

All India Policy Writing Competition

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Policy No.	Title of policy:
11	Education For Learning

Name of contestant/ team leader:	Poorvaja Prakash
Names of any other team members:	Radhika Maloo
Contestant/team leader's place of residence (including state/country):	India Mumbai, Maharashtra, Delhi
Contestant/ team leader's affiliation with any academic (or other) institution:	Poorvaja-Teach For India, Radhika-IPE Global Consulting

This entry has won a prize of Rs. 20,000 in the All India Policy Competition of the Freedom Team of India (November 2012-February 2013), being the best entry in the school education policy category.

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Executive Summary

The General Assembly 2000 summit witnessed 189 countries pledge to the Millennium Development Goals (MDG) primarily aiming to eradicate poverty world wide by 2015. Goal number 2 is to achieve Universal Primary Education (UPE) or in other words, “ensure that by 2015, children everywhere, boys and girls alike will be able to complete a full course of primary schooling.” (UN, nd). Ensuring access to primary schooling has been seen as a mechanism of escaping poverty, particularly with the emphasis in trying to create a knowledge economy. The drive towards UPE was quickly internalized by countries in terms of annual and long term policy making with particular focus on increasing enrolment figures. It is important to note that access to schooling does not simply imply high enrolment. Meaningful access requires “high attendance rates, progression through grades with little or no repetition, and learning outcomes that confirm that basic skills are being mastered” (CREATE, 2009). Quality of education is determined by enabling inputs such as teachers, learning materials, infrastructure, school governance, curriculum; learner characteristics that include aptitude, readiness, nutrition and outputs such as literacy, life skills, social benefits (UNESCO, 2004).

A glaring omission in the indicators used to measure UPE is the lack of focus on learning. The lack of learning outcomes can have a detrimental effect on India's future growth. Recent studies have shown that it's cognitive skills that matter for growth and not mere attendance in terms of number of years of schooling. More than 50% of students in grade 5 cannot read a story from a grade 2 text and only 28% of students in grade 5 are capable of doing a simple 3 digit by one digit division. This is significant because it indicates that between 50-72% of students who complete primary schooling in India (rural) lack minimum cognitive skills. This is indicative of the struggle that they are likely to go through when they do enter the job market. Learning outcomes are low primarily because current policies prioritize inputs over outcomes, look at all children as a homogenous group and do not promote incentives or accountability structures.

Primary focus of the policy is to ensure that children learn in schools and this is necessary for them to become free thinking individuals. Thus our policy focuses on enhancing learning outcomes for school going children. Policy options that can be used to achieve this are- performance pay schemes, contract teachers, vouchers, scholarships and increasing accountability and incentive structures. It is to be noted that all policy options should be implemented according to the needs of each state and they needed to be implemented in tandem for e.g. vouchers along with public school reforms and performance pay with community monitoring.



1. What would happen without any role for government

Currently in India, 64.9% of students are enrolled in government schools (*Table 1*). While these trends show declining enrolment in government schools, even now a very high proportion of all children in India (Rural) go to government schools. Excluding the government out of the equation will deny these children the right to education. Even low-income private schools aren't affordable for many children and if the government is out of the system, private schools at the moment will not be able to handle the load increase as well and this will definitely lead to more and more exclusion.

Table 1- Government vs Private School Enrolment

Year	Government	Private
2006	71.14	18.84
2007	72.91	20.18
2008	69.66	23.03
2009	70.4	22.54
2010	69.22	24.61
2011	67.4	26.09
2012	64.9	28.6

Source: ASER online data enquiry 2012

Indian rules also mandate that all schools can only be set up by trusts/ non-profit uses and the sole market principle doesn't allow for this. Competition, which is a critical component, will also eliminate the smaller operators who might actually be the only chance for children from low-income societies leading to monopolization of the education system in India.

In terms of literature, several works by other authors including Shultz also brought about a distinction between private and social returns to education, showing that social returns to education exceed private returns, indicating positive externalities further strengthening the case for investment in public education.

Alternatively, the government and private sector need to co-exist in this sector and public-private partnerships that are established well and charter schools can be a possible solution where individuals can use their pedagogical and curriculum design but some sort of parameter is given by the government as well. These parameters need to be defined in terms of performance and not in terms of numbers as defined by the current RTE regime.



2. Identify problem/s with the base case and explain why these are problems

2.1 Trends in current education system-

The General Assembly 2000 summit witnessed 189 countries pledge to the Millennium Development Goals (MDG) 1 primarily aiming to eradicate poverty world wide by 2015. Goal number 2 is to achieve Universal Primary Education (UPE) or in other words, “ensure that by 2015, children everywhere, boys and girls alike will be able to complete a full course of primary schooling.” (UN, nd). Ensuring access to primary schooling has been seen as a mechanism of escaping poverty, particularly with the emphasis in trying to create a knowledge economy. The drive towards UPE was quickly internalized by countries in terms of annual and long-term policy making with particular focus on increasing enrolment figures.

The overall progress towards UPE has in large part been impressive with net enrolment rates in developing countries increasing from 82 to 90% from 1999 to 2010 (UN, 2012). Even poorer regions like Sub-Saharan Africa improved their enrolment rates by 32% (Ibid). The figures make for an even more striking read when viewed in absolute terms, with the number of out-of – school children reducing from over a 100 million to 61 million worldwide in the same time period.

It is important to note that access to schooling does not simply imply high enrollment. Meaningful access requires “high attendance rates, progression through grades with little or no repetition, and learning outcomes that confirm that basic skills are being mastered” (CREATE, 2009). Quality of education is determined by enabling inputs such as teachers, learning materials, infrastructure, school governance, curriculum; learner characteristics that include aptitude, readiness, nutrition and outputs such as literacy, life skills, social benefits (UNESCO, 2004).

A glaring omission in the indicators used to measure UPE is the lack of focus on learning. Recent studies have documented that even countries that are poised to attain UPE have displayed extremely low levels of learning. For example Mexico has attained UPE yet only 50% of their students can show basic skills in mathematics (Filmer et. al, 2006). Therefore this suggests that there are unexpected consequences of this drive towards UPE. Most of those from poor households who do attend school come out with their reading, writing and numeracy levels much lower than expected. Increasing income inequality and insufficient government action is leading to a wider gap in the access to quality education between the richest and poorest segments of society. Given this situation, many experts are questioning the direction education goals need to take after 2015.

2.2 Trends in India

India’s trajectory has been no different, despite acts such as the SSA and RTE. While the Right to Education bill needs to be commended for finally declaring that make the right to attend school at the elementary level a constitutional right and can be best described as an attempt to establish central guidelines as a means to achieving mass education. Some of these attempts include standards for school buildings, blackboards, chalks and other infrastructure, a minimum teacher-student ratio,

making primary education “free and compulsory”, minimum teacher qualifications and ensuring a friendly classroom environment for the child (RTE, 2009). Advocates of the Act laud it particularly for stipulating that all private schools set aside 25% of their seats for children from certain backgrounds, claiming that this was a vehicle for improving “social inclusion” (Two Circles, 2012). The RTE was meant to serve as a platform of expanding “quality” education access.

“Make no mistake: we are in the midst of a severe education crisis” (Mani, 2011). Although, this sounds extreme, those closely monitoring the quality of education in India would validate it. The Government is struggling to provide “free and compulsory education for all children until they complete the age of fourteen years” even sixty-two years after it was written in the Constitution of India (1950). Both Central and State governments can legislate on and are responsible for the provision of elementary education until grade 8 (Blum and Diwan, 2008). The SSA program, launched in 2001, and the RTE Act of 2010 are aimed at achieving the MDG objectives by providing quality education to all children through increased Government responsibility and accountability. As a result, gross enrolment ratio in schools of all 6-13 year olds is 99.8% in 2008-09 (GOI, 2012). More accurate data reports that only 3.3% of all 6-14 year olds in the country were not enrolled in schools in 2011 (ASER, 2012).

Nevertheless, high enrollment rates are not enough to ensure a high standard of education for the child. The more important indicators are attendance, dropout rates and learning outcomes. These show a bleaker outlook compared to the positive picture portrayed by enrollment rates. Attendance in rural primary schools has declined from 73.4% in 2007 to 70.9% in 2011 (ASER, 2012). The dropout rate remains very high at 25.43% for grades 1-5 and 46.03% for grades 1-8 (SSA, 2010). If governments are committed to free education, they either ration access or quality (Barr, 1993). India has been subjected to the latter. Even after completing 8 years of schooling, 49% of children do not have knowledge of the basic curriculum of elementary education (Kumar and Singh, 2009). Only 57.5% of those in grades 3-5 can read a grade 1 textbook (ASER, 2012).

There are several flaws in the Indian schooling system. According to ASER data (2012), almost half the classes in government schools were multigrade where students of one standard were sitting with students of another standard. 11.8% of all primary schools in India had a single teacher and only 42.75% of all schools had electricity connection in 2010-2011 (Mehta, 2011). Around 40% of all teachers nationwide had qualifications only till higher secondary or lower in 2010-11 (Ibid.). Pupil-teacher ratio for primary schools in 2009-10 was 1:42 (GOI, 2012). However, in some states it was as high as 1:80. 16.6% of all schools have no provision for drinking water (ASER, 2012).

Adequate spending on these issues should have reduced the problems. However, given the resources spent, there is very little to show in terms of educational attainment (De and Endow, 2008). In 1966, the Kothari Commission proposed that education expenditure should be 6% of GDP (Tilak, 2007). However, it has risen to only 3.11% in 2011-12 according to budget estimates (GOI, 2012). Underutilization of the funds allocated is a graver issue that results partly due to the multi-tiered government (Mooij and Dev, 2002).



Table 2- Enrolment and Learning Outcomes

Years	Enrolment Rates	Learning Outcomes
2006	93.83	19.83
2007	95.84	17.42
2008	95.73	18.08
2009	95.08	18.83
2010	96.57	18.2
2011	96.7	16.86
2012	96.5	14.80

Source: constructed from ASER (2011) online data enquiry

Where Enrolment Rates= 100-(out of school rate)

Recent data on Learning Outcomes again indicates the stark reality facing our children (*Table 2*). Learning outcomes, defined here as the percentage of students in the age group 6-14 who can read a paragraph of a text from a grade one text has declined with less than 15% of students being able to read a paragraph, a decline of 5% over the course of 6 years (*Table 2*). It must be noted that this test was done in various Indian languages, giving the child the right to choose the language, thereby making it more participatory in nature. It can also be seen that the years that saw the most increases in enrolment were also accompanied with the maximum decline in learning outcomes. These two indicators are therefore negatively *correlated*. While this does not give us an indication of a causal relationship, since there could have been other factors influencing this relationship, it does show an indication of the trends and clearly suggests that children who are now enrolled in school are not learning.

2.3 Why is the lack of focus on learning outcomes a problem?

Learning outcomes and Economic Growth

In order to answer this question, this section will first give an overview on the role played by education and schooling for economic growth and the changes this has gone through over the past few years. The role played by education was perhaps first documented by the human capital theorists. The stock of human capital is basically the knowledge that people acquire that they contribute to their productivity and hence their earning capacity thereby ensuring future growth. Proponents of this theory included Gary Becker and Jacob Mincer. Their major contribution to the literature came from the concept of calculating returns to education and this was extremely influential in convincing national governments to increasingly expand access to formal education (Xiao, 2002). Mincer's wage theory in particular was influential in highlighting the importance of completing schooling and estimated that an extra year of formal schooling can increase a person's future earning by 7 to 10%; giving way to the idea that number of years in schooling can explain differences in the earning potential of individuals and therefore economic growth (Stevens and Weale, 2003). Another channel through which education can impact growth is through innovation and sharing of knowledge as proposed by the endogenous growth models (Romer, 1989).

Researchers also established that this returns to education was expected to be higher in low income countries and according to a study by Psacharopoulos and Patrinos (2004) stated it to be at an average of 10%. Most of the initial studies in this field tried to establish a causal relationship between

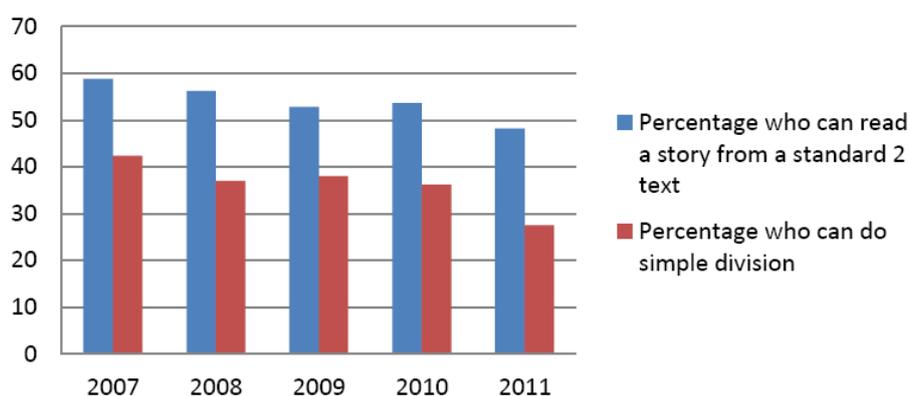
education and growth by using either enrolment rates or average years of schooling as indicative of education attainment. Sala-I-Martin et. al(2004), in a cross country analysed a variety of variables and their significance in explaining differences in growth and concluded that primary schooling measured by primary school enrolment to be the most influential explanatory variable. Several other studies have also come to the same conclusion. The debate then, was more centred on what level of education to invest in rather than question if this relationship was indeed causal. These studies also played an important role in pushing for expansion of primary education, with particular emphasis on enrolment and completion (Hanushek and Woessmann, 2008)

A major drawback with macro level and cross country studies is that they may not account for other observable or unobservable differences within countries. As pointed out by Hanushek and Woessmann (2008), one year of schooling is not the same even in two developing countries. However, recent empirical studies particularly using test score data from the PISA international rankings, have concluded that it's learning outcomes and cognitive skills⁶ that matter more for growth in the macro sense and for the individual. A 1% increase in test scores led to a 2% increase in annual growth in developed countries and this is estimated to be even more in developing countries(Hanushek and Woessmann, 2009) . Blom and Hobbs (2007) study this phenomenon in the Caribbean and conclude that students finishing school are not equipped to join the job market., a signal that education system does not provide them with the skills required.

2.4 Learning outcomes in India

As discussed in the previous section, in India, learning outcomes are declining across all ages even as completion rates and the average years of schooling have increased. The following figure looks at learning outcomes data for students at grade 5, to indicate the extent of learning levels when *finishing* primary schooling.

Figure 1- Learning Outcomes: Reading and Arithmetic



Source- ASER data

More than 50% of students in grade 5 cannot read a story from a grade 2 text and only 28% of students in grade 5 are capable of doing a simple 3 digit by one digit division. This is significant because it indicates that between 50-72% of students who complete primary schooling in India (rural) lack minimum cognitive skills. This is indicative of the struggle that they are likely to go through when they do enter the job market. Criticism of such an analysis may be that some of these



students might have just joined the schooling system and therefore this is a biased indicator. For this not to be a factor in the future, secondary school learning outcomes need to be significantly higher or gain in a year of schooling needs to be significantly high. The following table (*Table 3*) is constructed from ASER 2011 data on learning outcomes from grade 1 to 5 using the technique Pritchett (2012b) demonstrated using data from 2010. What the table essentially shows is that in each year of schooling, only 11.31% of students learn what they were supposed to have mastered in the previous year. Therefore the chance of a student contributing to growth in the future via increased skills and productivity is diminished if the student does not have basic literacy and numeracy skills even after finishing primary school.

Table 3- Extent of Learning

Grade	% of students who can read a grade 2 text	Gain from previous grade	% who don't gain
1	2.95		
2	8.72	5.77	94.23
3	18.79	10.07	89.93
4	34.15	15.36	84.64
5	48.2	14.05	85.95
		45.25	354.75
	Gain from one year	11.3125	88.6875

Column 2- ASER (2011) Data Enquiry online

Column 3- $100 - \text{column 2}$

Column 4- Formula= $100 - (\text{gains from previous grade} / 100 - \text{students who could read in previous grade}) * 100$ (Pritchett, 2012b)

Source- ASER, 2011

2.5

Growth through innovation?

A second channel through which education can affect growth is through innovation and knowledge sharing as proposed by the endogenous growth theorists. Whether India will have the potential to do this or not depends upon the status of secondary education and the standards of students at the international level. Data on secondary school enrolment also shows that this massive improvement in primary schooling has not translated into further improvement in secondary and tertiary education (One World, 2009).

This basically means that in the future there is going to be a significant stock of the human capital that has finished primary schooling without any basic cognitive skills and based on the evidence shown in the literature, this could affect both over all macro growth and the earning potential for the individual. Even if these students do carry on to complete secondary schooling, low learning outcomes, continues be an issue and Indian students fail to compete with international students. This was shown in the PISA 2009 education rankings⁷ where 15 year old students two Indian states(Tamil Nadu and Himachal Pradesh) participated for the first time and ranked last but one in both reading and mathematical skills(Chhapiya, 2012). According to PISA, this put these students at par with only 2nd graders in Shanghai. While, the criticisms of taking the PISA too seriously and the gap in international standards is acknowledged, the fact that these students allegedly from the two top performing states in India lag so far behind is not good news for future growth(Pritchett, 2012a). This is especially true in an increasingly globalized world, and this continuance of low learning outcomes, prevents increased growth especially via increased innovation. As pointed out by Hanushek and Woessmann (2008, 2009 and 2011), innovation and increasing productivity largely depend on cognitive skills and learning outcomes play a significant role in developing these skills.

While the argument that growth will not be affected since there's not hard evidence this it is happening right now, this will most certainly result in widening inequalities in education attainments in India- the very objective that the drive towards UPE was supposed to prevent. In summary, the drive towards UPE has come at the cost of the push for increasing learning outcomes in India and data at both primary and secondary level along with theory, show that low learning outcomes, results in low cognitive skills and this is likely to affect future economic growth and widen inequities in India. Whether this will definitely happen or not requires further empirical research. However, it is clear that India is „wasting her biggest asset“ by not truly investing in the learning outcomes of students who contribute to the future working force (First Post, 2012). The demographic dividend that contributed to the growth in the East Asian Tigers (Masan and Kinusaga, 2005) will not help India unless urgent steps are taken to truly reform the education system and concentrate on actual learning.

Thus, a child's education not only benefits the family but also the entire society and country at large. Especially in developing countries, the economic benefits of education have been rising due to the skill-biased technological advances taking place in an increasingly globalized world. The foundation of obtaining quality education lies in primary schooling, generally up to the age of fourteen. Estimates suggest that given India's current 'demographic dividend', around 25% of the global workforce will be Indian by 2030. A direct implication of this is that the economy of the country in the near future shall



be largely dependent on the quality of the education that young Indian children receive today (Mani, 2011).

Intuitively one can argue that low learning outcomes and low cognitive skills also leads to other issues such as lack of conscious voice in a democratic setting and governance. Schooling systems that does not focus on well-rounded personalities and simply do not teach in a way that children learn will not create aware citizens who are the future of the country.

2.6 Causes behind low learning outcomes

One of the views put forward by Filmer et. al (2006) in their study is that the set of incentives that the policies towards increasing enrolment create do not push for better learning automatically and in fact in some cases can be detrimental to the same. Going beyond this, when this neglect of learning outcomes continues for a considerable period of time, it creates further problems since the students who do benefit from this drive towards UPE are considerably different from existing students. Therefore policies that assume a homogenous bunch of students or set the main features of any intervention according to this assumption can be detrimental to those who have recently joined the school. The World Bank (2006) points out the differences between the goals of the Millennium Development Goals and the Education for all goals established nearly a decade earlier. The authors conclude that the MDGs place their entire thrust on enrolment and completion versus the thrust on quality of education placed by the Education for all (EFA) goals. On the other hand, while the EFA goals are more progressive in terms of the incentives it places for governments, the definition of „quality“ is still vague and leaves room for governments to further invest in „inputs“ in education rather than investing in outcomes that affects learning attainments.

1. Inputs over outputs

Policies used to attain UPE focus on the „inputs“ required attaining the same rather than focusing on the quality of the „outcomes“. UPE has emphasized that the answer to the education related problems is the numbers and more of everything will solve any issue involved (Pritchett, nd). These policies are grouped into 4 categories- Infrastructure, Teachers, learning material and school meal programmes.

Infrastructure

One policy that is dominant in the UPE spectrum is building more and better infrastructure, with particular focus on schools. Further, governments have also established minimum facilities required to function as a school (RTE, 2009). School access and environment are assumed to be important in increasing schooling participation and learning outcomes. Many developing countries are now encouraged to build primary schools within 30-minute walking distance of any habitant (UN, 2010). An IDB (2011) report found that Latin American and Caribbean schools needed to be upgraded and this lack of quality infrastructure was affecting the learning capacity of students. Duflo (2004) evaluated the impact of a massive national school building programme in Indonesia in the 1970s and concluded that this impacted future earnings positively. However, this impact was via increase in number of years in schooling and not increased learning outcomes. Nevertheless, it would be wrong

to generalize that a year in school will lead to automatic learning. Recent evidence suggests that increasing expenditure on school facilities need not necessarily impact learning outcomes.

In India:

Muralidharan et.al (cited in Muralidharan 2012) test this theory across villages in India found that this policy impacted attendance but not learning or teacher absenteeism. In summary there seems to be mixed evidence on the impact of this policy.

As seen from the discussion in the literature, building more schools does not increase learning outcomes directly. However, it can be seen that more than a third of the funds have been spent on the category school that includes „civil works and maintenance“ (PAISA, 2011, p. 32). This increase in expenditure has not resulted in the increase in learning outcomes. On the contrary across both lower and upper primary schools, the percentage of students in grade 1 and 2 and grade 3-5 who can read a grade 1 text has declined from 79% to 72 % and from 79% to 74% respectively from 2009 to 2011. The situation is not any different for numeracy skills, with the declines in the percentage of students who can perform basic mathematical questions is to the tune of 6% for students This is not to say that basic infrastructure should not be invested upon but we need to question the extent of priority being awarded to the same.

Teachers- Expenditure on hiring teachers

Another consequence of the drive towards UPE has been the move towards increasing the number of teachers. The thought process here is that teacher-student ratios is important and as the number of students enrolled in school increase, increasing the number of teachers is an absolute must. The role that a teacher plays in the classroom has been highly emphasized, particularly in terms of quantity. As early as 1966, Colemann et. al (in Gauthier and Dumbele, 2004), in their study analysing the determinants of student learning outcomes, ranked teachers to be the most influential. This has led to the claim for reducing student-teacher ratios. However, whether this along has direct impact on learning outcomes is questionable. In developing countries, even while teacher-student ratios have come down, learning outcomes levels have been at different stages.

In India-

Muralidharan et. al, 2012 (cited in Muralidharan, 2012) however, highlight an important phenomenon in India where in the reduction in student-teacher ratio has happened in the midst of rising teacher absenteeism rates. Therefore the lack of teacher effort can very well off-set the increase in the number of teachers and the efforts in reducing classroom size. While this is not to say that teacher shortages are not problematic, hiring more teachers without changing the existing incentive structure or pedagogical review will not change the situation.

Distributing learning material

An increasingly popular policy package now is elimination of all indirect fees so that students also get access to the textbooks and other learning material. Many also advocate increasing blackboard facilities, use of technology etc. (UN 2010). While, it does seem like enough to guarantee retention



and enrolment, it does not guarantee learning. Kremer et. al (2002) (cited in Duflo and Kremer, 2003) evaluate a large government scheme in Kenya which entailed distribution of free textbooks and uniforms and while this did drastically reduce dropout rates and increased completion rates (15%), there was no significant gain in learning. Duflo and Kremer (2003) further highlighted that for students to benefit from access to books, they need to be able to *read* the text which, in Kenya was not the case because the textbooks were printed in English. This once again highlights the importance of taking into account local factors in implementing such policies.

In India-

While most of the education budget is spent on teachers and schools, about 10-14% of the stipulated amount is spent on children. The downfall of this data is that it is not broken down into different types of inputs(textbooks, stationery, uniform, transport) and other reforms such as remedial education and out-of school training. The ASER 2011 report reported that close to 25% of students in rural India were taught in a language that was different from their home language and for first generation learners who will presumably form a sizable number in rural areas. Therefore the effectiveness of this scheme largely depends on the commitment to pedagogical and curriculum level changes which have so far not been taken seriously. This is especially seen in the extent to which the category „quality“ is prioritized. Quality in this case refers to the expenditure allocated to the „Innovation and Learning Enhancement“ (PAISA, 2011, p. 32) programmes. Only 3-4% is spent on this every year and this is the most striking evidence to show that the drive towards the UPE has severely skewed priorities of the government towards input driven policies that clearly do not and has not affected learning outcomes in India.

These inputs in the form they exist in do not lead to increased learning and the assumption that mere attendance will lead to internalization of learning is also not validated

2. Lack of incentives

The biggest issue in the Indian education system today is the lack of incentives given to all stakeholders- students, parents, or most importantly teachers. The RTE lists painstaking measures to hire more teachers but good teachers are defined by their ‘qualifications’ which by themselves haven’t been validated. Teachers will ALSO respond to incentives. The lack of incentives can also be a reason for high teacher absenteeism rates witnessed across the country

It is important to note that several studies (as discussed previously) have shown that teacher effort contributes more to learning outcomes rather than the number of teachers. There is also a mistaken notion that teacher salaries is the only thing that needs to be increased in order to incentivize teachers to teach. Kingdom and Teal (2010) in their study show that there could be a negative relationship between the two and that while this does not raise learning outcomes, it gives more power to the unions to raise the cost for the government. Government school teachers are in fact paid more than private teachers but these schools display lower learning outcomes(Pritchett and Murgai, 2006) What teachers respond to is incentives that motivates them to perform and effective monitoring (Muralidharan and Sundararaman, 2011), both of which do not figure in under the category of teachers in the education budget categorization (PAISA 2011).

It is also noted that none of the above steps address the problem of teacher absenteeism, a huge factor in affecting learning outcomes. Kremer et. al (2005a) had done a comparison of 8 low and middle income countries and found that in India, teacher absenteeism was as high as 25%. While, the PAISA and ASER reports show a lower rate of 13-15%, this is still a significant. Other recent studies in India also showed reductions in teacher absence rates but in most cases, the figure was still greater than 20% (Muralidharan, 2012; Duflo and Hanna, 2005). It can be argued that such high teacher absence rates can have a significant impact on learning outcomes (Pritchett and Murgai, 2006) particularly for FIRST GENERATION LEARNERS and the fact neither the SSA nor the RTE addresses the problem of governance in education in any way is a serious omission.

Students are also not given adequate incentives to learn and scholarships that are dependent on mere enrollment or completion can actually be a disincentive!

3. Lack of accountability structures

One of the primary causes is the lack of teacher accountability in the system due to their strong political lobby. In spite of increasing investment in infrastructure and TLMs through SSA, teacher absenteeism is a huge problem. On a regular school day, around 25% of teachers are absent and only half engage in teaching activities (Pritchett and Pande, 2006; Kremer et al, 2004). This takes place when almost 85-90% of expenditure in elementary education is on teachers' salaries (Tilak, 2003).

While School Management Committees have been included in the RTE, the definition of the roles of the committee has been vague at best. What powers does this committee have? Can this committee function without adequate information? What should parents demand from the school system? Even when school accreditation is expected to be a mark of quality, there are questions raised on the criteria selected. Community level accountability needs to be seriously explored!

Why market isn't the (only) solution

The private sector has emerged as an important player as a result of state failure in the provision of public services due to corruption, clientelism, rent seeking and inefficiency. Private schools comprise schools that are government aided but privately run, schools that are recognized by the government but receive little funding, and unrecognized private schools (Desai et al, 2008). Unaided private schools range from the elite schools to the budget private schools in India. Private providers of education have been increasing rapidly since the economic liberalization reforms in 1991 in India (French and Kingdon, 2010). The RTE act reflects the Government's recognition of the private sector as an important part of the education system.

Private school enrollment for the age group 6-14 has risen to 25.6% in 2011 with a few states



showing an increase of over 10 percentage points in the last five years (ASER, 2012). In 2007-08, 59% of all urban children and 30-50% of rural children in most states were enrolled in private schools and the number has been rising (GOI 2010). It is in fact that “poorly resourced public schools which suffer from high rates of teacher absenteeism may have encouraged the rapid growth of private (unaided) schooling in India, particularly in urban areas” (Kingdon 2007a, p. 183). The importance of the private sector is obvious in the fact that between 1993 and 2002, 96% of the total increase in primary enrolment in urban areas and 24% in rural areas was due to unaided private schools (Kingdon, 2006).

However, inequalities do exist in access to these private schools. In India, children from different socio-economic backgrounds get access to different levels of school quality. (Desai et al 2010; Sharma and Ramachandran 2009). The upper and most of the middle class has exited the government school system and entered the private school system (Rana, 2006). So it is mostly children from the lower middle and lowest classes that study at government schools. Several studies indicate greater enrollment in private schools for boys, higher caste and urban students (Desai et al, 2010). Although richer states have more rural private schools, on average 28% of rural people have access to private schools, however half of them are unrecognized (Muralidharan and Kremer, 2006).

The poorest cannot afford to send their children to private schools. Although schools are meant to be non-profit and primary education free in the country, annual average expenditure per child amounted to Rs.826 (\$18.85) in rural areas and Rs.3626 (\$82.76) in urban areas in 2007-08 when uniforms, books, stationery, transport, other fees and private coaching were accounted for. Expenditure incurred in private schools is almost four times as much as government schools (GOI, 2010). When seen in the context of the median income of Rs.28000 (\$639.06) in the country, these figures represent a sizeable proportion of the family’s budget (Desai et al, 2010).

Tooley (2001), Tooley and Dixon (2006) believe private schools provide better quality education whereas Srivastava (2007) and Singh (2002) have questioned the same. Advocates find that private schools are more accountable, affordable and efficient than government schools (Tooley and Dixon, 2006). Although budget private school teacher salaries are approximately a fifth of government schoolteachers’ (Tooley and Dixon, 2005), they are 2-4 percentage points more likely to be present in school than the latter (Muralidharan and Kremer, 2006). Government schools are better equipped than most budget private schools in infrastructure of libraries, playgrounds, funds and teacher training (Shah and Braun-Munzinger, 2006). One of the criticisms of budget private schools is that they remain unrecognized since they do not meet government RTE regulations such as salaries of Rs.20,000 per teacher (Kingdon, 2006). If they do comply with such norms, low cost private schools would have to increase its average fees by 560% making them absolutely inaccessible for the poor (Rangaraju, Tooley and Dixon, 2012). Private schools operate at low unit cost levels currently. If government schools do improve, private schools would find it difficult to compete at the same cost level (Harma, 2012).

Although research on student outcomes is yet limited, a nationwide survey of rural children’s reading and arithmetic skills by ASER (2012) showed that private school students had slightly better results as seen in Table 4.

Table 4: Reading Level Results for Enrolled Children

Type of school	Nothing	Letter	Word	Para	Story	Total
All	9.39%	15.73%	14.24%	15.02%	45.63%	100.00%
EGS	17.07%	20.94%	17.82%	11.46%	32.72%	100.00%
Govt	10.43%	16.16%	14.77%	15.72%	42.93%	100.00%
Madarsa	32.98%	21.36%	14.98%	9.96%	20.72%	100.00%
Pvt	5.90%	14.39%	12.80%	13.40%	53.50%	100.00%

Better performance in private schools may be attributed to ‘home inputs’ such as educated, involved parents or additional tuition rather than ‘schooling inputs’. When such factors were controlled for in the ASER 2009 rural data, it was seen that they accounted for two-thirds of the learning difference in local languages between private and government schools and 40% of the difference in English learning levels (Wadhwa, 2009). This shows that there are other factors that need to be established before private schools can be seen as ‘the solution’. Other studies by Desai et al (2008), Kingdon (1996) and Muralidharan and Kremer (2006) showed higher learning achievements for private school students over government school ones (albeit a margin of 0.15- 0.35 of a standard deviation) after controlling for sample selectivity bias and school and family characteristics.

Thus, learning outcomes are slightly better in private schools but there is inequality in its access. The crux of the education crisis facing India is well summed up in the MHRD report (2010)- “Children from low-income families in rural as well as urban areas are unable to access high quality school education as they cannot afford to pay the fees normally charged by good private schools while good schools that can provide such access in the public sector are limited.”

We therefore feel that in order for all children to get a chance to access excellent education, the market is not the only solution. The education sector is a space where several collaborations are possible and public-private partnerships are potential solutions. We need the state, market and the third sector to work in tandem in the education field- any isolated reform movement does not work! Some private operational principles can be used but that’s different from sole market implementation.



3. First principles test (of classical liberalism)

The issues discussed talk about the government in the “first principles role” which implies that providing quality education for all citizens is a core or first order function. This matter has been widely discussed in Section 2, elaborating on the high enrolment in government schools and the need to ensure equality in access to schooling. Although the involvement of the private sector has been rising, it is not an alternative to the government. Thus, a liberal government does need to consider these problems extensively.

4. Options: What can government do about the problem/s?

4.1 Focus on learning outcomes

We believe that a school is more than just a place that children should go. A school is a place where children grow up, learn, develop opinions, values and define their identity. The current system (RTE) doesn't address these concerns.

First, learning outcomes need to be explicitly taken as a goal moving forward (Muralidharan, 2012). It is important that we clarify and define what we mean by learning outcomes. We define learning outcomes in terms of basic literacy and numeracy skills that go on to define a child's cognitive skills as he/she grows up. Given that in the past 10 years, pressures via international organizations has distorted priorities in developing countries, the recognition from a global level is needed for countries to pursue policies that are context specific and relevant to their nations and issues. As Filmer et. al (2006) pointed out, the move towards learning would take out an 'artificial dichotomy' created between access and learning. Even now in India, learning outcomes is not a priority and this is reflected by its absence in the Results Based Framework document⁸ for 2012-2013 (Muralidharan, 2012).

Improving learning outcomes might also be a mechanism of increasing attendance (World Bank, 2006). The fact that private school enrolment has also massively increased indicates that parents too, respond to perceived improvements in quality (Muralidharan, 2012).

4.1.1 Focus through Incentives and Accountability

1. Incentives and accountability

Performance Pay schemes (Incentives For teachers)

These are measures to incentivize and motivate teachers and in most cases are based on test results of students. The debate on performance pay is often centred on two issues. One, these schemes motivate teachers only to concentrate on test scores, thereby treating that as an end and not a means to achieve something more and second, this goes against the intrinsic motivation that is associated with this profession (Sequeira 2012). Psychological theories particularly emphasize the second issue and hypothesize that the intrinsic motivation associated with teaching is lost with the introduction of performance pay schemes (Muralidharan, 2012). However, high teacher absence rates in India suggest that intrinsic motivation is probably extremely low even to begin with and perhaps pay incentives can serve as the tool to increase internal and external motivation. Muralidharan and Sundararaman (2011) performed a rigorous impact evaluation of an experimental performance pay scheme in Andhra Pradesh where 500 government schools were randomly selected



and paid a marginal bonus if they reached a certain target. Their results showed that students from incentive schools performed significantly better in terms of test scores as compared to non-incentive schools after completing primary education. The authors also interestingly pointed out how this was successful both in “conceptual” and “mechanical” subjects and even more importantly this scheme had spill over effects on subjects where the scheme was not offered. The occurrence of positive spill over effects shows that either the students were able to pass on the skills of incentive subjects on to others or that other teachers were motivated to perform in the anticipation of such a scheme.

Conversely, another impact evaluation done by Kingdom and Teal (2007) showed differential impacts in public schools and private schools. While the scheme impacted student learning outcomes in private schools, it did not play any role in public schools and the authors attributed this to the lack of monitoring systems and the cushion that teachers have in the tenure system in public schools. This highlights the importance of a well-designed, context specific pay scheme. Given that even basic literacy and numeracy skill sets are low in India, one way of overcoming these issues is to measure performance in terms of minimum reading, writing and arithmetic skills in the lower primary level and based on test scores in the upper classes. Performance pay goes hand in hand with monitoring, and given that India lacks an effective monitoring system, it is essential to find other ways of regulating teachers and ensure that they teach. In rural areas, simple measures of community monitoring can be introduced along with performance pay schemes to ensure a fair balance between the carrot and the stick policy. Community monitoring in a very creative way was tried out in a school in India, where teachers were asked to photograph themselves with their students“ everyday as a measure of attendance instead of merely looking at attendance records, since they can easily be doctored. Teachers here were then paid for days attended and the results again showed both reduction in absence rates and increase in learning outcomes (Duflo and Hanna, 2005).

Contract Teachers

Another really controversial policy is the use of contract teachers, used in different forms in some states in India. Contract teachers are predominantly those who do not typically come through the public system of teacher recruitment and are normally paid far less (about 20%) than what formal teachers are paid (Muralidharan and Sundararaman, 2010). Arguments against the use of contract teachers have been in two areas. First, equity concerns with contract teachers being paid less and the loss of prestige that could accrue to the teaching profession. Second, many believe that because these teachers do not usually meet the minimum qualification, they are not “good enough” to improve learning outcomes (Kumar et. al, 2001). Kumar et. al (2001) expressed displeasure on the increasing use of contract teachers, and claim that this could be a direct result on the increasing pressure from structural adjustment programmes (SAP). They highlight that while the issue of teacher absenteeism has been regularly written about; the reasons for the same have been highly under appreciated. They further emphasize that hiring contract teachers is another response to achieving UPE at all costs and that recruiting them at alternative schools is a direct signal of their lack of quality of these schools.

Bourdon et. al(2005) study the impact of hiring contract teachers across different countries in Africa, particularly Niger and found that while they had significantly positive impact on increasing enrolment, learning outcomes of a certain set of students was negatively affected. The authors attributed this to the lack of work experience of contract teachers. However, a large number of these initial studies were not empirically rigorous and could have been affected by a number of omitted variables, such as community factors (Atherton and Kingdom, 2010). Recent randomized experiments

however, suggest that contract teachers are particularly effective for low performing students and can make a difference, especially because these teachers are hired on a „fixed term“ basis and face different set of incentives as opposed to regular teachers who often come under the tenure system. Muralidharan and Sundararam (2010) randomly chose 100 government schools to hire contract teachers and found that these students performed significantly better than students who were taught by regular teachers. Contract teachers also had lower absence rates of 16% (ibid). Atherton and Kingdom (2010) also conducted a study in UP and Bihar, two of India’s poorer states with low government accountability and found positive results. They attributed this to the fact that since contract teachers were also from the same community, they were likely to be more accountable to parents. They also point out that the structure of accountability and the duration of the contract has an impact on the effectiveness of these teachers.

This paper however, does acknowledge the fact the equity issues regarding payment and treatment of contract teachers cannot be ignored. Reforms therefore need to be two fold. As a long term measure, governments need to change the incentives that teachers face and this could mean including performance pay incentives along with strict monitoring to avoid blatant abuse of the tenure system. Ideas on how to increase the value judgement of teaching as a profession also need to be encouraged. However, as we have seen earlier, more important than the qualification the teacher holds is the effort he/she is willing to put in and whether the teacher is willing to respond to the needs of the students. Given the situation of multi-grade class rooms, it is highly likely that as the students go through each class, the curriculum gets tougher and less adaptable for them (Beatty and Pritchett, 2012). It’s in this scenario that remedial coaching is useful. While, both the SSA and RTE provide for this, providing extra coaching without changing the pedagogy or the curriculum is not effective. It is here that contract teachers can especially play a significant role. As a short-term measure contract teachers can be hired but paid more than they are currently offered. One criticism of this measure would be that this would reduce the cost-effectiveness of the policy. This money can be made by re-prioritizing the education budgets. Given that regular teachers respond more to carefully drafted incentives and some of the expenditure spent on infrastructure can be used to pay contract teachers.

Over a period of time, these contract teachers can then be absorbed in the main system, with continuous focus on their career development (Muralidharan and Sundararaman, 2010).

Scholarships (Incentives for students)

Scholarship for students is another mechanism of incentives to improve learning outcomes. It serves as a direct incentive for students and an indirect incentive for parents to continue to send their children to school. Unfortunately in India, it’s only in the secondary and tertiary levels that they function on the basis of merit and performance. Several conditional cash transfer programmes across the world go by the assumption that attendance can be equated to learning and as a system has been experimented in many countries, starting from the Progresa programme in Mexico. Impact evaluations have proven that while these schemes are once again successful in increasing enrolment, attendance rates are hardly affected (Sequeira, 2012) However, scholarships based on educational outcomes have been proven to work and once again have spill over effects. An example of one such programme is an experimental scholarship scheme for girls in Kenya. The scholarship entailed one year of tuition fees, \$12 worth of school supplies and acknowledgement of good performances in the



public sphere. A well-known impact evaluation study on the programme showed that not only did the girls who received the scholarships do better than the control groups after accounting for all possible household characteristics; boys who were not recipients of the scholarship also started performing better, once again showing positive externalities (Kremer et. al, 2005b).

In India, many scholarship schemes are available in theory and the prominent one right now is the “Dhanalakshmi” scheme meant to increase girl’s attendance and enrolment rates, where in girls are entitled to a scholarship if they do not get married till the age of 18. Another prominent scheme under the SSA was the National Programme for Education of Girls at Elementary-level meant purely to increase girls’ attendance and enrolment rates especially for those who were not in the school going age (UNDP, 2009). Lack of any impact evaluation programme deters from any analysis on the impact of these schemes but they certainly do not include any incentives to learn. However, while intervention in terms of scholarships are certainly those that directly incentivizes children to learn, it will fail in situations where increasing enrolment results in several multi-grade classrooms and where a certain section of the classroom consists of first generation learners who lag behind others. Therefore the structure and system in which scholarships are put in place matter for their success.

Remedial Education (Incentives for community development and students)

Another problem caused by the drive towards UPE is the disregard for irrelevant and over ambitious curriculum and in fact this movement magnifies this problem because of the influx of first generation learners. Since they do not have prior exposure to formal education and do not have the required support at home, scholarships will not help to increase their learning outcomes simply because they may not understand what they are taught. Therefore, in these situations, what matters for learning is not the number of teachers or attending classes but also *how* the child is taught. One of the policy options in specifically addressing the gap that new entrants face particularly is that of remedial education and contract teachers.

It is important to note that despite both SSA and the RTE mentioning remedial education as a policy intervention, there is a fundamental difference between merely providing extra training by the same teachers who are still functioning under the same incentive system and an actual change in pedagogy to suit the needs of the first generation learners (RTE, 2009). While the existing acts focussed on the former, a policy option operating with learning being the end needs to keep in mind the second prototype. An evaluation of the ‘Balsakhi’ programme by Pratham revealed that even when these children were taught by informal teachers who were not highly qualified, this extra training when suited to the academic level and in the language that the students understood, increased learning outcomes over the course of two years and more importantly, the extent of increase doubled in the second year. This programme was especially beneficial to the students who were in the lower end of the grade distribution prior to the intervention. While these interventions were conducted in urban cities in India, one of the main reasons the authors attributed the success of the program to was the fact that these students were able to identify with the ‘balsakhis’ (informal teachers) but not the actual teachers (Banerjee et. al, 2007). Therefore the likelihood that this will succeed in rural area is also high. Another intervention called Read India is currently underway in rural areas of Bihar and Uttarakhand, where Pratham (an NGO) hired local volunteers from the villages these students study in providing extra instruction time in a camp to help students gain literacy and numeracy skills. While the evaluation has not been completed, provisional results again showed that students who did

attend these classes benefitted and this shows that these interventions can even work in poor states in India(JPAL, nd). These two evaluations show contrasting results to those of the evaluations of remedial instructions in developed countries and perhaps is a big indication on how these interventions perhaps work best when they are modified to suit local conditions.

School Vouchers (Incentives for Parents and public school reform)

Dissatisfaction with public schools and the emerging need to secure quality education have led to advocacy of alternative means of providing access. Various proponents of the voucher scheme have emerged in the country. The Planning Commission proposed the idea of school vouchers for secondary education (GOI, 2006). The aim was to achieve increased quality and accountability in the system through government school competition and scholarships from private schools for the poorest (The Times of India, 2006; GOI, 2006). The Central MHRD rejected the proposal on the grounds that there were very few quality private schools in rural areas and the lack of empirical data on the impact of vouchers on quality (The Economic Times, 2009).

Proponents of vouchers see it as a way to promote budget private schools that can provide quality education to the poor (Tooley and Dixon, 2006). Concerns regarding the scheme include the urban-biased spatial distribution of good private schools, little information to judge school quality and high costs of private schooling (Bagchi, Banerjee and Chakraborty, 2006). Although per capita expenditure on students is much higher in government schools than in private schools, costs incurred by parents are much higher in private schools (The Economic Times, 2009). Besides this, implementing the scheme on an All-India level will be a huge administrative task.

Given India's diverse classes, castes and religions, education should not only be used as a force of economic and social development, but also a means of integrating these various sections of society by reducing inequality and promoting social cohesion. Vouchers have the potential to do so. For development managers, the main aim is to improve institutions by providing incentives and accountability. Vouchers can provide incentives to the various actors in the school system. Public schools are incentivized by the threat of competition; private schools are given incentives to cater to the needs of students in order to retain vouchers; parents are given the incentive to make an informed decision and be involved in their child's education; and the child is incentivized to work harder since he or she is being given access to a good quality school. Accountability of schools to parents greatly increases since parents can now use 'voice' and 'exit' the system. According to Muralidharan (2006), "In the steady state of a voucher-based system, there will most probably be successful private schools *and* successful public schools, and all children would be able to exercise the choice of which school to go to base on what they think is better for them."

There have already been a large number of pilot voucher projects initiated all over the country. Besides this, the RTE act calls for 25% reservation in private schools for students from low SES. The Government will pay these schools a fixed amount per student which would amount to the average government expenditure per student or the school fees, whichever is lower. Students would be admitted through a lottery system. This provision is similar in rationale to school vouchers where private schools are promoted through public funds (Ernst and Young 2012; Sadgopal, 2008). Advocates believe that vouchers are a "brilliant way" to implement this scheme (Gupta, 2012). Poor coordination between the various government tiers means that funds reach the schools usually in the



second half of the year (ASER, 2012). Vouchers may increase transparency and assurance to service providers of timely payment (Virmani, 2012).

On the basis of existing literature on vouchers and the state of the Indian education system and the limited empirical evidence gathered, the analysis arrived at is that vouchers will increase access to quality schooling for the poor only to the extent that the following factors are accounted for. An adequate amount is paid to cover for additional expenses besides tuition, extensive information is disseminated, support services such as transportation is enhanced, incentives are given to private players to set up new schools and ease of administrative procedures is designed. Without these in place, school vouchers will fail to have the desired impact. Before scaling up the scheme to a national level, rigorous evaluation and impact on equity and efficiency for a few years of the existing pilot projects is crucial.

One of the main benefits of introducing vouchers in India would be the freedom of choice for parents to send their child to any school they preferred- private or public. The analysis shows that an increasing number of parents are turning to private schools to receive quality education and would benefit from choice. However, efficient support services are essential. The introduction of competition in public schools will remain doubtful until the Government changes the system of incentives it currently operates. Vouchers can be the medium through which such a change is implemented. Although the impact of vouchers on the academic outcomes of beneficiaries has seen to be positive, impact on remaining public school and non-voucher private school students is still inconclusive. Ensuring equity is the main goal of introducing vouchers but it depends greatly on a targeted, effective voucher design and extensive information campaigns. Vouchers can bridge the gap, albeit a little, in the growing divide between the haves and have-nots in the country by increasing social cohesion.

A key concern with introducing a nationwide school voucher scheme is the lack of empirical evidence regarding the impact on various dimensions. Although theoretical review supports the positive impact of school vouchers, empirical evidence is at best mixed and evidence specific for India has not yet been provided. The pilot voucher and quasi-voucher schemes that have been introduced in different states should be rigorously evaluated and monitored to provide findings that are generalizable to the whole country. Before concrete evidence is gained, pushing for a nationwide voucher scheme would not prove fruitful. Other concerns include the administrative challenge in implementing such a scheme. As Chandra (2012) said, "it is easier said than done." Factors such as targeting, access to information and better transportation will need to prevail for successful implementation. Efforts to improve government schooling should be continued alongside. If these concerns are addressed, vouchers can be an effective system to provide educational services.

Vouchers can increase the access of the poor to budget private schools but a sizeable proportion would continue studying in government schools for there currently aren't enough private schools to absorb all students (Joshi, 2012). 86.19% of schools in India are still run by the Government (DISE, 2010). The first-best solution will always be to improve the state of the public education system in the country. Vouchers can potentially increase quality of the public schools through competition but this possibility is limited. Vouchers cannot improve all public schools or replace the public school system entirely. The scope and scale of education service delivery calls for the Government to play

the primary role. Given the current state of public schools, this would be a long-term process whereas vouchers as a second-best solution would be a more immediate form of relief for poor parents. If the public schools had been functioning well and providing quality education to students, there would have been no need for vouchers. In that scenario, there would arise natural competition between private and public schools where the latter would be preferred by the poorest for providing quality education at no cost. A focus on vouchers should not result in neglect of the issues regarding quality of government schools. However, the failure of the Government in running these schools calls for an involvement of the private sector. In reality, the public and private sectors complement rather than substitute one other in the financing and provision of educational services. Even if the private sector is involved in running the schools, it is still the Government that is wholly responsible for ensuring access to education, especially for the poorest. Thus vouchers can be used to provide better quality education through private schools for a proportion of the poor, but improving public schools should also be a priority.



5. Freedom test

Our policy options do not reduce any stakeholders' freedom. On the contrary, through our policy option of school vouchers, we propose to increase the freedom of parents to choose the school they want to send their child to.



6. Strategic gaming test

The unintended consequence of our policy failure would be the distortion of incentives that are provided to teachers, community and students such as performance pay, community monitoring and scholarships. However the chances of this happening are very low since the community would want the best interest of the students, their children and provide them with an excellent education. To avoid any unintended consequences, the community should be empowered to take action against faulting teachers. Students today know of the various benefits associated with having a good education and would not want to jeopardize their scholarships. Sensitization workshops should be held to reiterate the importance of education amongst the students. For teachers, disincentives may take place if the performance pay scheme is not implemented properly. To avoid this, effective and stringent monitoring and evaluation should take place.

7. Government failure test

Government failure test is subject to the different levels of monitoring (community, school level) we have introduced. However, we believe that these monitoring systems shall remain intact, especially if one group (say parents) encourages another group (say students) to monitor rigorously. Through vouchers, parents receive a choice to send their children to any school. Private schools will have incentives to provide full information to lure the parents. Similarly, government schools in such a scenario will not be able to hide their actual performance.

There is a need to involve NGOs and media in advocacy and information campaigns to ensure exit and voice options for the concerned stakeholders.

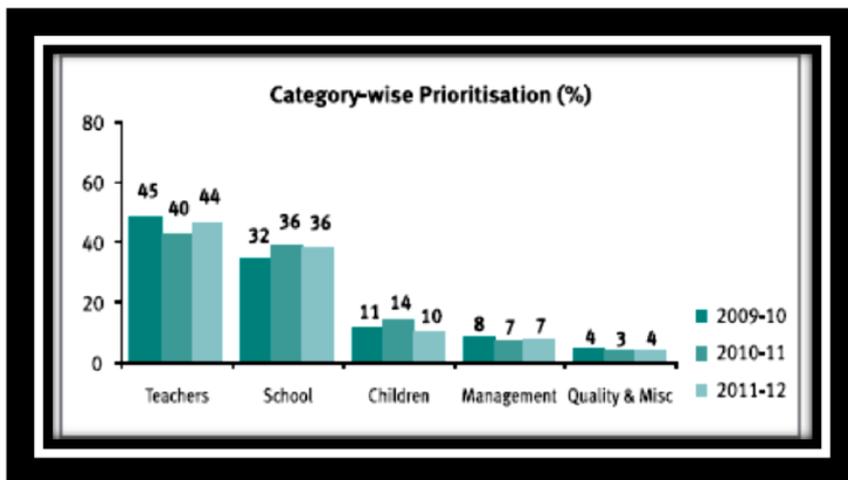


8. Real experience test

We have mentioned similar policy experiences (along with gaps and successes) that have taken place throughout the world in Section 2.

9. Cost benefit test

Table 5- Category wise budget allocation



Source : PAISA Report 2011, page number 32

While this section doesn't include a detailed cost-benefit analysis, it is important to note that the policy towards increasing learning outcomes doesn't necessarily mean more expenditure. We do believe that public expenditure on education is inadequate for a country of 1 billion people.

Expenditure breakdown analysis

School Infrastructure- it can be seen that more than a third of the funds have been spent on the category school that includes "civil works and maintenance:

Teachers- Expenditure on teachers has consistently been the highest compared to all categories for the past three years and this forms close to half of the centre's education budget. This includes "Teacher salaries, teacher training and teaching inputs such as Teaching-Learning Material, Teaching-Learning Equipment and the School Development Grant" (PAISA, 2011, p 32).

Learning Materials- While most of the education budget is spent on teachers and schools, about 10-14% of the stipulated amount is spent on children. The downfall of this data is that it is not broken down into different types of inputs (textbooks, stationery, uniform, transport) and other reforms such as remedial education and out-of school training.

Quality- Quality in this case refers to the expenditure allocated to the "Innovation and Learning Enhancement" (PAISA, 2011, p. 32) programmes. Only 3-4% is spent on this every year.

Having said that, given the expenditure break down (Table 5) and the fact that most of the expenditure is on 'inputs', the policy we have recommended can be implemented through re-prioritizing different categories.



10. Transition path

It is possible to phase-in the introduction of our policy. The key stakeholders would be the Ministry of Human Resource Development, State Councils of Education Research and Training, District Institutes of Education and Training, all personnel teaching in government and private schools, students, parents.

There are no political constraints to implementation. However, in the case of school vouchers political parties might object to losing some power or distribution of power.

If there are any opponents to this policy, it is essential for the government to keep in mind foremost the benefit of all school going children and the fact that the future of the country is dependent on these very children. This itself should reduce any hindrance to implement any policy that enhances learning outcomes for students.

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Feedback



Attachments