Making Primary Education Work for India’s Rural Poor – A Proposal for Effective Decentralization

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Varad Pande
The World Bank
Outline

Quality of education is a BIG problem… especially for the poor

Lack of accountability is a major reason for this poor quality

Decentralization and Primary Education Reform in India: The Two Questions

An Analytical Approach to Decentralization – Using First Principles

A ‘Modest Proposal’ for Reform
Outline

Quality of education is a BIG problem… especially for the poor
Quality of Government Primary Schooling in India is very low...especially for the Poor

Framework for Judging Quality

Enrolment  Completion  Achievement

Percent of 6-14 yr olds currently in school (1998-99)

- Average 78.8%
- 96.9%

Percent of 15-19 yr olds completed at least Grade 8 (1998-99)

- Average 49.6%
- 85.5%

Percent of children with Inadequate Primary Learning Achievement for Math of Age for Class 5 or in Grade 5

- Not reaching Grade 5
- Scoring < 50% in Grade 5 (Govt School)

Note: Framework adapted from Warwick and Reimers (1995); Enrolment and Completion data from ‘Educational Attainment and Enrollment Profiles’, Filmer (2004); test scores analysis for government and government aided schools only based on data from Singh, Jain, Gautam and Kumar (2005)

...+ Anecdotal Evidence of low quality (Pratichi Trust, PROBE Report, etc.)
...+ Evidence of student migration from government to private schools
Quality of education is a BIG problem…
especially for the poor

Lack of accountability is a major reason for this poor quality
The low quality is caused by ‘systemic’ and not ‘managerial’ failures; and thus requires an institutional solution.

Evidence

Teacher Absenteeism

Teacher Absence Rates by Country

Source: Kremer et al (2004), pg 9

Level of Parental Dissatisfaction (West Bengal)

Source: The Pratichi Education Report (2002); Berliner and Biddle (1994) pg 113

Other Evidence

- ‘Non’ Teaching: “Teaching practices have been reduced to a minimum…it has become a way of life” (PROBE)
- Growth of Private Schooling…which meets the differentiated (quality) demand…even among the poor (Tilak et al.)
What is ‘Accountability’? – Demystifying the Elements of the Accountability Relations

There are Five Features to Any Accountability Relationship

<table>
<thead>
<tr>
<th>Feature</th>
<th>What</th>
<th>Example 1: Buying a Sandwich</th>
<th>Example 2: Going to a Doctor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delegation</td>
<td>You give a task to the accountable ‘agent’</td>
<td>● You ask for a sandwich</td>
<td>● You go to the doctor to be treated</td>
</tr>
<tr>
<td>Financing</td>
<td>You give the ‘agent’ the money to do the task</td>
<td>● You pay for the sandwich</td>
<td>● You pay the doctor for the treatment</td>
</tr>
<tr>
<td>Performing</td>
<td>The ‘agent’ does the assigned task</td>
<td>● The sandwich is made for you</td>
<td>● The doctor treats you to try cure your ailment</td>
</tr>
<tr>
<td>Informing</td>
<td>You find out how well the ‘agent’ has done the work</td>
<td>● You eat the sandwich which informs you of its quality</td>
<td>● You see if you are feeling better – you assess the performance of the doctor</td>
</tr>
<tr>
<td>Enforcing</td>
<td>You reward good performance and punish bad performance</td>
<td>● You choose whether to buy a sandwich from the seller the next time, affecting his profits</td>
<td>● You go to him next time (if he was good) or choose to go somewhere else if not</td>
</tr>
</tbody>
</table>
Systemic failures are rooted in Inadequate Accountability

Relationship 1: VOICE – The Long Route, first leg

- Citizens can elect Policy Makers based on quality of public services they receive (VOICE)...
- But, Citizens...
  - may vote along ethnic / ideological lines (DELEGATION)
  - may not be able to attribute service to appropriate Policy-Maker (INFORMING)
  - may think Policy-Maker tenure is too short (ENFORCING)
Systemic failures are rooted in Inadequate Accountability

Well-meaning *Policy Makers* can influence *Service Providers* to improve service delivery performance (COMPACT)…

But, *Policy Makers*…
- may not be able to specify exact contracts (*DELEGATION*)
- may not be able to monitor *Service Providers* (*INFORMING*)
- may not be able to alter incentives of *Service Providers* (*ENFORCING*)
Systemic failures are rooted in Inadequate Accountability

Relationship 3: CLIENT POWER – The Short Route

- *Clients* can play major role in tailoring service-mix to their local needs and monitoring *Service Providers* (CLIENT POWER)
- But, *Clients*…
  - often do not have choice (lack of competition)
  - often cannot infer provider effort *(INFORMING)*
  - often do not have powers to discipline bad *Service Providers* *(ENFORCING)*
Systemic failures are rooted in Inadequate Accountability

The Three Relationships of Accountability in Service Delivery

- **Citizens**
- **Policy Makers**
- **Service Providers**

- **VOICE**
- **COMPACT**
- **CLIENT POWER**

The key missing accountability relations in Primary Education between parents and teachers are **Informing** and **Enforcing**

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**Feature of Accountability**

- **Delegation**
  - Somewhat: Diffused objectives but Parents want to delegate (i.e., send children to school)

- **Financing**
  - No, teachers are paid very well relative to other countries

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**Is this the Key Problem?**

- **Informing**
  - Yes, no usable info on class performance; parents not actively involved in school / teaching matters

- **Enforcing**
  - Yes, parents have little or no powers to discipline or reward teachers

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**Evidence**

- **Is it important for your child to be educated?**
  - Source: PROBE Report, pg 14
  
  ![Bar Chart](image)

- **Average Salaries as multiple of Income per capita by Region**
  - Source: Mehrotra and Buckland (2001)
  
  ![Bar Chart](image)

- **% Households Aware of Existence and activities of Community Structures**
  - Source: CAG Report (2001)
  
  ![Bar Chart](image)

- **Teacher Absence Rates by Indian States**
  - Source: CAG Report (2001)
  
  ![Bar Chart](image)

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- Kremer et al (2004) find only one case of teacher dismissal ever in 3000 government schools surveyed

- No monetary incentives possible for high performing teachers under current government teacher terms of employment
Alternative Explanations for Low Quality are Unlikely be Sufficient

1. Lack of Adequate Public Expenditure

2. Presence and Demand for Child Labor
   - Child labor is not big enough – NSS (1993) shows only 8 percent
   - Most child laborers work as family labor, so their time is fungible
   - Even if child labor is ‘high’, direction of causality is not clear

3. Lack of Parent Interest/ Involvement

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Budget expansion approaches don’t seem to have worked in India – e.g.: District Primary Education Program (DPEP)

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Parents’ Attitude to Education in India

- Is it important for a boy to be educated?
  - Yes 98%
  - No 1%
  - No Response 1%

- Is it important for a girl to be educated?
  - Yes 89%
  - No 10%
  - No Response 1%

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Source: Jalan and Giinskaya (2003)

Source: PROBE Report, pg 14

Parents, even poor parents, seem keen to educate their children
Outline

Quality of education is a BIG problem... especially for the poor

Lack of accountability is a major reason for this poor quality

Decentralization and Primary Education Reform in India: The *Two* Questions
Decentralization And Primary Education Reform in India

**India is Trying to Decentralize**

- 73rd and 74th Amendments to the Constitution devolve political power to local governments
- States modify Acts and hold elections to local governments
- Functions in XI and XII Schedules devolved to local governments

**Indian Needs Primary Education Reform**

- Continued low enrolment, completion and achievement despite central and state schemes (and Sarva Shiksha Abhiyaan)
- Much lower educational indicators for poor, who suffer disproportionately

**Question 1:**
How to Do Education Delivery in this Decentralizing Context

**Question 2:**
Is Well-Designed Decentralization the Right Model for Primary Education Reform
Addressing Question 1: How to Do Education Delivery in this Decentralizing Context

India is Trying to Decentralize

- 73rd and 74th Amendments to the Constitution devolve political power to local governments
- States modify Acts and hold elections to local governments
- Functions in XI and XII Schedules devolved to local governments

Question 1:
How to Do Education Delivery in this Decentralizing Context
Decentralization is Neither a Necessary nor Sufficient Condition for High Quality Education

Correlation between Decentralization Indicators and Primary Education Outcomes

Source: Analysis based on data from Governance and Service Delivery Indicators Dataset, Pippa Norris, Kennedy School of Government, (2004)

No evidence of high correlation between decentralization and education outcomes in cross-country analysis
Decentralization in India Has Been Unbalanced and Incomplete

Unbalanced Decentralization in India in an International Context

- Political Decentralization has happened (election of PRIs) but...
- Administrative and Fiscal Decentralization remains weak

Outline

Quality of education is a BIG problem… especially for the poor

Lack of accountability is a major reason for this poor quality

‘Effective’ Decentralization, can help, if done in the right context

An Analytical Approach to Decentralization – Using First Principles
Our Analytical Approach To Effective Decentralization

Unbundling | Status quo Analysis | First Principles of Public Finance and Accountability | Functional Allocation and Recommendations

What are the key functions and activities in Primary Education?

Who provides these functions and activities today in India?

How to decide who should provide which functions and activities?

What changes are required to the current system of service delivery?

- **Disaggregate** into functions and activities:
  - Logical, mutually exclusive and exhaustive (MECE) functional classification
  - Consistent with Indian public administration delivery system

- **Analyze de jure** functional allocation of each tier by studying existing legislation

- **Analyze de facto** functional allocation (on-the-ground picture) by conducting surveys and interviews

- **Use First Principles of Public Finance** find optimal allocation from public finance perspective

- **Use First Principles of Accountability** to address the accountability issues

- Based on this systematic analysis, propose changes to current system

- Develop a detailed proposal for reform of primary education that draws on the findings of our analytical approach
### Step 1: Unbundling

**Question:** What are the Key Functions and Activities in Primary Education?

**Functions and Activities in Government Primary Schooling in Rural India**

<table>
<thead>
<tr>
<th>Function</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standards</td>
<td>Curriculum design</td>
</tr>
<tr>
<td></td>
<td>Learning achievement standards</td>
</tr>
<tr>
<td>Planning</td>
<td>Plans for physical expansion</td>
</tr>
<tr>
<td></td>
<td>Plans for quality improvement</td>
</tr>
<tr>
<td>Asset Creation</td>
<td><strong>Social Capital</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Physical Capital</strong></td>
</tr>
<tr>
<td>Operation - Non Teacher</td>
<td><strong>Beneficiary Selection</strong></td>
</tr>
<tr>
<td></td>
<td>Choice of students for targeting programs</td>
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<tr>
<td></td>
<td>Enrolment</td>
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<tr>
<td></td>
<td><strong>Recurrent</strong></td>
</tr>
<tr>
<td></td>
<td>Textbook choice/purchase</td>
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<tr>
<td></td>
<td>Learning materials</td>
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<tr>
<td></td>
<td><strong>Maintenance</strong></td>
</tr>
<tr>
<td></td>
<td>Maintenance of school buildings/facilities</td>
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<td></td>
<td>Monitoring of school processes</td>
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<tr>
<td>Operation - Teacher</td>
<td>Hiring</td>
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<tr>
<td></td>
<td>Assignment</td>
</tr>
<tr>
<td></td>
<td>Training</td>
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<tr>
<td></td>
<td>Salary</td>
</tr>
<tr>
<td></td>
<td>Supervision</td>
</tr>
<tr>
<td></td>
<td>Dismissal</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>Tests of learning achievement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Responsibility</th>
<th>Village</th>
<th>Gram Panchayat</th>
<th>Block</th>
<th>User Groups</th>
<th>Service Provider (school)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>State</td>
<td>District</td>
<td>Block</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Output:** A Mutually Exclusive and Exhaustive Classification of Primary Education into Functions and Activities.
### Step 2: Status Quo Analysis

**Question:** Who provides these functions and activities today?

#### Functional Allocation in Primary Education – DE JURE

<table>
<thead>
<tr>
<th>Function</th>
<th>Responsibility</th>
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<th>Service Provider (school)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Central Govt</td>
<td>State Govt</td>
<td>District</td>
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<td>Standards Setting</td>
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<td>Planning</td>
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<td>Operation - Non teacher</td>
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</tr>
</tbody>
</table>

#### Functional Allocation in Primary Education – DE FACTO

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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Central Govt</td>
<td>State Govt</td>
<td>District</td>
</tr>
<tr>
<td>Standards Setting</td>
<td>little, not systematic</td>
<td></td>
<td></td>
</tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>little, not systematic</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Lessons

- Current system is highly centralized with little role for PRIs / User Groups
- Schools / teachers have little or no autonomy… or accountability
### What are the First Principles of Public Finance?

<table>
<thead>
<tr>
<th>Principle</th>
<th>Explanation</th>
<th>Implication</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economies of Scale</strong></td>
<td>Unit Cost of production declines as scale of production increases</td>
<td>• Activities with significant economies of scale should be done by a higher level of government</td>
</tr>
<tr>
<td><strong>Externalities</strong></td>
<td>The actions of one agent affects other agents</td>
<td>• Activities with significant externalities should be done at a higher level of government, so that the ‘external’ effect can be ‘internalized’ in the system</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>Need for equitable spread in inputs, process or outcomes</td>
<td>• Equity may imply financial support to education at a large enough geographic scope to allow for redistributive transfers to equalize across smaller units</td>
</tr>
<tr>
<td><strong>Heterogeneity of Demand</strong></td>
<td>Variation in local needs and preferences between regions</td>
<td>• The more heterogenous the demand for the activity is likely to be, the more locally it should be done</td>
</tr>
</tbody>
</table>
Step 3: Use First Principles – *Public Finance*

**Economies of Scale**

What is the size of ‘optimally sized catchments area’ of a service provider to jurisdiction?

<table>
<thead>
<tr>
<th>Level</th>
<th>Population Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>30-80 million</td>
</tr>
<tr>
<td>Zilla Parishad</td>
<td>800,000-2 million</td>
</tr>
<tr>
<td>Block Panchayat</td>
<td>60,000-600,000</td>
</tr>
<tr>
<td>Gram Panchayat</td>
<td>2,000-20,000</td>
</tr>
</tbody>
</table>
Step 3: Use First Principles – Public Finance

Economies of Scale

Optimal Catchments Areas for LEVELS of Education

- Whereas the optimal catchments area for a primary school is at village level (GP jurisdiction)...
- ...the optimal catchments area for a University is district / state level (State jurisdiction)
Step 3: Use First Principles – Public Finance

Economies of Scale

Optimal Catchments Area for FUNCTIONS of Primary Education

- Setting learning achievement standards
- Monitoring and Evaluation (process and outcome)
- Asset Creation
- Planning

State
Population: 30-80 million

Zilla Parishad
Population: 800,000-2 million

Block Panchayat
Population: 60,000-600,000

Gram Panchayat
Population: 2,000-20,000

Operation

Primary School

- Whereas the optimal catchments area for Operations is at village level (GP jurisdiction)...
- ...the optimal catchments area for a Setting Learning Standards is state level (State jurisdiction)
Step 3: Use First Principles – *Public Finance*

**Economies of Scale**

### Functional Allocation according to *Economies of Scale* Criterion

<table>
<thead>
<tr>
<th>Function</th>
<th>Economies of Scale</th>
<th>Externalities / System-wide Effects</th>
<th>Equity</th>
<th>Heterogeneity of Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standards Setting</td>
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<tr>
<td>Planning</td>
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<tr>
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</tbody>
</table>

Legend:
- State
- District
- Block
- GP
- School
Equity Concerns are Important

- Major inequity / variations in primary education levels exists between districts within states
- This creates equity rationale for *centralization* of education delivery

Equity Doesn’t Require Centralization

- This *does not imply all functions* in primary education should be done by higher levels of government….
- As long as **Standard Setting** and **M&E** are done by higher level of governments, AND redistributive **equalizing fiscal transfers** are done, goal of equity can be achieved

Source: DPEP MIS Database http://www.dpepmis.org/webpages/edatabase.htm
### Functional Allocation according to Equity Criterion

<table>
<thead>
<tr>
<th>Function</th>
<th>Public Finance First Principle</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Economies of Scale</td>
</tr>
<tr>
<td>Standards Setting</td>
<td>-</td>
</tr>
<tr>
<td>Planning</td>
<td>-</td>
</tr>
<tr>
<td>Asset Creation</td>
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<td>Monitoring and Evaluation</td>
<td>-</td>
</tr>
</tbody>
</table>

**Key:**
- State
- District
- Block
- GP
- School
## Step 3: Use First Principles – *Public Finance*

### Functional Allocation according to *First Principles of Public Finance*

<table>
<thead>
<tr>
<th>Function</th>
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- State
- District
- Block
- GP
- School

__Standard Setting__ and __Monitoring__ by State Government, and __Asset Creation__ and __Operation__ by low-level PRIs is effective.
Step 3: Use First Principles - Accountability

What are the First Principles of Accountability?

<table>
<thead>
<tr>
<th>Discretionary</th>
<th>Transaction-Intensity</th>
<th>Inferring Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities that require decisions to be made using individual judgment in local context</td>
<td>Activities that require several repeated transactions at the local level</td>
<td>Where can performance be better inferred – locally or technically</td>
</tr>
</tbody>
</table>

Examples

Does the service require decisions made in local context? (Discretionary)

<table>
<thead>
<tr>
<th>Does the service require many local transactions? (Transaction Intensive)</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>Immunization</td>
<td>Ambulatory Care</td>
</tr>
</tbody>
</table>

Implication

Activities that are **Discretionary**, **Transaction-Intensive** and **Locally Observable** require local input for accountability.
Step 3: Use First Principles – Accountability

Functional Allocation according to *First Principles of Accountability*

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Discretionary?</td>
</tr>
<tr>
<td>Standards Setting</td>
<td>Low</td>
</tr>
<tr>
<td>Planning</td>
<td>Medium</td>
</tr>
<tr>
<td>Asset Creation</td>
<td>High</td>
</tr>
<tr>
<td>Operation - Non teacher</td>
<td>High</td>
</tr>
<tr>
<td>Operation - Teacher</td>
<td>High</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Discretionary, Transaction-intensive and Locally Evaluatable activities like Asset Creation and Operations should be decentralized to PRIs.
**Step 4: Optimal Allocation based on First Principles Analysis**

### First Principles of Public Finance

<table>
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### First Principles of Accountability

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<th>Accountability First Principle</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Discretionary?</td>
</tr>
<tr>
<td>Standards Setting</td>
<td>No</td>
</tr>
<tr>
<td>Planning</td>
<td>Somewhat</td>
</tr>
<tr>
<td>Asset Creation</td>
<td>Yes</td>
</tr>
<tr>
<td>Operation - Non teacher</td>
<td>Yes</td>
</tr>
<tr>
<td>Operation - Teacher</td>
<td>Yes</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>No</td>
</tr>
</tbody>
</table>

### Functional Allocation in Primary Education – Based on First Principles Analysis

<table>
<thead>
<tr>
<th>Function</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Village</td>
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<td></td>
<td>Gram Panchayat</td>
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<tr>
<td>Standards Setting</td>
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<td>Planning</td>
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<tr>
<td>Asset Creation</td>
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<tr>
<td>Operation - Non teacher</td>
<td>-</td>
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<tr>
<td>Operation - Teacher</td>
<td>-</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
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</tr>
</tbody>
</table>

**Key Messages**

- States do Standards Setting and Monitoring
- PRIs assume responsibility for actual Operation
  - As much as possible as low as possible
  - Higher PRI tiers back-up on professionalism, technical
As discussed, Many Models of Education Decentralization have not worked well

1. Decentralize without unbundling

- **Indonesia Experience**
  - Pushed all functions to district level (below provinces)
  - Bad monitoring systems means that little information about regional performance is available to stimulate competition or disseminate good or bad practices

2. Decentralize Non-Teacher Operations (But not Teacher Operations)

- **Latin America Experience**
  - Pushed responsibility to local governments…
  - …But without enhancing operational control at local level (e.g.: Argentina)

3. Decentralize Functions, without devolving Finance

- **India Experience (1995-2005)**
  - Devolved functions (including primary education) to PRIs…
  - …But PRIs do not have adequate finance or control over functionaries to implement their mandate
But our Analysis Avoids these Pitfalls by Suggesting Countervailing Forces

The Two Big Messages from Our Analysis

1. Strengthen Centre and State for Standard Setting and Monitoring
   - **Consistent Standard Setting** is Critical To Provide the Guiding Framework for Local Governments to Operate and Manage
   - **Uniform Monitoring** is Essential for Quality Control, Designing Rewards & Recognition Systems and Generating Credibility

2. Greater Operational Responsibility to PRIs, especially of Teachers

<table>
<thead>
<tr>
<th>Function</th>
<th>Responsibility</th>
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<tbody>
<tr>
<td></td>
<td>Central</td>
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<tr>
<td>Standards</td>
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<tr>
<td>Planning</td>
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<tr>
<td>Asset Creation</td>
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<tr>
<td>Operation - Non-Teacher</td>
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<tr>
<td>Operation - Teacher</td>
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<tr>
<td>Hiring</td>
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<td>Assignment</td>
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<tr>
<td>Training</td>
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<tr>
<td>Salary</td>
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<tr>
<td>Supervision</td>
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<tr>
<td>Dismissal</td>
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<tr>
<td>Monitoring and Evaluation</td>
<td></td>
</tr>
</tbody>
</table>
Quality of education is a BIG problem… especially for the poor

Lack of accountability is a major reason for this poor quality

‘Effective’ Decentralization, can help, if done in the right context

An Analytical Approach to Decentralization – Using First Principles

A ‘Modest Proposal’ for Reform
Shifting Teacher Operations to PRIs is Already Happening in India through the Various ‘Para-Teacher’ Schemes

Central Government Policies
- Approach Paper to 10th Five year Plan envisaged important role for para-teachers
- Sarva Shiksha Abhiyaan (SSA) Funding can be used for para-teacher programs

State Government Policies
- Donors are funding para-teacher programs in States (eg: SK in Rajasthan funded by SIDA)
- States are using SSA Funding for para-teacher programs (eg: Orissa)

Para-teacher Model Seems To Be the Chosen Path for Hiring New Teachers

Teachers Hired as Para-Teachers as % of All Government Teachers Hired

Almost all incremental hiring of teachers by most large States is being done in the para-teacher model

Note: Orissa numbers for 2001-2003, MP numbers for ’last 4-5 years’ from text on pg 16
Source: Govinda and Josephine (2004)
...And Evidence Suggests These Are Showing Considerable Success

Experiment One: SSK Schooling in West Bengal

Student Attendance on day of visit
- Primary School: 51.0%
- SSK: 64.0%
- 25% higher

Teacher Absenteeism on day of visit
- Primary School: 20.0%
- SSK: 14.0%
- 43% lower

Dissatisfaction with Teacher (Parent Response)
- Primary School: 24.0%
- SSK: 9.0%
- 62% lower

Experiment Two: Shiksha Karmi (SK) in Rajasthan

- Higher Accountability can offset enormous other disadvantages
- Greater autonomy for performance and local responsiveness works
- Lower wages do not appear to reduce motivation

Enrolment and Attendance
- SK: 83%
- Rajasthan: 72%
- All India: 71%
- SK: 63%

Test Scores
- Grade 1 Math: SK: 55%, Rajasthan: 33%, All India: 33%, 15% higher
- Grade 1 Language: SK: 63%, Rajasthan: 42%, All India: 42%, 16% higher
- Grade 4 Math: SK: 51%, Rajasthan: 46%, All India: 46%, 14% higher
- Grade 4 Language: SK: 52%, Rajasthan: 52%, All India: 52%

But the ‘Para-Teacher’ Model Is Not a Sustainable Systemic Solution to India’s Primary Education Crisis – Its Only a Quick Fix

1. Variance in Pay for Identical Work is Starkly Visible
   - Index of Primary School Teacher Salary in India
     - ‘Regular’ Government School Teacher (Rs 5000-9000)
     - Para-teachers (Rs 900-3500)
   - ‘Regular’ Government Teachers get paid 3-6 times more than para-teachers

2. Pressure for ‘ex-post regularization’
   - States under pressure to ‘regularize’ para-teachers when para-teacher lobby becomes substantial
   - Unplanned and ad hoc regularization can bankrupt already fiscally drained states

3. Variance in Quality of Training, Instruction and Outcomes
   - Quality of instruction varies immensely as no standards are established for hiring, training, performance evaluation and contract duration, e.g.:
     - Qualification requirement for para-teacher varies across states from Grade 5 pass to Higher Secondary
     - Training requirement for para-teachers varies across states from 12 days to 2 years

Note: Analysis of Teacher pay based on survey of para-teacher schemes in Govinda and Josephine (2004) and other studies of para-teacher systems in India
So, We Make a Modest Proposal that Combines the Best Elements of the Current Formal and ‘Para-Teacher’ Systems

A District Professional Teacher Cadre (DPTC)

Phases of Teacher Professionalization

- **Apprentice (Shiksha Karmi)**
  - Initial hiring done on renewable contract basis by ZP on GP recommendation
  - Assignment to schools depends on GPs

- **Associate (Adhyapak)**
  - Permanence granted at end of contract periods, based on comprehensive evaluation
    - **Technical Criteria**: training, input indicators, teacher tests
    - **Bottoms Up Criteria**: Performance review and recommendation by GP/SMC

- **Master (Maha-Adhyapak)**
  - Few promoted to ‘Maha-Adhyapaks’ based on consistently exceptional performance evaluation ratings
The DPTC will have an initially fixed, and then a performance and seniority based compensation system.

Key Messages
- Initially fixed pay, later performance and seniority-based.
- Big jumps in salary levels across phases to serve as incentive to perform.
- Jump to Maha-Adhyapak rare and controlled, most spend career as Adhyapaks.

3 Elements of Performance Based Pay

1. Step jump when qualify for Adhyapak.
2. Annual increment based on review, when Adhyapak.
3. Step jump if qualify for Maha-Adhyapak.

Compensation (Rs.)

Years of service

Apprentice (Shiksha Karmi)
Associate (Adhyapak)
Master (Maha-Adhyapak)
## How Does Our Proposal For Teachers Stack Up Against Existing Systems in India?

<table>
<thead>
<tr>
<th></th>
<th>Existing Formal Government</th>
<th>Existing Para-teacher</th>
<th>Existing Private</th>
<th>Our Proposal (DPTC)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hiring</strong></td>
<td>• Done by state government</td>
<td>• Done by GP, criteria varies</td>
<td>• Done by school management</td>
<td>• Done by ZP on criteria + GP recommendation</td>
</tr>
<tr>
<td><strong>Assignment</strong></td>
<td>• Done by state government</td>
<td>• Stays within village</td>
<td>• Done by school management</td>
<td>• Done by ZP on GP recommendation (GP has veto)</td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td>• Done by state government, and district-level line agency</td>
<td>• Varies: district line agency or parallel agency</td>
<td>• Varies: states have guidelines + large unrecognised sector</td>
<td>• Organized by ZP based on guidelines for phased training</td>
</tr>
<tr>
<td><strong>Salary</strong></td>
<td>• Fixed (and generous) scale for life</td>
<td>• Fixed and small (‘honorarium’)</td>
<td>• Usually fixed (and somewhere between formal and para-teacher scales)</td>
<td>• Fixed when SK; seniority and performance-based when Adhyapak</td>
</tr>
<tr>
<td><strong>Supervision</strong></td>
<td>• Little or none in substance</td>
<td>• Closely monitored by SMC/VEC or GP</td>
<td>• Closely monitored by school management</td>
<td>• Closely monitored by GP/SMC + technical criteria</td>
</tr>
<tr>
<td><strong>Dismissal</strong></td>
<td>• Almost never done</td>
<td>• At will for unsatisfactory performance</td>
<td>• At will for unsatisfactory performance</td>
<td>• At will when SK; For cause when Adhyapak stage reached</td>
</tr>
</tbody>
</table>
Addressing Question 2: Is a well-designed Decentralization the Right Model for Primary Education Reform?

Indian Needs Primary Education Reform

- Continued low enrolment, completion and achievement despite central and state schemes (and Sarva Shiksha Abhiyaan)

- Much lower educational indicators for poor, who suffer disproportionately

Question 2:
Is Well-Designed Decentralization the Right Model for Primary Education Reform
And Our Proposal is Better Than the Alternatives

**Privatization/Vouchers**
- Unlikely to be politically supportable (*teachers unions*)
- Entirely new system (not tried and tested in India) - likely to be difficult to implement across the country
- Diffusion question - only one country adopts new voucher system in 130 years

**Our Proposal (DPTC)**
- **Builds on what already exists** – adapts best of current formal and para-teacher systems
- **Does not hurt** interests of existing *teachers unions* while giving existing para-teachers a better deal
- Channelises the **decentralization momentum** in India

**‘Business As Usual’ Reforms / SSA**
- Unlikely to substantially improve outcomes without systemic changes in service delivery
- Previous **similar approaches** (e.g. DPEP) didn’t show much success
- Substantial **fiscal burden** on state and central finances
Accountability Linkages in Existing System:

The SSA Framework

Client Power is particularly weak in the present framework.
Accountability Linkages in Our DPTC Proposal: Redefining Voice, Compact and Client Power

Policymaker (State and Central Government)
- HRD Ministry (Elementary Education Bureau)
  - Project Approval Board
  - State Government

Policymaker (PRIs)
- Zila Panchayat
- Taluk Panchayat
- Gram Panchayat

VOICE
- Gram Sabha

COMPACT
- strengthened as PRIs get management of TTEs

VOICE
- strengthened as clients see importance of participation in governance and service delivery decision

CLIENT POWER
- strengthened as SMCs/PTAs are involved in meaningful performance evaluation

Client Groups
- School Management Committee (SMC) or VEC
- Parent Teacher Association (PTA)

Organizational Provider
- State Department of School Elementary Education

Frontline Provider
- Schools (Teachers)
Our Proposal Addresses Many of the Central Concerns of the Political Economy of Reform and Transition

<table>
<thead>
<tr>
<th>Issue / Concern</th>
<th>How It is Dealt With in Our Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opposition from existing ‘Regular’ Government Teachers</td>
<td>• ‘Grandfathering’: i.e., TTEs of all existing regular government school teachers to remain unchanged – no one is dismissed + salary protection</td>
</tr>
<tr>
<td>Unfair Exploitation of ‘para-teachers’</td>
<td>• Para-teachers no longer exploited, as they are given a clear track for tenure (career progression plan) as per technical and bottoms-up criteria</td>
</tr>
</tbody>
</table>
| Bakrupting the PRIs by making them pay the teachers  | • State gives transitional funds to PRIs to bear premium wage cost of existing ‘regular’ teachers  
  • Large block grants to PRIs to fund their new role |
| Quality of Schooling Outcomes                        | • Balances local control with higher level support for training, professional standards and monitoring |
Our Proposal is a Winner Because it Addresses Both Questions

**Question 1:**
How to Do Education Delivery in India’s Decentralizing Context

- Gets decentralization ‘right’
  - Learns from bad models of decentralization
  - Based on analytically rigorous approach
  - Uses decentralizing momentum to drive reform
- Combines best elements of existing Indian systems (Formal + Para-teacher)

**Question 2:**
Is Well-Designed Decentralization the Right Model for Primary Education Reform

- Addresses root problem of accountability
- Is a *systemic* / institutional reform, not a managerial solution
- Has a viable plan to address political economy concerns and issues of transition

Ours is a ‘well-designed decentralization’ proposal for education reform, and the present decentralization momentum provides the opportunity to make it happen.
APPENDIX
Why We Think Our Proposal is a Winner

Addresses the Root Issue: Accountability

- Framework rewards good teachers and punishes bad ones
- Effective Functional Allocation Based on Analytical Framework:
  - States do Standards Setting and Monitoring
  - PRIs assume responsibility for actual Operation

Uses Strategic Incrementalism

- Combines the best elements of existing Indian models (formal + para-teacher), and does propose something entirely new
- Uses existing momentum for decentralization to design the new system

Likely to be Politically Supportable

- Does not alter contracts of existing formal government system teachers
- Provides increasing mass of ‘para-teachers’ with concrete and systematic career progression plan