



Policies & Perspectives



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The Path to Creating 'Education Wealth' is Paved with Obstacles

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In his recently released book, 'The New Wealth of Nations', noted economist and now a member of the Prime Minister's Economic Advisory Council, Surjit S Bhalla, has forcefully argued that the turnaround in the developing nations' economies in the last three decades has been primarily driven by the spread of education. Education, he has stressed, is the 'new wealth' which has helped large chunks of population to migrate from poverty and lower middle class existence to a relatively better off world — the middle class, and the upper middle class even. In popular terminology, they are called the upwardly mobile sections of society. India, fortunately, too has been a major beneficiary of this change, along with the other big economy in the region, China.

That the transformation in just India and China has had global significance, should not surprise anyone. As Bhalla points out, taken together, they account for 40 per cent of the world's population. In the next 10 years, 40 per cent of the world's income will come from these two countries. He credits the change in the educational landscape to the "foot-soldiers" of India and China. The advantage of the head-start that the West had, appears to have waned, though some, such as the US, continue to remain ahead in the race. According to computations made by the author and fresh statistics provided by Barro-Lee's Educational Attainment Dataset, while the 'education wealth' of the United States remains at a high of 81 trillion dollars, that of China is around 57 trillion dollars, which is very respectable, given that China began its campaign to break into the top echelon in education wealth only much later. By contrast, India's education wealth is barely 10 per cent of China's. And yet, given the sheer size of its population, India has the potential to escalate the numbers multifold in a relatively shorter period of time.

What explains the sluggishness of education in the country? Bhalla offers the following idea: "Britain's 'bad' elitist policies towards education rubbed off on the leaders of its colonies. Jawaharlal Nehru, himself an elite liberal educated at Oxford, felt the country had to build temples of excellence (read universities), before expanding primary and secondary education. This policy... was elitist, and India paid for it through the perpetuation of large absolute poverty for a lot longer, and growth rates a lot slower, than in the counterfactual of expanding primary and secondary schooling." There can be some argument with the author's contention but there is no denying the reality of the poor levels of primary and secondary education in the country. Ironically, despite the greatest of attention of higher education — and as Bhalla would say, to the detriment of foundational education — Indian universities and elite technical institutions do not figure in the top of any global ranking. Incidentally, China does better.

If one were to take a historical perspective, then of course India has something to cheer about. According to Barro-Lee and the author's own calculations, illiteracy in the country was at an astonishing high of 99.6 per cent in 1870; it came down to 90.7 in 1913. Today that rate is just about 25 per cent. But the



celebration needs to be checked because a 2015 UNESCO report said that in terms of absolute numbers, India, with 28.7 million illiterates, had the largest number of adults without basic literacy rates (2010-11). This is partly explained by the enrolment rates at the primary school level: In the period 2000-01 to 2013-14, while the population grew by more than 18 crore (180 m), enrolment in primary schools increased by a mere 1.86 crore (1.86 m); it was a little over two crores (20 m) at the secondary level. It's not that Governments since independence have not paid attention to the issue. The common thread that has run through all regimes is the desire to increase the spread of primary schools across the country, especially in remote regions where, even having access to basic education is more challenging than doing well in the system. According to an article authored by Vijay Kulkarni, an expert in the education sector, the Government's efforts in the 10 years preceding 2013 produced welcome results. The number of out-of-school children went down from eight million in 2009 to just three million in 2012; 195,000 primary and more than 100,000 upper primary schools had been sanctioned; 1.8 million additional classrooms were approved. Further, the Government's 'Sarva Shiksha Abhiyan' in that period supported 200 million children in 1.4 million schools across the country.

The flow of quantitative optimism continues. In the decade under review as above, Kulkarni added in the article, which had been published by a leading daily, that the number of children in private schools had soared — quoting estimates, he said 27 per cent of all children were enrolled in private schools; in urban areas this was at a high of 50 per cent. The expert said that today, throughout the country, there was at least one primary school with a kilometer of distance for most children. As a result, enrolment rates have now gone up to even 95 per cent in many parts of the country, leading to a positive cascading impact on the overall national literacy rate. But there are more statistical data that tell a different story. According to a report tabled by the Union Ministry of Human Resource Development in Parliament in 2016, there were more than a lakh Government primary and secondary schools managed by just one teacher. All States had single-teacher schools; Delhi was reported to have had as many as 13 of them! It is thus not surprising that the quality of education at the foundational levels has been a cause of concern for educationists and policymakers alike. The rush to meet quantitative goals has not just taken the attention away from quality but also in many instances, contributed to the poor levels of the latter. This has given a boost to the private schools industry, which claims to provide quality education and better infrastructure, albeit with a price tag. Nonetheless, since 80 per cent of all recognised schools at the elementary stage are still Government-managed or recognised, the State has become the largest provider of primary and secondary education — and must, therefore, bear the greater blame for the poor levels of quality.

Just how far we have progressed in creating real 'education wealth', that will drive our present and future generations to take that next leap forward on the socio-economic ladder, can be understood by the Annual Status of Education Reports (ASER) published by the well-regarded non-governmental organisation (NGO), Pratham, which calls itself "an innovative learning organisation created to improve the quality of education in India", and is "dedicated to large-scale change" in the education sector. It focuses on



innovation, results and accountability and is driven by personnel with varied experience and expertise in the relevant field. There are causes of hope — in the enrolment numbers, better facilities such as toilets and classrooms etc. — but of despair as well. If the latter issues are not tackled, we can say goodbye to the long-term aspiration of a nation driven by educational excellence. Let's look at some of the highlights of the HRD Ministry's 2016 report which concluded that the overall learning level among Indian school students was "pretty disappointing". One, the proportion of all children in Class V who can read a Class II level text book declined to 47.8 per cent (it was 48.1 per cent in 2014). Two, the proportion of all Class VIII students in rural India who can divide a three-digit number by a single-digit one went down to 43.2 per cent (from 44.2 per cent in 2014). Three, just one out of every four students in Class V could read an English sentence. This was not the first time that such dismal results were forthcoming; previous Pratham reports too had come to similar conclusions. The Right of Children to Free and Compulsory Education Act of 2009, popularly referred to as the Right to Education (RTE) Act, has been more or less successfully serving its purpose of ensuring free education to children in the age group of 6-14 years. But the stress has again been more on the necessity to draw in the maximum number of students in the primary and secondary education system, by providing a variety of incentives, and enforcing rules such as the command to private schools to reserve 25 per cent of seats for 'needy' students. Besides, even the RTE Act leaves out large number of private unaided schools as well as religious and linguistic minority run educational institutions. It's because the un-recognised schools have been exempted from the RTE, that they are also not extended the various financial sops which schools covered by the Act receive. In an article which he wrote for 'The Hindu' in July 2012, politician and the then general secretary of the Lok Janshakti Party, Abdul Khaliq, said that in the present form, the RTE Act would "neither promote the objective of ensuring completion of elementary education of every child of the age six to 14 years nor meet the commitment of ensuring quality primary education". The first aim may still be achievable but the second — that of giving quality education — is an uphill task. This does not call for the rejection of the Act, but a revamp is in order.

If the primary and secondary education system in the country gives reasons for worry, the higher education sector may seem to be relatively better off. The Indian Institutes of Technology, the Indian Institutes of Management, the various premier medical institutes etc., have a worldwide reputation for high quality education. And yet, there are issues involved here as well, and they need correction. Because, 'education wealth' cannot be created without both arms of education — primary/secondary and higher — being strong and supple. For instance, no single Indian institution figured in the top-200 of the World University Rankings 2018. The best could be achieved by the Indian Institute of Science (IISc), Bangalore, which ended up in the 251-300 group — down from the 201-250 cluster in the previous ranking. This may not be necessarily due to poor performance per se of the IISc; increasing competition from Asian universities in China and Singapore has been a contributory factor. It is also possible that the parameters used to judge the institutions went against the Indian system. Whatever be the reasons, it remains a fact that global rankings matter to attract the best talent — not just Indian but also from overseas, which in turn positively impacts the performance of the universities.



There has been a great deal of talk about the need to not just revamp the education policy (both elementary and higher) but to also have a brand new document in place of the 1986 policy which had been revised in 1992. The 1986-92 policy had the right intent but has failed to deliver on the outcomes. Many employers have complained that the aspirants they have to select from, simply did not have either the skills or the temperament to suit their needs. The incumbent Government is in the process of framing a new document, but the issue has been dragging on for long. Less than two months ago, Union Minister of State for Human Resource Development, Satyapal Singh, had claimed that the policy would be ready by December. We have to wait and see if that happens. He had pointed out that accessibility to higher education in the country was only 25.6 per cent, while it was as high as 86 per cent in the US and 60 per cent in China. This in itself should tell the story. Clearly, social and regional irritants have played a major role in denying vast sections of our society the benefits of higher and more skilled education. There are some usual problems too, such as the shortage of teaching staff. The Minister pointed out that 50 per cent of teaching posts had been lying vacant in Indian universities.

More than 35,000 PhD scholars are churned out in the country every year and more than 50,000 doctors pass out from medical colleges. Almost three to four lakh engineers too walk out of various technical institutes. And yet, there is hardly any cutting-edge academic research or technology that can be credited to the vast mass of our technically-educated professionals, and which has gained global recognition. Perhaps, as Surjit Bhalla says in 'The New Wealth of Nations', India is in the midst of a "transition", where the old elite is seeking to dig in its heels and deny the new elite (the demanders in the present order) its due. This is affecting the pace of reforms in the education sector too. Maybe.

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(Views expressed are of the author and do not necessarily reflect the views of the VIF)



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