

A LEARNING CURVE

What's behind India's success in the global knowledge economy? One key is the boom in private schools for all.

Gurcharan Das, Newsweek, 28 February 2006

Two weeks ago I got a call from the board member of one of the world's largest consulting companies, who invited me to come and speak to them about why so many Indians were making it in the global knowledge economy. My distinguished caller spoke about innovations emerging from General Electric and Microsoft's R&D centers in Bangalore; advanced avionics installed by India's Air Force on Russian fighter aircraft that had caught the U.S. defense establishment's attention; sophisticated research on global capital markets outsourced by Wall Street to India; finally, he rattled off a dozen Indian leaders' names in global multinational corporations.

I was skeptical. 'Perhaps, it's our large population?' I suggested. He countered with half a dozen large countries that are invisible in the knowledge economy. 'Or maybe it's simply knowing English?' I said. He asked if there was something in India's education system that might help explain India's recent economic success.

Although India does a miserable job of educating its masses, the best in India do get a decent education. Aside from the famed Indian Institutes of Technology and the Indian Institutes of Management, there are around twenty other centers of excellence in science, engineering, medicine, and even the liberal arts. Their success lies mostly in the high quality of their students, not teachers. The real victory may be with parents and their middle class insecurities. Indian parents, night after night, insist on overseeing their kids' homework--it's a rare mother who accepts a dinner invitation during exam season. By age 15, the young are packed off to coaching classes to prepare them for entry into the competitive colleges. Once they get in, of course, their future is made--they will be picked up by one of dozens of India's emerging globally competitive firms, such as Reliance, Jet Airways, Infosys, Wipro, Ranbaxy, Bharat Forge, Tata Steel, Bharti, HDFC Bank and others.

The Indian middle class sends its children to private schools because government schools have failed. A national study by Harvard University faculty shows that one out of four teachers in government primary schools are absent and of those present one out of two is not teaching. As a result, even the poor have begun to pull their kids out of government schools and enrol them in indifferent private schools, which charge \$1 to \$3 a month in fees and are spreading rapidly in slums and villages across India. NIEPA, an official education think tank, confirms that two-thirds of the children in urban Maharashtra, U.P. and Tamil Nadu, three of India's largest states, are now in private schools. The economist, Jean Dreze, predicts that government schools in Indian cities will soon be history.

Although teacher salaries are a third in private schools, Prof. James Tooley of the University of Newcastle found that even unrecognized schools delivered 22% points higher mean score in mathematics in his study of 918 schools in Hyderabad's slums. A national study led by the NGO, Pratham, confirmed last month that even in villages 16% of the kids are now in private primary schools and they achieved 10% points higher scores in verbal and math. This upsets the Left establishment, which trashes these 'mushrooming private schools' and wants to close them down. The lower bureaucracy takes advantage of this prejudice and extracts bribes in exchange for licences, which typically average 5% of the private school's running cost.

Private schools in India range from expensive boarding schools for the elite with large campuses to low end teaching shops in the bazaar. NIIT, a private sector company with 4000 'learning centres', trained 4 million students and helped fuel India's IT revolution in the 1990's, and yet was not accorded recognition by the government. Ironically, even the children of government school teachers go to private schools. Members of Parliament finally recognized the state's failure to