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India’s Mangled School Reforms

The country’s new voucher provisions won’t increase choice.

When India included a voucher program in last year’s Right to Education Act, which mandates free, compulsory education for all Indian children between the ages of six and 14, school choice advocates everywhere applauded. After all, about 30 million poor kids would eventually get government vouchers that they could spend on private school tuition. A *Wall Street Journal* column hailed the voucher component as “nothing short of a revolution in school choice.” The Indian magazine *Education World* declared that the government had “launched one of the boldest education schemes in the world.” And a Cato Institute blog declared that the scheme could become “the biggest school choice program in the world.” Sadly, such jubilation is unwarranted because the voucher program, promising though it appears, comes with regulations that would actually cripple the private school market.

The worst of these regulations requires private schools to set aside 25 percent of seats in entering classes for “economically backward” kids with vouchers. A consortium of elite private schools is challenging that provision in court, arguing that because the vouchers will cover only a fraction of students’ costs, the rule would wreak havoc on school budgets. Further, within three years, all private schools must create minimum playground space, maintain prescribed teacher-student ratios, hire credentialed teachers, and pay salaries equivalent to those of unionized teachers. Private schools will be barred from holding back low-performing middle-school students. And because they now will also be required to use a government-prescribed curriculum and government-approved texts, many of which are written by government bureaucrats and are of shoddy quality, the private schools will no longer be able to offer pedagogical variety. Many of these regulations won’t apply to government schools, giving them an unfair advantage. The Center for Civil Society, a New Delhi–based libertarian outfit that campaigned for the vouchers, is challenging this double standard in court.

If India’s supreme court allows the provisions to stand, the new law will do severe damage to the private school market, which is a much bigger part of the K–12 mix in India than in America. About 55 percent of the nation’s urban children attend private schools, fleeing India’s abysmal public schools, where teachers routinely don’t show up and, when they do, often don’t teach or are abusive. The government’s own Public Report on Basic Education in India found in 1997 that only 53 percent of government schools had anything like teaching activity taking place. In some instances, teachers

simply shut schools down for months without explanation and made schoolchildren perform domestic chores. Such neglect affected even schools with relatively good facilities and adequate student-teacher ratios. Press reports have also found government schools that demand bribes from kids who can't produce birth certificates—which most poor people don't have—before admitting them. No surprise, then, that 80 percent of government school teachers choose to send their children to private schools.

In the face of this government failure, India has made decent progress in raising its primary-school attendance rates, which now stand at 80 percent. For this, it has its private schools to thank. The private school market caters not just to wealthy families but also, as University of Newcastle education policy professor James Tooley has demonstrated, to every socioeconomic group, including the poorest of the poor. Private schools run by nonprofits, for-profits, religious organizations—you name it—have mushroomed everywhere, from urban slums to backwater villages. Though India has its share of superelite private academies, more often private schools are ramshackle, mom-and-pop operations run from someone's backyard. But they're usually better than the free government alternative.

Indeed, Tooley found that in the slums of Hyderabad, a predominantly Muslim city in south India, private schools suffered far less teacher absenteeism than public schools did, even though the teachers' salaries were much smaller. Further, while private schools had fewer resources—their main revenue source being the paltry monthly fees they charged students—they surpassed public schools in nearly every respect, not just in the quality of their facilities but in academic performance as well. Private middle-school students scored 22 percentage points higher, on average, than public school students on math tests; the gap was even more pronounced on English exams. (Other researchers, including Geeta Gandhi Kingdon, another Britain-based scholar, have found that controlling for socioeconomic background, ability, and parental involvement closes the private-public academic gap somewhat but does not eliminate it.)

Putting more demands on schools already doing so much with so little will have catastrophic consequences, argues V. K. Madhavan, founder of a nonprofit that runs a primary school in the newly minted Himalayan state of Uttarakhand. Madhavan, whose organization aims to improve rural families' quality of life, has seen his school's enrollment grow from ten students to 77 in four years because he has managed to keep fees low. But if the government enforces its new regulations, Madhavan's school will struggle to survive financially.

Madhavan hopes that alternative schools like his will get an exemption from the rules. Another possibility is that the government simply won't be able to enforce its regulations on the extensive network of Hindu and Muslim schools without triggering religious riots; it will therefore have to exempt them all, offering a way for schools like Madhavan's to escape the law's tentacles by reconstituting themselves—at least on paper—as religious institutions. But even if loopholes and lax enforcement prevent total annihilation of the private school industry, many schools will surely shut down, notes Barun Mitra, director of the Liberty Institute in New Delhi. That will mean fewer options for the poor.

Such an outcome is the opposite of what libertarian voucher proponents in India intended. But it's exactly what educators like Vinod Raina, who helped draft the Right to Education Act, wanted. Raina and other quasi-socialists have long despised India's private schools because, in their view, they reproduce social and class divisions. Instead, schools should foster social integration, "bringing kids from diverse backgrounds into the same classroom," as Raina puts it. The best way to accomplish that, Raina and his allies believe, would be to abolish private schools altogether; since that's not politically possible, handing poor kids a modest voucher and forcing private schools to restructure themselves on the public school model is the next best thing.

Combining vouchers with restrictions on private schools appealed both to India's egalitarian intelligentsia and to politicians eager to buy the votes of poor people, making for a politically potent alliance. Libertarian voucher proponents and their own allies—private schools that will have to raise fees on middle-class parents to offset the meager vouchers—weren't powerful enough to resist. Raina and his cohorts also had the support of a powerful lobby: teachers' unions. Though India lacks an all-powerful national teachers' union like the National Education Association, the country's smaller, state-based unions are collectively quite strong because teachers serve as election officers and run polling booths during elections. No surprise, then, that the bulk of the roughly $9.5 billion in extra educational spending in the new law will be devoted to financing government teachers' salaries—which already average seven times India's per-capita income, according to Gurcharan Das, author of *India Unbound*.

India's experience testifies to the challenge of reforming the government school system from within, as the school choice movement has long sought to do in the United States. Entrenched interests can twist and contort the reforms, burdening them with rules that render them unworkable or counterproductive. In India,

teachers' unions are using vouchers to cripple a flourishing private school market; in America, by contrast, they have frozen the voucher program so that decades into the school choice movement, only about 100,000 of 50 million American kids get a voucher or tax credit. Charter schools, serving about 5 million students, have made more inroads. But the competition they have generated is less against public schools and more against Catholic and parochial ones, many of which have shut down, unable to compete against free charters. On balance, it's unclear whether charters thus far have increased or diminished choice.

The cleaner but more arduous approach to reform might be to marginalize the public school monopoly from the outside. Instead of fighting to redirect public school funds toward poor parents, the school choice movement could intensify its efforts to pursue private philanthropy to fund voucher programs. It could also look for ways to strengthen America's home-schooling movement, especially now that online learning is putting good, cheap educational opportunities directly in the hands of parents and children.

India's reforms offer a warning about the perils of government meddling dressed up as choice. School choice advocates should stop cheering India's new education law. Just because it contains something resembling vouchers doesn't mean that it has anything to do with empowering parents or expanding educational options.

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