

Market models for managing schools

The MHRD PPP document seems to strongly suggest that market practices such as competition, monetary incentives and disincentives will help improve quality of education and improve quality.. This note discusses the huge dangers of looking at education as a commercial activity.

Education is an entitlement of every child in society with RTE now an act. This makes it a 'political right', the entitlement of ALL citizens. On the other hand the 'choice' of a 'consumer' of school services, will compel the 'provider' to improve their services, using the 'voucher' as a means of persuading. And 'suppliers' can 'fail' if they do not provide the 'demanded' services and hence are 'persuaded' to offer 'good or better services'. This makes education an 'economic right' that consumers should have.

Converting a political entitlement into an economic right is a significant devaluation - the former is *independent* of the socio-economic status etc of the person, while the latter depends on purchasing power. Extending the voucher argument that 'schools will 'behave better' to attract the voucher fees', if a person gives a donation in addition to the voucher, should not the school treat his/her child better? And if a parent can give a donation amount of 5 vouchers, is not the school better placed by treating that persons child much better than others who only can offer the voucher amount. After all, that parent can affect the schools survival much more. So would this system not force schools to actively discriminate in favor of the well to do, for their own survival. If a student (from a 'poor' socio-economic background, or one who is differently-abled) performs 'poorly' would it not make sense for the school to expel him/her since that child requires far too high an investment in its learning perhaps much more than the voucher amount, which does not make 'economic' sense to the school?

Thus converting a political issue/right into an economic one invariably has severe implications for equity. Whereas, one primary goal of our education system itself is to work for equity and social justice – for the marginalized, our schools are an important possibility to break out of their marginalization. Hence how can the school system itself promote inequity?

Secondly, while we can 'afford' failures in the market place, can we afford 'failing schools' as an 'accepted or normal systemic feature', which is what the 'market' principle of voucher system depends on for 'forcing improvement'. What about the children in those failed schools? Should we not have our vision as "all children learn and 'succeed in learning'" instead of successes and failures? Basically can any meaningful vision of a 'good education system' even consider a 'win-lose' feature as normal?

The basic assumption is that 'competition will make schools better'. Instead should we not be working on making public/government schools better with more active involvement of parents and the community. While this is undoubtedly difficult and time consuming, is this not in principle superior to the 'win-lose' model.

The documents faith in private sector as the panacea for all contexts is strong and unwarranted. There

are spaces for the market – such as supply of most goods and services. There are spaces which are not for the market – our army, police, public schooling are areas where privatised systems cannot achieve aims. Would the government hand over its nuclear power plants, its army, ISRO and DRDO to the business sector to avail of the same benefits? A strong public system is a prerequisite. (Unlike the army, private schools are allowed to be setup. However the government needs to work to setup a strong and mature school system)

The assumption that competition amongst schools will improve learning levels is unproven.

As the document itself accepts, competition creates successes and failures. However, in a system of universal education, failures are not acceptable. Hence competition as a mode is not acceptable. Non payment of fees to the failed school will not salvage the futures of the 'failed children' and hence is not a solution. Similarly thinking that only 'incentive' based system will lead to quality is unproven.

In public systems, the mechanisms for motivation need to be more complex than simple monetary incentives which can by themselves also prove to be detrimental.

Competitive bidding does not always lead to better quality at lower costs, it often leads to poorer quality at lower costs. In the ICT programs outsourcing (see note on “PPP Models in IT programs in schools - some lessons from research” by Gurumurthy Kasinathan), due to competitive bidding, the vendors cut their bid prices to very low levels. The bid winner was forced to pay such low salaries to the computer faculty that they could only deploy ill qualified and incompetent people which made the program a failure. The preference for competitive bidding triggered low costs led to the waste of the entire resources spent on the program. **Education processes are of a highly qualitative nature and using simplistic methods of competitive bidding would not address quality aspects and force a race to the bottom in terms of quality.**

It is shown in several cases, that when performance is forced through punitive measures (as would result from the proposed fee cuts in this case), the schools can distort the processes of learning in the school which can show high performance in specified subjects in specified periods (using coercive measures and drill methods on children), thus compromising learning processes while seeking to create desired outcomes. Such compromise would severely hurt meaningful learning possibilities for the children

Fundamentally, schools cannot be financially viable at a systemic level (few elite institutions can generate financial surpluses since they can extract high fees from rich parents). Hence using incentives/market based approaches will fail at a systemic level and impact equity and social justice adversely.

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