

The Consequences of Privatisation of Education for Social Stratification

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I argue here that privatisation of school or college education cannot be a satisfactory solution for India or for any country with a great deal of internal inequality. Saying clearly what one means by privatisation first may help. While a case may be made for an even larger usage of the term, in this article by privatisation I refer mainly to schools or colleges which charge fees from parents and use that as the main resource for paying teachers, maintaining the school and so on. This is not the same as schools where the major costs are borne by grants from the government or from community donations or from philanthropists. I include in privatisation the growth of schools and colleges which are paid for through student loans, since those, too, have to be eventually paid for by individual students and their families. So even a school run by the government, but with most of its costs borne through school fees, would also be a form of privatisation. Asking a student to pay most of the material costs of education relies primarily on the notion of the private in society, where a private individual pays a cost in exchange for private benefits. This is in contrast with where society bears most of the material costs of education, in return for a mix of private and public benefits to both the individual and the community.

There are also several other issues here, like whether choice and market mechanisms are the best way to operate in the education domain, the growth of cultures of neo-liberalism, whether the state is actually the best representative of social interests and so on, but I shall not address them in this article, restricting myself to the problem of private investment and private returns in an unequal society.

My basic submission is that, when a society has several economic classes to begin with, then an education which is paid for mainly by the wealth of parents will tend to worsen social inequality.

This is particularly true of societies where higher paid jobs are relatively small in number and not enough to absorb all students. An example will help to explain what I mean.

Class Inequality in India

There are several ways of understanding class inequality in India, with the best ones arguably being relational, locating classes vis-a-vis their structural relations with each other. Classes do not stand by themselves, of course, being deeply interconnected with castes, regions, gender, religions, ethnicity and so on. For our example a simple method of depicting class inequality will suffice, which is to ask how many people are rich and how many are poor in India. This is usually depicted through tables of family incomes, but since many people are unwilling to reveal their real incomes, the convention is to collect and examine information on consumption instead. Surveys are conducted which ask people how much food they bought or consumed in the last month, what school fees they paid, how many magazines they bought, how much they spent on cinemas and so on. This gives a useful way of comparing the wealth of different households and individuals. The 68th National Sample Survey surveyed 101,723 households in India in 2011-12 inquiring about, among other things, their consumption expenditure. Since the size of the household will vary and the conditions of a family of six earning Rs 20,000 per month are quite different from a carefree bachelor earning the same amount, the consumption expenditure was divided by the size of the family to get a figure called the monthly per capita consumption expenditure (MPCE). The percentage of the Indian population with different amounts of MPCE is presented in the table on the right.

What this tells us is that 33.3% of India lived on less than Rs. 1000 per head per month in 2011-12 and about 75% of lived on less than Rs. 2000 per head per month. In comparison, the middle to upper level Indian manager will be consuming well above Rs. 10,000 per head per month. The figure of 0.7% looks rather small, but it is 0.7% of a country with 1.2 billion people. When that 0.7% looks around itself it sees 0.7% of 1.2 billion, that is 8.4 million people, in its income group. Those numbers are so large that the individuals who constitute them are surrounded by other individuals of their own

class and don't get to see many of the very poor. However, the truth still remains, that 75% people of this country have to survive on less Rs. 2000 per head every month – food, medicines, clothing, school and college fees, everything.

Expenditure in Rupees (MPCE)	Percent of Households	Cumulative Percent
<1000	33.3	33.3
1000 < 2000	42.1	75.5
2000 < 3000	13.1	88.5
3000 < 4000	5.4	93.9
4000 < 5000	2.3	96.3
5000 < 6000	1.3	97.6
6000 < 7000	0.7	98.3
7000 < 8000	0.4	98.7
8000 < 9000	0.3	99.0
9000 < 10000	0.2	99.3
> 10000	0.7	100.0

The above table gives us something to examine the costs of schooling against. That will help us to better understand what happens when the family, rather than society as a whole, is expected to bear the costs of education.

The costs of a private school

Some quick back-of-the-envelope calculations will tell us the costs of running a private school or college. The biggest single cost is likely to be that of teachers. (There are indeed schools which pay Rs. 4000 per month to teachers, but they are usually pathetic in quality). Let us look at the costs of a sustainable and reasonably good teacher. By sustainable I mean a teacher who will not always try to switch careers to get a better position. It is also necessary that the salaries should be such that people from at least the lower middle-class will aspire towards teaching as a good career, motivating them to work hard and cultivate this profession, the way engineering or accounting is thought of as something worth working hard for. Otherwise we get reluctant, poorly qualified teachers who are unwilling to build a vibrant profession of teaching.

When I ask what is a sustainable salary for teachers to various NGO personnel and to students from small towns, I usually hear them saying about Rs. 20,000 - 25,000 – 30,000 per month. Let us take Rs.

25,000 as a central figure. So what would be the fees for a student whose family alone has to pay for costs of the school? In a class of 40 students, that comes to about Rs. 625 each for the salary of one teacher. To that can be added the cost of the building, electricity, administration, security, laboratories, and so on. It would not be surprising, if a school has to be self-paying and has to have reasonably good teachers, a monthly fee of at least Rs. 1000 has to be paid. When I put this amount against my table of MPCE in India, I get a rude shock. Can families living on less than Rs. 2000 per head pay Rs. 1000 per month as school fees? It is quite difficult to do so. And remember that is 75% of India. The result is quite predictable. If we have schools and colleges where families have to bear the entire cost of education, those with more money will be able to pay higher fees and get somewhat better teachers and those with less money will get (on average) worse teachers. There are some exceptions, of course, like the dedicated and committed teachers who I think are the real heroes and heroines of India, who work selflessly to teach underprivileged children. But most people are not heroic. When we are talking about practical arrangements for a society as a whole, we must talk about ordinary people and what will induce them to seek to become good teachers and the social consequences of creating, or not creating, such practical systems. We cannot rely on the occasional self-sacrificing soul.

Increased Inequality with Privatisation of Education

If there is considerable social inequality in a society, like what we see in ours, the consequences of a privately paid for education will closely parallel the distribution of the ability to pay. Those with more money will be the ones who pay for higher qualities and levels of education. Those with less money will remain lower down the ladder. If those at the top seek to become more powerful and seek to increase only their own personal wealth then this society, which already has a pyramidal structure of inequality, will tend to become even more narrowly pyramidal. The growth of privatised education will favour those at the upper levels of the pyramid and weaken those at the lower levels.

The above example was one of class inequality and education. Roughly similar results may be expected of caste, regional inequality, gender inequality and so on, given their own unique characteristics

of stratifying a society. In each of them, if the disadvantages of certain families are not evened out by external agencies like the state, greater social stratification results.

Most people who have thought about the purposes of education tend to agree that it is a bad idea to restrict a good education to a powerful few, leaving a sliding scale of bad education for the rest. There are many purposes of education, including the ability to think clearly and make knowledgeable choices, the ability to take control of one's own life, to participate actively and thoughtfully in public life, to stand up against injustice and oppression and so on. The rich are not the only ones who need such an education. If anything, the poor need it more. Adam Smith, one of the pioneers of privatisation, acknowledged the need for education to be kept outside the market almost three centuries ago. For him the market and individual choice through buying and selling commodities was the best way to overcome feudal bigotry and tyranny. This needed individuals who could choose sensibly and knowledgeably. He insisted, however, that a good education and health had to be provided to everyone for even the market to work well.

Education should not be bought through market processes, with those having more money getting a better one and those with less money getting a worse education, he said. Everyone needed to have a good education, for a thoughtful and informed consumer was the prerequisite for a fair market. If that were not to happen, he would have argued, the market will no longer be a mechanism to provide the best choices, leading instead to the perpetuation of ignorance and of manipulation by the powerful.

In today's times the values of equality and freedom have gained widespread support across the world. Instead of hereditary privilege, it is merit that is supposed to be the gateway to higher rank. A meritocracy rests on the idea that hard work, motivation and dedication be the deciding factors in who gets ahead. However, if getting a good education depends mainly on the accident of being born with wealthy or otherwise powerful parents, which is what privatisation will accelerate, the ideal of a meritocracy is seriously compromised.

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