



Budget Analysis Rajasthan Centre

Turning its back to the basic responsibilities by the State Government

Proposed Privatization of Health and Education services in Rajasthan: Turning its back to the basic responsibilities by the state government

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The Rajasthan government seems to be taking the privatization route of health, education and social services in full swing and it's in continuation of the pro-private sector policies like changes in labour laws, attempts to bring state specific land acquisition bill, and promoting Public Private Partnership (PPP) in all areas. Yesterday the state cabinet took a decision to hand over the primary health centres (PHCs) to the private players in the name of adopting public private partnership (PPP) mode. The government has assured that even when privatizing the PHCs the government run schemes including free medicine and diagnosis, immunization, 104 and 108 ambulances will continue to run. In the first phase 90 PHCs, where medical and non medical staffs are not available as per standards, out of total 2082 PHCs are to be run under PPP mode.

Though the other details of introducing PPP in running the PHCs are yet to be known, the government of Rajasthan has already come out with a draft "Policy for Public Private Partnership (PPP) in School Education 2015" which proposes to open the door for private participation in school education in the state. The rationale behind this shocking proposal is "Despite increased state expenditure in education sector, quality of education in government schools has been deteriorating in compared to private schools." The draft policy document claims that there is "better learning outcome in private schools despite lower per student expenditure".

The draft policy proposes to have four kind of partnership in running the government schools with the registered not-for-profit companies and organizations, societies, trusts etc. First, the existing schools will be given to the private partners on 'first come first serve' basis to the private partners in which 100% students will be sponsored by the government; second will be existing schools given to the private partners through bidding, in those schools also 100% students will be sponsored by the government; third will be opening new schools in "blocks other than educationally backward blocks" in which government will sponsor only 40% students and rest 60% will have to pay fees as decided by the private party running the schools; and fourth, opening of new schools in Educationally backward blocks.



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What is interesting is the policy document does not even mention the Right to Education Act passed by the parliament. It is also not clear that what will happen to the existing government teachers and non-teaching staff. The draft policy states that government will provide free text books, mid-day meal and other benefits to the students. The government will reimburse per student annual fee determined by the bidding process. However the government will not provide any staff to the schools.

The claim of better education outcome in private school despite increasing government expenditure on education and despite lower per student expenditure in private schools requires proper scrutiny. The policy document mentions no study in support of these claims. The increase in government budget towards education has been at the rate of about 10 to 15% per annum on an average during the last five years barring one time exception. But if we compare the total allocation to the budget by the state government with the Gross State Domestic Product (GSDP) the allocation actually declined from 3.03% of GSDP in 2010-11 to 2.97% in 2013-14. In the 2014-15 BE the allocation increased to 3.99% of the GSDP thanks to the fund received from the centre for SSA and other centrally sponsored schemes now being routed through the state budget. But when the budget 2015-16 was presented the figures for education budget for 2014-15 was revised to be lower by about Rs. 2300 crores and in percentage to GSDP terms the allocation declined from 3.99% to 3.58%. The allocation for 2015-16 also saw a routine increase of just about Rs. 1000 crores compared to 2014-15 BE and it stands at just 3.48% of the GSDP (for data see Budget Samachar April-June 2015).

The claims of better performance of the private schools and low per student expenditure are also not based on any empirical studies as such. The per student cost in low costs private schools might be lower than per student costs in the government schools but there is no study to support that learning outcome of those schools are better than the government schools. The per student cost in the elite high end schools are certainly higher than the government run schools.

The ASER survey suggests that the learning outcome in private schools are, though, better than the learning outcomes of the government schools in rural areas but the learning outcome of both private and government schools are on decline. In fact in 2014 the learning outcome of the government schools in rural areas has improved marginally compared to 2013 while it has worsened for the private schools. As per ASER data the percentage of standard V children in rural areas who can read standard II level text increased from 41.1 % in 2013 to 42.2% in 2014 in government schools while in declined from 63.3% to 62.5% in the private schools in the same period. The yearly trends show the decline in the learning outcomes in both public and private



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schools during last 5 years the percentage of standard V children who can read standard II level text has declined from 50.7% (2010) to 42.2 (2014) in government schools and 64.2 (2010) to 62.2 (2014) in private schools.

As for the per student cost of the schooling in rural private and government schools, we must also consider the increasing cost of tuition in the private schools. Percentage of children taking tuitions in rural areas has increased for private schools while there is no increase in tuition taking students of the government schools. As per ASER report the percentage of children in class I-V in private schools who are taking tuition increased from 5.7% in 2011 to 8.1% in 2014, while it remained at about 15% in case of government schools.

Obviously, the better learning outcomes are affected not just by the type of schools. The parents of the students in private schools are better off economically, socially and educationally and that is why they can afford to send their kids to the private schools. An analysis of 2009 ASER data show that the learning outcome gap between the private and government schools reduces considerably if the other factors are controlled in analysis. ASER 2014 report suggests that two-third of the learning differences between the students of public and private schools can be attributed to other factors than the type of school.

Additionally, the participation of private players in the school education will also open the door for the all kind of politically and ideologically motivated organizations to take over the government schools and provide the students kind of education which may not necessarily be in accord with the Constitutional and democratic values the country stands for.

Obviously the government of Rajasthan is acting in haste without properly analyzing the situation. The need of the hour is strengthening the government schools by increasing budget, properly implementing the Right to Education Act, strengthening the school management committees, and increasing the participation of the people. Similarly improvement in community monitoring of health services, as envisaged in the National Health Mission, beside increased budget and improved infrastructure, will go a long way in improving the rural health services. Another kind of PPP is required to improve both government health centres as well as the school education i.e. people-public-partnership. If the participation of people in the villages whose children are to be educated and who are to be given health services are increased in an effective manner, government will not require to involve the private players in providing these basic services, which are prime responsibility of any elected government in the first place.

Note: Excerpts of this article were published in Hindustan Times on Monday, July 06, 2015.