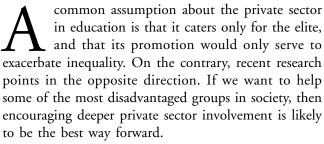# Private Education
What the Poor Can Teach Us

James Tooley

The burgeoning private education sector in India holds some surprising lessons for both developing and developed countries alike.

A common assumption about the private sector in education is that it caters only for the elite, and that its promotion would only serve to exacerbate inequality. On the contrary, recent research points in the opposite direction. If we want to help some of the most disadvantaged groups in society, then encouraging deeper private sector involvement is likely to be the best way forward.

This piece outlines three developments in India, all of which involve the private education sector meeting the needs of the poor in distinct ways. But India is not unique in this respect. Similar projects are happening all over the developing world.[1]

Government schools for the poor

To explore what to many would be a counterintuitive proposition—that private education can help the poor— let's begin by investigating the lot of some of the world's poorest people, the poor who live in the slums and villages of India. First, how do *government* schools serve these people? To find out, the Indian government sponsored the 1999 PROBE report—the *Public Report on Basic Education in India*—which paints a bleak picture indeed of the 'malfunctioning' of government schools for the poor.[2] When researchers called unannounced on their random sample of schools, only in 53% was there any 'teaching activity' going on (p. 47). In fully 33%, the headteacher was absent. Alarmingly, the team noted that the deterioration of teaching standards was not to do with disempowered teachers, but instead could be ascribed to 'plain negligence'. They noted 'several cases of irresponsible teachers keeping a school

closed . . . for months at a time', many cases of drunk teachers, and headteachers who asked children to do domestic chores, 'including looking after the baby' (p. 63). Significantly, the low level of teaching activity occurred even in those schools with relatively good infrastructure, teaching aids and pupil-teacher ratios.

Is there any alternative to these schools? Surely no-one else can do better than government, given the resources available? As it happens, the PROBE report pointed to the *private* schools that were serving the poor and conceded—rather reluctantly—that such problems were *not* found in these schools. In the great majority of private schools—again visited unannounced and at random—there 'was feverish classroom activity' (p. 102). Private schools, they said, were successful because they were more *accountable*: 'the teachers are accountable to the manager (who can fire them), and, through him or her, to the parents (who can withdraw their children).' Such accountability was not present in the government schools, and 'this contrast is perceived with crystal clarity by the vast majority of parents' (p. 64).

Private schools for the poor

To many, the existence of these private schools for the poor will be a surprise. They were to me too, until I

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began conducting fieldwork for the International Finance Corporation on a group of such schools coming under the banner of the Federation of Private Schools' Management based in Hyderabad. The Federation has some 500 private schools serving poor communities in the slums and villages. I was impressed by both the entrepreneurial spirit within these schools—they were run on commercial principles, not dependent on government handouts or philanthropy—but also with the spirit of dedication within the schools for the poor communities served—not for nothing were the leaders of the schools known as 'social workers'.

Given the existence of these private schools and the way they are responding to the needs of the poor, it might be thought that the government was assisting them in their task. In fact, the opposite is true. These schools suffer under restrictive and inappropriate regulations, from statutory rules stating that a school must have a playground of 1,000 square yards to a requirement for government-trained teachers within the school. To be recognised by the government, private schools must also deposit up to 50,000 Rupees (about US$1,200) in a stipulated bank account, of which neither the capital nor the interest can be touched. Given that the fees charged in these schools ranged from 25 Rs per month (that's 60 US cents) to 150 Rs per month (about US$3.50 per month), with most of the schools grouped near the lower end of the range, such sums are completely prohibitive.

Fees of around US$10 per year are not affordable to everyone, it is true, but they are affordable to a huge range of poor families. Most significantly, the great majority of the schools offer a substantial number of free places—up to 20%—for the poorest students, allocated on the basis of claims of need checked informally in the community.

All of this suggests that if one is interested in serving the needs of the poor in India, then trying to reform the totally inadequate, cumbersome and unaccountable government system is unlikely to be the best way. Instead, reform the regulatory environment to make it suitable for the flourishing of private schools for the poor, help build private voucher schemes using overseas and indigenous philanthropy, and encourage public voucher schemes, so that parents can use their allowance of funding where they see the schools are performing well, rather than wasting them in unresponsive state schools.

Education as an industry, not an arm of government

Private education in developing countries is not just about the poor, of course, and there are many exciting examples of big education businesses. But these too have implications for the ways in which the private sector can reach the least advantaged.

One Indian company which embodies much of the excitement and innovation in the education industry is NIIT (National Institute of Information Technology). With its competitor, Aptech, it shares just over 70% of the IT education and training market in India, estimated at roughly Rs 1.1 billion. NIIT has 40 wholly owned centres in the metropolitan areas, and about 1,000 franchised centres across India. It also has a global reach, with centres in the USA, Asia-Pacific, Europe, Japan, Central Asia and Africa. A key aspect of NIIT's educational philosophy is that there is a need to harness research to improve the efficiency of learning and to raise educational standards.

Because of NIIT's success in developing innovative and cost-effective IT education and training, several state governments are looking to it—and similar companies— to help bring IT education to the poor in their states. First off the mark was the southern Indian state of Tamil Nadu, which wanted to bring a computer curriculum to all of its high schools. Significantly, although allocating extra funds to this endeavour— about US $22 million over five years—it simply didn't trust handing the funds over to government schools, perhaps having taken to heart the lessons of the PROBE report.

Instead, it developed a model to contract out the delivery to private companies, who provide the software and hardware, while the government provides an electricity supply and the classroom. For the first round of the Tamil Nadu process, 43 contracts were awarded for 666 schools, with NIIT allotted 371 schools. Many of the classrooms have become NIIT centres, open to the school children and teachers during the day, then used by the franchise holder in the evenings. The contracting out of curriculum areas such as this represents an important step forward in relationships between the public and private sectors, and provides an interesting model worth watching and emulating.

Bridging the 'digital divide'

NIIT has also embarked on another endeavour, which has the potential to link the poorest in society to the 'knowledge society'. As noted already, NIIT is engaged in research and development. Recently, one aspect of this has focused on how to reach largely illiterate and unschooled children in the slums and rural areas through the Internet.

As background, NIIT's Director of Research, Dr Sugata Mitra experienced what many proud parents were feeling when they observed their children on the family computer: 'My children have easily taught themselves to access the Internet. They must be brilliant!'. But he wondered whether there might be an alternative explanation: 'Perhaps there's nothing special about my children, but there's something particularly easy about accessing the Internet?' Thus was born the 'Hole in the Wall' experiment.

The NIIT headquarters border the slum area of Kalkaji, where there are a large number of children of all ages who don't attend school—and in any case the only schools available have few resources, and high teacher and pupil absenteeism. Dr Mitra wondered: can *these* children also learn to access the Internet without any tuition?

His research team constructed an 'Internet kiosk' in the NIIT boundary wall, with the monitor visible through a glass plate built into the wall. The PC itself was on the other side of the brick enclosure, which was connected to the NIIT's internal network. The kiosk had access to the Internet through a dedicated connection to a service provider. There was a touch pad provided instead of a mouse, which was later modified to an unbreakable joystick. The kiosk was made operational without any announcement or instruction in January 1999. A video camera recorded activity near the kiosk and activity was monitored from another PC on the network.

To cut a long story short, within weeks, the children quickly learned to become 'Internet literate'. The children visited websites without any instruction. The Disney website became especially popular, with children playing computer games, and navigating stories and cartoons. Those literate in Hindi also loved to access news, horoscopes and short story websites. Paint also became very popular, with almost all of the 80 children

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who came to the kiosk learning—without instruction—to make pictures or to write their own names. These are children who wouldn't have access to (physical) paint and paper in their own lives.

The observations thus far indicate that underprivileged children from the slum area, without any planned instructional intervention, could achieve a remarkable level of computer literacy. The experiment suggests that language, technical skills and education are not serious barriers to accessing the Internet, and, through this, educational and entertainment CD-ROMs, leading to self- and peer-education, at least for younger children. Over the age of 14 or so, people didn't make much sense of it all: 'where's the teacher?' they would ask.

Now, if this was just a simple experiment conducted by a company, it might not be so spectacular. But the important point is that Dr Mitra is now embarking on rolling out the idea commercially to rural and slum areas, harnessing the power of the private sector to reach the poorest through modern technology.

Conclusion

Of course, not everything is perfect. There is still a high rate of illiteracy in India (50% in some states); and the Indian government could still overwhelm the entrepreneurial spirit in education with stifling regulation and red tape. But all this evidence suggests that the received wisdom about the role of the private sector in helping the disadvantaged is completely misguided. In developing countries, it is not the state that has the greatest potential to help the poor, but the private sector. Of course, the very poorest may need additional assistance to help them attend these schools, in terms of public or private vouchers (or both). But the state's major role should be to help ensure that the regulatory and investment climate is conducive to the development and nurturing of these schools. And if this is true for India, then it may also be true for the developed world too.

Endnotes

[1] J. Tooley, *The Global Education Industry* (London: IEA/IFC, 1999), and *Reclaiming Education* (London: Continuum/Cassell, 2000).

[2] The Probe Team, *Public Report on Basic Education in India* (Oxford: Oxford University Press, 1999).