

Cost of privatized education

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Sometime in January this year, Mint displayed a graphics about good and bad things that have occurred in India in the past decade. The increase in the number of private schools was depicted prominently as a good development. This is not a valid claim. The increase in the percentage of private schools, i.e., the effective privatization of school education, is not a positive development. It will not help solve India's education problem.

The belief that private schools perform better persists in spite of evidence, systemic experience and theory. Mint is just another voice echoing this dominant belief in India. As a relevant aside, in India, education cannot be a for-profit enterprise legally, but the reality is that rare is the private school that is not-for-profit.

First, consistent evidence across the world, including India, shows that private schools do not necessarily perform better than public schools. The difference in student learning levels between private and public schools arises primarily from differences in socioeconomic background of their students (relatively privileged ones go to private schools), selection of students (private institutions select one's who are already able) and other additional support factors outside the school (tuition, going through pre-school etc). In simple terms, this means that private schools in themselves do not do a better job at education than public schools.

This dominant belief and public perception about superiority of private schools is also influenced by superficial markers of quality that are more social in nature—such as wearing ties and good shoes, “good” classmates, “English medium” etc.,—rather than educational. This view is then validated by the seemingly better performance of students from private schools. What is hidden, and it needs a fair bit of persistent digging to get to the truth, is that this difference in student performance does not arise from the school but from extraneous factors. Serious, well-designed research unravels this. Let me list three readings which you can glance through. I am deliberately listing three which are obviously not from any kind of ideologically “anti-privatization” group.

The OECD Programme for International Student Assessment has comprehensive cross-country view of this issue; a brief abstract is available at www.oecd.org/pisa/pisainfocus/48482894.pdf. IDFC's 2012 report on private sector in education in India, has an interesting wide-ranging discussion in its fifth chapter titled, Every Child in School and Learning Well in India: Investigating the Implications of School Provision and Supplemental Help, that has been written by Rukmini Banerji and Wilima

Wadhwa. Those with academic interest may look at Relationship between private schooling and achievement: Results from Rural and Urban India by Amita Chudgar and Elizabeth Quin in the journal Economics of Education Review.

On the one hand, private schools don't do a better job of providing individual access to good quality school education, on the other hand, a substantially private (for-profit) schooling system works at cross purposes to the societal goals of education, hardening socioeconomic differences and inequity.

That education enhances peoples' earnings in the marketplace is well-known. But education also has substantial non-economic aims and outcomes that benefit society, e.g., enhancing equity, supporting values of democratic citizenship, contributing to reduction of prejudice and discrimination, among others. Left to the private, especially for-profit sector to provide these, too little will be provided; of too poor a quality and often not to those who need it the most.

The social, quasi-public good, nature of school education is compounded by the information asymmetry between the provider and consumer and the very long-term nature of outcomes of schooling. Because of these characteristics and aims, school education can only be served by non-market institutional structures.

Let's look at the extent of privatization of basic schooling across countries in terms of percentage of students attending private schools. These are the rounded-off numbers: the US 9%, Japan 6%, South Korea 2%, Scandinavia 1%, the UK 6%, France 14%, Germany 4%, China 4%, all OECD 10%. The world average for basic schooling (up to age 14) is about 14%. The number for India is 25% and growing rapidly; our contribution is what is pushing up the global average. We are global champions of privatization in schooling—by a long margin.

Even countries completely committed to free markets and a dominant role for the private sector, have a public system for schooling. Shouldn't we pause and reflect on the monumental mistake we are making as a country?

This problem has been created by us as a society and not by private schools. The solution therefore does not lie in stifling them. The only solution to India's problem of education is in improving our public schooling system. This will require hard, sustained effort for decades and substantially higher investment.

But what we see with schools is merely one aspect of a deeper problem: the widespread abandonment of public systems in all spheres...in healthcare, in water and environment.

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