Funding squabbles killing RTE and schooling, and Modi govt is doing nothing about it

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On May 5, Tamil Nadu Chief Minister O Panneerselvam wrote a letter to Prime Minister Narendra Modi demanding more funds for the implementation of the Right of Children for Free and Compulsory Education Act (RTE). But his letter also narrates the story of the financial squabbles which could contribute to the slow and painful death of an act envisaged to be a game-changer. What's worse is that along with itself, the 'revolutionary' act could also be killing quality schooling.

When the landmark legislation was passed in 2009, one of its selling points was that all unaided private schools would have to share the burden of educating the poor. Section 12 of the act made it compulsory for all unaided private schools to admit children from economically weaker sections (EWS) up to at least 25% of the school's total strength. The schools would be reimbursed by the government for the same, and the Union and State government would share the financial burden.

Four years since, governments have failed to live up to their end, and private schools which have admitted students from EWS have got little or no money. For instance, in Tamil Nadu, not a single school has been reimbursed yet. Tamil Nadu has asked for reimbursement amounting to Rs. 96 crore, only Rs. 14 lakh has been cleared.

The problem seems to lie in policy making. RTE says that children from EWS should be compulsorily admitted at the 'entry level' grade of the school. But what was considered 'entry level' differed from state to state. In some schools it is grade one was the level of entry, in many it was the pre-kindergarten stage.

By the time the Ministry of Human Resource Development (MHRD) clarified in March 2014 that reimbursement would be done only for grades one to eight, private schools in states like Tamil Nadu had already admitted children from EWS in kindergarten under RTE. For in these schools, kindergarten was considered 'entry level' and not grade one as the Union government had imagined. Further, the MHRD had now also set a ceiling of 20% of the total allocation under the Sarva Shiksha Abhiyan. So now, there is a deadlock. More than Rs. 96 crore has to be disbursed to private schools in Tamil Nadu as reimbursements, but the centre says it will not pay that amount. Only Rs. 14 lakh has been sanctioned under MHRD's 2014 rules. Private schools have been left in the lurch.

"We have taken losses for three years now. It is getting difficult for schools to function," says Dr. C Satish, Director, Paavai Group of Schools in Tamil Nadu.

Baladevan Rangaraju, Director of India Institute, is not in complete agreement with the Tamil Nadu CM. He points out that Section 7 of RTE only says that Centre will share the burden. "Section 7(4) of the act says that the state government will be responsible for the funds after taking into consideration what the Centre gives. So the states cannot use the law to demand more money from the Centre," he says.

Unfortunately, these squabbles are contributing to falling standards in education. "This has definitely affected the quality of education in general because it is getting difficult for us to have good infrastructure and quality teachers, which ironically the RTE mandates," says Satish. As reported by ASER Survey over the years, the quality of school education across India has been consistently falling in both private and public schools. But educational experts also attribute the reducing quality in education to another rule under RTE which mandates that no student be failed in any school till grade eight.

In effect, a law which was created to ensure universal quality education has ended up creating a deadlock between the state and centre over funding, and with private schools bearing the financial brunt, quality of education is suffering. The Modi government has slashed funding in all social sectors including education, as pointed out by Shashi Tharoor here, and no noticeable improvement in policy has been made.

The solution, says Baladevan, is decentralization and giving more freedom to the states in managing the education sector, and giving them the flexibility and incentive to devise innovative models for financing education. "The states should bear the responsibility of prioritising education and stop acting as project managers for the Centre," he says, "Instead of passing on accountability to the centre, they should ask for more legislative freedom and raise resources independently. By creatively tapping private investments, states will be able to improve the sector."

Prashant Narang of Centre for Civil Society says that the government should consider a school-voucher system for parents instead of reimbursing schools. "Instead of paying schools after the admission of students, the government should issue vouchers to parents before the admissions," he says, adding that private schools will then be more confident of implementing RTE.

(Disclosure: The writer has worked with India Institute in the past.)