

School

Vouchers Work

School voucher is the most powerful instrument to make government run schools accountable, say Parth J Shah and Baishali Bomjan

The Indian educational system is the second largest in the world in providing access and coverage and spends a whopping Rs 41,978 crore annually. This figure is impressive, but we are all too painfully aware that inefficiencies abound in this system. There is a huge gap between our aspirations and the achievements on the ground, which reflect poor accountability for the tax payers' money.

In the present system, despite the big numbers that Sarva Shiksha Abhiyan claims, the schools are accountable only to the government, and not to the primary beneficiaries - the students and their parents. The complacency that has crept in due to an assured flow of funds, lack of transparency, and most importantly, no incentive given to government schools to attract and retain more students, has resulted in the delivery of substandard education. No surprises then that, even poor parents feel compelled to sacrifice basic necessities and spend hard-earned money to educate their children in private schools. Today, the fastest growing segment in education is the budget private schools with fees of Rs 50-300 a month, where the children of street hawkers, construction workers, and daily wage earners go to study. On the other hand, the government continues to spend large sums of money on state schools, and it is high time we did something to make these schools deliver - not just schooling, but real education. This must happen now, and not in the next National Education Policy, or a

The school voucher is a coupon offered by the government that covers the full or partial cost of education at the school of the student's choice



Choice as an International Human Right

Article 26 of the UN Declaration of Human Rights states that parents have a prior right to choose the type of education their children receive

Five Year Plan.

The only way to make state schools function well is to make them accountable to students and parents. There are many ways to achieve this goal, but none that is more powerful than the school voucher.

What is a school voucher?

The school voucher is a policy reform idea developed by Milton

Friedman, an American economist and a recipient of the Nobel Prize in Economics, to increase the involvement of parents in responsibly schooling their children by giving them the means to pay for the education.

The school voucher changes the way governments finance the education of the poor. It is a coupon offered by the government that covers the full or partial cost of education at the school of the student's choice. The schools collect vouchers from the students, deposit them in their bank accounts and the banks then credit the school accounts with equivalent money while debiting the same from the account of the government. No money actually changes hands; only the voucher moves from the student to the bank, and then back to the government.

Global experience of school vouchers

There are several successful voucher programmes in many countries across the world, as diverse as Chile, Ivory Coast, Sweden, USA, Denmark, and the Czech Republic that undeniably reflect the impact of choice and the resultant competition among schools to raise not only the quality of education, but also the schools' ability to serve the needs of poor families.

Sweden's voucher system at the primary and secondary school level enables free choice among public and independent schools in the community, and has led to improved academic achievements in public schools. Under its universal voucher programme, every child, irrespective

of the family income, qualifies for a voucher. In most other countries, however, the school vouchers are targeted at a smaller population.

In the US, Florida's school choice programme, the McKay Scholarship Program, allows parents of students with disabilities to choose the best academic environment for their children. It provides a variety of options including the opportunity to attend a participating private school, or transfer to another public school.

Bangladesh has taken the voucher idea a step further to design direct cash transfer programmes, commonly referred to as Conditional Cash Transfer (CCT). Its Female Education Stipend Programme was initiated as a solution to the high dropout rate among girls. Each child who meets conditions of good attendance and marks in the annual exam of any recognised school, her family gets cash from the government, more realistically it is in her mother's bank account that a quarterly deposit of the specified amount is made. The money not only covers the cost of schooling, but also provides a cash incentive to parents to keep their girls in schools. Based on the success of this scheme, a similar programme to increase access to primary education among boys has been launched.

The voucher system does not in anyway deny that it is ultimately the state's responsibility to ensure that every child is educated. However, this does not mean that the state should be in the actual business of running schools, especially given the increasing flight of even poor children from government schools. In a voucher system, as has been proven in many countries, two things happen. First, the power over basic educational decisions is transferred from bureaucrats to parents and second, schools, private or government, are forced to compete even for low-income children.

Delhi Voucher Project

Bringing school choice to India: India's first school voucher project was launched in Delhi on March 28, 2007, by the Centre for Civil Society

In a voucher system the power over basic educational decisions is transferred from bureaucrats to parents, and schools - private and government - are forced to compete even for low-income children



(CCS), as part of its School Choice Campaign (SCC). To demonstrate the power of school choice, SCC awarded school vouchers worth up to Rs 3,600 per year, to 408 students in 68 wards of Delhi. There are 157 Delhi Voucher Project (DVP) schools, and the participating schools are all chosen by the beneficiaries, the CCS, and are therefore, voluntary.

During the campaign, more than 50 School Choice activists reached out to about 12 lakh parents as campaign vans rolled on distributing voucher forms and making presentations. Over 1.2 lakh parents applied for the CCS school vouchers! Instead of worrying about how to identify the poor, any student who was enrolled in a government school qualified for the voucher. The vouchers have been given for a minimum period of three years (2007-08 to 2009-10). However, SCC will continue to support the students further, if funds are available.

As a fair and transparent method of selecting students from more than one lakh applicants, SCC held a public lottery led by the local ward councillor to pick 12 students in each ward - six for the first list and six for a buffer list, in case some of the students picked in the first list had eligibility or acceptance problems.

On 26 July 2007, the Delhi Chief Minister Sheila Dikshit, Education Minister Arvinder Singh Lovely, eminent personalities from different fields author Gurcharan Das, Congress Party member Nafisa Ali, and TK Mathew, Secretary and Chief Executive of an NGO Deepalaya awarded school vouchers to the winners. For these 408 voucher students, it is a dream come true to finally have the opportunity to study in a school of their choice. There are some concerns that the vouchers can easily become quasi-currency, and be bought and sold as tradable financial instruments, but technology has improved so much, that it is easily possible to make the vouchers secure instruments. Just like the food stamps that are offered by many governments and even private corporations, and accepted in thousands of establishments, are secure.

Signs of Success

Independent assessment of DVP: A third party assessment of the DVP by the Centre for Media studies has shown great improvement in learning achievements of children, and an increase in day-to-day parental involvement, which started when the parents had to decide which school to choose for their children. This power of choice that the voucher has allowed also brought with it the responsibility and more active involvement of the parents. The full DVP Assessment Report is available online at www.schoolchoice.in.

Overall, the voucher students have performed better than those studying in government schools, but on par with non-voucher students in private schools, in all the three tests conducted in english, mathematics, and hindi. More than 90 per cent of the parents of voucher beneficiaries, now attending private schools, are happy with the academic progress of their children, their teachers, and the standard of discipline in the schools.

The voucher system will force the weaker government schools to work harder to provide better facilities, and compete with private schools in order

to retain students. In this sense, the system is not anti-government and pro-private, but pro-competition and development; and the ultimate objective is that poor children will get the same high quality facilities as their privileged counterparts.

If the government begins to provide vouchers to poor parents, they will be able to demand more innovative and value-added amenities for their children in the schools. As of now, government schools provide mid-day meals with the twin objectives of retaining their students and increasing enrolment on the one hand, and ensuring their health and nutrition on the other; though it is debatable whether these are being met.

We are also hopeful and look forward to working with Mr Lovely who publicly endorsed the idea during the release of the DVP Report. He said, "The voucher idea is very good. In the future, students will have to be funded instead of schools. The Delhi government will use the voucher idea soon to help poor parents to cope with the increase in fees as a result of the recommendations of the Sixth Pay Commission."

Building on the first initiative

These findings from the first voucher pilot project have prompted us to take the voucher idea further and launch another project - this time exclusively for girls. The project, to be launched in July 2009, will fund 400 girls for a period of four years and cover their education costs up to the fifth grade. Class II girls from poor families in selected wards of East Delhi, will be eligible for the vouchers and will receive vouchers worth up to Rs 4,000 per annum.

Progressive state governments have started adopting School Choice ideas to devise innovative solutions to specific problems in their states. The Rajasthan government has announced two schemes that use school vouchers - Gyanodaya Yojana, to facilitate the opening of new schools for classes VI to XII, under Public Private Partnership (PPP) on a Build, Operate and Own BOO (BOO) basis, wherein 50 per cent of the seats in

India's first school voucher project was launched in Delhi on March 28, 2007, by the Centre for Civil Society (CCS), as part of its School Choice Campaign (SCC)



these schools will be sponsored by the state government through school vouchers; the other scheme is Shikshak ka Apna Vidyalaya, to facilitate teachers to adopt government-run, one-teacher primary schools and open new schools through the PPP route in the rural and backward areas of the state.

In Uttarakhand, Pahal, an innovative PPP initiative, has been providing education vouchers to children aged 6-14 years, who were rag pickers, scavengers, snake charmers, and orphans in the slums of Dehradun. This initiative has been a huge success and has now expanded to the districts of Nainital, and Udham Singh Nagar.

Be the change you want to see

How can a non-school choice system be smoothly changed to a school choice one? Since it is a systemic change, it can start with pilot projects and then grow in scope and size. Such voucher pilot projects can be structured to suit the needs of particular areas or communities, in the following ways:

- **Conduct voucher pilots in peri-urban areas** like resettlement colonies or areas where no government schools exist, but where private schools are present. Whereas building new government schools here will take time, the problem of schooling for these children needs to be addressed immediately. So,

school vouchers will be a quicker, equitable and efficient solution.

- A state government can decide to fund all new government schools in urban areas only through vouchers. These new schools can be given more autonomy in their operations in exchange for funding them on the basis of the number of students they attract and retain. This will revolutionise school education in urban India.
- In areas where the supply of schools is a chronic problem, a promise to fund 50-75 per cent of students in the new schools through generous vouchers can attract more schools. Let's select 100 SC/ST dominated areas and implement a generous voucher programme.
- Encourage street children, rag pickers, and other difficult-to-keep-in-school children by giving them vouchers to attend better private schools. Since private schools will get the money only if students stay and learn, the schools will do all the necessary things to retain the children.

As the campaign's ambassadors, prominent leaders of the community such as Das, Madhav Chauhan (Director, Pratham), Professor P V Indiresan (Former Director, IIT Chennai), and others have been outspoken proponents of the School Choice ideas; and there is enough evidence to strongly support large scale voucher pilot projects across the country. However, while the government debates, the private sector can take the lead in supporting voucher pilots. Many corporates have long supported the cause of education through grants, and scholarships. If we convert this money from so many corporates into a common India Voucher Fund then large scale pilot projects can be undertaken. These pilots will generate the experience we need and give confidence to governments to move forward. Join us in the common mission to provide all children in India the Right to Education of Choice! ■

The authors Dr Parth J Shah and Ms Baishali Bomjan are with the Centre for Civil Society, www.ccs.in, contact at parth@ccs.in