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469A Bukit Timah Road  
#07-01, Tower Block, Singapore 259770  
Tel: 6516 6179 / 6516 4239  
Fax: 6776 7505 / 6314 5447  
Email: [isasec@nus.edu.sg](mailto:isasec@nus.edu.sg)  
Website: [www.isas.nus.edu.sg](http://www.isas.nus.edu.sg)



## Reforming India's Education Sector: The Case of Elementary Education<sup>1</sup>

Bibek Debroy<sup>2</sup>

### Executive Summary

Elementary education in India is defined as Classes I through VIII and this is again subdivided into primary (Classes I-V) and upper primary (Classes VI-VIII). The Indian Constitution was amended in 2002 through the 86<sup>th</sup> amendment. This stated that, “The State shall provide free and compulsory education to all children of the age of six to fourteen years in such manner as the State may, by law, determine.” In 2009, legislation was passed to give children the right to free and compulsory elementary education. The important strands of this legislation are the following: First, all children between the ages of six and fourteen have the right to free and compulsory education in a “neighbourhood” school. Second, no child can be held back, expelled or required to pass a board examination before the completion of elementary education. Third, schools cannot screen applicants at the admissions stage. Fourth, schools cannot charge capitation fees. Fifth, *Kendriya Vidyalayas*, *Navodaya Vidyalayas*, *Sainik* Schools and unaided schools will have to ensure that 25 percent of their students are from disadvantaged and economically weaker groups. New schools will not be established unless they meet these norms and existing schools have been given three years to comply. Sixth, other than *Kendriya Vidyalayas*, *Navodaya Vidyalayas* and *Sainik* Schools, government schools are exempted from penalties if they do not comply with the provisions. Therefore, barring these three types of schools, there is an effective abdication from the responsibility of delivering elementary education by the government. Seventh, the responsibility of delivering elementary education through neighbourhood schools is on state and local governments, with no clear division of responsibility between the two. There is a lack of accountability and no penalties are proposed on the authorities if delivery is not carried out. The idea is that specific academic authorities, like the National and State Advisory Councils will be established. Each school will also have a School Management Committee, with representatives from local authorities, parents and teachers. Eighth, all schools must comply with pupil/teacher norms and in addition, private schools also have to comply with physical infrastructure rules. However, the pupil/teacher norms are based on the total number of students, so that they allow for multi-grade teaching. Ninth, to the extent of

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<sup>1</sup> This paper is a chapter in a forthcoming book by Professor Bibek Debroy on the proposed title of “Reforming India’s Education Sector”.

<sup>2</sup> Professor Debroy is an Honorary Senior Fellow at the Institute of South Asian Studies, an autonomous research institute at the National University of Singapore, and a Research Professor at the Centre for Policy Research, New Delhi, India. He can be contacted at [bdebroy@gmail.com](mailto:bdebroy@gmail.com).

that extra 25 percent, the government will reimburse private schools the actual cost of providing this education, or the equivalent cost in a government school, whichever is lower.

While quality is an issue, and indeed an important one, the major emphasis of the 10<sup>th</sup> Five-Year Plan (2002-07) was on the “universalisation” of elementary education. This was supposed to be driven by five objectives: (a) universal access; (b) universal enrolment; (c) universal retention; (d) universal achievement; and (e) equity. In addition, the main scheme to drive this was the *Sarva Shiksha Abhiyan* (SSA). The 10<sup>th</sup> Plan indeed had some specific time-lines for these objectives which the SSA also shared. First, by 2005, all children should be in regular schools and back to school camps. Second, by 2007, all gender and social category gaps should be bridged in primary education. By 2010, these should be bridged for the entire category of elementary education. Third, there should be universal retention by 2010. The “success” is most evident for universal access. While number of schools has increased, four concerns surfaced. First, there are still problems with physical access. Second, notwithstanding the SSA expenditure, physical infrastructure in many schools is also deficient. Third, there are problems with teachers. Fourth, there are significant inter-state variations in the schools. The less-than-satisfactory performances based on outcomes are in Arunachal, Bihar, Goa (for upper primary), Haryana, Jharkhand (for upper primary), Madhya Pradesh (for upper primary), Meghalaya (for upper primary), Orissa (for upper primary), Punjab (for upper primary), Sikkim (for upper primary), Tripura (for upper primary), West Bengal (for upper primary) and Dadra and Nagar Haveli (for upper primary). To make matters worse, the learning achievements are poor.

In essence, the issues are exceedingly simple. First, to the extent that elementary education will still have to be driven by public sector provisioning, how does one improve efficiency and make the system more accountable? Second, can subsidies be routed directly to students instead of to education providers, breaking the link between public sector provisioning and public sector financing? Smart cards or other information technology-based mechanisms are only one option. The point is that subsidies are not incompatible with choice, competition and efficiency, provided that alternative providers exist to whom education vouchers can be taken. This cannot work if there are market failures and no alternatives to the government school system. Third, are there regulatory barriers that impede the entry of private sector school providers? Fourth, what kind of regulation should be imposed on providers? A key question remains the choice between government and private schools. On the supply-side, the non-availability of the private school route is not a rural/urban problem, since private schools also exist in rural areas. However, a great deal of variation exists across the states in terms of the availability of private schools and this relates to a problem that is rarely discussed or highlighted. This concerns the licensing requirements for opening a private school. The present government/private ratio is thus a distorted one and should increase even more in favour of the private sector, especially if the licensing requirements are eased. Nevertheless, the government sector will remain important and an improvement in its functioning is not an issue that can be avoided.

One way to interpret the legislated right to elementary education is that the buck has been passed to the private sector, with the government abdicating its provisioning responsibility, though not its financial responsibility. This may be an uncharitable and extreme view, but there is a grain of truth in it. However, if de facto privatisation is the route, one should make it de jure, by removing entry barriers on the private sector, including those that prevent profit-making, and replacing licensing controls with appropriate regulation that is based on outcomes and not on inputs.

## Introduction and the “Right”

Elementary education in India is defined as Classes I through VIII and this is again sub-divided into primary and (Classes I-V) and upper primary (Classes VI-VIII). The Indian Constitution was amended in 2002 through the 86<sup>th</sup> amendment, and while this changed Articles 45 and 51A as well, the substantive change was the insertion of a new Article 21A on the right to education.<sup>3</sup> The Constitution stated that, “The State shall provide free and compulsory education to all children of the age of six to fourteen years in such manner as the State may, by law, determine.” This followed a Supreme Court judgment in 1993, when the court ruled that the right to education was a fundamental one and flowed from Article 21 on the right to life. Therefore, every citizen should have the right to free education until the age of 14 years.

A draft Right to Education Bill was circulated in 2005. While this varies in some details from the legislation of 2009 and is only of historical interest now, the Preamble to the 2005 Bill sets out the background relatively well. “Whereas the Preamble to the Constitution resolves to secure to all citizens of India JUSTICE, social, economic and political; LIBERTY of thought, expression, belief, faith and worship; EQUALITY of status and of opportunity; and to promote among them all FRATERNITY, assuring the dignity of the individual and the unity and integrity of the Nation; And whereas, despite the original Article 45 of Directive Principles of the Constitution having made it the duty of the State to provide free and compulsory education to all children up to age fourteen in 10 years (1960), the number of out-of-school children particularly from the disadvantaged groups and those engaged in labour, and those receiving poor quality education has remained very large; And whereas, the 86<sup>th</sup> Constitutional Amendment Act 2002 has provided for free and compulsory education of all children in the age group of six to fourteen years as a Fundamental Right under Article 21A of the Constitution, in such manner as the State may, by law, determine; And whereas the above Act also provides under Article 45 that the State shall endeavour to provide early childhood care and education for all children until they complete the age of six years; And whereas the above Act further provides under Article 51-A (k) that it shall be a fundamental duty of every citizen of India who is a parent or guardian to provide opportunities for education to his child/ward between the age of six and fourteen years; And whereas it is considered important and essential to create a humane and equitable society that incorporates the secular values and the ethnic, religious and cultural diversities of India; And whereas it is recognised that the objectives of democracy, social justice, and equality can be achieved only through the provision of elementary education of equitable quality to all; And whereas it is also imperative to improve the present delivery system of elementary education by, *inter alia*, greater decentralisation of its management, and making it sensitive to the needs of children, especially of those belonging to disadvantaged groups...”

However, the United Progressive Alliance (UPA) government between 2004 and 2009 decided not to push this Bill, due to the supposed high financial costs.<sup>4</sup> During the first term of the UPA (UPA-I) government, policies were largely determined by the National Common Minimum Programme. There is no such equivalent in the UPA-II government, elected in May 2009, which makes the Congress party’s electoral manifesto the closest approximation. While

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3 Article 45 was for children under six years (pre-school) and Article 51A concerned responsibilities of parents and guardians.

4 “The Right of Children to Free and Compulsory Education Bill, 2008, PRS Legislative Research, [http://www.prsindia.org/index.php?name=Sections&id=12&parent\\_category=&category=59&action=bill\\_details&bill\\_id=734](http://www.prsindia.org/index.php?name=Sections&id=12&parent_category=&category=59&action=bill_details&bill_id=734).

this did not mention the right to free education anywhere, the manifesto's focus on social sectors and education was apparent. This not only included elementary, but also all varieties of education. On elementary education, the manifesto stated that, "It (the UPA-I government) has imparted a new momentum to the *Sarva Shiksha Abhiyaan* for primary education. It has also introduced a cooked mid-day meal scheme in all primary schools that feeds 15 crore children every day...In order to ensure quality school education for all children, we have already made a beginning by approving the setting up of one model school in every block of the country. Every year, over the next five years, we will add one more model school in every block...The Indian National Congress will introduce special incentives for the girl child to correct the adverse sex ratio and to ensure education of girl children. Girl children in districts that have an adverse sex ratio and/or low enrolment of girls, monetary incentives will be given to the girl child to be credited to the girl child's account on her completing primary school, middle school, secondary school and higher secondary school."

The Bill had been placed before the *Rajya Sabha* in December 2008, which had been unaffected by the declaration of the general elections. The Bill had also been referred to a Standing Committee on Human Resource Development. When the UPA-II government was elected, this legislation figured prominently in the 100-day agenda floated by the Ministry of Human Resource Development. The Bill was finally passed by the *Rajya Sabha* on 20 June 2009 and by the *Lok Sabha* on 4 August 2009.

The important strands of this legislation are the following:<sup>5</sup> First, all children between the ages of six and 14 have the right to free and compulsory education in a "neighbourhood" school.<sup>6</sup> A child, who is above six and not enrolled in a school, will be enrolled in a class that is appropriate for his or her age.<sup>7</sup> Second, no child can be held back, expelled or required to pass a board examination before the completion of elementary education. Third, schools cannot screen applicants at the admissions stage. Fourth, schools cannot charge capitation fees. Fifth, *Kendriya Vidyalayas*, *Navodaya Vidyalayas*, *Sainik* Schools and unaided schools will have to ensure that 25 percent of their students are from disadvantaged and economically weaker groups. New schools will not be established unless they meet these norms and existing schools have been given three years to comply. Sixth, other than *Kendriya Vidyalayas*, *Navodaya Vidyalayas* and *Sainik* Schools, government schools are exempted from penalties if they do not comply with the provisions. Therefore, barring these three types of schools, there is an effective abdication from the responsibility of delivering elementary education by the government. Seventh, the responsibility of delivering elementary education through neighbourhood schools is on the state and local governments, with no clear division of responsibility between the two. There is a lack of accountability and no penalties are proposed on authorities if the delivery is not carried out. The idea is that specific academic authorities, like National and State Advisory Councils, will be established. Each school will also have a School Management Committee, with representatives from local authorities, parents and teachers. Eighth, all schools must comply with pupil/teacher norms and in addition, private schools also have to comply with physical infrastructure norms. However, the pupil/teacher norms are based on the total number of students, so that they allow for multi-grade teaching. Ninth, to the extent of that extra 25 percent, the government will

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<sup>5</sup> There is a Constitutional issue about the tenability of reservations, including that for minority schools, which we are downplaying. But such Constitutional challenges are possible.

<sup>6</sup> There is the qualification that even if the child is older than 14, elementary education will be free until it is completed.

<sup>7</sup> Such children have the right to special training.

reimburse private schools the actual cost of providing this education, or the equivalent cost in a government school, whichever is lower.

## **The State of India's Elementary Education**

For what it is worth, this new piece of legislation gives children a right to schooling. It does not give children a right to education.

In 2005, the World Bank published a report on India and the knowledge economy.<sup>8</sup> The expression “knowledge economy” can be precisely defined, but that is irrelevant for present purposes. The thrust of the World Bank report is on the role of education as a fundamental enabler of the knowledge economy and the knowledge economy’s requirement of a new set of skills and competencies. While the figures quoted in this report are now dated, it stated that, “India has made substantial progress in increasing literacy and increasing primary and secondary enrolments and overall education attainment. But the country still accounts for one-quarter of the world’s 104 million children who are out of school. The participation of girls in the six- to fourteen-year-old age group in elementary education is low. Furthermore, considerable gaps exist in access to secondary education, particularly for girls. Nonetheless, the Indian leadership is very committed to increasing educational attainment. The national programme for universal elementary education, the *Sarva Shiksha Abhiyan* or ‘Education for All’, was initiated in 2001, and the constitution was amended in 2002 to make elementary education a fundamental right of every child.” On issues with a focus on elementary education, the report stated the following: “Improving efficiency in the use of public resources in the education system, and making the education system as a whole more responsive to market needs, as well as ensuring expanded access to education that fosters critical thinking and learning skills for all, not just the elites; Enhancing the quality of primary and secondary education, including tackling issues related to quality and relevance, with special emphasis on ameliorating teacher vacancies and absenteeism, reversing high dropout rates, and correcting inadequate teaching and learning materials and uneven levels of learning achievement. This is especially important for India in meeting the goal of providing eight years of schooling for all children by 2010; Ensuring consistency between the skills taught in primary and secondary education and the needs of the knowledge economy; introducing materials and methods to teach students “how to learn” rather than stressing occupation-specific knowledge.” It is necessary to mention that public expenditure on education was 3.7 percent of the country’s gross domestic product in 1991 and has remained at 3.8 percent between 2002 and 2005.<sup>9</sup>

In December 2006, the Planning Commission produced the Approach Paper to the 11<sup>th</sup> Five-Year Plan (2007-12).<sup>10</sup> The introductory chapter of this document stated that, “A key element of the 11<sup>th</sup> Plan strategy should be to provide essential education and health services to those large parts of our population who are still excluded from these. Education is the critical factor that empowers participation in the growth process, but our performance has been less than satisfactory, both overall and in bridging gender and other divides. Overall literacy is still less than 70 percent and rural female literacy less than 50 percent with corresponding rates even

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<sup>8</sup> *India and the Knowledge Economy, Leveraging Strengths and Opportunities*, Carl Dahlman and Anuja Utz, World Bank, Washington, 2005.

<sup>9</sup> *Human Development Report 2007/2008*, UNDP and Oxford University Press, 2007.

<sup>10</sup> *Towards Faster and More Inclusive Growth, An Approach to the 11<sup>th</sup> Five-Year Plan*, Planning Commission, Government of India, December 2006, [http://planningcommission.nic.in/plans/planrel/app11\\_16jan.pdf](http://planningcommission.nic.in/plans/planrel/app11_16jan.pdf)

lower among the marginalised groups and minorities. While the *Sarva Shiksha Abhiyan* has expanded primary school enrolment, it is far from providing quality education. Looking ahead, we cannot be satisfied with only universal primary education; we must move towards universal secondary education too as quickly as possible.” Further on, the chapter stated that, “While both education and curative health services are available for those who can afford to pay, quality service is beyond the reach of the common people. Other privately-provided services are of highly variable quality. In this situation, access to essential services can only be through public financing. In most cases this means public provision or partnership with non-profit and civil society organisations. A major institutional challenge is that even where service providers exist, the quality of delivery is poor and those responsible for delivering the services cannot be held accountable. Unless such accountability is established and cutting edge service providers are trained, it will be difficult to ensure significant improvement in delivery even if large resources are made available.” Although this statement concerns education at a very general level, some additional points have now been flagged. First, there is a question of access to the relatively poor. Second, flowing from the first argument, a case has been made for public financing, which is then equated with public provisioning, without making the jump from the one to the other fully clear. Third, an implicit argument has been made about regulation. Fourth, another implicit argument has been made about a lack of accountability in public expenditure.

While quality is indeed an important issue, the major emphasis of the 10<sup>th</sup> Five-Year Plan (2002-07) was on the universalisation of elementary education (UEE). This was supposed to be driven by five objectives: (a) universal access; (b) universal enrolment; (c) universal retention; (d) universal achievement; and (e) equity. And the main schemes to drive these were the SSA, the District Primary Education Programme (DPEP),<sup>11</sup> the National Programme of Nutritional Support to Primary Education,<sup>12</sup> a Teacher Education Scheme, the *Kasturba Gandhi Balika Vidyalyaya* Scheme,<sup>13</sup> Operation Blackboard for physical infrastructure, the *Shiksha Karmi* Project on teacher absenteeism and the *Lok Jumbish* Project on girls’ education. Other than mid-day meals, the SSA now subsumes the others. As an explanation of what the SSA is expected to do, a quote from the Ministry of Human Resource Development is appropriate.<sup>14</sup> “[The] *Sarva Shiksha Abhiyan* is [the] Government of India’s flagship programme for the achievement of the Universalisation of Elementary Education in a time-bound manner...the SSA is being implemented in partnership with state governments to cover the entire country and address the needs of 192 million children among 1.1 million habitations. The programme seeks to open new schools in those habitations which do not have schooling facilities and strengthen existing school infrastructure through the provision of additional classrooms, toilets, drinking water, and maintenance and school improvement grants. Existing schools with inadequate teacher strength are provided with additional teachers, while the capacity of existing teachers is being strengthened by extensive training, grants for developing teaching-learning materials and strengthening of the academic support structure at a cluster, block and district level.” The SSA was launched in 2001-02, with a

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<sup>11</sup> The precursor to the SSA and a centrally sponsored scheme. This was an externally funded project for primary education. It was decentralised and had a community focus. There was another externally funded project known as *Mahila Samakhya*.

<sup>12</sup> Also known as the Mid-Day Meal Scheme.

<sup>13</sup> This is for residential schools for girls, for Scheduled Castes/Scheduled Tribes/Other Backward Class and schools that have to be set up in difficult terrain. This was launched in 2004. 75 percent of the enrolment is reserved for the target categories. The remaining 25 percent is open, provided it is from below the poverty line households.

<sup>14</sup> <http://education.nic.in/Elementary/elementary.asp>.

centre/state funding ratio of 85/15 during the 9<sup>th</sup> Plan and 75/25 during the 10<sup>th</sup> Plan. During the 11<sup>th</sup> Plan, the ratio was 65/35 for the first two years, 60/40 for the third year, 55/45 for the fourth year and 50/50 thereafter. However, for the north-eastern states, the ratio continued to be 90/10.

The precursor to these attempts during the 9<sup>th</sup> Plan was a National Policy of Education. This was formulated in 1986 and revised in 1992. This suggested three thrust areas in elementary education: (i) universal access and enrolment; (ii) the universal retention of children up to 14 years of age; and (iii) a substantial improvement in the quality of education to enable all children to achieve essential levels of learning.

To the extent where one can pin it down quantitatively, the SSA should, therefore, be judged by its successes on access, enrolment, retention, achievement and equity. The 10<sup>th</sup> Plan indeed had some specific time-lines for these goals which the SSA also shared.<sup>15</sup> First, by 2005, all children should be in regular schools and back to school camps, among other plans. Second, by 2007, all gender and social category gaps should be bridged in primary education. By 2010, these should be bridged for the entire category of elementary education. Third, there should be universal retention by 2010.

The “success” is most evident for universal access. Since 1991, 177,677 new schools were opened and 94 percent of the rural population now has a school within a distance of one kilometre.<sup>16</sup> Roughly once every five years, the Ministry of Human Resources Development conducts All India School Education Surveys through the National Council of Educational Research and Training (NCERT). This provides data on the location of a particular school. To give a perspective to the discussion, there were 642,000 primary schools in 1999-2000 and 198,000 upper primary schools. By 2004-05, there were 767,520 primary schools and 274,731 upper primary schools. There were 1.9 million primary school teachers and 1.3 million upper primary school teachers in 1999-2000. By 2004-05, there were 2.3 million primary school teachers and 1.4 million upper primary school teachers. Enrolment in primary school increased from 113.61 million in 1999-2000 to 131.69 million in 2004-05 and enrolment in upper primary school increased from 42.00 million in 1999-2000 to 51.67 million in 2004-05.

One should not form the impression that the SSA is only focused on new schools. It also allows expenditure to improve physical infrastructure. Nonetheless, it is clear that the lack of physical access is much less of a problem now. The National University of Educational Planning and Administration (NUEPA) brings out a District Information System for Education (DISE). While the DISE is a survey rather than a census, the detail of quality and disaggregation in the DISE database is remarkable and the coverage of the DISE has also been increasing. Based on the DISE, the NUEPA concludes the following: “It is also important to note that activities under the SSA gained momentum from the year 2002 onwards and a large number of Primary and Upper Primary schools/sections have been opened across the country which is also reflected in the ratio of Primary to Upper Primary schools/sections.”<sup>17</sup>

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<sup>15</sup> *Eleventh Five-Year Plan, 2007-2012*, Vol. II, Social Sector, Planning Commission and Oxford University Press, 2008.

<sup>16</sup> *Annual Report 2005-06*, Ministry of Human Resource Development.

<sup>17</sup> *Elementary Education in India, Progress towards UEE, Analytical Report 2006-07*, National University of Educational Planning and Administration, 2008.

Although the number of upper primary schools has increased, 65.14 percent of schools are still independent primary schools.<sup>18</sup> Only 17.55 percent of primary schools are integrated with upper primary schools. Additionally, only 5.65 percent of upper primary schools are attached to secondary and higher secondary schools. As an indicative target, there should be one upper primary school or section for every two primary schools or sections. The national average now is 2.45. However, what this national average masks is that the ratio is as high as 5.4 in West Bengal and 4.5 in Arunachal Pradesh. Many schools are also a fair distance away from the cluster resource centre (CRC) and are rarely visited by the CRC coordinator.<sup>19</sup> In terms of physical infrastructure, 70.12 percent of primary schools have *pucca* (permanent) buildings, 9.08 percent have partially *pucca* buildings and 3.38 percent only possess *kuchcha* (temporary) buildings. These numbers do not look that bad at an all-India level. However, few schools in the north-east have *pucca* buildings, for example, 7.02 percent of primary schools in Mizoram have *pucca* buildings. At an all-India level, a school has 4.1 classrooms, though the figure varies between 3.7 in rural India and 7.3 in urban India. However, Assam only has 1.5 classrooms per school, while Jharkhand has 1.3. Also, 9.7 percent of schools still have single classrooms and most of these are primary schools. In Assam, 65.26 percent of primary schools have only a single classroom. On an average, there are 36 students per classroom. However, for primary schools, the ratio is 92 in Bihar, 79 in Jharkhand and 53 in Uttar Pradesh. In the rural areas, 11.76 percent of schools are still single-teacher schools, with very high numbers in Assam, Jharkhand, Madhya Pradesh, Rajasthan and Uttar Pradesh. While 85 percent of schools have drinking water facilities, the number is as low as 69.5 percent in Jharkhand, 43.3 percent in Meghalaya, 61.8 percent in Assam and 68.4 percent in Nagaland. Only 42.58 percent of schools have separate toilets for girls. 16.2 percent of schools in Bihar have separate toilets for girls and the figures are 15.5 percent in Jharkhand, 13.3 percent in Chhattisgarh, 8.8 percent in Meghalaya, 10 percent in Assam, 12.2 percent in Arunachal Pradesh and 17.9 percent in Manipur.<sup>20</sup> For government schools, the average number of teachers per school is as low as 2.2 in Uttarakhand, 2.6 in Madhya Pradesh, 2.9 in Chhattisgarh, three in Orissa and 2.8 in Meghalaya. The number of female teachers is as low as 27.9 percent in Bihar, with figures of 28.4 percent for Jharkhand, 29.8 percent for West Bengal, 25.6 percent for Tripura and 28.4 percent for Rajasthan.<sup>21</sup> Pupil/teacher ratios are as high as 55 in Uttar Pradesh and 65 in Bihar. In terms of qualifications, 55.77 percent of regular primary school teachers do not even possess higher secondary level qualifications. Few teachers have in-service training and several states employ para-teachers, as opposed to regular teachers, with a figure as high as 41.3 percent para-teachers in Jharkhand.<sup>22</sup>

While the number of schools has increased, four concerns emerge. First, there are still problems with physical access. Second, notwithstanding the SSA expenditure, physical

<sup>18</sup> Unless otherwise specified, the school and facility indicators in this paragraph are from DISE, *ibid*.

<sup>19</sup> 35.36 percent of schools are within one kilometer of the CRC. During the previous academic year, 63.46 percent of schools were visited by the CRC coordinator and 53.99 percent of schools were inspected by school inspectors.

<sup>20</sup> There are other indicators too, which we will skip, such as computers, ramps, kitchen-sheds, boundary walls, playgrounds, electricity connections, book banks, medical check-ups and residential facilities.

<sup>21</sup> The SSA requires that 50 percent of newly-appointed teachers must be women.

<sup>22</sup> Other than Jharkhand, there are large numbers of para-teachers in Andhra Pradesh, Bihar, Chhattisgarh, Madhya Pradesh, Rajasthan, Uttar Pradesh and West Bengal. The 1986 National Policy on Education provided for non-formal education (NFE) centres “for school drop-outs, for children from habitations without schools, working children and girls who cannot attend whole-day schools”. There are many such NFE centres in Uttar Pradesh, Bihar, Andhra Pradesh, Madhya Pradesh, Orissa and Rajasthan, employing what are called para-teachers. NFEs cost less than regular schools and there is no evidence to suggest that such students perform worse than those in regular schools.



infrastructure in many schools is deficient. Third, there are problems with teachers. Fourth, there are significant inter-state variations in these. Table 1 illustrates this and requires an explanation. The first column on the number of elementary schools per 100,000 population is from the 11<sup>th</sup> Five-Year Plan document. There are national norms on distance and population size, before a school is opened. However, these are indicative and different states have their own norms. On the other hand, to the extent that is an indicator, there is clearly a shortage of schools in large states like Bihar. However, a better indicator of access is obtained from the access index in the third and fourth columns of Table 1. The access index has been constructed by the NUEPA.<sup>23</sup> A mixed picture emerges for primary and upper primary education. For primary education, there are serious access problems in Kerala<sup>24</sup> and Andaman & Nicobar Islands while Meghalaya and Mizoram do extremely well. For upper primary education, there are serious access problems in Arunachal Pradesh, Jharkhand and West Bengal while Gujarat, Mizoram, Chandigarh and Daman & Diu perform extremely well.

Moving on to the infrastructure indices in the fifth and sixth columns of Table 1, for primary schools, there are serious problems in Assam, Bihar, Jharkhand and Meghalaya with Haryana, Kerala, Delhi and Puducherry performing extremely well. The upper primary infrastructure is dismal in Bihar, but extremely good in Goa, Haryana, Kerala, Punjab, Sikkim, Tamil Nadu, Uttar Pradesh, Uttarakhand, Andaman & Nicobar Islands, Chandigarh, Delhi, Lakshadweep and Puducherry. With regards to primary education, the teacher index is low in Bihar, Jharkhand, Madhya Pradesh and Uttar Pradesh, but good in Kerala, Andaman & Nicobar Islands, Chandigarh, Delhi, Lakshadweep and Puducherry. For upper primary education, the teacher index is low in Orissa and remarkably low in Uttar Pradesh, but high in Andhra Pradesh, Goa, Kerala, Tamil Nadu, Andaman & Nicobar Islands, Chandigarh, Delhi and Puducherry. Beyond the variation between states, there is a great deal of variation between primary and upper primary schools as well.

In terms of school enrolment, that there has been an improvement in student numbers is undeniable. In primary classes, the gross enrolment ratio was 96.3 in 2001-02 and by 2004-05, it had increased to 107.8.<sup>25</sup> In primary classes, gross enrolment ratios of less than 80.00 characterise Assam, Gujarat, Jammu & Kashmir, Orissa and Chandigarh.<sup>26</sup> While enrolment in primary school has increased, gender disparity has also declined. For instance, while the gross enrolment ratio has increased for boys from 105.3 in 2001-02 to 110.7 in 2004-05, for girls it has increased from 86.9 in 2001-02 to 104.7 in 2004-05. Though gender disparity still prevails, especially in some states, the gains for girls have been commensurately more in primary classes. The gains have been relatively less for upper primary classes. In upper primary, the gross enrolment ratio has increased from 60.2 in 2001-02 to 69.9 in 2004-05. While the improvement has been from 67.8 in 2001-02 to 74.3 in 2004-05 for boys, it has been from 52.1 in 2001-02 to 65.1 in 2004-05 for girls. Although the increase has been relatively more for girls, the differential has not dropped by as much as it has for primary

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<sup>23</sup> *Ibid.* It is based on the percentage of habitations not served, the number of schools per 1000 child population and the ratio of primary to upper primary schools, the last included only for the upper primary index. The indices are constructed separately for primary and upper primary and to obtain the index, the variables are weighted and aggregated using principal components. The higher the value of the index, the better.

<sup>24</sup> This is a bit of a surprise and contrary to *a priori* expectations.

<sup>25</sup> *Eleventh Five-Year Plan, ibid.* Unless otherwise specified, the subsequent figures in this paragraph are also from the same source.

<sup>26</sup> These are figures from September 2003 and from the *Annual Report, ibid.*

classes. For girls in upper primary, the gross enrolment ratio is still as low as 19.21 in Bihar, 32.19 in Jharkhand and 42.97 in Uttar Pradesh.<sup>27</sup>

**Table 1: Elementary Education Indicators**

State	Elementary schools per 100,000 population	Primary access index	Upper primary access index	Primary infrastructure index	Upper primary infrastructure index	Primary teacher index	Upper primary teacher index
Andhra Pradesh	99	0.610	0.567	0.604	0.773	0.681	0.823
Arunachal	163	0.468	0.184	0.463	0.644	0.464	0.691
Assam	137	0.593	0.521	0.302	0.425	0.402	0.614
Bihar	57	0.437	0.495	0.260	0.237	0.241	0.400
Chhattisgarh	203	0.624	0.607	0.483	0.570	0.491	0.481
Goa	76	0.506	0.516	0.686	0.861	0.736	0.854
Gujarat	73	0.530	0.770	0.711	0.742	0.701	0.723
Haryana	63	0.483	0.648	0.801	0.871	0.587	0.640
Himachal	212	0.595	0.681	0.679	0.791	0.698	0.783
Jammu & Kashmir	153	0.580	0.664	0.526	0.671	0.697	0.781
Jharkhand	76	0.453	0.347	0.306	0.429	0.303	0.503
Karnataka	97	0.537	0.690	0.677	0.757	0.670	0.731
Kerala	30	0.326	0.609	0.866	0.909	0.898	0.902
Madhya Pradesh	205	0.593	0.590	0.540	0.581	0.355	0.380
Maharashtra	67	0.503	0.660	0.660	0.767	0.700	0.739
Manipur	150	0.530	0.500	0.553	0.702	0.603	0.716
Meghalaya	317	0.850	0.491	0.350	0.490	0.617	0.729
Mizoram	263	0.716	0.758	0.653	0.710	0.756	0.747
Nagaland	97	0.588	0.485	0.604	0.656	0.662	0.682
Orissa	162	0.511	0.537	0.575	0.574	0.539	0.338
Punjab	62	0.526	0.639	0.887	0.907	0.615	0.738
Rajasthan	137	0.487	0.616	0.643	0.765	0.463	0.674
Sikkim	155	0.601	0.521	0.764	0.833	0.780	0.771
Tamil Nadu	63	0.501	0.538	0.771	0.829	0.763	0.863
Tripura	84	0.402	0.615	0.548	0.539	0.625	0.658
Uttar Pradesh	95	0.450	0.499	0.741	0.830	0.378	0.229
Uttarakhand	207	0.572	0.623	0.759	0.808	0.568	0.453
West Bengal	63	0.513	0.290	0.497	0.511	0.476	0.536
Andaman & Nicobar Islands	69	0.237	0.442	0.723	0.810	0.849	0.904
Chandigarh	3	0.365	0.739	0.792	0.829	0.933	0.970
Dadra & Nagar Haveli	91	0.507	0.670	0.524	0.582	0.430	0.629
Daman & Diu	40	0.389	0.713	0.679	0.745	0.736	0.744
Delhi	20	0.520	0.689	0.909	0.916	0.888	0.932
Lakshadweep	38	0.533	0.605	0.704	0.842	0.834	0.780
Puducherry	45	0.480	0.684	0.863	0.875	0.855	0.891

The number of out-of-school children was estimated to be 32 million in 2001-02 and by July 2006, it had dropped to seven million. There were 9.5 million out of school children in 2005-06 and a breakdown of figures shows that these were concentrated in Bihar (3.2 million), Uttar Pradesh (3 million), West Bengal (1.2 million), Madhya Pradesh (1.1 million),

<sup>27</sup> These are figures from September 2003 and from the *Annual Report, ibid.*

Rajasthan (80,000) and Jharkhand (62,000).<sup>28</sup> “Social and gender disparity, existing at both primary and upper primary education levels, continues to be an issue to be tackled with more concentrated and sustained efforts, especially in Bihar, Rajasthan, Jharkhand, Madhya Pradesh, Gujarat and Uttar Pradesh. The social composition of out-of-school children indicates that 9.97 percent of Muslim children, 9.54 percent of Scheduled Tribes (STs), 8.17 percent of Scheduled Castes (SCs), and 6.97 percent of Other Backward Class children were out of school and an overwhelming majority (68.7 percent) was concentrated in five states, viz., Bihar (23.6 percent), Uttar Pradesh (22.2 percent), West Bengal (nine percent), Madhya Pradesh (eight percent), and Rajasthan (5.9 percent).”<sup>29</sup>

“During 2004-05 there were 76 districts with more than 50,000 out-of-school children. During 2005-06, the number of such districts dropped to 48. Of these districts, 19 were in Bihar, 15 in Uttar Pradesh, five in West Bengal, two each in Assam and Chhattisgarh, and one each in Andhra Pradesh, Haryana, Maharashtra, Madhya Pradesh and Tripura. The states and the Union Territories (UTs) reported only 29 districts with more than 50,000 out-of-school children at the beginning of 2006-07...It is true that many states have conducted school enrolment drives and teachers have entered the names of all eligible children in the school registers. Some of these children may not be attending schools and therefore can only be called ‘nominally enrolled’. Thus, the actual number of children actually attending school may be lower than the number projected by the states and UTs”.<sup>30</sup>

One should not play down the considerable variation within states. “There are large variations between states, between districts within a state and between blocks within a district with respect to availability of schools, especially upper primary schools, physical infrastructure of schools and the availability of teachers.”<sup>31</sup>

Table 2 shows some elementary education outcome indicators. The second column in Table 2 is from the 11<sup>th</sup> Five-Year Plan document and shows the gross enrolment ratio, combined for primary and upper primary school. Therefore, it does not capture the transition from primary to upper primary, a point that will be discussed later. However, at this aggregated level, it highlights the point made earlier, about low enrolment in states like Bihar, Jammu & Kashmir, Jharkhand, Nagaland, Punjab, Chandigarh and Lakshadweep. The aforementioned DISE database reinforces the same points. For primary schooling, though the gender parity index is low in states like Bihar, Chandigarh, Jammu & Kashmir, Gujarat, Punjab and Rajasthan, the situation is not that dire. However, for upper primary schooling, the gender parity index is extremely low in states such as Rajasthan, Bihar, Dadra & Nagar Haveli, Gujarat, Jammu & Kashmir, Jharkhand and Madhya Pradesh. While it is one thing to get children enrolled in school, it is a completely different thing to retain them there, ensure that they do not drop out and that they transit to higher levels of education.

<sup>28</sup> *Annual Report, ibid.* There were also significant numbers in Andhra Pradesh, Assam, Maharashtra and Gujarat.

<sup>29</sup> *Eleventh Five-Year Plan, ibid.*

<sup>30</sup> *Chapter on Elementary Education for the Eleventh Plan Working Group Report*, Ministry of Human Resource Development, undated.

<sup>31</sup> “Addressing Educational Disparity, Using District Level Education Development Indices for Equitable Resource Allocations in India,” Dhir Jhingran and Deepa Sankar, *Policy Research Working Paper No. 4955*, World Bank, June 2009. This paper constructs an educational index for districts and argues that public fund flows should be linked to these district-level deprivations.

“It is increasingly realised that retaining the disadvantaged children enrolled in schools is a far more challenging task than enrolling them into the educational system. Around 22 percent of children dropped out in Classes I and II. Several factors, apart from their adverse socio-economic conditions, are responsible for this. The opportunity cost of a girl-child education is quite high in the rural set-up and she is often a ‘nowhere child’, neither in the school nor in the labour force but doing domestic work, mostly looking after her siblings. It is well-documented that the presence of female teachers often serves as a role model for girls and positively influences their enrolment and attendance. Even so, in the educationally-backward states, there are few women teachers to particularly attract girls to school and retain them...The fact that children drop out of school early or fail to acquire basic literacy and numeracy skills partially reflects the poor quality of education. The average school attendance was around 70 percent of the enrolment in 2004-05. In states like Uttar Pradesh and Bihar, the average attendance was as low as 57 percent and 42 percent respectively. One-third of the teachers in Madhya Pradesh, 25 percent in Bihar, and 20 percent in Uttar Pradesh do not attend schools. Besides, the repetition rates in such states are also very high, resulting in the wastage of human and material resources. Teacher attendance, ability, and motivation appear to be the weakest links of elementary education programmes. The lack of universal pre-schooling (Early Childhood Care and Education) and the consequent poor vocabulary and poor conceptual development of the mind makes even the enrolled children less participative in class, even for learning by rote.”<sup>32</sup>

The drop-out rate for elementary school is 50.8 percent, 50.5 percent for boys and 51.3 percent for girls.<sup>33</sup> At 29 percent, it is slightly better for primary school, 31.8 percent for boys and 25.4 percent for girls. However, the drop-out rates are much higher for SCs and STs. For SCs, it is 34.2 percent in primary school, 32.7 percent for boys and 36.1 percent for girls. And for all of elementary education, it is 57.3 percent for SCs, 55.2 percent for boys and 60.0 percent for girls. For STs, it is 42.3 percent in primary school, 42.6 percent for boys and 42.0 percent for girls. And for all of elementary education, it is 65.9 percent for STs, 65.0 percent for boys and 67.1 percent for girls. However, there are inter-state variations too. The third column in Table 2 has data for 2003-04.<sup>34</sup> Primary school drop-out rates are especially high in Assam, Bihar, Meghalaya, Mizoram, Rajasthan and Sikkim. The gender difference is not pronounced for drop-out rates in primary school. Indeed, as mentioned earlier, drop-out rates are, on an average, lower for girls. The fourth column in Table 2 has drop-out rates for all elementary schools. While data for upper primary education is not separately available, primary figures read in conjunction with elementary figures show that there is a serious upper primary drop-out problem in all states, barring Himachal Pradesh and Chandigarh. The problem is particularly serious in states such as Assam, Bihar, Meghalaya, Rajasthan and Sikkim. The DISE database uses not only drop-out rates, but also other measures like the survival rate, the retention rate and average promotion rate to gauge the internal efficiency of the education system.<sup>35</sup> Based on these, a coefficient of efficiency is worked out and this is

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<sup>32</sup> *Eleventh Five-Year Plan, ibid.*

<sup>33</sup> Unless otherwise specified, figures in this paragraph are from *Eleventh Five-Year Plan, ibid.*

<sup>34</sup> These are from *Annual Report, ibid.* The overall data are for 2004-05. Separate data aren't available for the newly-formed States of Chhattisgarh, Jharkhand and Uttarakhand.

<sup>35</sup> *Ibid.* The apparent survival rate is the share of enrolment in Grade II and subsequent primary grades in relation to the enrolment in Grade I. It is a stock statistic, based on the enrolment data for a single year. The retention rate is the enrolment in Grade V (minus repeaters) linked to enrolment in Grade I four years ago. The inverse of this (subtracted from 100) is the drop-out rate. This too is a stock measure, whereas promotion rates, repetition rates and transition rates (from primary to upper primary) are flow measures.

shown in the fifth column of Table 2. Measured by this indicator, Orissa is the worst-performer, by a long shot.

**Table 2: Elementary Education Outcome Indicators**

State	Gross enrolment ratio, primary + upper primary	Primary school drop-out rates	Elementary school drop-out rates	Coefficient of efficiency	Outcome index, primary	Outcome index, upper primary
Andhra Pradesh	86.99	42.61	59.79	88.6	0.646	0.609
Arunachal	106.70	46.34	63.52	66.6	0.332	0.354
Assam	91.92	53.15	70.81	76.1	0.557	0.533
Bihar	65.16	59.03	78.03	83.9	0.388	0.228
Chhattisgarh	112.63			77.8	0.539	0.448
Goa	106.04	1.90	9.43	97.1	0.515	0.330
Gujarat	101.70	26.02	46.94	80.1	0.593	0.560
Haryana	80.01	13.31	21.26	75.6	0.385	0.335
Himachal	108.74	16.98	14.28	95.0	0.683	0.684
Jammu & Kashmir	74.45	36.65	47.49	91.1	0.577	0.547
Jharkhand	75.82			83.6	0.460	0.316
Karnataka	98.76	9.75	50.59	87.2	0.662	0.638
Kerala	95.35	0.00	9.54	93.1	0.665	0.693
Madhya Pradesh	114.09	23.78	46.81	83.5	0.492	0.384
Maharashtra	105.70	13.07	33.25	82.0	0.629	0.659
Manipur	129.65	26.41	30.61	72.8	0.475	0.653
Meghalaya	121.93	53.42	71.13	65.5	0.402	0.371
Mizoram	109.51	55.61	64.19	71.7	0.525	0.415
Nagaland	75.76	32.81	44.83	81.5	0.482	0.440
Orissa	108.47	38.19	61.72	53.9	0.467	0.326
Punjab	72.57	22.03	35.19	90.0	0.453	0.308
Rajasthan	102.67	57.94	68.50	73.5	0.502	0.448
Sikkim	111.49	53.85	73.29	63.5	0.511	0.375
Tamil Nadu	113.96	3.23	25.15	97.5	0.735	0.763
Tripura	109.59	44.80	64.29	79.5	0.504	0.376
Uttar Pradesh	87.04	13.51	42.84	83.3	0.528	0.464
Uttarakhand	106.39			78.2	0.513	0.673
West Bengal	94.67	33.46	63.77	71.9	0.527	0.295
Andaman & Nicobar Islands	107.97	0.35	18.86	98.4	0.605	0.520
Chandigarh	71.87	3.62	2.03		0.503	0.446
Dadra & Nagar Haveli	113.70	28.40	45.24	95.8	0.563	0.393
Daman & Diu	128.25	0.00	17.36	71.7	0.441	0.425
Delhi	91.84	22.03	27.71	99.8	0.564	0.409
Lakshadweep	58.75	3.03	4.90		0.498	0.592
Puducherry	121.34	0.00	4.60		0.663	0.640

Finally, the last column of Table 2 shows the outcome index, generated through the DISE database. This is based on enrolment ratios (with separate numbers on the SCs, the STs and gender parity), repetition rates, drop-out rates, ratio of exit grade over Grade I enrolment and the percentage of appeared children who passed. The outcome index shows a slightly different picture from that obtained through input measures. For example, the less-than-satisfactory performances based on outcomes are in Arunachal Pradesh, Bihar, Goa (for upper primary), Haryana, Jharkhand (for upper primary), Madhya Pradesh (for upper primary),

Meghalaya (for upper primary), Orissa (for upper primary), Punjab (for upper primary), Sikkim (for upper primary), Tripura (for upper primary), West Bengal (for upper primary) and Dadra and Nagar Haveli (for upper primary).

In addition, learning achievements are poor.<sup>36</sup> These are thrown up in several surveys. For instance, a NCERT study is often quoted.<sup>37</sup> To take Grade VII as an example, the average mark scored by students in mathematics was 29.87 percent, while in social science, the average was 32.96 percent. More specifically, in the Grade III tests, Manipur, Karnataka and Nagaland performed the best and Madhya Pradesh, Chhattisgarh and Uttarakhand students performed the worst. In the Grade V tests, Manipur, Bihar, Tamil Nadu and West Bengal performed the best and Goa, Himachal and Jammu & Kashmir performed the worst. In the Grade VII tests, Assam, Andhra Pradesh and Mizoram performed the best and Orissa and Karnataka performed the worst. In the Grade VIII tests, West Bengal, Manipur and Nagaland performed the best and Punjab and Chhattisgarh performed the worst. “Clearly, the achievement levels of students are low. The survey carried out by *Pratham* called ASER 2005 has also brought out the inadequate abilities of students in the primary grades to read and carry out simple mathematical operations.”<sup>38</sup>

## The Way Forward

The 11<sup>th</sup> Five-Year Plan document concludes the following: “Unless there is a strong effort to address the systemic issues of the regular functioning of schools, teacher attendance and competence, accountability of educational administrators, pragmatic teacher transfer and promotion policies, effective decentralisation of school management, and transfer of powers to *Panchayati Raj* Institutions (PRIs), it would be difficult to build upon the gains of [the] SSA. It is important to focus on good-quality education of common standards, pedagogy, and syllabi to ensure minimum learning levels. In the liberalised global economy where there is a pursuit for achieving excellence, the legitimate role of private providers of quality education not only needs to be recognised, but also encouraged. Public-private partnership need not necessarily mean only seeking private investments to supplement governmental efforts, but also encouraging innovation in education that the government schools may lack. Schools under private management (unaided) have been expanding at a faster rate. However, a vast majority of the poor, particularly in rural areas, is solely dependent on government schools.”<sup>39</sup>

The Ministry of Human Resource Development makes the following points.<sup>40</sup> There is evidence to show that the country is moving towards the goal of universal elementary education. The access to schooling has improved and there is a trend towards greater decentralisation and community participation. Household surveys have become a feature of planning and village education committees (VECs) are slowly being formed. They are taking charge through the construction of schools and the managing of teacher and school grants. This decentralisation is an important component and hence a longer quote is justified. “The SSA framework for implementation emphasises decentralisation and delegation to the grassroots level in order to ensure community-based implementation and ownership of schools. Through this community-based approach, planning at habitation level, monitoring of school activities and a number of interventions are to be carried out by the VECs or its

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<sup>36</sup> The afore-mentioned outcome index captures one element of this.

<sup>37</sup> *Eleventh Five-Year Plan*, *ibid.* and PRS, *ibid.*

<sup>38</sup> *Chapter on Elementary Education*, Ministry of Human Resource Development, *ibid.*

<sup>39</sup> *Eleventh Five-Year Plan*, *ibid.*

<sup>40</sup> *Annual Report*, *ibid.*

equivalent. A number of steps have already been taken in all states to decentralise powers to VECs/*Panchayats*/Urban Local Bodies through legislation or through government orders. The states have set up local community-based bodies to implement elementary education programmes over the last decade in the light of the 72<sup>nd</sup>/73<sup>rd</sup> Constitutional Amendments for decentralisation and the requirements of the DPEP programme, where project funds necessitated the setting-up of decentralised local community-based bodies. Some states already had vibrant local structures like PTAs in Kerala and ZP<sup>41</sup> institutions in Maharashtra and Gujarat. Under the SSA, this process has been further reinforced, as funds for the programme flow through local community-based bodies for all school-related expenditures, which in fact constitute more than 50 percent of the SSA funds. However, the nomenclature of the community-level structure varies from state to state. They are known as VECs, School Development Management Committees, Mother Teacher Councils or Parent Teacher Associations (PTAs) in different states. The pattern of VECs also differs from state to state. Some VECs are statutory under Education Acts/State PRI Acts or through state government executive orders. States like Maharashtra, Madhya Pradesh, Uttar Pradesh, Andhra Pradesh, Gujarat, Himachal Pradesh, Kerala and Bihar have decentralised powers to VECs/*Panchayats*/Urban Local Bodies through these Acts. Andaman & Nicobar Islands, Chandigarh, West Bengal, Karnataka, Tamil Nadu, Punjab, Delhi, Haryana and Jharkhand have decentralised powers to VECs/*Panchayats*/Urban Local Bodies through state orders...One of the major examples of Community Empowerment is of Nagaland which under the “Communitisation of Nagaland Public Institutions & Services Act, 2002”, empowers the Village Education Committee with administrative and financial powers for the management of elementary schools under its jurisdiction, including the power to disburse salary to teachers after exercising the powers of “no work, no pay”. The Nagaland Communitisation Programme has been circulated by the Department as a good model and the states have been advised to look at it.”

The government’s recently published *Economic Survey*<sup>42</sup> had the following quotes, though they are often generally about public goods or education: “The government in recent years has increased its outlays in the social sector. However, the reach of public and quasi-public goods and services supplied by the state to the people still leave a lot of scope for improvement. There are still leakages in the schemes and the benefits in full do not reach the intended target groups of people.” In addition, “Education in India comes under the concurrent list and thus both the Central and State Governments are involved, leading to multiple controls and regulations by the governments and statutory bodies. There is an urgent need for the replacement of bureaucratic controls in education by professional regulators along with private-public partnership to ensure universal primary education...Rating the quality of educational institutions and all education service providers (private and public) may be helpful. The entry of registered societies (non-profit) and publicly-listed (education) companies in all fields of education, subject to the regulatory framework which ensures quality and reasonable pricing may be encouraged.” Elsewhere, “Targeted and outcome-oriented review and reform of elementary education, public health institutions and curative health infrastructure; Empower the poor and weaker sections through government-funded smart card-based payments to public sector providers of education and health. Set up rating system for providers of social services (education, health and social welfare), covering the public, non-profit, and private sectors as well as non-profit organisations.

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<sup>41</sup> Zilla Parishad.

<sup>42</sup> *Economic Survey, 2008-09*, Department of Economic Affairs, Government of India.

In essence, the issues are exceedingly simple. First, to the extent that elementary education will still have to be driven by public sector provisioning, how does one improve efficiency and make the system more accountable? Second, can subsidies be routed directly to students instead of to education providers, breaking the link between public sector provisioning and public sector financing? Smart cards or other IT-based mechanisms are only one option. The point is that subsidies are not incompatible with choice, competition and efficiency, provided that alternative providers exist, to whom education vouchers can be taken. This cannot work if there are market failures and no alternatives to the government school system. Third, are there regulatory barriers that impede the entry of private sector school providers? Fourth, what kind of regulation should be imposed on providers?

A key question remains the choice between government and private schools.<sup>43</sup> But before that, some figures from the DISE database, on the nature of school management, are useful.<sup>44</sup> In 2006-07, 81 percent of schools were run by the government and this percentage has been declining. Government schools included 68.64 percent of schools run by the Department of Education, 25.02 percent run by local bodies and 5.34 percent run by the Tribal Welfare Department. 18.86 percent of schools have private management and this figure has been increasing down the years. Within privately managed schools, 30.79 percent are private-aided schools and 69.21 percent are unaided. The share of private schools, both aided and unaided, is high in states like Kerala (58.27 percent), Delhi (37.05 percent), Meghalaya (59.4 percent), Jammu & Kashmir (20.47 percent), Karnataka (19.01 percent), Maharashtra (28.39 percent), Puducherry (35.03 percent), Rajasthan (21.26 percent) and Uttar Pradesh (23.68 percent). But in a state like Bihar, the share is as low as 1.55 percent.

Do private schools perform better than government schools? Reviewing the limited literature available, Arvind Panagariya concludes that, “Children in private schools exhibit higher attendance rates and test scores than those in government schools, even after controlling for family and school characteristics...A key distinguishing feature of private schools is the lower teacher absence rate...Private-school teachers receive salaries that are typically one-fifth, and sometimes as low as one-tenth, of those received by government-school teachers. Private schools also hire more teachers and have lower pupil-to-teacher ratios than government schools. The authors<sup>45</sup> find that one important reason why absenteeism in private schools is lower is the ability of the head teacher to discipline the teachers under him...A final important finding of Muralidharan and Kremer is that private schools are more likely to be established in villages where teacher absenteeism is higher in government schools, rather than in richer areas. In richer areas, where government schools perform satisfactorily, private schools have not been established. Therefore, it stands to reason that it is the dysfunctional nature of government schools rather than increased incomes that are providing impetus to progressive privatisation of elementary education in India.”<sup>46</sup>

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<sup>43</sup> See for instance, Arvind Panagariya, *India: The Emerging Giant*, Oxford University Press, 2008.

<sup>44</sup> *Elementary Education in India*, *ibid.*

<sup>45</sup> This is an unpublished study by Karthik Muralidharan and Michael Kremer. Panagariya also quotes from a study done by James Tooley and Pauline Dixon for the Centre for Civil Society, Delhi. In addition, the 1999 PROBE (*Public Report on Basic Education in India*), Oxford University Press, has similar findings on superiority of private schools. It is incorrect to presume that private schools only exist in urban areas. Muralidharan and Kremer found that 28 percent of rural children in India have access to fee-charging private primary schools.

<sup>46</sup> *Ibid.*



Echoing the argument advanced in *Economic Survey*, the policy conclusion follows: “The official view in India is that funding is the key problem ailing elementary education in India. Officials acknowledge the existence of teacher absenteeism, but see increased expenditures as the most important key to solving the problem. This is entirely misguided. Under the current system, the state government pays salaries to the teachers, but the administrations at the village, block, district, and city levels where they serve have no supervisory authority over them. Under such a system, throwing good money after bad teachers cannot solve absenteeism. The solution – transfer of power to hire, supervise, and fire the teachers to the jurisdictions in which they serve – has been known for some time, but the government lacks the political courage to implement it. The most efficient practical solution to the problem is to open the door wider to the private sector and subject the public sector to competition. This solution not only promises better-quality education, but also requires minimal resources. Specifically, the government should give education vouchers worth 2000 rupees per child, on average, to children aged five to 14 years whose parents are in the bottom 30 percent of the income distribution...Currently, the poor have no choice but to send their children to a government school, irrespective of the quality of education the institution offers. With vouchers, they would have the means to send their children to a decent public school...The vouchers would place private and government schools on an equal footing. Currently, the poor are captive to the government schools since they provide free education, while private schools do so only on a limited scale. Once government schools have to compete for students, they are bound to feel the heat of competition, forcing reluctant teachers to begin delivering the services expected of them...An alternative to the voucher is a cash transfer based on the number of school-going children in a family designated as below the poverty line.”<sup>47</sup>

This pre-supposes the existence of private schools as an alternative with resulting supply-side issues. Before that, however, a demand-side problem needs to be flagged, though the demand for elementary education has indeed increased.<sup>48</sup> For instance, for Muslims, “Social mobilisation to promote the demand for education, especially for older girls – will require a special effort from teachers, educational administrators and programme functionaries to work with parents, religious leaders, and *Panchayat* representatives to overcome barriers due to social and cultural traditions.” Moreover, “Gender and social group disparities exist across large parts of the country, but there are important regional and state-wise differences. There is some overlap between areas/pockets which are generally educationally backward and those that have high gender and social group disparities, for example, parts of Bihar, Jharkhand, Chattisgarh, South Orissa, Rajasthan and Madhya Pradesh. The disadvantage faced by girls and children belonging to Scheduled Castes and Scheduled Tribes has its basis in cultural and traditional factors as well as social discrimination and discrimination at the school. Socio-cultural factors and a history of neglect (in some parts of the country) have also adversely affected the educational outcomes of children belonging to the Muslim community. Some children belonging to ethnic and linguistic minorities also face disadvantages in coping with the regular school system.” And there is an issue that is both a demand- and supply-side problem. “Certain specific groups of children face a severe disadvantage in their participation in elementary education owing to the specific difficult circumstances in which they and their families are placed. These include street children in large cities; children working in shops, *dhabas*, hotels, garages, manufacturing units, at home for piece-rate work, agricultural child workers, domestic servants in urban and rural areas; children who migrate seasonally with their parents including children of construction workers and nomadic tribes....Urban poor

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<sup>47</sup> *Ibid.*

<sup>48</sup> *Chapter on Elementary Education, ibid.*

live in under-served/un-served settlements without basic amenities such as livelihood, access to water, and sanitation. Their settlements are often not recognised by local authorities for service provision under the impression that these would qualify them for land rights in the city. The land tenure policy of local governments and the nature of stay of the poor in cities and their access to basic services, greatly influence the education processes among disadvantaged groups.”

On the supply-side, as has been mentioned before, non-availability of the private school route is not a rural/urban problem, since private schools also exist in rural areas. However, a great deal of variation exists across the states in terms of the availability of private schools and this relates to a problem that is rarely discussed or highlighted. This concerns the licensing requirements for opening a private school. A case study is available for Delhi to illustrate the nature of the problem.<sup>49</sup> First, to open a school, an association or a group of individuals has to be registered under the Societies Registration Act as a “non-profit” institution. Since there is no reason why education should be for altruistic motives alone, this also means that accounts of schools are never transparent and money is siphoned off under other heads, not to mention the capitation fees charged at the time of admission. Nor should one forget the high costs of urban land. Second, the society has to obtain an “Essentiality Certificate” from the Department of Education (DOE). This certifies that a school is required in a particular zone, without which the society cannot be allotted land. In a *de facto* manner this works like a license, thus limiting the supply of schools. Third, land needs to be allotted to the school and a sponsorship letter from the DOE is forwarded to land-owning agencies like the Delhi Development Authority or the Municipal Corporation of Delhi (MCD). Fourth, once the school has been established, it needs to apply for recognition. Recognition up to Grade V is granted by the MCD and recognition up to Grade VIII is granted by the DOE. The application to the DOE requires 17 documents, including “a duly approved Scheme of Management, Completion Certificate, Sanctioned Building Plan, Water Testing Report, and Health Certificate. All this is governed according to the rules mentioned in the Delhi Education Act, 1973.”<sup>50</sup> Finally, the school needs to apply for affiliation with the Central Board for Secondary Education. Without this, the terminal examination cannot be taken through the school. Needless to say, few of these clearances are available without bribes. “By the end of the 1990s, the poor had begun to do what the middle class had done three decades ago – search for alternatives to government schools – and cheap private schools surged across the country to cater to this new demand. Across states such as Punjab, Haryana, Kerala and Maharashtra, enrolment in state schools has fallen steeply, as students shift to private schools...These schools remained illegal due to the long, tedious tap-dance with bureaucracy that was necessary to get a license. The recognition of schools can consequently take years, and involves, for example, fourteen licenses from several different authorities in Delhi.”<sup>51</sup> While this is for Delhi, the other states have licensing requirements that are not dissimilar. These entry barriers should also be eased to facilitate private sector entry. Surveys, including those conducted by the NUEPA, have shown that children from poor households often enrol in two schools – a government one, to obtain free textbooks, uniforms and mid-day meals, and a private one, for education. In addition, private schools are often unrecognised, because of the procedural requirements, and the terminal examination has to be taken through the government system. One instance of unreasonable procedural requirements is physical infrastructural requirements, given the premium on scarce urban land.

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<sup>49</sup> *Licenses to Open a School: It's all about Money*, Mayank Wadhwa, Centre for Civil Society, Delhi, 2001.

<sup>50</sup> *Ibid.*

<sup>51</sup> *Imagining India, Ideas for the New Century*, Nandan Nilekani, Penguin and Allen Lane, 2008.

The present government/private ratio is thus a distorted one and should increase even more in favour of the private sector, especially if the licensing requirements are eased. Nevertheless, the government sector will remain important and an improvement in its functioning is not an issue that can be avoided. “While a sizeable number of children from urban, socially and economically ‘better off’ backgrounds and boys moved to the private sectors, almost all of the children who started attending schools from rural, social and economically-marginalised groups and girls started to increasingly attend government schools. Overall, the enrolment in government schools accounted for 75 percent of all children attending schools.”<sup>52</sup> There is no dispute about the fundamental problem. “Unless there is a strong effort to address the systemic issues of the regular functioning of schools, teacher attendance, school supervision, accountability of educational administrators, delegation of powers to VEC/PRIs, teacher transfer and promotion policies and effective decentralisation of school management, the gains of the SSA will be difficult to sustain.”<sup>53</sup> It is more than a question of sustaining the gains of the SSA. It is because these issues have not been satisfactorily addressed that the gains of the SSA and its precursors have been far short of expectations.

Perhaps one should mention that India does not perform that well in cross-country comparisons on teacher-absenteeism in government schools.<sup>54</sup> In a six-country study, 25 percent of Indian teachers were absent from school, compared to 16 percent in Bangladesh. Only Uganda performed worse at 27 percent. These are absence rates from the school, rather than from the classroom. “Teacher absence ranged from a low of 15 percent in Maharashtra, one of the most developed Indian states, to a high of 38 percent in Bihar and 42 percent in Jharkhand.” In addition, “For example, in the state of Maharashtra, the absence rate was 15 percent; about 60 percent of teachers were not engaged in teaching when the survey teams arrived. On the contrary, in Bihar and Jharkhand, where absence rates were about 40 percent, only 25 to 26 percent of teachers were actively teaching.” This is fundamentally a problem of a lack of accountability. One should not form the impression that there has been no improvement in the accountability of government schools. However, these tend to be sporadic and vary from state to state, district to district within a state and block to block within a district. Therefore, notwithstanding improvements here and there, there is no general template for reform. On 21 February 2005, at the first meeting of the Governing Council of the National Mission for the SSA, the Prime Minister said, “One of the key ways of making government systems effective is to strengthen the *Panchayats* and Urban Local Bodies. For this, we need to build up the capacity of these decentralised bodies and empower their elected representatives. This is best done through the effective devolution of funds. I note with satisfaction that this is the route taken by ‘*Sarva Shiksha Abhiyan*’, where more than 70 percent of the funds are being spent through *Panchayats* and other school-based peoples’ committees.”<sup>55</sup> Decentralisation, devolution, accountability, transparency and third party scrutiny has not worked everywhere.

To return to the introductory section, one way to interpret the legislated right to elementary education is that the buck has been passed to the private sector, with the government abdicating its provisioning responsibility, though not its financial one. This may be an

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<sup>52</sup> “What is the progress in elementary education participation in India during the last two decades?, An Analysis Using NSS Education Rounds,” Deepa Sankar, South Asia Sector for Human Development, *Working Paper No. 42112*, World Bank, October 2008.

<sup>53</sup> *Chapter on Elementary Education, ibid.*

<sup>54</sup> “No More Cutting Class? Reducing Teacher Absence and Providing Incentives for Performance,” F. Halsey Rogers and Emiliana Vagas, *Policy Research Working Paper No.4847*, World Bank, February 2009.

<sup>55</sup> <http://pmindia.nic.in/speech/content.asp?id=77>.

uncharitable and extreme view, but there is a grain of truth in it. However, if *de facto* privatisation is the route, one should make it *de jure*, by removing entry barriers on the private sector, including those that prevent profit-making, and replacing licensing controls with appropriate regulation that is based on outcomes and not on inputs.

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