

Serving the Needs of the Poor: The Private Education Sector in Developing Countries

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A Touching Faith

Maris O'Rourke, Director of Education at the World Bank—and previously the Secretary for Education in New Zealand—was asked at a recent conference in London¹ why she thought that governments should be involved in education. “The bottom line,” she said, “is to promote equity.” There were many murmurs of assent in the room.

My experience is that this is the bottom line for most people who give this matter any thought. Equity—or one of its popular near-synonyms, equality of opportunity or just plain equality—is the principle reason why government intervention in education is justified. There are other reasons, but the promotion of equity seems to be the most intuitively obvious and appealing. This is neatly encapsulated in one recent Canadian anti-privatization book, *No More Teachers, No More Books*, by Heather-Jane Robertson:

Giving all children the opportunity to enjoy an equal education, determined not by the wealth of their families but by the resources of their communities, is ... a truly democratic ideal ... a shared public commitment in achieving greater equity is *the only reason for public schools to exist*. (Robertson 1998, 188)

I find it a rather touching faith that governments could provide equity in education, given their record to date. As Robertson notes, this is an ideal which “has never been fully realized” (188). But it’s touching to think that she, and others like her, suppose that it ever could be realized. In the developed world, we see huge disparity in the quality and standard of state schools from middle-class to working-class areas. For developing countries, a key proxy indicator for inequity is the proportion of public funds spent on primary schools as opposed to higher education. Higher education is the province of a tiny elite, by and large, in developing countries; the poor generally have access only to primary education. Given this fact, we would assume that an equitable system would spend a small proportion of public funding on higher education, to reflect the small number of young people who pass through to university, and the bulk of its funds on primary education. The reality is very different. For example, in the 22 countries in Black Africa, 15 percent of all public expenditure goes to the 2 to 3 percent of the population who are going on to higher education. In Latin America and the Caribbean, the figure is 17 percent (UNESCO Database 1994).

These raw statistics don’t convey the true human story behind these figures, though. At a recent United Nations expert group meeting in New York, the economist Larry Willmore told the story of his highly intelligent secretary in Brazil. Larry found that this woman, from a very poor background, was studying for her degree at what was widely thought to be an inferior private university and paying expensive fees to boot. Why was she doing this? It was obvious, she said. Yes, she had been accepted to the elitist—and free—public university. But she had to work to support herself and her family, and the public university ran courses only during the day; the private university, aware of its customers’ needs, offered classes at night. And she could do her degree in far less time than at the public university. In other words, the public university was specifically geared for the children of the upper middle classes, who could afford the leisurely progress of full-time study, supported by generous and long-suffering parents; it was not set up for the less privileged. Yet this, and similar universities around the world, receive a hugely disproportionate amount of public funds.

So, as I say, a touching faith that governments can provide equity in education. Nonetheless, I guess that people like Ms. Robertson would argue that, while governments might not have succeeded perfectly, they would much better achieve equity than any privatized alternative, that is, where the private sector, including philanthropists, agencies of civil

society, and commercial organizations take a greater role in education. I've argued at length elsewhere that such an assumption is completely wrong, that the private alternative *can* deliver equity or equality of opportunity and that democratic states cannot, for good solid theoretical reasons (see Tooley 2000a, Session 2). In this chapter, I want to put some flesh on these abstract arguments. Even if it's true in theory, how can it be true in practice? In particular, I want to show how untenable is the common assumption about the private sector in education, that it caters only to the elite, and hence that its promotion is bound only to exacerbate inequality. On the contrary, I suggest that recent research from developing countries points in the opposite direction. If we want to help some of the most disadvantaged peoples in the world, then encouraging deeper private sector involvement is likely to be the best way forward. And if it is true for some of the poorest in the world, I also suspect that it is likely to be true for the less advantaged in developed countries such as Canada, the US, and the UK.

To show this, this paper examines first how public, that is, state, education serves some of the poorest in society and then contrasts this information with findings about private schools. Research that has directly compared the two sectors is also summarized. Brief notes are also made about other innovative ways in which the private education sector is also helping the poor, before these themes are drawn together in the concluding section.

Does Public Education Serve the Needs of the Poor?

To explore what to many will be a counterintuitive proposition, that private education can help the poor, let's begin with investigating the lot of some of the poorest people on the planet, the poor who live in the slums and villages in India. First, how do government schools serve these people? The Indian government recently sponsored the PROBE Report—the *Public Report on Basic Education in India* (The Probe Team, 1999)—which gives a useful picture of the relative merits of public and private schools for the poor.

The relevant parts of the PROBE Report look at primary education in four states—Bihar, Madhya Pradesh, Uttar Pradesh, and Rajasthan. In these four states, the fieldwork surveyed a sample of 188 villages, more or less selected as a random sample from all villages in the 300-3,000 population range.² In these 188 villages, there were a total of 195 government schools and 41 private schools. Teachers, parents, and

children from all of these schools were interviewed. In all, this came to a total of 1,221 households, 2,820 of 6- to 14-year-old children, 650 government and 186 private school teachers.

The picture that the report paints of the government schools is bleak indeed. It describes the “malfunctioning” in these schools for the poor. The schools suffer from poor physical facilities and high pupil-teacher ratios, but what is most disturbing is the low level of teaching taking place in them. When researchers called unannounced on their random sample of schools, “teaching activity” was going on in only 53 percent of them (47). In fully 33 percent, the headteacher was absent. But even these figures overestimate what was typically taking place, because this report includes only those schools that were actually open when the researchers visited. Moreover, the researchers usually visited in late morning, which was the time of peak school activity. Finally, “teaching activity” is construed broadly to include children reading aloud or being supervised while doing their own written work.

Clearly, poor infrastructure and apathetic parents are a problem; the Indian overly-academic curriculum can be paralyzing to teachers and students alike; teachers are burdened with excessive paperwork, and there is unsupportive and inadequate management. But the deterioration of teaching standards results not just from disempowered teachers:

The PROBE survey came across many instances where an element of plain negligence was ... involved. These include several cases of irresponsible teachers keeping a school closed or non-functional for months at a time; a school where the teacher was drunk, while only one sixth of the children enrolled were present; other drunk teachers, some of who expect pupils to bring them *daru* [drink]; a headteacher who asks the children to do domestic chores, including looking after the baby; several cases of teachers sleeping at school; ... a headteacher who comes to school once a week; another headteacher who did not know the name of a single child in the school ... (63).

Significantly, the low level of teaching activity occurred even in those schools with relatively good infrastructure, teaching aids, and pupil-teacher ratio. Even in such schools, however,

Inactive teachers were found engaged in a variety of pastimes such as sipping tea, reading comics, or eating peanuts, when they were

not just sitting idle. Generally, teaching activity has been reduced to a minimum, in terms of both time and effort. And this pattern is not confined to a minority of irresponsible teachers—it has become a way of life in the profession. (63).

But all of these findings highlight, for the PROBE researchers, the underlying problem in the government schools: the “deep lack of accountability in the schooling system” (54).

Is there any alternative but these schools for the poor? Surely no one else can do better than government, given the low level of resources available? Not so. The PROBE report pointed to the existence of many private schools that were serving the same populations and conceded—rather reluctantly, it seems—that such problems were not found in these schools. In the great majority of private schools—again visited unannounced and at random—there “was feverish classroom activity” (102). Private schools, they said, were successful because they were more accountable:

This feature of private schools brings out the key role of *accountability* in the schooling system. In a private school, the teachers are accountable to the manager (who can fire them), and, through him or her, to the parents (who can withdraw their children). In a government school, the chain of accountability is much weaker, as teachers have a permanent job with salaries and promotions unrelated to performance. This contrast is perceived with crystal clarity by the vast majority of parents. (64).

The report continues: “As parents see it, the main advantage of private schools is that, being more accountable, they have higher levels of teaching activity. This is confirmed by the PROBE survey” (102). Moreover, in interviews with large sample of parents, “Most parents stated that, if the costs of sending a child to a government and private school were the *same*, they would rather send their children to a private school” (102).

Private Schools for the Poor?

To many readers, the existence of such private schools for the poor will be a surprise, so a few details about their structure and organization may be appropriate. I came across such schools in India while conducting

fieldwork for the International Finance Corporation, the private finance arm of the World Bank. Officials with whom I was working in India seemed wary of introducing me to any of these schools, although they acknowledged their existence. So I set off alone one day, first by auto-rickshaw, then on foot, into the slum areas behind the Charminar in Hyderabad, the capital of Andhra Pradesh, and there they were, almost at every street corner, down every alley, another private school or college. And, as luck would have it, I found a few schools where the headteachers were welcoming and spoke English, and who were able to introduce me to the loose federation under which many of them worked, the Federation of Private Schools' Management. From then on, I was inundated with principals of schools who wanted to meet me, show me what they were doing, and how they had to cope with severe government regulations.

In Andhra Pradesh as a whole, private unaided³ schools make up 11 percent of enrolment in elementary schools, with more than 30 percent at the upper primary level. In addition, there are an estimated 3,000 unrecognized unaided schools, with 80,000 students. The Federation, which was formed in 1997 by a group of unaided private school correspondents and principals, has 500 schools in Andhra Pradesh, of which 40 percent are recognized by government, 60 percent are not.

Elsewhere (Tooley 2000b), I have described further details on 13 of these schools for which I gained usable data. Briefly, the facts about these are as follows. Schools ranged in size from 100 students—in a school that had just opened and was seeking to grow—to the largest at 2,000. Pupil fees varied according to the grade level of the child. The lowest fees charged ranged from 25 to 35 rupees per month (about 60 to 83 US cents per month). The highest fees ranged from 150 to 200 rupees per month (about US \$3.57 to \$4.76 per month). A typical school charged about US \$10 to \$20 per year.⁴

Even though these schools are for the poor, a key feature is that they have a significant number of scholarships—that is, free places for even poorer students. The free places were allocated by the School Correspondent, on the basis of claims of need checked informally in the community. Five of the schools had between 15 and 20 percent of students in free school places.

The smallest school had three teachers, the largest 70. For all of the schools, the teacher-pupil ratio varied between 1:22 to 1:35. (This is one of the noted features of the private schools, that their teacher-pupil ratio is much lower than in the government schools).

In a state school, the average teacher pay varies between about 4,000 rupees to 9,000 rupees per month (about \$95 to \$200), depending on qualifications. In these unaided private schools it was significantly lower, from as low as 400 to 600 rupees per month in the rural school (i.e., \$9.50 to \$14.20 per month) to a high of 2000 to 5000 rupees per month (\$47.60 to \$119.00) in the city. As for teacher qualifications, all of the schools had teachers qualified at least to the intermediate (grade 12) level, and the great majority of schools had mainly graduate teachers. Some schools had Masters' graduates, and one a Ph.D.

The governing structure for all thirteen of the schools was technically the same. Each was managed by an associated educational, religious, or charitable society, as constituted under the 1860 Act, and as required for the schools to be recognized by the government under the Andhra Pradesh 1982 Education Act. (This, and other regulations stipulate that if a school is to be recognized, it must be such a society and not run for profit). However, it is very important to note that this did not mean that any school was run as a charity, funded by charitable donations. Without exception, all of the schools were run on commercial business principles, in the sense that they were self-financing, gaining all of their funds from student fees, commercial loans, or sales of goods. Most of the schools also appeared to make a small surplus which was, in principle, reinvested in the school.

This said, it was also the case that all of the correspondents and principals interviewed claimed to be motivated by a concern for the poor communities in which they worked. Many described themselves as social workers and clearly derived considerable satisfaction from being willing to help in areas that were not on the face of it particularly promising. Typical comments came from Mr. Mohamed Wajid, Director and Correspondent of Peace High School: "These people belong to a slum area, they totally depend upon us, they totally trust us," he said. His mother had encouraged him to take over the school when she was ready to retire. "She showed me pictures of the poor people living here, and reminded me that life must not be lived for oneself; life must be lived for others. So she made me take over the running of her school."

Given the existence of these private schools and the way they are responding to the needs of the poor, it might be thought that the government was assisting them in their task. In fact, the opposite is true. As one of the principals put it to me: "Sometimes government is the obstacle of the people." At every turn, it would seem that government regulations were getting in the way of the smooth and effective operation

of these schools. Indeed, only two out of the 13 schools (15 percent) had full recognition from government. Two major problems arise for parents from their schools not being recognized. First, very importantly, only at government-recognized schools can students sit their school (Grade 7 and 10) examinations. However, the schools in the Federation (and more widely) have found a neat way around this. There is nothing in the statutory regulations to stop unrecognized schools from sending their students to a recognized school as “private candidates” for the purpose of taking examinations. This loophole is used to great effect within the Federation. However, this process costs more for parents. To take an examination in their own school costs 50 rupees per entry (about \$1), but as a private candidate, they have to pay five times this, 250 rupees per entry (for some of the schools this is almost equivalent to the annual student fee). This is a major disadvantage for parents.

The second disadvantage is that students have “private” candidate stamped on their certificate, not the name of a school. Not only do some high schools, colleges, and universities look down on this status and prefer candidates from a named—especially a named *known*—school, it also is an inconvenience, as most high schools or colleges will ask for other proof of residence and identity when a student applies for entry, whereas with an ordinary certificate this additional proof is not required.

So why don’t the schools get government recognition? The problem is that there are many regulations that make it virtually impossible for many private schools for the poor to do so. Three conditions in particular were described as onerous and difficult to meet:

- To be recognized, the statutory rules state that a school must have a playground of 1000 square yards—clearly beyond the reach of most such poor schools in the slums, given availability and cost of land.
- There is also a requirement for government-trained teachers within the school. But teacher training colleges offer only vernacular-medium teaching certificates for primary schools, but most of the private schools are English-medium. So although there are no state offered qualifications for teachers to take, the government refuses to recognize schools which do not have state-qualified teachers: catch 22!
- To be recognized, the society must deposit a “corpus” or endowment fund of 25,000 rupees or 50,000 rupees (depending on the level of school, i.e., up to \$1,200) in a stipulated bank account. In itself, this is extremely hard to find for many schools. I estimate that for at least seven of the schools this was greater than their annual surplus!

In summary, what the PROBE report shows is that

1. Poor parents are willing to pay for their children to attend unaided private schools because they perceive the quality of the private schools to be higher than in government schools.
2. The quality is (in fact, not only in perception) higher in the private schools in terms of:
 - Level of teaching activity and time spent teaching.
 - Commitment and dedication of teachers, resulting in higher levels of teacher activity and closer attention to students.
3. The quality of education is higher because of the accountability of private schools to parents.

But can we say any more about the quality and also the cost-effectiveness of these private schools? Does the increased level of teaching activity and teacher commitment have any impact on the academic and other educational achievements in the private schools? There is quite a bit of other research from developing countries which explores these issues in the more general context of public versus private schools.

Public versus Private Schools in Developing Countries

First, there is the important work by World Bank economist Emmanuel Jimenez and sociologist Marlaine E. Lockheed, and other colleagues who studied “The Relative Efficiency of Private and Public Schools” in Thailand (Jimenez et al. 1991, 205-218; Jimenez et al. 1988, 139-164). The researchers conducted detailed quantitative analysis using longitudinal data and looked for the value added by the school, whether private or public. Using advanced statistical techniques to control for potential bias from social background, the researchers concluded that the private schools are, in general, “more effective and less costly” than their public counterparts at improving the mathematical performance of students. Taking their methods on to a broader canvas, the researchers showed that, based on studies comparing private and public education in Colombia, the Dominican Republic, the Philippines, Tanzania, and Thailand, and focusing now on mathematics and language teaching, private school students again, in general, outperformed the public school students. This result, again, held true even when controlling for the potential bias of social class. And again, there was “preliminary evidence” to suggest that the unit costs in private schools were lower than in the public schools (Jimenez et al. 1991, 205).

In terms of higher education, World Bank economist Estelle James (1991, 189-206) shows that in the Philippines (where 80 percent of all college and university students attend private institutions) the private sector again “operates at much lower cost ... per student than does the public sector,” and there is some suggestive evidence to show that this lower cost comes along with higher quality and efficiency. And in terms of public and private schools operating under a state-funded voucher, the evidence from Chile is unequivocal. Chile brought in a system of vouchers in 1980, which allowed for these subsidies to be spent at private schools or at local municipal schools. The evidence shows that the subsidized private schools were more efficient than the municipal schools—employing less teachers per pupil and having lower unit costs. Yet they achieved higher test results in mathematics and Spanish. This result holds even when the test scores are adjusted to control for socio-economic status (Larrañaga 1997).

Finally, there is further evidence from India, which gives an insight into schools closely related to the examples given above. Geeta Kingdon’s fascinating work (1996a, b) explores in more detail the question, “Is the popularity of private fee-charging schools in India to be explained by their superior quality?” To explore this question, she constructed a stratified random sample of three types of schools: private-unaided (PUA), private-aided (PA), and government (G) schools, in urban Lucknow, in the state of Uttar Pradesh. The private-aided schools are virtually indistinguishable from government schools. They get a block grant for more or less all of their income, irrespective of student numbers or performance. They are also subject to severe teacher unionization and government regulation. The private-unaided schools are the only category worth considering as genuine private schools.

Kingdon collected data from 902 students of class 8 students (13 to 14-years-old), in 30 schools across the three sectors, on:

- Student achievement measured using adaptations of standardized tests of numeracy and literacy
- Ability of students measured using Ravens Progressive Matrices
- Details of personal, parental, and household characteristics of students
- School income and expenses, teaching materials, and facilities

In order to control for social and personal factors, Kingdon’s method was to seek to predict the score for a student with the average charac-

Table 1 Comparison of Achievement Among Government, Private-aided and Private-unaided Schools

| | | G | PA | PUA |
|---------|--------------|-------|-------|-------|
| Maths | Raw | 8.97 | 8.36 | 17.09 |
| | Standardized | 11.38 | 10.09 | 12.80 |
| Reading | Raw | 9.77 | 10.86 | 16.85 |
| | Standardized | 13.78 | 13.73 | 13.83 |

teristics of a public school pupil if she were to attend a private school, and vice versa. This predicted score was then compared with the actual public school average achievement figure. Table 1 gives these results.

On the raw scores, the private-unaided students scored almost twice as highly as the government and private-aided schools, in both mathematics and reading. However, when these figures were corrected to take into account personal endowments and selectivity of pupils, this superiority decreased somewhat, although it was still statistically significant. For instance, the private-unaided schools, after correction, are still 27 percent more effective at teaching maths than the other schools. However, Kingdon also investigated the cost-effectiveness of the schools, and the findings here are most revealing. Combining the results of standardized achievement in mathematics and language with per pupil expenditures gives the results in Table 2.

Table 2 Comparison of Cost Per Achievement Point in Government, Private-aided and Private-unaided Schools

| | G | PA | PUA |
|----------------------------|-------|-------|-------|
| Cost per student (Rs) | 2008 | 1827 | 999 |
| Predicted math score | 11.38 | 10.09 | 12.80 |
| Cost per math point | 176 | 181 | 78 |
| Predicted reading score | 13.78 | 13.73 | 13.82 |
| Cost per reading point | 146 | 133 | 72 |
| Predicted total score | 25.16 | 23.82 | 26.62 |
| Cost per achievement point | 80 | 77 | 38 |

As before, the predicted total scores are higher in the private-unaided schools. But the costs per student are substantially lower—less than half the costs of the government schools. This means that the “cost per achievement point” in the private-unaided schools is less than half that in the government schools (38 as compared to 80). This is a dramatic result. In other words, private-unaided schools are not only better than government and government-aided schools in terms of student scores, but they are much, much cheaper too.

Of course, education is more than scores in maths and science. Coupled with the evidence from the PROBE report in terms of teacher attention and dedication in schools for the poor, this additional evidence would seem to suggest a very strong case could be made that the private schools in India are much better at serving their clients than government schools, and that is as true for schools for the poor as for any other schools.

Objections to Private Education for the Poor

Perhaps surprisingly, given the positive picture painted of the private sector vis-à-vis the government sector, the PROBE team balked at recommending a greater role for it in primary and secondary schooling. It is worth exploring their reasons, for they may also be the sort of objections to which other anti-privatization people such as Heather-Jane Robertson, noted above, may be sympathetic.

The PROBE team admits that their report has painted a “relatively rosy” picture of the private sector, where “accountability to the parents” leads to “a high level of classroom activity ... better utilization of facilities, greater attention to young children, responsiveness of teachers to parental complaints” (105). But there are four reasons why such findings do not convince them that a greater role for the private sector is desirable or required:

1. Private schools are out of reach for the vast majority of poor parents.
2. Private schools “often take advantage of the vulnerability of parents.” This is because many “parents have little idea of what goes on in the classroom. They know that teachers turn up on time, keep the children busy, and maintain discipline, and in all these respects private schools strike them as superior to government schools. Even an inept teacher, however, can maintain these appearances without imparting much education to the children” (105).

3. Private teachers will teach to the test. They have “little reason to promote the personal development of the children, to treat them with sensitivity, or to impart a sense of values. Their overwhelming objective is to cram the heads of the pupils, so that they may pass the relevant tests and examinations” (105).
4. The expansion of private schools will undermine state education: “This carries a real danger of undermining the government schooling system ... [which] may lead to a very divisive pattern of schooling opportunities, with better-off parents sending their children to private schools while poorer parents are left to cope with non-functional government schools” (106).

The second and third of these are criticisms of the quality of private education. They are not based on the evidence in their report and would require further research to substantiate. However, my own research (Tooley 2000b) suggests that the quality of private schools for the poor is likely to be much higher than is claimed here. And if one is genuinely concerned with helping the poor, then ways need to be explored which can help these schools to improve—perhaps through helping in capacity-building for teacher training, improving curriculum and pedagogy, quality control, and improved resources.⁵ In any case, the Report notes that the problem of teaching-to-the-test “applies in government schools too,” but counters this by suggesting that “at least in the latter case there is a possibility of stimulating the interest of teachers in alternative teaching principles and practices.” Again, my own research (Tooley 1999) suggests the opposite, that it is in the private schools that the most interest in innovative teaching methods will arise, not in government schools.

The fourth objection is not an objection to private education per se, but to the impact that private education will have on the state system. But if, as the authors report, state education is so bad and private schools are so much better, then why do the authors worry about the demise of state education? As long as poor parents are not deprived of educational opportunities for their children, why should they object to better schools taking over from worse ones?

Finally, the first objection is well-taken: not all children can afford the private schools. But if the state sector provides schools which are so cavalier about their clients, indifferent to their needs, then this suggests that reformers’ efforts would best be served by helping such children attend private schools—whether through public or private voucher/

scholarship schemes (or both)—rather than by objecting to the private sector.

Other Private Education Reaching the Poor

Private education in developing countries isn't just about the poor, of course, and there are many exciting examples of big education chains throughout the developing world, some with as many as 500,000 students in franchised campuses across a region (see Tooley 1999 for more details). But even these big education companies have implications for the ways in which the private sector can reach the least advantaged. Two examples from India can help illustrate this.

An Indian company which embodies much of the excitement and innovation in the education industry is NIIT. With its competitor, Aptech, it shares just over 70 percent of the IT education and training market in India, estimated at roughly 1.1 billion rupees. NIIT has 40 wholly owned centres in the metropolitan areas and about 1,000 franchised centres across India. It also has a global reach, with centres in the US, Asia-Pacific, Europe, Japan, Central Asia, and Africa. A key aspect of NIIT's educational philosophy is that there is a need to harness research to improve the efficiency of learning and to raise educational standards.

Because of NIIT's success in developing innovative and cost-effective IT education and training, several state governments are looking to it—and similar companies—to help bring IT education to the poor in their states. First off the mark was Tamil Nadu, which wanted to bring a computer curriculum to all of its high schools. Significantly, although it allocated extra funds to this endeavour—about US \$22 million over 5 years—it simply didn't trust handing the funds over to government schools, perhaps having taken to heart the lessons of the PROBE report. Instead, it developed a model to contract out the delivery to private companies, who provide the software and hardware, while the government provides an electricity supply and the classroom. For the first round of the Tamil Nadu process, 43 contracts were awarded for 666 schools, with NIIT allotted 371 schools. Many of the classrooms have become NIIT centres, open to the school children and teachers during the day, then used by the franchise holder in the evenings. This contracting out of curriculum areas represents an important step forward in relationships between the public and private sectors, and provides an interesting model worth watching and emulating.

Moreover, NIIT has embarked on another endeavour, which has the potential to link the poorest in society to the “knowledge society.” We’ve noted that NIIT is engaged in research and development. One aspect of this has recently focused on how to reach largely illiterate and unschooled children in the slums and rural areas through the Internet. As background, NIIT’s Director of Research, Dr. Sugata Mitra experienced what many proud parents feel when he observed his children on the family computer: “My children have easily taught themselves to access the Internet. They must be brilliant!” Just like their father, perhaps. But then he mused: “Perhaps there’s nothing special about my children, but there’s something particularly *easy* about accessing the Internet?” Thus was born the “Hole in the Wall” experiment.

Usefully, the NIIT headquarters borders the slum area of Kalkaji, where there are a large number of children of all ages who don’t attend school—in any case the only schools available have few resources, and high teacher and pupil absenteeism. Dr. Mitra wondered, Can these children also learn to access the Internet without any tuition?

His research team constructed an “Internet kiosk” in the NIIT boundary wall, with the monitor visible through a glass plate built into the wall. The PC itself was on the other side of the brick enclosure, which was connected to the NIIT’s internal network. The kiosk had access to the Internet through a dedicated connection to a service provider. There was a touch pad provided instead of a mouse, which was later modified to an unbreakable joystick. The kiosk was made operational, without any announcement or instruction, in January 1999. A video camera recorded activity near the kiosk and activity was monitored from another PC on the network.

To cut a long story short, within weeks, the children quickly learned to become Internet literate. The children visited websites without any instruction. The Disney Web site became especially popular, with children playing computer games, and navigating stories and cartoons. Those literate in Hindi also loved to access news, horoscopes, and short story sites. Paint also became very popular, with almost all of the 80 children who came to the kiosk learning—without instruction—to make pictures or to write their own names. These are children who wouldn’t have access to actual paint and paper.

The observations thus far indicate that underprivileged children from the slum area, without any planned instructional intervention, could achieve a remarkable level of computer literacy. The experiment

suggests that language, technical skills, and education are not serious barriers to accessing the Internet, and, through this, educational and entertainment CD ROMs, but instead can lead to self- and peer-education—at least for younger children. Over the age of 14 or so, people didn't make much sense of it all: "Where's the teacher?" they would ask.

Now, if this was just a simple experiment conducted by a company it might not be so spectacular. But the important point is that Dr. Mitra is now embarking on rolling out the idea commercially to rural and slum areas, harnessing the power of the private sector to reach the poorest through modern technology.

Conclusions

When I present my work about the "private alternative" in education at conferences and seminars (see Tooley 2000a), a response I sometimes get from even those who are somewhat sympathetic to my work is along the lines of "It might work for the middle classes, but certainly not for the poor. And what about the poor countries? It certainly wouldn't work for them." No, it is generally assumed that if it is the poor we are concerned about, educationally speaking, then there is no role for the private sector, and its promotion would only be detrimental to their chances.

This chapter has explored this issue by looking at the situation of some of the poorest people in the world, in the slums and villages of India. For these people, it was shown that the government education system is severely malfunctioning. That's not just my view; the government's own sponsored research backs up this hypothesis. The response of many public schools to the poor seems to be at best one of cavalier indifference. On the other hand, partly in response to the perceived inadequacies of state schools, entrepreneurs have set up private schools to serve these poor communities. The PROBE research found these schools were doing much better than the government schools in terms of teacher commitment and teaching time. And other research, both from India and from other developing countries, suggests that private education in general is more effective (at least in terms of student achievement in key subjects), even when controlled for socio-economic class and the background variables of students. Moreover, research from India shows that private (unaided) education is also dramatically more cost-effective than government education.

All this evidence suggests to me that the received wisdom about the role of the private sector in helping the disadvantaged is completely misguided. In developing countries, it is not the state that has the greatest potential to help the poor, but the private sector. Sure, the very poorest may need additional assistance to help them attend these schools, in terms of public or private vouchers (or both). But the state's major role should be to help ensure that the regulatory and investment climate is conducive to the development and nurturing of these schools. And if this is true for India, then it may also be true for the developed world too.

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Notes

- 1 "Reform of Public Education: Lessons from the Developed and Developing World" CfBT Education Services Annual Debate, The Royal Commonwealth Society, London, 14th June 1999.
- 2 In rural India about two-thirds of the population live in that population range.
- 3 In India, there are also private aided schools, which get the great majority of funding from government, and which are almost indistinguishable from government schools in many respects.
- 4 These figures need to be taken, of course, in the context of India's poverty. GNP per capita, 1999, is US \$450. However, perhaps the most useful point of comparison is to note that there are elite private schools in Andhra Pradesh that charge about US \$1,100 per student per year. And the middle range private schools serving senior civil servants, businessmen, etc., charge between US \$350-\$400 per year.
- 5 I have just obtained funding to conduct a research and development project along these lines.