

A Voucher Scheme for Bangalore
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Executive Summary

The concept of Education Vouchers, though fairly new, has been steadily gaining popularity in numerous countries across the world over the last two decades. Under an Education Voucher Scheme, the government, by funding students instead of schools, allows parents to choose the schools that they believe would be best for their children. While much research and study has been carried out in the area of implementation of voucher schemes, fewer hypotheses have been generated on techniques by which to choose an implementation methodology.

This project aims to establish a comprehensive method by way of which an area/ward in a city can be chosen for the implementation of an Education Voucher Scheme, keeping in mind the needs of the people in that area (Needs-based approach - factors are social, economic and political). Field work and research for this project was carried out in Bangalore City (urban¹).

The questions this paper tries to answer are:

1. What set of people are in need of the benefits of an Education Voucher scheme in Bangalore city in the light of their social and economic stratification?
2. In light of the demographic features of the city, which wards in the city are in need of a Voucher scheme?
3. Can a comprehensive set of parameters be laid out to select wards for such schemes in different cities?

¹ In this paper ‘Bangalore Urban’ refers to all those parts of the city under *Bruhat Bangalore Mahanagara Palike* (BBMP – the Bangalore city corporation) limits.

Introduction

While many in India speak about the need for 100 per cent literacy and crores are pumped into schemes like the Sarva Shiksha Abhiyaan, a government survey has unearthed some disturbing new facts and figures. According to Elementary Education in India 2005-06, a report prepared by the National University of Educational Planning and Administration (NUEPA), over 32,000 schools or almost 3 per cent schools do not have a single student. The survey covered over 11 lakh schools in 35 states and union territories and found that Karnataka was the worst with almost 8,000 schools without a single student.

This is an extract from an article titled 'No students in 32000 schools: Report ', published on 6 August 2007 on NDTV's online journal

The Indian Government has constantly been trying (or at least seeming to be trying) to find and implement new methods to tackle the plethora of education-related problems in the country. After introducing the *Sarva Shiksha Abhiyaan* a few years ago, the government is now proposing an education bill to reserve 25% of seats in private educational institutions for children from disadvantaged classes.

But is Reservation the only answer to all our country's problems?

Bangladesh is a country where the government is still very unstable; but it also a country where the government has taken decisive action on gender equity. Primary education was made compulsory in the country by an act of parliament in 1990, and today the government sponsors numerous Education Voucher Schemes including a Female Secondary Stipend Scheme to ensure that the country's poor girls stay in school and even go on to study in colleges, all at the cost of the government.

What is an Education Voucher Scheme?

The idea of an Education Voucher is to empower poor students so that they can attend a school of their choice. Such a scheme would give the benefit of choice to the poor, and thus also give them equality of opportunity. The choice in turn would create

competition among schools to attract and retain students, and thereby provide better quality education for all.

Today the government holds a monopoly over the education of the poor. However, a voucher scheme would break this cycle, and make the government fund students, not schools. A Voucher is simply a coupon offered by the government to cover full or partial cost of a student's education at a school of the student's choice. No money would actually change hands; instead, the bank account of the school accepting the voucher would be credited by the Govt.

Education Voucher schemes in different forms have proven to increase the total enrolment of students in schools in numerous countries including Bangladesh, Belize, Chile and Columbia.²

Some of the questions central to the designing of a voucher scheme include which families should be given the benefit of such a scheme, how the plan should be implemented, what factors are to be taken into consideration when setting the value of a voucher, etc.

There can be no single right answer to most of these questions, simply because the needs of every society/ group of people are varied. Moreover, solutions to every hypothetically possible problem that a school voucher program might face cannot be anticipated ... just as the problems themselves are now only dimly anticipated and understood. (Joseph Bast, Robert Wittman, 1991)

While education vouchers can be provided for any set of classes/ students, this project only looks at education vouchers for primary education (Classes I to VII).

One question that few researchers have looked at while designing education voucher schemes, is of how to select a city/village/area wherein to implement the aforesaid scheme. Is there a set of comprehensive parameters by which an area can be selected

² Edwin G. West, 'Education Vouchers in Principle and Practice – A Survey'
World Bank Research Observer, vol.12, no.1, Feb. 1997
<http://www.worldbank.org/research/journals/wbro/obsfeb97/pdf/article~6.pdf>

for a pilot voucher scheme? And this, exactly, is the question that this paper tries to answer.

Karnataka

The recently conducted NUEPA survey showed that of all Indian states in terms of education, Karnataka was the worst with 8,000 schools without a single student. Before we continue to discuss Education Vouchers, let us take a look at the comparative status of Karnataka in relation to the rest of the Indian states.

Karnataka which had a GSDP (Gross State Domestic Product) of about Rs. 1940.09 billion (\$46.19 billion) in the fiscal year 2006-2007 is one of the more economically progressive states in India. In fact, Karnataka records the highest annual growth rate among states in India (9.2%). Karnataka has also been the fastest growing state over the past decade in terms of GSDP and per capita GDP. However, the state still has an estimated poverty ratio of 25%, barely lower than the national ratio of 27.5. While the state is recognised as the leader of the IT industry in India, nearly 56%³ of the labour workforce in Karnataka is still engaged in agriculture and related activities.

The above facts go on to show that the state is in many ways experiencing a lopsided growth period. The benefits of development are restricted to a particular set of population in the urban areas. Looking at the condition of schools in Bangalore, both private and public, will also reflect on the nature of growth sharing in the state and in the city.

Education in Bangalore City

Bangalore, known earlier as Pensioners' Paradise, is today one of India's fastest growing cities with a growth rate of 37.69% , next only to the country's capital, New Delhi. The city boasts of a high literacy rate of 75.2%. As compared with India's four major metros,

³ All data from online webpage of the Planning Commission, Govt of India. (retrieved on 25th Aug. 2007)

Bangalore has only about 10% of its population in slums, while Delhi records a large 54% and even Mumbai, 24%⁴.

The city is also home to an overwhelming 8,235 schools for both the primary and secondary level. The school structure in Bangalore according to ownership and management can be divided into the following five categories⁵:

- 1) Educational Department Schools
- 2) Government Aided Schools
- 3) Government Unaided Schools
- 4) Schools under various local bodies
- 5) Social Welfare Department Schools
- 6) Other schools

Table 1.1 shows the total number of Government-run schools in Bangalore (Urban)⁶

Table 1.1: Total School Figures in Bangalore Urban

S.NO	Type of Department	No. of schools
1	Education Dept	1382
2	Social Welfare Dept	14
3	Local Body	10

Table 1.2 shows the educational classification of the primary and secondary schools in Bangalore.

Table 1.2: Classification of Primary and Secondary education

Type of Schools	Classes
Lower Primary	Classes I to V
Higher Primary	Class VI and Class VII
Lower Secondary	Class VIII to Class X

⁴ Census 2001, <http://www.censusindia.net/results/slum/slum2.html>

⁵ ‘Primary and Secondary Education in Bangalore: An estimation of the per capita expenditure for 2002-03 – 2005-06’, *Anusha Pai, CCS May-July 2006*

⁶ In this paper ‘Bangalore’ refers to ‘Bangalore Urban’ i.e all those parts of the city under Bruhat Bangalore Mahanagara Palike (BBMP – the Bangalore city corporation) limits.

Higher Secondary

Class XI and Class XII

In common terminology, the government schools are run by various departments like the education department schools, the local body schools, schools run by the social welfare department schools, etc. Private Aided schools are those which receive funds from the government mainly for the payment of teachers' salaries. This implies that teachers in aided schools are paid on the same scales as government school teachers, and also that the government has a degree of control over the running of such schools. Private Unaided schools run without any financial aid from the government whatsoever, and do not follow any standard pay scales either.

Table 1.3 shows the percentage of school dropouts in the city.

Table 1.3: Percentage of School Dropouts in Bangalore Urban

Age Population	7-14	Out of Population	School Percentage
Bangalore North	448109	8892	1.98
Bangalore South	393618	7578	1.93

This shows that the city does not face a problem of large drop-outs. But the question is, are a sufficient number of children in school in the first place? It is very difficult to answer this question, as all census data available only shows records of children in the age group 0-6, and not of children aged up to 15, who are the ones who actually go to school.

Table 1.4 shows the per capita expenditure on elementary education in the city.

Table 1.4: Per Capita Expenditure on Elementary Education (in lacs)

Total Expenditure	Per Capita Expenditure (per Enrolment annum)
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2002-03	10068	3.47	2901
2003-04	10154	3.7	2744
2004-05	10383	3.72	2791
2005-06	14222	4.31	3300

This shows steadily increasing trend in the Government expenditure in education in the city. What remains to be found out is whether these amounts have been put to use judiciously and effectively.

The above facts seem to show that education in Bangalore city is fairly good. However, numerous research projects have found the ground realities to be very different when compared with analysis resulting from numbers.

The 'How' of Selecting a Ward for a Voucher Scheme

Developing a set of comprehensive parameters

In order to identify the section of people in Bangalore City who are in need of the benefits of an Education Voucher scheme in Bangalore city, the poorest areas in the city were identified.

Bangalore, like most other cities in India, is divided into numerous wards to facilitate administration within the city. The city is divided into 2 districts (Bangalore North and Bangalore South) and 100 wards. The wards are of varied area sizes, ranging from 0.56 sq km to over 6 sq. km. Each ward has a Corporator appointed by the BBMP for a term of 5 years to take care of basic administration in that area. Of these wards, 8 were identified on the basis of the following parameters as wards that would potentially benefit from a voucher scheme –

- a. *Literacy rate (lowest)*
- b. *High percentage of SC/ST population &*
- c. *Highest 0-6 age-group population.*

While *Income* would have been a more effective parameter as compared with the percentages of SC/ST population, these details were unavailable. All other data used in

this process was obtained from the Department of Census Operations in *Kendriya Sadan*, Bangalore.

The process of selection of these 8 wards involved the compilation of top 10 wards under each of the above parameters, and selection of those wards present in more than one parameters list. The rationale here was to identify those wards with a large percentage of uneducated/poor parents, and also a large number of primary school going children – both parameters indicating the basic need for some sort of educational reforms. However, this data proves to be insufficient in the final selection of wards as it does not give any details regarding the primary education scenario in the wards. Field visits were therefore conducted in these wards in order to obtain the following data -

1. *Unmet Demand for Schools in a given ward*
2. *Emerging Competitive Market*
3. *Transportation Facilities*

These details were also used for further short-listing of wards. A set of questions was developed under each of these parameters so as to simplify the process of data-collection during field-visits.

The ***Unmet Demand for Schools*** in a given ward can be gauged from the answers to the following questions -

1. Total number of schools in a given ward.
2. Total 0-10 age group population in that ward.
3. Total number of out of school children in that ward.
4. Major reasons for dropping out.
5. Is the government planning to construct more schools here in the future?

Lack of Government schools coupled with fees-demanding Private schools forms a cause for low enrolment and high drop-out rates. The above questions try to establish whether or not this is a problem in a given area. The existence of such a problem calls for a voucher scheme which will enable the poor to send their children to private schools of their choice.

The following questions look at the ***Emerging Competitive Market*** in the provision of education in a ward -

1. Total number of Government schools.
2. Total number of Private schools - Recognized, Unrecognized (Kannada, English medium)
3. Quality and capacity of government schools.
4. Relative qualities between the various Private schools present in the given area and their fee structures.
5. Advertisements and hoardings in the area regarding schools. Also, do schools carry out door-to-door marketing here?
6. Total number of *Anganwadis* and crèches in the ward.
7. Date of establishment of schools and trend in number of admissions over the last 5 years.
8. Average number of new schools (all categories) that are set up every year.
9. Do parents prefer private schools because of lack of capacity at government schools or because they think private schools teach better?
10. Are 'donations' prevalent at certain schools that cater to the low income people in these wards?
11. What is the sense of 'tension' of getting children admitted into schools? Do parents worry a lot?
12. Do private schools hold tests? What is the rate of rejection? What is the annual turnover from govt to private schools?

These questions establish the difference in quality of education provided by Government and Private schools in a given area. Poor quality of education in government schools, and interest shown by poor parents to send their children to better schools both clearly indicate the need for a voucher scheme in a ward.

Transportation Facilities are not easily available everywhere. While some parents do not prefer to send their children long distances to school, others cannot afford it. Therefore, the factors of centrality and connectivity of government schools in a given area assume great importance. The following questions look at various issues related to Transportation that have a significant effect on enrolment in schools -

1. Location of Government schools in a ward (centrality; connectivity - roads, local buses)
2. What is the maximum distance to school to which parents are willing to send their children? What is the effect of distance on school enrolment?
3. What is the most widely used mode of transport? What is the average cost for the same?
4. What is the density of private schools in the ward? How far apart are they?
5. Presence of *Pucca* roads.

Vouchers for Bangalore

In Bangalore, four, instead of eight wards were short-listed through the first process. Field visits were conducted in each of these four wards in order to establish answers to the afore-mentioned questions. Other sources included the office of the *Sarva Shikshana Abhiyan*, Bangalore, and the District Directorate of Public Instruction, Bangalore South.

Padarayanapura (Ward no.43), *Sudama Nagar* (48), *Ganesh Mandir* (56), and *SKR Market* (30) were the four wards selected through the primary process in Bangalore.

Padarayanapura in South Bangalore is a largely Muslim-populated area. A large part of this ward is constituted by slums and low-class residential areas. The ward has a good number of Government schools and Private schools. While some of the Govt schools are well-managed and run, others are not. What struck me during my visit to this ward were the repeated expression from a number of parents that they would rather send their children to Private schools than to Govt schools when they can afford to pay for the education – it seems that the choice between Govt and Private schools has become an issue of prestige now!

In such a case, implementing a voucher scheme would result in the creation of a healthy trend of competition between and among the Govt and Private schools.

Ganesh Mandir, also a Muslim-populated slum area in South Bangalore, has a large number of Primary Govt schools (few of which are any good) and very few High schools.

Children graduating from Govt primary schools may or may not continue their schooling, as a distance of a few kilometres has to be travelled by bus in order to reach the nearest Govt high school (in SKR Market). Even with highly subsidized bus fares for students, few parents from this section of the society would be willing to send their children to schools beyond walking distance.

In this case, a voucher scheme might help in keeping children in school until they graduate from 10th standard at least.

Field visits to wards 48 and 30 i.e. *Sudama Nagar* and *SKR Market* revealed the following characteristics of these areas–

- a. Large number of businessmen, especially migratory population. Many families live in small houses while having large monthly incomes.
- b. This implies that a number of children from these wards attend elite private schools in other parts of the city.
- c. Also, the total number of children in these wards was found to be much lesser than the number of children in the other two wards. The literacy rate in these two wards was also found to be greater than in the other two.

A very interesting detail that I found out during my field visits is that ward 48, *Sudama Nagar*, does not have any govt schools at all. While there are govt schools in near-by areas, there aren't any in the ward itself. However, given that over three-fourths of the children in the ward come from families of well-to-do businessmen, they are able to attend private schools in the locality. In fact, even among the parents I spoke to, I did not come across a single complaint either about the lack of govt schools, or about the fees charged by the private schools.

SKR Market, while having a good number of Govt schools, has lesser number of Private schools – children from here seem to travel to elite schools in a 3-4 kms radius. The children travel by local buses, school buses and hired auto-rickshaws, or by private vehicles.

Finally, keeping with the facts established from the field visits, *Padarayanapura* and *Ganesh Mandir* were chosen as wards suitable for the implementation of a voucher scheme. SKR Market and Sudama Nagar, though slum-like outwardly, have a very varied

population that comprises of a smaller percentage of poor families than the other two wards.

In conclusion, the govt and numerous NGOs today are spending large amounts of money for numerous developmental activity today – but is this money being spent in the right places and at the right times?

While studies continue to show the different methods by which a voucher scheme could be implemented, few so far have worked in the direction of finding the right areas to implement a voucher scheme. This, in fact, should be the first step in the execution of any Pilot scheme, of education vouchers or otherwise.