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## **Poor Education for Poor: Can Vouchers Be the Answer in Gujarat, India**

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**Abstract:** *Education and its relationship with livelihood, quality of life, increased earning and social mobility are well recognized for developing countries. Education is an important factor for inequality reduction and for overall development. In India many reforms in the field of primary public schools in forms of curriculum, coverage, training and infrastructure have been initiated by the government in the last two decades. Today government provides funds to schools. These schools then provide education to students. The voucher system provides funding to the student who then approaches any of the schools for education. A voucher is only a form of financial assistance. Voucher programs have been implemented in different forms in countries as diverse as Sweden, Chile, Columbia, Holland, USA, UK, New Zealand, Bangladesh, Czech Republic and Cote d'Ivoire. There has been an increase in the quantitative indicators like parental satisfaction increase of test scores and learning outcomes of students, improved performance of public schools and increase in enrolment etc. The present attempts to improve quality of Public Schools Via-a Vis Private Schools are not delivering significant result as quality of public schools and for that matter any public service depends, among other factors significantly pressure and effective demand of the people. In this paper, privatization is not discussed directly except in reference to vouchers. Rather it is contended that privatization with poor quality public schools is increasing SES (Socio- Economic Segregation).*

*The paper examines the efficacy of vouchers as an instrument to reduce SES and to ensure equitable access to poor. This is the issue, which is applicable to whole country; the analysis is done from national point of view also. First discuss Chile with Argentina to see how SES can occur in any dual system. The paper examines working of selective voucher system in Colombia to see how it was devised to handle SES and to what extent it has succeeded in improving students performance. Lastly, the problem has been discussed at national level to bring out the seriousness of the issue. Gujarat is discussed specifically for contextual application for vouchers. The need to concentrate on the larger issues of removal inequality and poverty need not be reemphasized. Poor deserves better deal and equal partnership in development process. The presented model can be an important step in that direction.*

**Keywords:** Education, Voucher System, SES (Socio –Economic Segregation).

## **1. Introduction**

Education and its relationship with livelihood, quality of life, increased earnings and social mobility are well recognized. It can transform the masses, as Thompson says, by 'increasing their awareness of the situation they live and of the possibilities and choices before them' (quoted in Shukla and Kaul, 1998:11). For developing countries, education is an important factor for inequality reduction and for overall development. Developing countries including India face serious problem of illiteracy such as according to 2000 – 2004 census, the total literacy rate of the world (UNESCO) is 82 and the rate of developing countries like South America-90.7, Oceania Countries 93.5, Latin America 90.3 while the rate of developed countries are 99.3%. The literacy rate of developed and developing countries is notable while according to 2001 census the total literates of India were 64.84. Among which 75.26 were males and 53.67 females. While the total literates of Gujarat state were 69.14 in which 79.66 were males and 57.80 females. In the last two decades, universalisation of primary education has occupied much of the policy discourse at the international level.

There is concern in developed as well as developing countries to improve quality of public sector education in form of infrastructure, curriculum and as well as the quality of teachers and students performance. With the rise of New Public Management and neoliberalism, the concept of vouchers has been in use for various purposes in many countries for last two decades. West Edwin (1996: 3) has listed such countries like Sweden, Chile, Columbia, Holand, USA, UK, New Zealand, Bangladesh, Czech Republic and Cote d'Irovie. Today government provides funds to schools. These schools then provide education to students. The voucher system provides funding to the student who then approaches any of the schools for education. A voucher is

only a form of financial assistance. In voucher system, instead of being offered free education, the parents are given a voucher (financed through public funds) of a certain monetary value that could be used to pay fees at schools or other education institutions. Such vouchers are used in health and other social services also. Though such system existed before, it was Friedman (1962) who proposed voucher system with a conceptual framework. He proposed that competition through vouchers will improve quality of education, as parents will prefer good school to bad ones forcing exit of bad schools. There are three elements in voucher system: a) school choice, b) financial resources related to enrollment and c) possibility of losing students (exit). Vouchers can be introduced where private players already exist or it can be introduced so as to invite private players. Vouchers are based on four principles (West Edwin, 1996: 4):

- a. Principle of consumer choice: a parent decides/chooses schools instead of state deciding. The idea is to empower the people, state being in the role of enabler.
- b. Principle of personal advancement: People want to shape their own destinies.  
(Opportunity of choice ensures interest, participation, enthusiasm and dedication on the part of parents thus improving delivery of service.)
- c. Promotion of competition: Competition can result into lower costs, increased quality and dynamic innovation. It assumes that private schools are more efficient and cost effective than public schools.
- d. Wider access to private schools: selective education vouchers can enable poor students' access to private schools.

## **2. Indication of Problem**

In India, many reforms in the field of primary public schools in forms of curriculum, coverage, training and infrastructure have been initiated by the government in the last two decades. The results of such reforms based on national education policy in 1986 as amended in 1991 and 1992, are positive in terms of increased literacy especially in 1990s. Yet, 40 million children are out of schools and the current drop out rate is 40.25 % (Kumar et al, 2003: 3533). There are four trends which are quite visible for drop out rate. Firstly, the results of reforms in primary education have been positive though uneven. Rajasthan, Himachal Pradesh, Madhya Pradesh and Zarkhand have done very well in literacy while Bihar, UP, Orissa still lag behind. Secondly, liberalization and privatization is taking place at a higher speed in the field of education: primary, secondary and higher. One notable fact is the quality of public education is indeed abysmal, perhaps best illustrated by the alarming drop out rates from schools that has been well documented. Parental frustration with public schools is understandable and justifiable. Thus, efforts to increase their choices were possible have to be commanded (Raghav Kuashik, 2006:5). Another remarkable thing is our elementary and secondary educational system needs to be radically restructured. Such a reconstruction can be achieved only by privatizing a major segment of the educational system that will provide a wide variety of learning opportunities and offer effective competition to public schools (Milton Friedman, 1995: 9). Thirdly, the quality of public schools is not only far from satisfactory; it is actually deteriorating, is of abysmally low quality and is characterized by abysmally low learning (Shukla And Kaul, 1998: 2). Fourthly, significant SES is occurring whereby better off sections including middle class of the society are increasingly shifting towards private schools with the trend distinctly visible in urban India and now spreading to rural areas (Ramchandran and Saihjee, 2002). The quality of private education on the other hand has been found to be much better than public schools. This has resulted into inequitable access and choice, and SES in education in the society. What is shocking is that little attention is being

given to this aspect by the government. Even when the issue is discussed, it is more in term of blaming supply side or lack of infrastructure at the most. Issue of quality of public schools is seldom taken care of (Shukla and Kaul, 1998:22). Gujarat is no exception. Actually, Gujarat is facing problem of SES and inequality in access on a larger scale. There is an urgent need to address this issue.

### **3. Objective and Questions**

This paper attempts to examine relevance of vouchers for ensuring equitable access to poor and reduction of SES in Gujarat, a province in India. As this is the issue which is applicable to whole country, the analysis is done from national point of view also. Vouchers have been used all over the world for various purposes (West Edwin, 1996: 5). There are basically two hypotheses, which are discussed with regard to vouchers. Vouchers and resultant competition improve the quality of education. Universal vouchers increase socio- economic segmentation. Experience of countries including developing countries especially Chile and Colombia who have adopted vouchers can be useful as the reforms in these countries were on national level and wide in magnitude.

### **4. Research Question**

How could the implementation of vouchers ensure equitable access to quality primary education and reduce socio economic segregation in primary education in Gujarat, India in the light of experience of vouchers system in general and Colombia and Chile in particular.

#### ***Sub Questions***

1. What has been the experience of the vouchers in general and Colombia and Chile in particular?
2. What are the lessons drawn?
3. How is the quality of public primary schools in India and Gujarat in particular?

4. How is privatization increasing SES (Socio –Economic Segregation) in the primary education in India and Gujarat in particular?

## **5. Hypothesis**

Dual system of education without checks increases socio-economic segregation. Contextual design of vouchers can help reduce this segregation and ensure equitable access of quality primary education to poor.

## **6. Scope of the Research**

The introduction of vouchers ensure equitable access to quality primary education and reduce socio economic segregation in primary education in Gujarat, India in the light of experience of vouchers system in general, Colombia and Chile in particular. Chile has a long-standing education voucher programme which has not brought about all the desired results as predicted by the proponents of the education voucher system while Colombia launched its education voucher programme for secondary education in 1992. This research also includes a discussion on the participating schools is an education voucher system.

## **7. Methodology**

Information for this research paper is obtained from the Internet; researches carried out by academics and other research institutes and relevant reference materials including government reports. This research discusses or evaluates the whole educational system of the countries and places studied. Instead, it focuses on the level of the educational system where an education voucher programme was introduced or considered to be introduced. This paper mainly concentrates on Colombia, Chile and India with special context to Gujarat state.

## **8. Conceptual Framework**

There are enough indications in India and Gujarat that public schools are being deserted increasingly by upper and middle class parents in favour of private schools thereby depriving public education system a “voice”. An English proverb rightly says “The beggars can’t be choosers.” The poor, who left with no choice, send their children to the public schools. However they do not have much of economical, social and political power to bring pressure on the schools and government to provide quality services. Accepted position by policy makers and important stakeholders at national level is that of shinning privatization in primary education. However, provinces are liberalizing primary education to meet the rising requirement of funds and growing demand of middle class. This ambiguous attitude in Indian context is not surprising if one considers the political economy of education in India in which dominant castes (which are by and large synonymous with class) have restricted entry of poor from education since ages. Most of the poor belong to socially weaker sections. British system of education, unfortunately, favoured upper castes. After independence, these groups have continued to monopolize the economy by strengthening dual system of private and public schools. The public schools were neglected in terms of budget provision. This facilitated these castes to monopolize higher education through state. Disproportionate allocation of public funds was made to subsidize higher education.

The present attempts to improve quality of public schools vis- a -vis private schools are not delivering significant result as quality of public schools and for that matter any public service depends, among other factors, significantly on the ‘ voice’ in form of pressure and effective demand of the people. The pressure from international arena and civil society has forced government to increase coverage and access of the public schools. However, improvement in quality of education has remained a distant dream. SES without improvement in quality of public schools has worked against the poor. It is contributing to perpetuation of social divisions and resultant inequality in income and wealth. Privatization, it is feared, may further accentuate existing social divisions and reduce commitment towards quality improvement in public schools (Ramchandran and Saihjee, 2002:1612). Poor

are also being left out from secondary and higher education, due to privatization, introduction of fees, service charges and lack of positive discrimination in privatized institutions. If this trend is not corrected, education instead of reducing inequality in society may end up exacerbating it.

It is submitted that equality in opportunities is essential for development, peace and harmony. The poor should be enabled to take part in the development process as equal partner. The space for freedom of choice can be widened only if the poor have access to education and health (Dereze and Sen, 2002: 21). It is further added that the poor should have access to quality education and health. It is they who require better access for their overall development. If no interventions are introduced, the poor will become poorer in fast globalizing world. It is submitted that state must invest in the development of human resources fully even by redistributing resources. The constitutional provisions of welfare state need to be reemphasized. This requires paradigm shift by looking at the education issue from the poor point of view and shifting boundary of service delivery.

In this research paper, privatization is not discussed directly except in reference to vouchers. Rather it is contended that privatization with poor quality public schools is increasing SES. Such SES becomes a problem when service delivery of public education is affected adversely due to lack of 'voice'. Vouchers can be used for many purposes. Here, possibility of a voucher design to provide equality in access to quality education to the poor is examined. It may serve subsidiary goal of providing competition to public schools. In the paper, quality is referred to the performance achievement of students in their study to a given curriculum.

Lastly, the problem has been discussed at national level to bring out the seriousness of the issue. Gujarat is discussed specifically for contextual application of the vouchers.

## **9. Experience of Voucher System**

Though many classifications of vouchers are given, classification of different vouchers by Pablo Gonzalez et al



(2004:7) is quite useful. They classify vouchers into five categories:

1. The form in which resources are delivered: fund delivery directly to the parents or fund delivery to the schools (funds follow the child).
2. Open or restricted system for eligible schools: In open schools any school can participate while in restricted school, participation will be conditional.
3. Universal (all students) or selective student: In universal system, all families will be eligible for the benefit while in selective only poor families will have access to vouchers.
4. Flat/ lump-sum or income related vouchers: In flat system, all eligible students receive the same amount while in income related vouchers the amount of vouchers will be inversely related to the family income.
5. Only vouchers or supplementable/ top- up voucher: In only vouchers, schools can not charge additional fees from the parents while in case of top- up vouchers schools can charge additional fees above voucher amount.

We will examine the effectiveness of vouchers as an instrument to reduce SES and to ensure equitable access to poor. We will first discuss Chile (where universal voucher system was introduced) with Argentina (where system of subsidy to private schools is followed) to see how SES can occur in any dual system. Then, we will examine working of selective voucher system in Colombia to see how it was devised to handle SES and to what extent it has succeeded in improving student performance.

### **Chile's Voucher System:**

Universal 'funds follows the child' flat amount voucher system was introduced in 1980 by new military government to improve the standard of education and allow competition in education. The reforms were accompanied by decentralisation of primary and secondary education to local bodies and liberalization of education sector. Amount of vouchers differs for primary and higher education and also between rural and urban areas. Also the vouchers are top-up type i.e. school can charge additional fees (up to 1.6 times vouchers). The parents can choose between schools.

**Experience:**

Majority of poor are still in public schools while middle class and rich have moved to private voucher schools. Very rich have continued to study in unaided schools. Public schools accounts for 56% students from lowest deciles of the income. 59% students from 20% top income deciles are found in private unaided schools. Lastly, private voucher schools have attracted more students from middle class. However, one positive aspect that is seen is that the middle class has increased their mobility towards rich by moving from public schools to private voucher schools. It can be concluded that universal voucher system has resulted into SES of the poor with middle class moving to private voucher schools closer to upper class (Gonzalez et al, 2004:11). On the other hand, **Argentina** has followed the system of institutionalized subsidy towards teachers' pay of private schools instead of voucher system. The system provides exit option to the students without promoting competition between private and public schools. In Argentina exit option has been exercised by rich students in search of higher quality while poor has continued to be in public schools resulting into SES (Narodowski and Nores, 2001:6). This shows that vouchers are not a precondition of SES.

**Colombia:**

Selective fixed amount vouchers limited to 33% of the bottom poor were introduced in 1991 in secondary education. The objectives were to increase enrollment and remove inequality in education. 80% fund is contributed by the government and local bodies in ratio of 80:20. Easy availability of free forms, acceptance of any legal proof of status (e.g. electricity bill), use of media to inform poor and encashment of vouchers amount by the schools at the banks are hallmark of the system. Selection is made through public raffle in case of excess application. Difference between voucher amount and actual fees is to be paid by the parents. Value of voucher was fixed taking average of fees of lower to

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middle-income level schools of three main cities (Bogota, Medellin and Cali).

**Experience:**

Performance wise more than 100,000 students have taken benefit of the scheme within five years of the scheme. A study by Angrist (et Al (2002) shows that voucher students have performed better in terms of years of schooling, completion of grade and student achievement. The effects on girls are larger and more precisely estimated than the effect on boys. Another study shows cost of financing has been only one third of cost of expanding public schooling; it has accounted for 10% increase in enrollment in five years all from poor; old schools have proved of better quality than public schools and parents are satisfied (Alberto Calderon, 1996:4). Both studies shows usefulness of vouchers system in developing countries if public schools are weak and private schools are well developed. The experiment is not without problems though. World Bank report on poverty in Colombia has shown concern on substitution of public education by private education. However one objective of vouchers was equitable access of poor to quality education. Secondly, quality problem in many new private schools has been experienced due to profiteering. This risk is always there if care is not taken in form of an exhaustive system of contracts, standards and evaluation. The government has now come up with monitoring mechanism to weed out such 'pirate schools'. Thirdly, there has been problem of finance as local bodies have not been able to contribute regularly their 20% contribution.

**Lessons Drawn:**

Seen as an instrument to be used for social integration and equal access Education is a complex and sensitive issue. Reforms are slow and difficult to implement. Any system should consider the four variables which are education quality, geographical variables, institutional characteristics of the schools and socioeconomic variables. Secondly, Vouchers cannot be introduced blindly. Many studies have been done on vouchers. However, the findings are mixed and at the most confusing (Boyd William 1998:354). The basic problem has been problem of data selection and handling

the effects of other variables. A turf battle of ideology among various academicians can be seen. However experience of Colombia shows that vouchers can improve quality of education where quality difference between public and private schools is marked and private sector is well developed. Introduction of vouchers requires careful consideration with regard to transaction costs and information costs. Vouchers especially universal ones require funds. Careful consideration of cost and benefits is needed. In USA and other developed countries emphasis is more on parental choice. In developing countries, issues of cost, quality, coverage, and access to quality education for the poor assume importance. It is interesting to note that even critics accept utility of vouchers in ensuring access and allowing choice to poor (Carnoy, 1997:16). Design and context are more important. Some broad conclusions can be drawn from the global experience of vouchers and case studies of Chile and Colombia.

1. Monitoring of private schools so that quality does not suffer due to profit preoccupation is necessary.
2. Universal vouchers can result into SES and inequity. However it can occur in any system and vouchers is not a necessary pre-condition.
3. The issue of vouchers can be seen from two points of view. Vouchers can be used as instrument to encourage privatization as against public education. Secondly, it can also be used as an instrument where significant privatization is already there. Vouchers need to be and not merely as an instrument that encourages privatization.
4. Other factors like peer selection by parents, additional fees, selection of income class parents by schools, and transportation cost can also create segregation. Vouchers design should consider these factors.

## **10. Case of Selective Vouchers for Gujarat: Analysis**

**Gujarat**, a province in Western India, with 50 million populations, is one of the fastest growing states in India. In the tenth five year plan, it is expected to grow at 10.5% p.a.

against national target of 8.2%. However in social indicators like health, education and equality, Gujarat's track record is poor compared to its impressive economic growth. The society is significantly stratified as can be seen from the recurrent communal riots, violent anti-reservation agitations and high inequality within (Jan Breman, 2003:22).

Gujarat is also one of the foremost states as far as liberalization and innovative partnership with private sector are concerned. Gujarat has experienced fast rate of privatization in primary, secondary and higher education in the last two decades. Share of private schools has gone up from 4.66% 1978-79 to 21.58% in 2005. Urban areas, with 37.85% of population, have 50% private primary schools. This trend is also visible in secondary schools where private aided schools have gone up from 3.55% to 23.55 % in the same period while the ratio of aided secondary schools has declined from 57.30% to 33.99%. The state has decided to further liberalize primary education with even policy of assistance to private players in the form of concessional land and credit (Government of Gujarat – GoG, 2005). Gujarat, like many other states in India, is now following policy of recognizing only unaided schools. Share of aided schools of Gujarat is only 1.91 % in 2005: a big decline from 16.90% in 1978-79. This policy is closing space for charity and NGO sector which otherwise used to provide alternate education to the poor. The poor has no choice but to go to the public schools. In Gujarat two trends developed. Enrollment in public schools located in rich neighborhoods of Bhavnagar, a city in Gujarat has declined while schools in slums are running to full capacity.

Secondly, there is decreasing interest of media, elites and middle class in the working of public schools in a city which was known all over the country for its experimentation in primary education. Why most vociferous middle class is increasingly moving to private schools. This trend is also reflected in lackluster discussion on education budget by elected members of the corporation. The situation in Ahmedabad and other cities is also on the similar line. 'Where children of powerful groups shift to Private schools, pressure on government schools decline sharply' (Ramchandran and Saijhee, 2002: 1604). There are many other studies supporting this phenomenon: (PROBE,

1999:30-44), (De et Al., 2001 and Vaidynathan and Nair 2001; both quoted in Ramchandran and Saijhee, 2002).

### **Quality of Public Schools is far from Satisfactory**

Research done by Bhavnagar University (and accepted by government) has found extreme poor quality of the public schools. Students were found to have difficulties even in basic skills in language and mathematics. The majority of students, those who passed class V. They could not read or write. Dropout ratios are as high as 45 percent in these schools and go up to around 65 percent by secondary schooling enrolment also poor. An important finding of this study is that most government run schools barely has sufficient classrooms, with hardly any educational aids like blackboards, books, etc. Up to 25% teachers are absent on any given day. Lack of accountability to the community, especially in semi urban areas. Teachers have no incentive to perform due to lack of relevant curriculum. There's no connection with the local conditions and reality of the curriculum. For e.g. learning about the local weather and soil conditions and how to improve farming methods. Average academic achievement of primary school children was found far from satisfactory (GoG, 2005). This is despite all the reforms which have been initiated by the state government in the field of teacher training, curriculum improvement and infrastructure development.

The recent PROBE survey sponsored by GoI has also brought out poor quality of primary education in India. What is worrisome is: SES coupled with unequal access to quality education is also being observed in rural areas. The often repeated defense in favour of public schools is that it suffers from basic infrastructure. This may not hold true for Gujarat at least. Gujarat has met all the parameters fixed by the national government with regard to infrastructure and teachers. Actually, it is better placed compared to Kerala in this regard (Joshi, 2004). Actually, there is complete lack of incentives for the teachers to perform better. The teachers are unionized. At India level, more than 25% primary teachers are absent at a given point of time. And only 59.5%

of those present teach (PROBE, 1999:40). The same position is present in tribal and backward areas in Banaskatha district in Gujarat and is also on the same line. A principal of tribal residential school in Danta (a block of this district) informed that they organizes refresher courses for basic skills in reading and writing for new students entering secondary schools!

### **Performance of Private Schools**

There is wide gap in learning achievement between public and private schools. Research by Gita Kingdon found private schools are much better in Uttar Pradesh (Tooley James, 2001:5). The PROBE report observed 'feverish class activity', 'high level of teacher dedication' and 'accountability' in private schools as against absenteeism of teachers, negligence, 'low level of teaching activities' and 'deep lack of accountability' in public schools. It was clearly perceived so by the parents also (PROBE, 1999:23). P. Duraisamy and T. P. Subramaniam (1999: 43) have found student achievement of private unaided schools in Mathematics and English much better than public schools. 60% of Kerala's primary schools are private which are subsidized by the states. State also gives transport subsidy. Students are allowed to take admission in any school. One reason of high literacy in that state is attributed to this aspect also (Parth J. Shah: 2000:4). Long queues for admission to private schools, charges of payment of huge illegal fees (donation) and political pressure for admission in the private schools has become quite common.

If the trend continues, the public schools will be left with those students whose parents are voiceless further bringing down quality of such schools. A non-starter solution offered is introduction of neighbourhood schooling whereby all students will be admitted to the school designated for a particular area. This may result into worst form of socio economic segregation as in India, even in urban areas; people tend to live together on caste and religion line. In Gujarat, this trend has become quite marked after anti-reservation agitation and communal riots (Breman, 2003: 12)

### **Empowerment through Voucher System**

One way to empower poor is by giving choice of schools by way of vouchers. The concept is already being used by the state for attracting girl children to schools in villages with less than 25% female literacy. Also, vouchers in form of grants and free interest loans are given to tribals and dalit students for higher studies abroad.

Introduction of vouchers will prompt private schools to devise schemes so that students do not drop out and maximum enrolment is achieved. It will also allow space to charity and non-profit organizations to work for the education of the poor. Also, it will reduce SES, help in building up a harmonious society and empowering poor. However, vouchers and resultant increased privatization is not without risks and concerns. Unless a design, which addresses such risks, is devised, it may end up being a problem rather than solution. The design proposed here addresses the concerns and risks of vouchers system with a model which would term as 'Regulated Competitive Delivery' in which state allows privatization with controls (Boyd William, 1998: 360).

### **Proposed Frame Work of Voucher System**

It is argued that market logic is not proper for compulsory administrative services. First, this is more a criticism of privatization rather than vouchers. In Gujarat, privatization is already underway and the dual system of public-private education is acting against poor. The design which is proposed is more an anti-dote to ill-effects of this system. Secondly, such argument may be true in countries where there is no large scale SES and where gap between quality of public and private education is not significant.

#### **1. Need of Diverse Private Providers:**

To start with, it is proposed that vouchers should be introduced in urban areas first and in Ahmedabad as pilot project. There should be adequate and diverse private providers (Colin, Frederic, 2005:3). Ahmedabad has 63.52% private schools accounting for 65.05% enrollment. Of total 647 schools and 195,345 students, private schools claim a



share of 411 schools and 126,305 students. On the basis of experiences of the pilot project, later on, it may be introduced in other urban and suburb areas.

## **2. Selected Vouchers:**

The vouchers should be only for the poor. Also, the state should not subsidise the middle and rich classes who are already moving to private schools on their own. Introducing income limit is fraught with dangers, as middle class has found ways to see that such limit is increased through pressure. States have been found to inflate such figures to appease middle class and to claim more funds from the centre. The recent national level survey by rural development ministry should be accepted by limiting such vouchers to, say, 20% bottom. Free availability of forms and non-insistence of other documents will facilitate access of the poor to the system.

## **3. An Independent Accreditation and Certification Agency:**

No entry to the system may be allowed unless requirements of minimum infrastructure, quality and other technical aspects are fulfilled. This will ensure entry of professionals and committed NGOs in the sectors and discourage profiteering. Quality may be defined as the educational achievement of the students to be decided by a common central test by the agency with a system of screening bias of socio economic status and other factors.

## **4. Improving Ability of Poor to Make Choice:**

Another concern raised is that poor may select a school of their peer. One need not underestimate the wisdom and ability of the poor. PROBE survey has indicated high awareness on quality among rural parents. Rise of some backward communities through their own schools after independence is quite known. The proposed Accreditation and Certification Agency can provide information to poor through publicity as was done successfully in Colombia. Help of NGOs and civil society can also be taken. The tendency of the present socioeconomic system to exclude the poor from institutions and development process has been, to a degree, corrected by the policy of reservation of poor.

Targets for inclusion for poor are fixed for various programmes. Voucher system should continue with the system. Such system already exists for all subsidized educational institutions. The present system of transport subsidy and other incentives for such students may be continued. The voucher schools should not charge additional fees. Considering the size of private sector schools and NGOs in Gujarat, there will be takers of the scheme.

#### **5. Regulated Competitive Delivery:**

An argument (Colin, Frederic, 2005:8) that the state will lose control over centralized education system and a fragmented system may come into existence is not without substance. However, this concern is again more related to privatization. There is already a need to regulate private education in Gujarat even without vouchers. The experience of contracts, standards and evaluation of UK, Australia, New Zealand and other developed countries can be useful. The proposed autonomous board can determine basic rules of game for infrastructure, quality standards, curriculum and training under overall policy framework. Members of the board can be drawn from private players, academicians, retired judges, parents, NGOs and government. Such boards do exist for secondary and higher secondary education.

#### **6. Vouchers Amount:**

The amount can be decided by taking into account various costs like the present per student cost of public schools, the average fees of lower to middle class schools of major cities and cost of opening one more place for a student in public schools. The average annual fees of medium private schools are around Rs. 3600 per student as against government expenditure of Rs. 2900.

**7. Further Decentralisation which** allows flexibility and effective control over the public schools and level playing field to the local bodies will be required. Introduction of enrollment based funds will force the local bodies and school

to introduce innovation and bring in element of accountability which is at present completely missing.

**8.** The introduction of vouchers will involve **transaction costs and information costs**. However, the transaction cost of the present system is also not small. In the new system, the monitoring and evaluation work may be looked after by the proposed Agency. Use of information technology which is spreading very fast in Gujarat can be used effectively. Information costs are an important issue and will involve costs especially to increase awareness among the poor.

## **11. Conclusion**

There is a strong case for introducing vouchers in Gujarat. Innovative public-private partnership is required so as to allow many private as well as non-profit organizations to enter the field to provide quality education to the millions of poor children. The present trend of growth in unaided private schools needs to be converted into an opportunity to reach out to poor with quality education. The vouchers can be an instrument, can reduce segregation as well as provide access to quality education. The civil society which finds, at present, space getting closed for it in education will find a new opportunity to provide education to the poor. At the same time, the reforms in public schools need to be redirected towards issues of quality and accountability. The need to concentrate on the larger issues of removal inequality and poverty need not be reemphasized. Poor deserve better deal and equal partnership in development process. The model presented can be an important step in that direction.

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