

ADAPTING VOUCHERS FOR IMPROVING QUALITY, ACCOUNTABILITY AND COMMUNITY PARTNERSHIP

How can a non-school choice system be changed to a school choice system smoothly?

Since it is a systemic change, the change could start with pilot projects and then grow in scope and size. Such voucher pilot projects could be conducted at a local level, and structured to suit the needs of the particular communities they serve. The government can also provide vouchers to selective groups- specially the underprivileged sections of the society in the following manner:

- Conduct voucher pilots in urban areas where the number of schools, both private and government, is not an issue but the main concern is the quality of schooling.
- Conduct voucher pilots in peri-urban areas like resettlement colonies or areas where no government schools exist. Whereas building new government schools here would take time, the problem of schooling for these children needs to be addressed immediately. School vouchers would be a quicker, equitable and efficient solution.
- Implement in tribal areas where the supply of schools is a chronic problem with some support to the private partner for capital costs of a new school and covering the running cost by guaranteeing 50-75% students in new schools through vouchers.



Is it anti-government schools? Is it privatization of education that is anti-poor?

School vouchers are an innovative form of public-private partnership. It is pro-competition and pro-development. If government schools become better than private schools, then parents wanting the best for their children will shift their children to government schools. Most government schools are better equipped than the budget private schools that the poor use, in terms of infrastructure of libraries, labs, and playgrounds, amount of funds they have per student, and qualification and training of the teachers. On head-to-head competition, government schools should out-compete budget private schools.

The government schools need stronger incentive to compete and vouchers provide that much needed incentive. Public and private schools co-exist today. They will under the voucher system.

Are vouchers just about choice?

Although the central idea of the voucher system is to provide quality education of choice, it also brings with it accountability, transparency, financial prudence and infrastructure development which ultimately culminates in the establishment of an effective and equitable education system.



Will School Choice burden the government funds?

School Choice, because it brings in more transparency and accountability in the education system through efficient use of public funds, it in fact reduces the government's expenditure. Further, since school vouchers, the School Choice vehicle, cater only to the recurring cost of educating a child (all or a part of fees, stationary, uniform, etc.), the government saves the capital expenditure involved in erecting new schools.



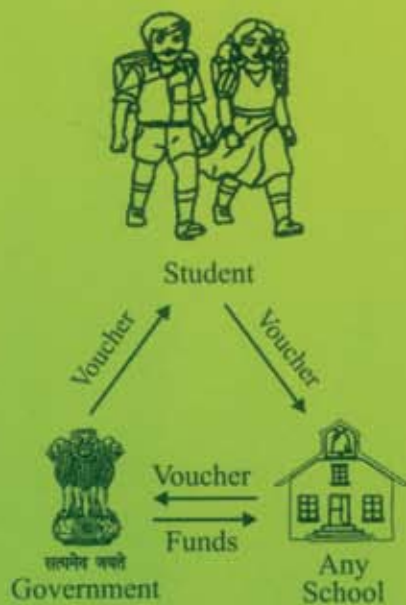
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SCHOOL VOUCHERS: FUND STUDENTS, NOT SCHOOL!

Present Monopoly System



School Choice System



Over the years, India has tried varied approaches to improve enrolments and the quality of school education. As the latest Pratham survey shows, there is a huge gap between our aspirations and actual achievements. In the process we have created a two tier system of school education. Those who can afford fees go to private schools and those who cannot, go to state schools. This gross inequality of schooling opportunities is the result of our current approach to education.

The school voucher is a tool to change 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 by equivalent money while debiting the account of the government. No money actually changes hands, only the voucher moves from the student to the school, and back to the government.

In the present system, the schools are accountable to the government. The voucher system makes them accountable directly to the students since they pay for their education through vouchers. If the student does not like the school, she can take the voucher to another school. Under the voucher system, the money follows the student. In the present system, the money follows the school.

The School Voucher provides:

Choice for students : The voucher empowers poor students so that they can attend a school of their choice. If the school does not meet the expectations, they have the choice to change schools.

Equality of opportunity : The scheme satisfies the basic human right that all children are treated equally and equal opportunity for education is provided to all irrespective of cash, caste or creed.

Competition among schools : Today private Indian schools only compete for the students with money. With vouchers, not only private schools, but also government schools will compete for all students, rich and poor.

Performance based payment : The revenue of a school depends on the number of students it has both who pay directly and those who pay through vouchers. Schools therefore have an automatic incentive to increase enrolments and to improve quality to retain students.

Win-Win outcome : Those government school students who get a voucher are able to change schools and do better for themselves. Evidence suggests that even those students who stay in government schools also perform better. First, the student-teacher ratio improves and second, schools become more attentive to stop student numbers from going down further. All students achieve better learning outcomes.

In a voucher system, instead of funding schools, the government funds students. The resultant choice and competition working together provides universal access as well as improving quality education.

GLOBAL EXPERIMENT IN SCHOOL VOUCHERS

S.No	Country	Voucher Amount	Who gets voucher	Findings
1.	Chile	Money directly paid to schools on the basis per student expenditure in public schools. Private schools may charge extra tuitions.	All children of school going age	<ul style="list-style-type: none"> Enrolment increased by 33%
2.	Colombia	100% of the tuition - 80% from the National Government and 20% from Municipalities.	Students from low income families - particularly those entering sixth grade are accepted by the participating private schools.	<ul style="list-style-type: none"> Secondary enrolment increased
3.	Cote d'Ivoire	Amount of funding varies with school location and tuition fees. At secondary level, the amount is directly tied with enrolment. Value of voucher is \$200 for lower secondary and \$233 for higher secondary. Higher secondary schools must qualify to get vouchers	About 42% of public school students	
4.	Czech Republic	Private schools get 60% - 90% of public school funding per pupil. They charge the rest.	All students enrolled	<ul style="list-style-type: none"> Large impact on secondary level enrollments
5.	Denmark	About 80-85% of school fee; remainder from the parents.	All students attending private primary and secondary and public vocational schools	<ul style="list-style-type: none"> Dedicated teachers and decentralized system Competition between public and private schools Public perception of quality of public schools increased
6.	Italy	Ex post reimbursement of tuition expenses given to students. Amount varies across the country, covering 25-80% of tuition fee	In all except two regions eligibility depends on family income. In two regions it is based on academic achievement.	<ul style="list-style-type: none"> Higher Private enrolment
7.	New Zealand	Full school tuition plus allowance of NZ\$900 for primary students and NZ\$1,100 for secondary students.	160 students from families with an income below NZ\$25,000	<ul style="list-style-type: none"> Schools have free control over hiring and firing of teachers, operating budgets and selection of academic mission, student fees. Certain degree of competition between private schools
8.	Sweden	Selected private schools get money from municipal school boards according to per pupil funding in public schools	All children subject to compulsory education at primary and secondary level	<ul style="list-style-type: none"> Competition from private schools improved academic achievement in public schools
9.	The Netherlands	Equal funding to public and eligible private schools. Weighted per student funding – giving more benefit to poorer students.	All students subject to compulsory education	<ul style="list-style-type: none"> No significant changes in achievement levels. Growing ethnic segregation between schools

S.No	Country	Voucher Amount	Who gets voucher	Findings
10.	England and Wales (UK)	Only public schools eligible, therefore full cost of education is borne by government	All children	<ul style="list-style-type: none"> Academic achievement increased Negligible competition between private and public schools.
11.	USA <ul style="list-style-type: none"> Cleveland North Carolina Florida Milwaukee New York Vermont Washington D.C. 	90% of tuition fee, up to \$2,250 per year Up to \$1,700 per year Up to \$4,00 per year Up to \$4,696 per year Up to \$1,400 per year About equal to government per capita spending in public schools 60% of tuition expenses up to limit of \$1,700	<ul style="list-style-type: none"> Low income students selected through lottery Students from the failing schools About 1.5% of public schools students in the district Students from low income families enrolled from kindergarten to 4th grade Students in towns without public schools or enough capacity in public schools Students with family income at or below poverty line 	<ul style="list-style-type: none"> Parents satisfied with increased opportunities Increased test scores for voucher students Establishment of new schools Increase in quality of education

IMPLEMENTATION IDEAS

School Choice and its school voucher idea can be customized to solve various schooling problems. A few are:

- Targeted vouchers for specific underserved groups such as migrant children, out of school children, street children, girl children, ST/SC/OBC, Muslim children, differently abled children, children from economically backward families, children of refugees, children of migrating tribes, children living in peri-urban areas (eg. resettlement colonies), orphans, children of prisoners
- Vouchers could be used to reward performance of government school. When a government school attracts voucher students, who could also go to a private school, a part of the voucher amount could be given to the school/teachers as incentive
- Mobile schools for children in migrant population which would ensure that children of such communities receive education throughout the year
- Voucher is a powerful instrument for Public Private Partnership. It allows the government to capitalize on interested private companies, Non Governmental Organizations and interested individuals to set up new schools for which the government could assure support for running cost by guaranteeing 50-75% students in such schools through vouchers
- To encourage establishment of community schools, vouchers can be introduced specially in areas where there are no or very few government schools
- School vouchers could be used to provide opportunity to enterprising principals /teachers to compete with the best in the industry. Such principals and teachers could opt for more managerial and financial autonomy with 100% funding through vouchers.
- All new government schools can be funded through vouchers to attract motivated and high performing principals/teachers to government schools
- Universal vouchers can be given to children in areas with no or very few government schools.