to over-enrolled schools.

While in the transition phase there may be a glut of teachers to be paid above the voucher revenue, with natural wastage (retirement), the problem will disappear over time. Another solution may be to set a different voucher amount for government schools and a different one for private schools since government schools' per pupil expenditure in 2017-18 is around Rs 2,500 pm in primary and Rs 3,300 pm in upper-primary classes (see Tamil Nadu's July 2017 gazette), which is several times the median private school fee level.

Knotty problems require bold solutions. Tinkering at the edges of the system is simply not going to improve the quality of schooling, nor will the provision of good inputs (infrastructure and trained staff) do the job. The elephant in the room is school and teacher accountability, and DBT voucher funding tackles that while also providing a scholarship to all the children of India.

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