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Premji's Gift and the Future of Education in India

Azim Premji, chairman of the international tech giant Wipro Ltd., just pledged US \$2 billion for the improvement of Indian education. By far the largest charitable donation in the country's history, it will no doubt spur further philanthropy and accelerate the pace of education reform. But what will that reform look like, and will it work?

At the forefront of India's reform debate is the Right to Education Act, which went into effect in April of this year. Among its most talked-about provisions is a mandate that all private schools must set aside one quarter of their places for poor students whose tuition costs will be subsidized by the government. This has been hailed both domestically and abroad as the world's largest "school voucher" program in the making.

But there's a catch: in addition to subsidizing poor students' access to private schools, the RtE Act demands that those institutions conform to a vast array of regulations within three years or face closure.

The Premji Trust, which invests the funds donated by its namesake, supported the RtE Act, and in fact advocated the imposition of even more detailed and stringent regulations than those ultimately included in the law. But what does the evidence say about the role of government regulation in improving school performance in India and elsewhere?

The most regulated schools of all are those operated directly by the state. Teachers are required to have government credentials, there is an official curriculum, the number of days of teaching per year and hours of classes per day are all codified. Yet it is no secret that, despite reams of such regulations, Indian state schools have tragically failed the nation's children. A decade ago, researchers with the Center for Development Economics visited government schools in 200 villages around the country. They found that only half of these had any teaching activity going on in any of

their classrooms. A third of headteachers were simply absent. The same sorry pattern has been found repeatedly by researchers in the years since.

Given that regulations have failed even to ensure that teachers show up for work, it should come as no surprise that they have also failed to ensure quality. In the Old City slums of Hyderabad, for instance, education scholar James Tooley found that children in the parent-funded unrecognized private schools were academically outperforming those in the vastly higher-spending government schools. He has found this to be true, moreover, all across the developing world: from India to China to Africa.

Tooley's findings are not unusual. When I reviewed the worldwide research comparing government and private schools for the *Journal of School Choice* last year, I found that the least regulated, most market-like education systems consistently outperformed centrally planned and heavily regulated government systems. Competitive market pressures force private schools to be accountable to parents in ways that government schools and government regulations simply cannot replicate.

Unfortunately, these higher-performing low-cost private schools do not have the certified teachers or large playgrounds required for official recognition, and could not afford them even with the subsidies envisaged by the RtE Act. If the rules of the RtE are enforced as written, the most effective group of schools serving India's poor will be destroyed.

This looming catastrophe has been recognized by the New Delhi-based Center for Civil Society, which, among other groups, has filed suit to block the RtE Act regulations that would eradicate low-cost entrepreneurial education in India. But such matters needn't be decided in a courtroom. The evidence that government regulation fails to improve educational quality is extensive and readily available. Just as clear is the successful and growing role played by entrepreneurial unrecognized private schools that are held accountable directly by parents. The law can be changed to reflect these realities if the people demand it.