



Preliminary Study into Low Fee Private Schools and Education

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Abbreviations and Acronyms

AMC	Ahmedabad Municipal Corporation
CfBT	CfBT Education Services
CSC	Critical Success Criteria
CSR	Corporate Social Responsibility
DISE	District Information System for Education
EI	Educational Initiatives
ESO	Education Support Organization
FGD	Focus Group Discussions
GBP	Great Britain Pounds
GER	Gross Enrolment Rate
GoG	Government of Gujarat
GoI	Government of India
GS	Gyan Shala
INR	Indian Rupees
LFPS	Low Fee Private School
MBES	Market Based Education Solution
NER	Net Enrolment Rate
NSS	National Sample Survey
OOSC	Out of School Children
PTR	Pupil Teacher Ratio
RTE	Right to Education
SSA	Sarva Shiksha Abhiyan
Std	Standard
TA	Technical Assistance
VfM:	Value for Money

Executive Summary

Sarva Shiksha Abhiyan (SSA), the Government of India's flagship basic education programme (6-11 years) has brought over 60 million additional children into school in the last decade – expansion at a scale and pace unprecedented in any country globally (Little 2010). While the physical challenges of access seem to have been largely overcome, data indicates the twin challenges of high dropout and low levels of learning have yet to be addressed. Concurrent with the expansion of government schooling has been a dramatic expansion of low fee private schools and an associated migration of students from the state to non-state sector.

The current generation have benefited from the 'access' push, but this generation and their successors will be done a huge disservice if practical ways are not found for accelerating the quality of the education provided. Further, there are still equity concerns and access issues for the poorest of the poor - many of whom reside in the growing urban slum environment - for whom public education is either unavailable or the private alternative is too expensive.

Many believe that the solution for providing universal primary education lies in improving and strengthening the government school system, including increasing its budgetary allocation. Others argue that privatization of school education with the government giving vouchers to the poor is a better alternative. As a result, India has had a large number of government and non-government education programmes that are perceived either as too costly to be approached by the slums/rural population or as being financially viable but providing poor quality education.

This Study considers issues pertaining to the following significant question: *Are there innovative ways available using public-private partnerships by which low fee private schools can provide expanded access to improved learning performance at an affordable cost and in a sustainable manner whilst still addressing equity and system improvement concerns?*

This Study reviews this question in three separate Parts: Part 1 provides a brief review of the current levels of provision and drivers of growth and a consideration of the issues of choice and quality in the private basic education sector. Part 2 then looks in more depth at a specific and innovative education programme - the Gyan Shala programme – that is provided by the non state sector and that has been running since 2006/2007 providing low cost basic education to children from very poor backgrounds in the states of Bihar and Gujarat. Part 3 then considers whether Gyan Shala provides a marketised option that is financially sustainable, scaleable and socially equitable in the context of high density urban slum environments.

Part 1 concludes that the Indian state education system has managed to attain tremendous gains in access but that there are still serious challenges in terms of quality and that one consequence of this lack of quality is high student dropout rates and student migration to low fee private schools. This migration though in turn has a number of implications: while it is bringing some benefits to those with financial / geographic choice it is increasing social inequality in that the private school choice is still out of the reach of the very poorest and parental sex selection in school choice is leading to a concentration of girls in government schools.

Part 2 looks at the Gyan Shala education offering including the design of the curriculum, the model of service delivery, the unit costs across the different age ranges and the diverse means of finance. It then considers whether the programme offers a good quality of education and a low unit cost through a review of the programme through the lenses of Efficacy, Equity and Sustainability. The overarching findings are that this programme is effective in reaching over 25,000 children from poor and vulnerable urban and rural families, it is replicable on a mass scale, and it does exhibit unit costs

that are below or within the existing government budgetary norms. Part 3 then provides a possible business case for scaling up the programme so that it can be sustainable and be delivering education at a unit cost that is affordable to the lowest socioeconomic quintile. Three business options are reviewed and the preferred option is then assessed in further detail with estimates of the potential revenue streams and funding sources as well as costs that would be incurred over a seven year time frame.

This Study is a preliminary effort to review some of the following four overarching questions that still require an ongoing research effort:

- The first question pertains to 'supply side' funding - *without a subsidy or a possible Public–Private Partnership (PPP) arrangement, is it possible for a private education provider to deliver quality education based only on fee collection from the lowest socio-economic quintile?*
- The second question involves financing but from the 'demand- side' perspective - *to what extent are very poor parents prepared to choose low-cost schooling over free schooling, even when they only have very little disposable income?*
- The third question entails the means of delivery - *without reengineering the mode of delivery - through such means as 'para-skilling' and the use of 'para-teachers' in non-formal classroom settings – is it possible for the private or indeed public provider to deliver quality education that meets the particular physical and social needs of these clients?*
- The fourth question reflects upon the regulations - *to what extent does the regulatory environment - particularly those norms regarding the teacher qualifications and facilities' requirements – impact upon this significant consumer choice for the poor?*

PART 1: INTRODUCTION AND BACKGROUND

1 The Education Sector

The education sector in India caters to nearly 600 million people up to the age of thirty years. The Economics Survey of India (2010-2011) reports that total expenditure on education as a per cent of GDP in 2008/09 was 2.89% with a budget estimate for 2010/11 of 2.98%; while expenditure on Education, Sports and Youth Affairs as a percentage of total expenditure on social services and development was 4.04% in 2008/09 with a budget estimate of 4.46% for 2010/11. This sector is undergoing rapid transformation and there is increasing Government of India (GoI) support for non-state participation in the sector. The GoI now spends around 3.7% of its GDP on the education budget for schooling till Grade 8, even though more than 50% children do not complete Grade 8. In terms of education spending per child, India thus spends more than most countries with an education budget that equals 6% of GDP, but the education quality still remains generally poor. While the efforts for and focus on improving education quality in government schools has to continue, harnessing the capability and potential of non-state actors will be a necessary tool to meet the millennium development goals to which the GOI is committed. Box 1 shows the progress in elementary school education in the country from 2005-2006 to 2009-2010.

Box 1: Summary of Access and Enrolment in Elementary Education - 2005/2006 to 2009/2010

	2005-06	2009 - 2010
<i>Primary Enrolment</i>	124 million	133.4 million
<i>Upper Primary Enrolment</i>	43.6 million	54.4 million
<i>Elementary Enrolment</i>	168 million	187.8 million
<i>GER Primary</i>	103%	115.6 %
<i>NER Primary</i>	84.5%	98.2 %
<i>GER Upper Primary</i>	59.2%	75.8 %
<i>NER Upper Primary</i>	43.1%	58.2 %
<i>Elementary Enrolment in GoI schools + aided schools</i>	126 million	146 million
<i>Out of School Children+</i>	13.4 million	8.1 million

Source: DISE, IMRB survey of OOSC

Almost all States have improved physical access in terms of enrolling children to a school. However, access to the upper primary stage, within their defined norms, is still a concern in many States. The DISE Statistics show that enrolments at elementary level have increased from 168 million in 2005-06 to 187.8 million in 2009-10. In 2005-06, 125.7 million were attending government schools. In 2009-10, 131 million were attending government schools. In addition, another 17 million were attending government aided schools. Thus a total of 78% of all children in elementary school were benefiting from *Sarva Shiksha Abhiyan* (SSA) interventions while another 40 million were attending private schools.

GER at primary level is high at 115% which indicates presence of over-age and under age children possibly due to early and late enrolment or repetition. Research suggests that these children are likely to drop out sooner than later. The GER at the upper primary level is still low but shows improvement over past years. NER is a cause of concern across all States. It varies from 45% in Uttar Pradesh and Andhra Pradesh (59%) to 91% for Tamil Nadu and Himachal (81%)¹. It is evident that

¹ The Gross Enrollment Ratio (GER) is a statistical measure used to determine the number of students enrolled in school at several different grade levels (like elementary, middle school and high school), and examine it to analyze the ratio of the number of students who live in that country to those who qualify for the particular grade level. While the Net Enrolment Ratio (NER) is the enrolment of the official age-group for a given level of education expressed as a percentage of the corresponding population.

more children are entering the system but many are not progressing through the system. This is also a result of different States having different ages at entry (SSA Joint Review Mission 2011).

2 The Primary Education Sector

2.1 Access

SSA, or “Education for All”, is the Govt’s flagship programme aimed at achieving universal education as mandated by the 86th Amendment to the Constitution. India currently has the world’s largest student body with nearly 188 million children attending primary school. The 86th Amendment makes free education of children aged 6-14 a fundamental right. Over the past decade the SSA programme has brought over 60 million additional children into school – expansion at a scale and pace unprecedented in history – achieving near universal enrolment and gender parity (CREATE 2009, Little 2010, UNICEF 2011).

The Indian public schooling system has made tremendous gains through such programmes and projects as Operation Blackboard focussing on improving physical infrastructure; the District Primary Education Programme (DPEP) on improving primary education; the Shiksha Karmi Project on addressing teacher absenteeism, and the Lok Jumbish Project with its emphasis on girls’ education and community participation; and SSA, the principal programme of the Government for Universal Elementary Education. However the system is still grappling with the problem of finding cost effective and efficient means of providing large sections of the community with adequate quality education. As is the case in other developing countries with public systems that are struggling to reach the ‘last mile’, the gap has been met increasingly by the growth of the non-state sector.

While the ASER 2009 Report confirms earlier data finding only about four percent children in the 6-14 year age group still out of school, there is growing concern about the government’s ability to adequately respond to the phenomenal increase in the migrant population from villages and smaller towns. The latest census data indicates that India’s urban child population (aged 0-6) has increased by 10% (Census of India 2011). Acute shortage of land in urban centres, rapidly changing demographics, multiple languages of new migrants all compound to make planning and education provision particularly challenging. While evidence is limited it is clear that this is a rapidly growing problem – leaving increasing numbers of urban student unable to access government schools in slum areas and for those that do entering overcrowded classrooms and receiving sub-standard education.

2.2 Types of Provider

While the numbers offered by different sources vary slightly, it is estimated that private (recognized) schools in India account for anything between 15-25% of available schools. The District Information System for Education (DISE) data for 2007-08, released in November 2009, places the number of schools under private, unaided management at 173,282 out of a total of 1,250,775 schools in India, or about 14% (Muralidharan and Kremer 2006). According to NCERT’s 7th All-India Educational Survey based on figures for 2002, enrolment in such private recognized schools was 15% and 19% at the primary and upper primary stages respectively.

If one then adds the number of unrecognized private schools, about which little data is available, the percentage of children enrolled in what may be called non-government schools may be conservatively assumed to be between 25-30%, if not more. A study in 2006 showed that even in rural areas, almost 28% of the population had access to fee-charging private schools while the ASER data (2009) indicates that nearly 44% of the villages have access to private schools.

Whatever the exact number of private schools or the private share of total enrolment, there has been both educational expansion under SSA and an equally impressive parallel expansion in private sector provision. The combination of government enumerators not collecting data on private provision and unrecognised private providers² seeking to avoid rent seeking attention from government officials by remaining ‘off radar’ (Tooley & Dixon 2003) make statistics notoriously unreliable. The latest National Sample Survey reports 7% of students in private aided and 20% in private unaided at primary and 12% and 17% respectively at elementary level (National Sample Survey 2009). Estimates from household survey data suggest private school participation had grown from 10% in 1993 to around 20% percent of the student population in 2006 (Kingdon 2007). Box 2 shows the complexity of the different types of provider through categorisation according to the following five areas – recognition, finance, provision, ownership, and regulation.

Box 2: Summary of different types of public and private provider

<i>Type</i>	<i>Recognition</i>	<i>Finance</i>	<i>Ownership</i>	<i>Provision</i>	<i>Regulation</i>
<i>Government</i>	Yes	Government	Government	Government	Government
<i>Government aided</i>	Yes	Government and Non Government	Government	Non Government	Government
<i>Private</i>	Yes	Non Government	Non Government	Non Government	Government
<i>Private</i>	No	Non Government	Non Government	Non Government	None

2.3 Quality and Choice

The debate regarding the respective levels of quality provided by the public or private providers is ongoing. From one perspective, there are records of a difference of 16-17 percentage points in the learning levels of children in private schools in urban areas, as compared to their counterparts in government schools (Tooley 2010) but such claims are refuted when various variables such as family background, income and others are controlled for, the difference in learning levels between government and private schools becomes marginal (ASER 2009).

Similarly, Education Initiatives (EI), India’s largest private sector testing organization, found that “any lead that private schools show in their learning outcomes over government schools can be completely explained away by... (1) Students’ socio-economic background, (2) students’ initial levels, (3) rote/procedural nature of learning tested. In other words, if you control for factor 1, look for improvements between say, Grade 3 and Grade 7 (to nullify any initial advantage), and the test is not rote/testing procedural knowledge only, private schools (do not) show any advantage over government schools” (Sarangpani 2009).

GoI data consistently points to high levels of both student drop out and absenteeism. Official figures suggest that approximately 30% of children drop out of school before reaching Grade 5 and half leave before completing Grade 8 (Govinda & Bandyopadhyay 2011 p5). The reasons for such outcomes are no doubt complexly interrelated and include real and opportunity costs of sending children to school and household factors such as ability of parents to support first generation learners (Reddy & Sinha 2010). However, there is a danger that in giving a high weightage to poverty we are assuming a level of passivity on the part of students and parents to the quality of education on offer. Findings from both national (Table 1) and field level surveys (Govinda & Bandyopadhyay

² In a survey of 20 states, 51% of all private rural primary schools were unrecognized (Muralidharan & Kremer 2007).

2011)³ suggest quality and school related factors outweigh those of poverty as reasons cited for non-enrolment or drop out. Similarly, research by Dreze and Kingdon (2001) indicate factors such as class size, teacher attendance and classroom quality having an influential effect on the years of primary schooling attained.

Table 1: Reasons for Non-Enrolment & Drop Out (2007-2008)

<i>Major reasons for non enrolment</i>	%
Parents not interested in education of children	33%
Education not considered necessary	22%
Financial constraints	21%
<i>Major reasons for discontinuance / drop out</i>	
Financial constraints	21%
Child not interested in studies	20%
Unable to cope or failure in studies	10%
Completed desired level or class	10%
Parents not interested in studies	9%

Data From: National Sample Survey (NSS) Report No. 532 Education in India 2007-2008 Participation and Expenditure p44.

2.4 Governance and Regulation

K-12 Schools are structured as Trusts, Societies or Section 25 companies, which may not have core expertise in operating modern, international or specialized education institutes, some services are often hired from third party providers whose primary business is school management and the provision of such services as operations management, HR management, curriculum and pedagogy.

The Indian Legal code currently restricts profiteering or capitation from the student body by private schools, permitting an ill defined 'reasonable surplus' only. Schools must be organized and operated as non-profit trusts. Private schools generate their profits by utilizing an organizational structure which consists of a for profit company charging fees for all supply side inputs to the non-profit school trust: rent and real estate maintenance, Intellectual property and school materials, school management services, brand licensing and Human Resources consulting.

For differing reasons, The Right of Children to Free and Compulsory Education Act, 2009, (RTE) has managements of both recognized and unrecognized private schools greatly unsettled: for the former, there is the stipulation that even unaided schools under private management will be responsible for providing free education to disadvantaged children between the ages of six and fourteen years from their immediate neighbourhood, at least to the extent of 25% of their strength in the entry class; while for the latter, there is the fear that they will risk monetary fines and jail terms if they continue to operate their schools without seeking recognition as prescribed under the Act. Ironically therefore, an Act that seeks to universalize elementary education for children in India has succeeded in alienating a significant proportion of those who are engaged in contributing to that very objective.

Boxes 3 and 4 contain extracts drawn from the Gujarat Elementary Education Rules, 2010. Box 3 highlights six particular norms under the areas of facilities and teaching in which unrecognized private schools will be impacted.

³ Quality related factors were grouped as: quality of education is poor, child not interested in education and parents do not give importance to education; poverty related factors as contribute to household income, unable to bear the expense of education, help in household activity/sibling care.

Box 3: RTE Norms and Standards in Gujarat

Area of Focus	Specified Norms & Standards Gujarat Elementary Education Rules, 2010
<i>Facilities</i>	There should be adequate space in every class room for students and teachers for conducting class room activities comfortably. For existing schools where it is not possible to have playground of the required area in the school premises, it should be within walking distance of the school. Each school should provide barrier-free access specially suited for Children with Special Needs
<i>Teaching</i>	<u>Acquiring minimum qualifications.</u> For a teacher, of any school referred to in clause (ii) and (iv) of sub-section (18) of section 2, who does not possess the minimum qualifications laid down under Rule 13 at the time of commencement of the Act, the management of such school shall enable such teacher to acquire such minimum qualifications within a period of five years from the commencement of the Act. <u>Salary and allowances and conditions of service.</u> The State Government shall notify terms and conditions of service and salary and allowances of teachers and Vidyasahayaks of schools established, owned or controlled by the State Government or local authority in order to create a professional and permanent cadre of teachers. <u>To introduce a common test for teacher eligibility.</u> The Government would evolve mechanism to ensure minimum standards of pre-eligibility for teaching staff.

Source: Government of Gujarat Education Department (2010)

Box 4 however provides examples of how the new RTE Act is still leaving scope for lack of clarity or obfuscation about these new 'rules'.

Box 4: Example of Lack of Clarity

There may be cases where existing recognized schools are not able to fulfill norms regarding infrastructure due to physical limitations, and relaxation may have to be given to such schools to protect the education rights of children. However, such relaxation may be given only to schools achieving a certain level of learning outcomes, the process of determining which is given as an Annex-I. The power to allow relaxation of the norms and standards will lie with the Director of Elementary Education.

Annex-I: Norms for Learning Outcomes. The vision of the RTE is to ensure quality to education to all children. If schools have the minimum infrastructural and teacher resources but students are not learning well the vision of the RTE would not be achieved. It is therefore important that Learning Outcome norms also be met by schools. For existing schools attainment of learning outcomes should be seen as the key goal, with infrastructure as a necessary but not sufficient condition. In situations where infrastructure norms cannot be met for any reason (eg. in a very crowded city area or due to where trained teachers are not available), focus on learning outcomes will help ensure that student learning does not suffer.)

Source: Government of Gujarat Education Department (2010)

2.5 Drivers and Barriers

Table 2 provides a summary of the competitive landscape from the perspective of these three types of providers – the government school, the recognized private school and the unrecognized low fee private school – through the drivers and barriers that each face in meeting the needs for the delivery of a quality education at a low cost in close proximity to their catchment.

Table 2: Drivers and barriers for the different providers

<i>Type of school</i>	<i>Drivers</i>	<i>Barriers</i>
<i>Government school</i>	<ul style="list-style-type: none"> ✓ Free education ✓ Lower income families can potentially benefit from various government schemes ✓ All schools are recognized hence students can sit the board examinations 	<ul style="list-style-type: none"> ✓ Poor quality of education provided due to (i) insufficient infrastructure and manpower; (ii) attitude and lack of accountability of teachers ✓ Accessibility as schools are located at central locations
<i>Private School</i>	<ul style="list-style-type: none"> ✓ Perceived to impart higher education (ie use of English and higher accountability of teachers) ✓ Easy accessibility and choice 	<ul style="list-style-type: none"> ✓ Cost with school fees equating to 10+% of household income (ie INR 700 per month or GBP 10)
<i>Unrecognized private schools</i>	<ul style="list-style-type: none"> ✓ Easy accessibility and choice ✓ Low costs compared to private schools 	<ul style="list-style-type: none"> ✓ Fees still a barrier although the cost is only INR 100 per month ✓ Consumer concern that four hours at school per day is insufficient ✓ Meeting the regulatory mandate for the requisite school equipment and facilities

Source: Karamchandani et al, (2009)

While the expansion of private provision is undisputed the underlying drivers behind this growth are less clear. De et al (2002) point to the importance ascribed to English medium instruction and there is evidence suggesting a premium on English language in the workplace (Aslam et al 2010). However, it is likely a broader set of factors is at play. As Härmä notes on her study in Uttar Pradesh - *“LFPS’ [Low fee private schools] superiority in terms of ensuring some learning is occurring, along with the drive for English instruction, results in a great boost in demand for LFP schooling and has a direct bearing on parental choice. A majority of the 95% of parents stated that their preferred school type was LFP, while only 42% of children were actually accessing them.”*(Härmä 2009 page 157).

The question then arises as to upon what basis are parents forming these judgments. The answer is stark and provided again by observations from Härmä’s study – though noting the superiority of government school buildings she found *“The government schools had virtually no teaching activity. One para-teacher at one school was found to be teaching, while in another school an older child was instructing while the teachers (two were present) sat idly by. In the rest of the government schools there was an air of chaos and neglect, as the teachers simply read the newspaper or chatted with friends ...By way of contrast, at the LFP schools there was always an air of seriousness and discipline, with children sitting in orderly rows...It was extremely common to observe children working diligently on their own in their copybooks and then bringing these to the teacher to be checked, while the teachers sat and waited to be approached ...There was an overall discipline enforced at the LFPS that was found to be absent at government schools and it was this and the fact that children learn basic material that parents seized on in their comparisons of the school types”* (Härmä 2010 page 14).

Härmä’s observations are born out by a much larger study which points to the critical role of teachers in establishing a learning ethos in schools (Muralidharan & Kremer 2007). This study found private school teachers to be 2-8% points less absent than teachers in government schools and 6-9% points more likely to be engaged in teaching activity at any given point time. They suggest that lower teacher salary costs at one fifth of regular government school teachers enabled a lower PTR, and

postulate this combined to a higher teaching activity leads to a child in a private school having as much as 3 to 4 times more contact time than in government schools.

A further important finding from the Muralidharan & Kremer 2007 study is on teacher accountability and school governance. In the sample 35 private school head teachers out of 600 reported having fired a teacher for repeated absence as opposed to only one in nearly 3,000 government schools. The possible impact of teacher attendance, accountability and effort is one picked up in a comparative study on government and para teachers in Bihar and Uttar Pradesh which suggests that the lack of teacher training amongst para-teachers is likely to be more than compensated by their higher attendance and greater application of effort in the classroom (Kingdon & Banerji 2009). It is also interesting to speculate on how recent teacher salary increases which have resulted in government teachers earning 7 to 10 times the average per capita income has impacted upon social distance and the ability of the community to influence teacher accountability (Kingdon 2010).

In the absence of any comparative school performance data (such as exam pass rates) parents rely on reputation and a range of 'quality proxies' such as the state of the buildings, attitudes of the teachers and the provision of equipment - particularly computers (Policy Innovations 2010). Does the research evidence support parental confidence that private schools provide improved learning outcomes? This is a challenging question to answer given the importance of separating out the influence of the school from student and family background effects however a number of studies have done this using a range of techniques. They consistently find there is a discernable and positive private school effect (French and Kingdon 2010, Wadhwa 2009, Goyal 2009, Goyal & Pandey 2009).

Reviewing the available evidence it is difficult not to conclude that *"Extant Indian studies are consistent in suggesting that private schools in India are, on average, more internally efficient than government schools. They are more cost efficient on average costing only about half as much per student as public schools. Private schools are also more technically efficient, producing higher achievement levels (after controlling for student intake) and making for more efficient use of inputs for example having more students per class and lower teacher absenteeism"* (French and Kingdon 2010 p6).

2.6 Choice, Price and Quality

Drawing predominantly from industrialized countries Hoxby speculated whether school choice *"... could be a rising tide that lifted all boats, and the gains and losses from reallocation might be nothing more than crests and valleys on the surface of the much higher water level"* (Hoxby ed 2004 p288). There has also been similar supposition with regard to developing country contexts. Whether competition can drive up quality for all (both those studying in private schools and adjacent government schools) is a valid question and worthy of empirical testing. However evidence suggests there are serious equity issues associated with the growth of low fee private schools. Moreover these issues may not simply manifest themselves on an individual by individual basis but on the nature of the development of the whole education system - be it public or private.

The underlying logic behind Hoxby's statement is the notion of competition based upon choice. It is noticeable that the predominant growth of low fee private schools has been in urban contexts (Kingdon 2007). An Indian study which returns to the same 3 locations after a ten year period, finds that only in two locations have private schools emerged, the third and most remote remains unserved (Govinda & Bandyopdhyay 2011). This begs a broader question on the conditions of economic viability for low fee private schools in particular the student teacher ratio and the ability of private schools to bear costs of small class sizes (inevitable in low population density areas) without subsidy (Bangay 2005). While Muralidharan & Kremer's 2007 study estimates 28% of the population

of rural India do have access to a private school this still leaves the majority without the proposed driver of quality - *choice*.

A second and more well documented impediment to choice to what some euphemistically call 'affordable private schools' is poverty. Härmä's study concludes how the main determinant of school choice is poverty - with nearly 60% of students unable to enter private schools. Moreover, she finds the poorer households have larger families increasing the education cost burden (Härmä 2011, CREATE 2011). It seems reasonable to presume that this increases the prevalence of choice between siblings – with boys more likely to be sent to private schools than girls. Her findings (and those of others) support the assertion that economic selection is resulting in a concentration of disadvantaged groups in government schools and skewed gender ratios in private schools. In essence *"... private schools ... create a new segregation, with girls, scheduled castes and scheduled tribes increasingly confined to the state schools, leading to a rise in educational inequalities by gender and social group"* (Aikman & Rao 2010 p5).

Much of the available evidence on LFPS looks at issues such as cost, relative student performance or efficiency. Much less has been written on how the dynamic between state and non-state schools might impact within schools and across school systems. For example if economic selection is resulting in the exit of the more affluent this could impact on the extent to which parental pressure can drive school improvement as noted in a recent Indian study *"...despite the fact that most households in the study belonged to lower socio-economic and caste groups themselves, some felt that part of the reason why schooling 'doesn't take place in state schools' was because it was attended almost exclusively by those groups"* (Srivastava 2007). Logically it would also result in the loss of social diversity and a gender imbalance impacting on classroom culture.

A further question requiring investigation is whether market competition on price can drive educational quality improvement over time? It is generally accepted that whilst better than government schooling, the educational offer in most LFPS remains poor. Therefore, in the absence of any comparable indicator of school performance, private schools need only to be of a marginally better than government schools after which they compete with other low fee private schools on price rather than quality. In such circumstances further owner investments in quality improvement would seem illogical given the limitations of LFP school clientele to pay the higher fees to cover quality investments (Srivastava 2008).

3 Conclusion

This contextual overview has stressed a number of points, including: the India state education system has managed to attain tremendous gains in access but that there are serious challenges in terms of quality of educational provision. This lack of quality appears to be generating both student drop out and student migration to LFPS. While migration is bringing marginal benefits to those with financial / geographic choice it is increasing social inequality. Parents believe the quality of these affordable private schools is higher than that provided by the government (Baird 2009) but there is a huge variety in the size, nature and quality of provision within these low cost private schools. However research to date indicates such schools are more cost efficient and provide marginally better learning (French and Kingdon 2010). There is however serious concern around attendant equity effects – with LFPS being unaffordable for the poorest (Harma 2010). While parental sex selection in school choice is leading to a concentration of girls in government schools (Aikman and Rao 2010).

Part 2 now introduces a Case Study of a low cost provision model that has been adapted to enable educational provision in high density urban conditions. It does not have a conventional school

building but operates out of available rented rooms within the area with teachers moving from location to location. Teachers are drawn from the local community but provided with extensive support through quality teaching materials and continuous mentoring.

PART 2: CASE STUDY OF THE GYAN SHALA PROGRAMME

4 Brief Introduction

4.1 Phased Approach to Growth

The Education Support Organization (ESO) was set up by a group of faculty members of IIM, Ahmedabad, and the Institute of Rural Management (IRMA), Anand. The Gyan Shala (GS) programme has the professed aim *to establish a replicable and scalable model to provide good quality basic school education to children from poor rural and urban families that is on a par with what is available to urban upper income classes*. ESO started its mission in Ahmedabad, the seventh largest metropolis in India. This city sitting on the banks of the river Sabarmati in north-central Gujarat spans across an area of 205 km (79.15 square miles) and has some 4 million inhabitants. The Ahmedabad Municipal Corporation (AMC) oversees 2201 schools and the enrolment of some 655,233 students providing a Gross Enrolment Ratio in Primary of 64.3% and Upper Primary of 65.4% (Khan 2009).

GS started with 10 classes in 2000 and over the past decade has grown to some 420 classes serving 16,000 children in 2010/2011 in the states of Gujarat and Bihar, primarily in the cities of Ahmedabad and Patna respectively. From a total of 7,506 children enrolled in Grades 1 to 4 in 2006/2007 the programme has currently grown by 2010/2011 to support 17,288 children across Grades 1 through 7. In its initial stage, GS decided to focus on the foundation stage (Grades 1-3) in the school cycle. With demonstrated success and consolidation of work in this stage, the work was extended to middle school, and later to the high school stage. This strategy unfolded in three stages. In Phase I (2000-2003), the focus was on evolving and establishing the core elements of the learning methodology and education organisation, and demonstrating the potential efficacy of this approach, both in rural and urban contexts. This phase was used to lay the foundation of an education design and delivery organisation that would then be able to implement the programme on a larger scale.

In Phase II (2003-2007), the aim was to develop fully and to test-demonstrate all aspects of the GS model, covering the learning model, class-process, teacher preparation, learning material, and programme management. During this second phase, Gyan Shala started working towards integrating its design features within the mass primary education system and developing its systems to support Grades 4-7. By 2007-2008 around 8,000 children were enrolled in this programme in the Ahmedabad slums. Other standalone projects followed, including:

Recognising the success of the programme in ensuring quality, the AMC School Board and GS started a pilot that introduced the GS curriculum, pedagogy and teacher training in 37 public schools in 2006;

Over 2003-2007, GS designed and implemented a World Bank (Infodev) funded Computer-Aided Learning package in both its rural and urban schools to study and test the efficacy of computer-aided programme in improving children's learning. Its impact was studied by Poverty Action Lab, MIT; and In 2005, the GS programme was replicated in the state of Bihar, initially with private donor support, but then with funding from the state government under the mandate to support the delivery of basic education to 15,000 slum children in the city of Patna.

Over 2000-2009, GS has emerged as the largest NGO partner in the education sector of the Government of Gujarat, both for the education of out-of-school children, and for the quality

improvement within government schools. Through an agreement in 2008-09, the Government of Bihar too made GS its largest NGO partner for running school classes for urban slum children. Towards the end of 2010, a new programme unit in Kolkata was started.

Box 5: Sample Consumer Profile

	<p>Age : 32 years Monthly household income is INR 3000-4000 per month (GBP 43-60) Household size: 5 Number of children: 3 - one school going child goes to GS - she and her husband plan on sending other children to GS as they grow up Education: Primary school drop out Household goods ownership – TV, bicycle and mobile phone</p> <p>Source: Interview (Monitor Analysis- 2010)</p>
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4.2 Enrolment Trends

Table 3 shows the enrollment rates of GS across the past five years in Gujarat and Bihar. The Table highlights how the growth rates have been large (never falling below 39 percent), with Elementary school enrollment rates doubling and Middle school rates witnessing a tenfold increase.

Table 3: Enrollment rates in Elementary and Middle Schools - 2007-2011

<i>Grade or Standard</i>	<i>2006/7</i>	<i>2007/8</i>	<i>2008/9</i>	<i>2009/10</i>	<i>2010/11</i>	<i>Average annual % increase</i>
1	4017	3527	4019	6569	9269	46
2	2308	2376	2456	2987	4546	39
3	1045	1598	1808	1830	2466	47
<i>Sub total</i>	<i>7370</i>	<i>7501</i>	<i>8283</i>	<i>11386</i>	<i>16281</i>	<i>44</i>
4	136	270	273	263	373	55
5	-	125	232	224	253	51
6	-	-	97	176	223	77
7	-	-	-	91	158	87
<i>Sub total</i>	<i>136</i>	<i>395</i>	<i>602</i>	<i>754</i>	<i>1007</i>	<i>148</i>
Total	7,506	7,896	8,885	12,140	17,288	

Table 4 then shows enrolment trends disaggregated for the Bihar operation since its commencement in 2009/10. This Table highlights how the programme aims to start initially only with Grade 1 in 20 centres before ramping up incrementally year on year so that by the third year the numbers enrolled and the number of centres in operation have grown threefold.

Table 4: Enrollment trends in Bihar Gyan Shala Programme (2008/09-2010/11)

Standards		2008-2009	2009-2010	2010-2011
Standard 1	<i>Students</i>	837	910	1217
	<i>Centres</i>	21	25	35
Standard 2	<i>Students</i>		418	685
	<i>Centres</i>		16	25
Standard 3	<i>Students</i>			311
	<i>Centres</i>			75
Totals	<i>Students</i>	837	1328	2213
	<i>Centres</i>	21	41	75

Source: Gyan Shala data

4.3 Governance Structure

The Education Support Organization (ESO) is registered as a public trust with an All India working domain. The Chairman of ESO is Professor Pankaj Jain, who is a member of a 10 person Governing Board that comprises six Professors. See Annex 2 for details of the high powered membership of this Governing Board.

5 Main Features of the Delivery Process

5.1 Academic Programme



5.1.1 Curriculum Design

When I was working on the model, whoever I spoke to equated good teaching with good education. On the contrary, good education is about good learning,”⁴

Gyan Shala has chosen to focus on a model that emphasises learning-based education instead of teacher-centric learning. Supporting implementation of this focus, there is a strong backend design and management team that supports relatively low-skilled teachers. The pedagogy, which is the core process of any educational institute, has undergone extensive reengineering to provide education delivery that is built on highly standardized elements. The design and management team creates a curriculum supported by worksheets for students and a daily-use manual for teachers. This manual provides step-by-step details of what is to be covered on a daily basis.

In addition, learning is reinforced by making students fill predesigned worksheets on each topic. GS also employs techniques like shorter subject periods (15 minutes each) to maximise the student

⁴ Business Monitor (30 May 2010). *No-frills Learning*. Extract from Professor Pankaj Jain.

learning experience. Moreover, a feedback mechanism has been built in to not just redesign the curriculum but also change the way teachers teach a concept. There are four revisions annually, which are enabled by the design and management team.

5.1.2 Curriculum Delivery

It's an unusual classroom by any standards. Twenty kids, aged between six and seven, are packed in a small room, seven by-seven feet in dimension. The teacher does not have a textbook open, nor does she lecture. The class itself is divided into three sections. Not the usual boys on one side, girls on the other setup; students in this classroom are slotted into three batches based on what they are studying. One batch is working on their language skills (Gujarati, in this case); another batch is cracking simple multiplication problems and yet another is probing "science" topics like "why it's important to keep your surroundings clean." That's right, same classroom and three different subjects are being taught and learnt. Fifteen minutes later, a merry-go-round of sorts happens as the batches switch places and students change subjects. The teacher goes from table to table, spending time with students, individually.⁵

The name 'Gyan Shala' originates from two Sanskrit terms: 'Gyan', which means knowledge or wisdom, and 'Shala', which means school. Located in urban slums, amidst crowded narrow lanes and by-lanes, Gyan Shala presents a unique model of mass education to low-income families at a moderate cost through centres known as 'Gyan Shalas'. Most Gyan Shalas are single-room centres replete with all the resources typically found in a regular classroom environment and these centres serve as classrooms for a particular age group of children from the local neighbourhood.

Gyan Shalas are part of a larger school system with centres spread across several slums. They are centrally managed by a team of experts who form the think tank. Each centre is a classroom and no centre has all the grades under one common roof. There are two types of Shalas or centres – the primary Shalas for Grades 1 to 3, the middle Shalas for Grades 4 to 7, and the upper Shalas for Grades 8-10. The centres operate in two shifts – one shift from 9:30 am to 1:00 pm and another shift from 1:30 pm to 5:30 pm.

A distinctive feature of GS is re-engineering the role of a traditional school teacher in the roles of four level functionaries, namely the class teacher, the senior-teacher, and the junior and senior design team, who double up as teacher trainers. This feature allows the GS teachers, who have limited formal qualification and no specialised teacher training, to contribute to effective classroom experience for the children. Table 5 illustrates this re-engineering across the four elements of service delivery.

Table 5: Innovative features of the service delivery model

<i>Elements of delivery</i>	<i>Innovative features of the model</i>
<i>Design of pedagogy</i>	Each subject has a worksheet per day Matching of learning material to that of high-end schools Teachers given a detailed, daily-use manual
<i>Communicating the content</i>	Content broken up into per day lesson plans All teachers undergo a 12-day training session Supervisors meet the teachers on a weekly basis to train them Supervisors seek feedback from the teachers on the curriculum design and ease of use
<i>Transmitting the</i>	The manual provides step-by-step details of what is covered each

⁵ Business Monitor (30 May 2010). *No-frills Learning*.

<i>learning</i>	day Teachers also use learning aids to transmit the learning The supervisors teach in a few classes to train the teachers through demonstration
<i>Reinforcing the learning</i>	Students fill out the worksheets on each topic The topic of the day is reinforced across maths, language and project work Reinforcement of each learning four times a day and then repeated two days later

In summary, these are the four key features to the GS model of 'Education Design and Delivery':

- (i) *Distributed Classes model.* A distribution system akin to 'ripples in a pond' whereby the design team and the field supervisors ensure that there is both standardization of the curriculum across all the centres and minimal, uniform standards of performance in a geographically distributed class set that is located close to the homes of the students and their teachers;
- (ii) *Re-engineered Teacher role.* Education delivery that is built on (a) elements that are highly standardized, broken down into units and divided into per day lesson plans; and (b) delivered within the classroom by less qualified personnel who are in turn supported in an integrated manner by a Design and Management team that creates curriculum, takes feedback from teachers on this curriculum design on a weekly basis, as well as teaches classes to train the teachers through demonstration;
- (iii) *Continuous Curriculum Design Adaptation.* A design pedagogy in which the Design team constantly create and/or modify a curriculum that responds to the local context in conformity with State and National curriculum norms while incorporating elements of curriculum design from the best in class global curricula; and
- (iv) *Learning-Development culture.* A culture that is structured to support the strategy of using relatively less educated staff (hence affordability and low cost) while enabling these staff to deliver quality education outcomes through an ongoing support system based on high-calibre, highly qualified staff elsewhere.

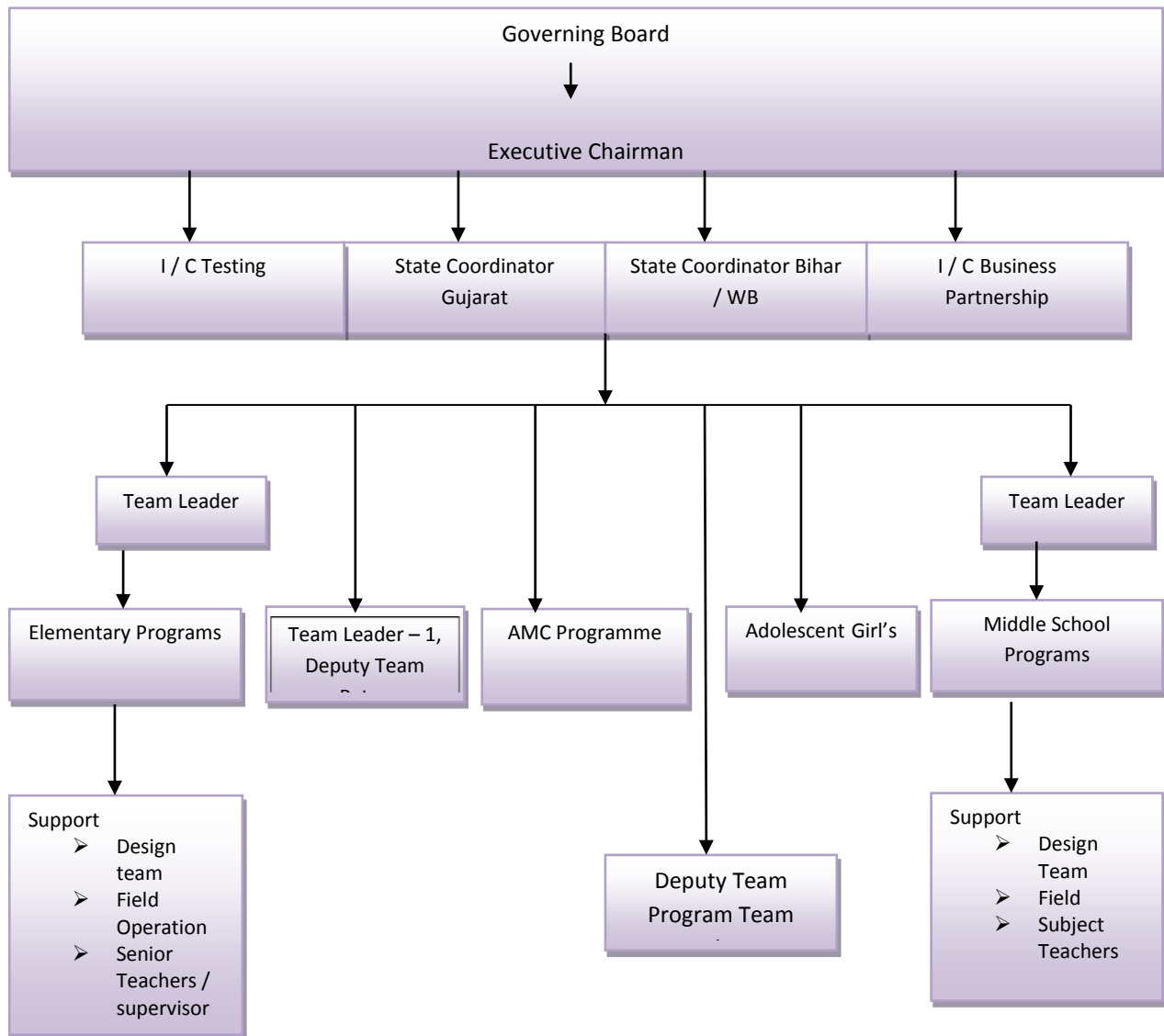


5.2 Human Resources

5.2.1 Organizational Structure

Diagram 1 provides an overview of the organizational structure for ESO as it manages across the different state programmes.

Diagram 1: Organogram of Gyan Shala



5.2.1 Reengineering Roles

There are two real differences in the GS design from the traditional teacher eligibility: firstly, there is the obvious difference in the qualification levels of the teaching staff; and, secondly, there is the difference in the pre and in service training systems since, in GS, there is a focus on extensive and concurrent teacher training and support, that includes 10-15 days of training in bi-annual vacations, monthly one-day refreshers, and weekly demonstration/ supervision visits by a senior-teacher/supervisors. GS spends around 20 per cent of teacher salary on their training. Further, GS is so organised that many of the tasks that are typically performed by the teachers – such as selection of learning material, designing classroom tasks, and drawing up the teaching schedule – are assumed by the better qualified and trained supervisory and support staff.

The teacher's role in GS is largely of a mentor who trains the students less in an analytical/explanatory sense but more by repeated demonstration of expertise, which is then imbibed by the students. GS ensures higher teacher attendance by hiring them from local communities and making them work shorter shifts. GS classes are just three hours in duration. Driven by fewer working hours and proximity of classrooms, the teacher turnover rates of 22% are much below those of government schools at 35%. Box 6 provides a summary of this reengineering of the roles of the head teacher and teacher:

Box 6: Reengineering the roles of the headteacher and teacher

The *Design and Management* team consists of Office team (curriculum design and administration) and the *Field Work* team (mentoring senior teachers and implementation)
Senior teachers monitor the junior teachers with each senior teacher overseeing 8-10 classes a week and spending 3 hours assessing the junior teacher
Junior teachers teach a class of 30 students, some do two shifts of 3 hours each per day

5.2.2 Personnel Profiles

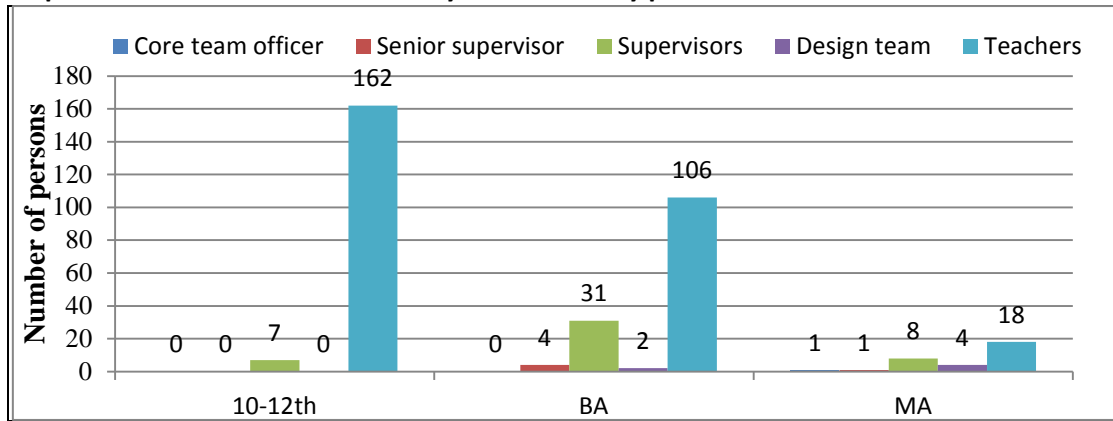
While postgraduates are hired to design the curriculum, high school graduates are hired as teachers to manage the delivery in the centres. Table 6 shows the different profiles for the different staff tiers.

Table 6: Profiles of Gyan Shala staff according to qualifications, salary, roles and positions

Management	Qualifications	Role	Profile
<i>Core team</i> <i>Senior supervisors</i>	Doctorate/ Masters	Curriculum design, learning materials design, teacher training, field administrative tasks and establishing new operations	Members are 25-40 years old; design team has 6 functions: maths, science, project, languages (Gujarati, Hindi, English); the training and evaluation functions are performed by individual subject teams
<i>Supervisors</i>	Must have undergraduate degree	Monitoring the junior teachers, providing feedback on classes	Currently all women; members are 40-50 years old; supervisors attend classes across communities
<i>Subject teachers</i>	Undergraduate degree	Teach specific session of 45 minutes each, covering 4 classes daily	Primarily women; 19-35 years old; all are from the community (60 per cent are married); junior teachers are formally employed by the parents' committee but paid by GS
<i>Monitoring teachers</i>	Grade X pass	Maintain discipline during the break between classes; provide support to children in class activities	

Graph 1 shows the qualification levels of the different staff ranging from the Core team officers to the teachers on the elementary programme.

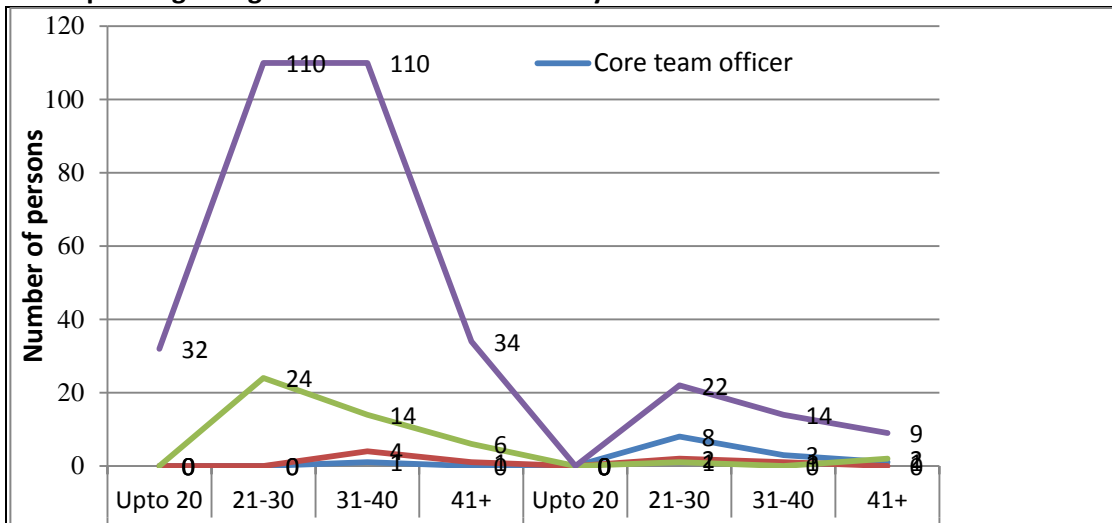
Graph 1: Qualifications of Elementary school staff by position



Source: Compiled from Gyan Shala data

Under the elementary level there are 32 staff with MAs out of a total of 344 staff, a percentage of only 6% which then compares with 20 out of the 63 staff at the Middle level that have MAs – a very impressive 32% of the cadre. Graph 2 provides a comparison of the age ranges of the respective staff across the two levels of programmes according to the different staff positions. The Graph highlights how - out of a 407 total staff contingent – 328 (81%) are between the ages of 21 and 40.

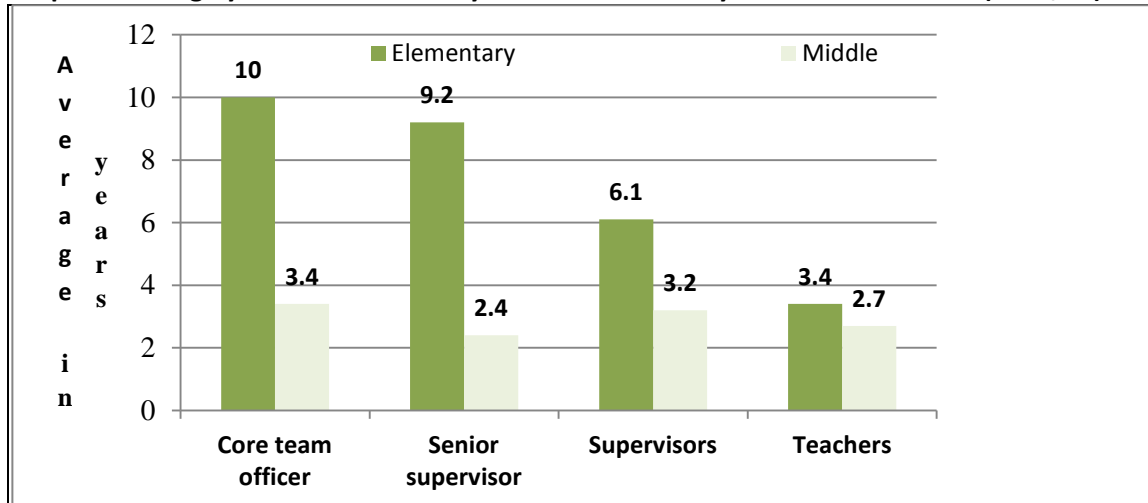
Graph 2: Age ranges of the staff in Elementary and Middle level schools



Source: Gyan Shala data

Graph 3 provides comparative details of the overall average of years of service with the GS programme for the different staff members. Understandably in the Middle school the years served are less than in the Elementary school, but the average number of years across the four different positions is still impressive at both levels even though the wages are comparatively low.

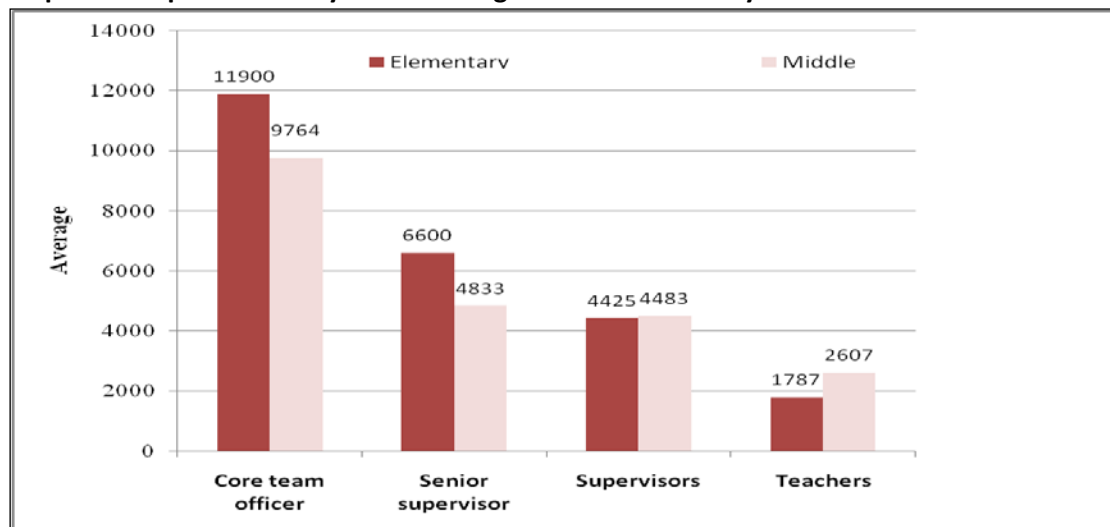
Graph 3: Average years of service in Gyan Shala Elementary and Middle Schools (2010/11)



Source: Gyan Shala data

Graph 4 provides a comparative summary of the wages paid to the different staff across the Middle and Elementary schools. Interestingly the wages of the senior positions for the Elementary school exceed that of the Middle school while the wages of the teaching staff in the former are less than the latter.

Graph 4: Comparative analysis of the wages in the Elementary and Middle schools



Source: Gyan Shala data

5.3 Financials

5.3.1 Expenditure

Table 7 and its provision of the summary of the total costs of the programme in 2010/2011 highlight some important facets of the GS programme financial model. See Annex 3 for a more detailed breakdown of these costs by component.

Table 7: Summary of Total Costs & % Cost per student at Elementary and Middle Schools in 2010/2011

Components		Elementary School (St 1-3)		Middle School (St 4-7)	
		Total Cost in GBP	% Cost per student	Total Cost in GBP	% cost per student
Human resources	Head Office	30338	7	14986	16
	Academics*	212336	47	28481	49
Training		26565	6	1651	4
Testing		127	-	19	-
Teaching and Learning Resources		76872	17	10933	18
Administration		14100	3	5288	3
Facilities (<i>rent and maintenance</i>)		65141	14	5528	9
Operations (<i>project development and field support between states</i>)		27153	6	1368	2
Capex (<i>furniture and equipment</i>)		15584	-	2277	-
Total Costs		453		68254	
Total Number of students		233		14	
Cost per student		28		68	

* comprises costs for senior supervisors, field staff and teachers

Source: Compiled from Gyan Shala Financial Reports

- The cost structures illustrate how allocation of over 75% of the expenditure is made toward funding on the following three 'quality' components for the Elementary and Middle levels respectively: 47% and 49% for teacher salaries, 17% and 18% for Teaching and Learning Resources; and 14% and 9% for Facilities;
- Whereas back office functions such as Head office costs, Administration and Operations comprise only 16% of costs for Elementary and 21% for the Middle level - an amount that will probably decrease once the programme for Grades 4 to 7 becomes more established;
- The Elementary unit cost is very low at under INR 2,000 (GBP 28) per child while the Middle level per child cost is still reasonable but over twice the per child cost of Elementary;
- The design and management teams are highly skilled and compensated with high wages, but their cost is spread over a large number of classrooms; and
- Standardisation facilitates teaching by junior teachers who are paid around INRs. 1,500 (GBP 20) a month for working three hours a day, which keeps GS costs competitively low as only 35% of the total cost.

5.3.2 Income

Table 8 provides a breakdown of the sources of income for the GS programme over the past five years while Table 9 shows these three funding sources across the two levels of school. Significant points from these two Tables and the data include:

- On average across the five years of operation, sales have only comprised some 8% of income reaching a high of 11% in 2009/10 and then a critical level of only 2.5% in 2010/11;
- The programme is thus relying very heavily on donations and grants from public donors, Corporate Social Responsibility (CSR) or private philanthropists in order to maintain its operations;

- Under the elementary programme and SSA funding for ‘Out-of-School-Children’ – GS is expecting to be paid between INR 2,200 (GBP 31) and INR 2,400 (GBP 34) for every child enrolled, yet only INR 58,96,886 (GBP 84,241) was received in 2009/2010 when 11,386 children were enrolled in Grades 1 to 3.

Table 8: Sources of Income and Sales as a % of Total Income (2006/2007–2010/2011) in GBP

<i>Sources</i>	<i>2006/7</i>	<i>2007/8</i>	<i>2008/9</i>	<i>2009/10</i>	<i>2010/11</i>
Sales	11,722	20,396	26,270	31,665	12,658
Other income	931	2,239	4,753	7,999	12,349
Donations & grants	173,977	188,528	200,190	290,660	477,171
Total income	186,630	211,163	231,213	330,324	502,178
Sales as % of total	6.20	9.70	11.40	9.60	2.50

Source: Compiled from Gyan Shaha Financial reports

Table 9: Allocation of funding sources across Elementary and Middle Schools (2009-2010) in GBP

<i>Funding source</i>	<i>Elementary School (St 1-3)</i>		<i>Middle School (St 4-7)</i>		<i>Total Allocation across GS</i>
	<i>Total</i>	<i>% of total</i>	<i>Total</i>	<i>% of total</i>	
Government	84,241	25		0	21
Donations & grants	246,065	73	38,830	89	75
Parental fees	7,944	2	4,630	11	4
Total	338,250	100	43,460	100	100

Source: Compiled from Gyan Shaha Financial reports

For the Elementary level, GS receives government funds under the Gol’s SSA programme paid on the basis of each student enrolled in Grades 1 to 3. In addition, GS charges a nominal fee of INR 50 per month (GBP 0.70) from the parents while the majority of the funding is garnered from corporate donors. For the Middle level, there are only two revenue streams – the charitable sources (89%) and the income from parental fees where the programme charges parents a fee of INR 100 per month (GBP 1.42). Box 7 provides a summary of some of the major national and international donors that have, or are, supporting the programme.

Box 7: Donors supporting the Gyan Shala programme

Sir Ratan Tata Trust, Mumbai was the first donor who provided core funding to GS at its start. Volunteers for India Development and Empowerment (VIDE) was the second major institutional donor/ supporter who helped GS Shala launch its program in rural areas, in the Earthquake affected villages in 2001

The Social Initiative Group, ICICI Bank, India has provided core funding since 2004, by meeting the cost of programme components that are not covered by the SSA grant.

Jan Vikas, Ahmedabad, has supported the GS rural programme in Panchmahal district for three years over 2004-07.

Share and Care Foundation, USA have supported part of the cost of both the elementary and middle school programmes.

Mr. Pulak Prasad of Nalanda Capital, Pte. Ltd., Singapore, is funding the Bihar project

Michael Susan Dell Foundation (MSDF) has offered to support various programmes in Ahmedabad over 2008-2013.

Packard Foundation in support of a study to understand the contribution of Gyan Shala into the lives of the teachers.

5.3.3 Profit and Loss

Table 10 illustrates how the programme is solvent but the following is one area of concern: while total expenditure has tripled over the past five years with such cost items as the salaries, training and T/L Resources all increasing threefold, the Sales of 2010/11 remain similar to the amount that was received in 2006/7. Another area of interest is that the margin has remained fairly constant each year regardless of the amount of turnover achieved.

Table 10: Expenditure and income by component from 2006/7 to 2010/11 in GBP

Components	2006	2007	2008	2009	2010
Salaries	66,194	81,655	111,002	149,678	226,803
Training	7,828	16,526	12,318	18,826	23,530
Testing	0	0	769	8,476	27,421
T/L Resources	30,623	49,910	41,652	65,077	84,508
Administration	1,837	1,777	3,196	8,147	19,936
Facilities (rent and maintenance)	24,536	26,983	28,832	35,500	46,668
Operations	6,632	5,896	9,213	12,139	39,109
Miscellaneous (<i>incl interest</i>)	3,712	3,853	4,209	6,856	7,684
Depreciation	18,689	6,162	8,598	16,441	30,502
Total Expenditure	129,555	166,191	184,876	272,960	439,883
Total Income	186,630	211,163	231,213	330,324	502,178
Margin	57,074	44,972	46,337	57,364	62,295

Source: Compiled from Gyan Shala Financial reports

6. Outcomes

Section 6 reviews GS through the following three lenses: (i) *Efficacy* with a particular focus on the evidence of impact on learning outcomes and an assessment as to the critical factors that are behind this good performance; (ii) *Equity* and a review of issues of gender and equity; and (iii) *Sustainability and scalability*.

6.1 Efficacy

6.1.1 Learning Outcomes

There have been three different assessments of learning outcomes from which evidence of impact can be drawn. Table 11 provides a summary of these three assessments with regard to the year of the assessment, the assessor and class levels.

Table 11: Summary of Details of the Assessments of Learning Outcomes for Gyan Shala

Year	Assessor	Subject	Grade	Main focus/comparator
2003/04	MIT and Pratham	Language and Maths	Grades 3 and 4	Achievement of GS Grade 3 students compared with control groups of Grade 4 Vadodara Municipal school students
2006/07	Educational Initiatives (EI)	Language, Maths and EVS	Grades 2, 3 and 4	Achievement of GS students compared with control groups of similar Grade students from AMC schools
2010	CfBT Education Services	All subjects	Grades 1 through 7	Classroom observations within 330 GS Centres and assessment of attainment across eight school effectiveness domains

Under this first study that was undertaken by MIT and Pratham in April 2004, similar exams were administered to Grade 3 in GS centres that had been administered to Grade 3 and 4 children in the Vadodara Municipal schools (VMC) in March 2003. Table 12 shows how the GS students outperformed their VMC counterparts across both the Language and Mathematics components.

Table 12: Language and Math Results, All Students

<i>Language</i>	<i>GS</i>	<i>VMC</i>	<i>Mathematics</i>	<i>GS</i>	<i>VMC</i>
Copying	80	79	Division	91	51
Reading comprehension	59	13	Subtraction	87	34
Writing	46	14	Multiplication	94	44
Complex sentence structure	65	17	Addition	77	30

Source: Linden, L. (2004) *Testing of Third Standard Gyan Shala Students, MIT.*

This brief note summarizes the results of this endeavour.

While this simple comparison cannot be considered an evaluation of the effectiveness of the Gyan Shala model, the results do suggest that Gyan Shala students are performing surprisingly well. The differences between their peers in the Vadodara municipal schools are at least one standard deviation of the standard-three Vadodara distributions for both the math and the language assessments. (Linden 2008).

2009/2010 Testing of Gyan Shala Methodology in Government schools

This second evidence of impact study is different to the 2004 (MIT/Pratham) and 2010 (CfBT) in that it is measuring the use of GS pedagogy, curriculum material and teacher training in public schools rather than the quality of provision in GS's own centres. In 2006, the Government of Gujarat (GoG) asked GS to take up a pilot program for improving quality of learning in Government Schools in Grades 1-3 in the AMC. Formal assessment of the impact of this pilot was included as a part of agreement. Randomly selected samples of treatment and control schools were chosen for starting the pilot and assessing its impact.

In 2006-07, around 2000 children in 23 treatment schools started participating in the pilot in Grade 1, and each year, a new batch was inducted in Grade 1 as the earlier batches moved to the next higher grade class. In 2008-09, the first batch of students who had joined the pilot, completed Grade 3. Recognizing the apparent positive impact, the Government asked GS to take up another pilot starting directly with Grade 4 students in 30 randomly selected schools in 2008-09. As previously, GS also selected a control group to facilitate impact assessment.⁶

Table 13: Summary of analysis for the AMC outsourcing of education services

<i>Category of Schools</i>	<i>Number of Schools</i>		<i>Number of Students</i>		<i>Number of Students tested</i>	
	2009	2010	2009	2010	2009	2010
Gyan Shala	121	104	2807	2807	2807	2400
AMC -I	52	36	5191	5191	5191	3728
AMC-C	48	17	3845	3845	3845	1545
Total	221	2167	11843	11843	11843	9683

Table 14 provides a summary of the findings on overall performance from this study.

⁶ Assessment Report on Student Learning (March 2010) Education Initiatives. Ahmedabad.

Table 14: Summary of overall performance gains in AMC schools

Subject	Treatment	Summary of findings
<i>Maths</i>	The tests were administered in Grades 2, 3 and 4, in all the three category schools.	The GS students scored higher compared to the AMC-I (AMC-Intervention) and AMC-C (AMC-Control) school students across classes. AMC-I students scored higher than the AMC-C students across classes.
<i>Language</i>		The GS students scored higher compared to the AMC-I and AMC-C school students across classes. AMC-I students scored higher than the AMC-C students across classes
<i>Studies (EVS)</i>	The EVS test was administered only in Grade 4.	GS students scored higher than AMC-I and AMC-C students. The AMC-I students scored higher than the AMC-C students.

Source: Assessment Report on Student Learning (March 2010) Education Initiatives

Further significant assessment was undertaken by EI under this Study, whereby comparisons were made in three additional areas:

1 EI also looked at the performance of the Gyanshala Project students on COMMON questions across other major studies⁷ undertaken by EI. Firstly, making a comparison with Municipal Schools Benchmarking (MSB) Study- Class 2 that was undertaken in Municipal Schools across the states of Andhra Pradesh, Gujarat, Chhattisgarh, Rajasthan and Uttarakhand covering 35000 students in 30 cities, the Class 2 paper was given to Gyanshala students in order to make a comparison of Gujarat municipal schools performance and Gyanshala and AMC schools performance on identical questions. *The performance of Gyanshala, AMC-Intervention students was higher than that of the MSB students of Gujarat in both 2009 and 2010.*

2 Under the UNICEF Quality Package (UNICEF QP) Intervention, learning levels were measured in 2006- 2007 across 13 states including Gujarat. These were government school students belonging to rural and urban districts of India. Again the same test paper was administered to measure the student achievement level in UNICEF QP study and Gyanshala programme schools. *Gyanshala and AMC-Intervention schools continued to perform better in 2010 than rural and urban students of Gujarat tested under the UNICEF project.*

3 In the Grade 4 Maths paper a few anchoring questions were taken from two international studies - Trends In International Mathematics and Science Study (TIMSS); and EI's Annual Status of Student Learning (ASSL) study covering 40,000 students in Bhutan. *In 2 out of 3 common questions, the Gyanshala schools performed better than the Bhutan schools; however performance was lower than TIMMS participating schools in all 3 common questions in 2010. In 2010, the AMC-Intervention schools performed lower than Bhutan schools in 2 out of 3 common questions, and lower than TIMMS participating students in all 3 common questions.*

2010 CfBT Assessment of the Gyan Shala Programme⁸

In order to evaluate the effectiveness of the Gyan Shala learning centres in a holistic manner and to benchmark them against international best practice and standards achieved, CfBT conducted an

⁷ The comparison is only to be used as indicative of achievement levels and not meant to comment on the impact of the Gyanshala program as different students may have been at different levels to start with.

⁸ CfBT (2010). An Assessment of the Gyan Shala Programme. Unpublished document commissioned by Gyan Shala.

assessment over a period of three weeks with a team of 12 Assessors who were identified and trained to use assessment tools developed by CfBT through international research and applied in various global contexts, particularly in the UK and the Middle East methodology. The following eight quality indicators were selected based on research into school effectiveness and the belief that an effective school will seek to provide the best possible academic or cognitive outcomes whilst enabling the students to thrive in terms of their personal development.⁹

- How good are the students' attainment and progress?*
- How good is the students' personal and social development?*
- How good are the teaching and learning?*
- How well does the curriculum meet the educational needs of all students?*
- How good are the staffing, facilities and resources for learning?*
- How good is the partnership between the parents and the school?*
- How good are the leadership and management of the school?*
- How well does the school perform overall?*

To ensure appropriate coverage of both the Elementary and Middle levels, trained Assessors visited the Gyan Shala centres and observed classroom transactions from each Grade level. 330 classes were observed across 112 'centres' (104 at the elementary level and 8 at the Middle level) – a sample size of 30 percent that had no prior notice of the observation visit. Box 8 now provides a summary of the findings across the eight domains.

Box 8: Summary of findings from the CfBT Quality Audit (2010)

<i>Focus Area and Aspects</i>	<i>Outstanding</i>	<i>Good</i>	<i>Acceptable</i>	<i>Unsatisfactory</i>
<i>Attainment and progress</i>				
Attainment in Gujarati				
Attainment in Mathematics				
Attainment in Project Work				
Attainment in Science				
Attainment in English				
<i>Personal and social development</i>				
Overall deportment				
Student attendance				
<i>Teaching and Learning</i>				
Teaching for Effective Learning				
The Quality of Students' Learning				
Assessments				
<i>Curriculum Quality</i>				
<i>Staffing, facilities and resources</i>				
Facilities and resources				
Health and safety				
<i>Partnership with parents</i>				
<i>Leadership and Management</i>				
Management				

Source: CfBT Quality Audit Report (2010)

⁹ The set of quality indicators and the Assessors Rating Scale were contextualized to assess the unique Gyan Shala programme from the process and indicators that were used by CfBT to support (i) inspection of over 3,000 schools annually in England under contract with OfSTED and (ii) inspection of all public and private schools in Dubai on behalf of the Dubai Schools Inspection Bureau.

Drop out rates

Another important programme outcome is that of internal efficiency and a means of measuring such efficiency can be achieved through a review of the rates of drop out within the programme. Table 15 shows the rates of drop out in the Elementary and Middle Schools over the past five year period. This Table highlights clearly that – once the children enter the second grade – that they stay in the programme. In addition, this Table shows an impressively low percentage of dropout of just over 5% over the seven grades over this five year period.

Table 15: Drop out rates in Elementary and Middle Schools 2006/7-2010/11

Grade	2006/7		2007/8		2008/9		2009/10		2010/11		Average annual %
	Stud	%	Stud	%	Stud	%	Stud	%	Stud	%	
1	620	15	354	10	605	15	360	9	547	12	12
2	125	5	113	5	172	7	126	5	147	5	5
3	38	4	60	4	28	2	10	1	-4	0	2
<i>Sub total</i>	<i>783</i>	<i>11</i>	<i>527</i>	<i>7</i>	<i>805</i>	<i>10</i>	<i>496</i>	<i>6</i>	<i>676</i>	<i>7</i>	<i>5</i>
4	16	12	20	7	3	1	23	9	-6	0	6
5	-		9	6	6	3	10	5	17	3	4
6	-		-	-	0	0	14	8	6	3	4
7	-		-	-	-	-	5	6	2	1	4
<i>Sub total</i>	<i>16</i>	<i>12</i>	<i>29</i>	<i>7</i>	<i>9</i>	<i>1</i>	<i>52</i>	<i>7</i>	<i>19</i>	<i>2</i>	

Source: Gyan Shala data

6.1.2 Critical factors

Box 9 provides a summary across four areas of focus - *child-centric, continuous teacher training and support, benchmarking attainment and main teaching and learning processes* – in which it can be argued that the GS programme incorporates these characteristics even if the curriculum design and mode of delivery are changed from the traditional school model.

Box 9: Is it pedagogically sound and delivering meaningful learning?

Area	Components
<i>Child-centric</i>	Space, time and material are made available for children’s individual and group work. The class work is divided into three subject streams centred around the first language of children, math and project work/ creative expression. No module exceeds 20 minutes of class work at a stretch, to keep it within the attention span of children. Children are provided learning material in ample quantity, including learning aids for individual and group activities, and a worksheet for each stream every day that add up to more than 650 in a year
<i>Continuous teacher training and support</i>	There are annual, bi-annual, monthly, weekly and even daily training and mentoring components. The teachers undergo an annual two-week course, and a mid-year one- week course covering the overall learning task and methodology. 1 day of training each month focuses on the preparation for using the learning material. Each week, a school supervisor visits each teacher, to check and demonstrate the appropriate class practices and to help the teacher to go through the teacher guide for the next week’s sessions. The team responsible for designing the learning schedule and material also supplies the teacher guides for each day’s work highlighting the issues/ examples

	that teachers must emphasize for that day's work.
<i>Benchmarking attainment</i>	Gyan Shala benchmarks the quality in its classes with national curriculum norms. Children's progress is tracked each month, and formally assessed every six months, to initiate corrective actions to keep each child on the intended progression track.
<i>Main teaching and learning processes</i>	From the very first day in the school, each child gets used to writing/completing three pages of worksheets each day in the class, and handles books and printed matter, even though she/he still cannot read/write the text. The learning material provided in the classrooms aims to match the recognised high-quality norms. One teacher works with a group of 30 children. The work is so organised that each child receives individual guidance and feedback for improvement every day. The teachers are provided extensive training and they receive supervisory/support visits at least twice a week.

6.2 Equity

Finally the question as to whether the Gyan Shala programme is providing a low fee private education opportunity for public benefit. Box 10 provides three robust reasons that illustrate how this programme has been designed to provide education at a low cost for those who would otherwise be unable to access school – *the timetable, the location, and the price point*. While the programme does not retain specific details regarding the socio-economic status of its students, it can be assumed that students are from the lowest quintile given the location of the centres in pockets of extreme poverty.¹⁰

Box 10: Is it equitable?

<i>Area</i>	<i>Components</i>
<i>Timetabled to support beneficiaries and clients</i>	The class schedule is designed to minimise idle time and maximise the time-on-learning task for each child. The individual topic module is kept short to match the attention-span of small children. School timing is set to minimise the interference by the local social life cycle in the schools' functioning.
<i>Location</i>	Classes are held close to children's home so that young children can come to the school unescorted. This is critical for their regular attendance. Each classroom has colourful and well-designed furniture and adequate lighting and ventilation.
<i>Price point</i>	Classrooms are rented, single rooms and there are no playgrounds or other amenities. Teachers are hired from the informal sector at a fifth or a sixth of the salaries of teachers in the formal sector. GS employs just 50 people full-time, of which barely a handful have a salary exceeding INR 10,000 (GBP 142) per month. The GS cost of educating a child is INR 2,000-2,200 per annum while the same cost is about INR 18,000 (GBP 257) in a government school in a metro.

There is data on another important area of equity and gender with the publication of the Packard Foundation (2011) exploratory study to understand the contribution of GS into the lives of the teachers. The research objectives of this study were threefold: (i) to understand the role and impact

¹⁰ The current FGDs have gathered data on the job levels of the parents and from this data, assumptions can be made as to socio-economic status. However, going forward there is a strong recommendation that technical assistance be given to enhancing the capacity and capability of the programme to track student data, including this need for information on financial status.

of GS in the lives of women associated with the programme; (ii) to understand changes in the knowledge, attitude and perception of the women about their own lives; (iii) to understand changes, if any, in the communities' attitude and perception towards GS and its teachers. The following interesting findings were made in this qualitative study comprising five different groups and some 300 respondents - women currently working under the GS programme; women who were associated with but have left GS; women who had only attended training of GS but were not recruited as teachers; family members of GS teachers and women in the community who have not interacted directly with Gyanshala.

- The greatest economic impact has been observed from among those teachers that belong within the community where the centre is located since their salary is a source for both financial security and financial independence. However, financial independence is also a major factor for the non-community teachers¹¹;
- The programme provides an opportunity for the teachers to meet people, travel, and broaden their knowledge base;
- Association within the programme creates a peer network outside their family and the colleagues are often cited as an *'important support system and emotional vent.'*
- Some of the women also reported that this new financial independence has emboldened them to assert their due space within the family and also perceive being given greater respect by their family members
- The women also aspire to educate their children and now are increasingly aware of the importance of education for both personal and professional growth.
- Religious background does not seem to have a great influence on the manner in which the programme impacts their life. (Social and Rural Research Institute, 2011).

6.3 Scalability and sustainability

Box 11 considers the critical issues of scalability and sustainability across four parameters, namely *organizational culture, structural design for accountability, management structure and ability to grow.*

Box 11: Is it scalable and sustainable?

Area	Components
<i>Organizational culture</i>	The teachers, who come from low-income backgrounds, are provided annual and monthly training in a good quality training-centre The design team is required to be in direct touch with the teachers and classrooms so there remains the least possible gap between the design parameters and actual classroom practice.
<i>Structural design for accountability</i>	A multi-tier supervisory chain oversees the performance. The availability of financial resources to the Gyan Shala team is linked to the measurable performance of children in an independently held examination at the end of the 3-year module. A mechanism to replace non-performing staff without disrupting routine performance is built-in.
<i>Management structure and processes</i>	The organisational structure is designed to integrate the management of the programme with the development and supply of learning material and teaching guides, the annual and monthly teacher training and weekly supervisory support to the teachers. This is done in a decentralised mode so as to fit the learning needs of a chosen

¹¹ Out of the 297 elementary teachers within the 126 schools in the five zones of the city, 105 teachers were from within the community and 192 teachers from outside.

	<p>group of less than 15000 children with similar socio-economic profiles. The teachers are supported/supervised by a team of senior teachers. A core team of subject specialists is responsible for the design and development of learning materials and teacher training, all of which is linked to the feedback from the classes. The design establishes a chain of supervision/mentoring for quality assurance.</p>
<i>Ability to grow</i>	<p>Use only such level of talent and staff that are available in large numbers at the given salary level. The core competence of the organisation is to induct and train new staff of modest formal education to deliver teaching and learning to an acceptable level of quality. A decentralised self-contained education design and delivery unit whose effectiveness/success can be measured un-ambiguously. Use of private sector contracts for employment with competitive salaries and weekly supervision.</p>

GS serves its low-income market located in the urban slums by working on a ‘No Frills’ model that enables economizing at every stage in the provision of the education offering: (i) In *setup and service*, non-core capital and expenses provide a basic service while the education quality is kept sufficiently high through the design and management team and field staff to ensure the education service is comparable to or superior to other options; (ii) there is a high *utilization of the asset base* with facilities being used on double shifts and the same teacher often working on two shifts; and (iii) there is a focus on *service specialization* with the delivery, for example, of only three core subjects in Grades 1 to 3 while all procedures with regard to personnel and training are highly standardized, documented, routinized, and easy to deliver for lower-skilled staff.

This GS model has thus proven scalable in Bihar and Gujarat for obvious reasons: it targets densely-populated urban and peri-urban areas, it offers a value proposition comparable, or superior, to public and private sector competitors and, although marginally more expensive than government primary schools, provides superior service, has an easily defensible — because demonstrably no frills — cost and profit structure. The two most prominent tests for this business model are (i) recruiting, training, and retaining sufficient numbers of teachers, and (ii) attaining and maintaining sufficiently high customer volume. The reengineering of the teacher and the production of a rigorous and regular ‘on site’ training programme has addressed the first challenge. As for the need to ensure high customer throughput, GS must rely on word-of-mouth and reputation since there is no marketing or sales systems available to generate customers. Hence the need for the GS education services to be located in areas with a high acceptance of institutional delivery as well, most critically, for subsidy from either the public sector or philanthropy since the model cannot afford at the outset to bear alone the cost of convincing low-income clients as to the value of the offer.

There are two main objectives to the overall Study: firstly, to produce an evidence review paper that can be used by DFID/ GOI as a guide for identifying, supporting and monitoring the non-state sector as a partner in enabling access to universal elementary education of good quality for poor and vulnerable groups; and, secondly, to develop hypotheses that support more rigorous and detailed future impact assessment of projects that aim to leverage the potential of the non-state sector. Three key questions however need to be answered when sourcing similar solutions: firstly, what is the appropriate commercial model that can support financial sustainability — is it a model that comprises a mixed source of funding from government, philanthropy and fee payers? As illustrated in Table 16 overleaf, GS provided an example of a number of different PPP types.

Table 16: Different PPP Types exhibited by the Gyan Shala Programme

<i>Aspect</i>	<i>In Gyan Shala Centres</i>		<i>In Government Schools</i>	
	<i>Gyan Shala (Subsidy model)</i>	<i>Gyan Shala (Trade-off model)</i>	<i>Government (Revenue model)</i>	<i>Gyan Shala¹² (School management model)</i>
<i>Management</i>				
<i>Provision</i>	Uncertified GS teachers, GS pedagogy, curriculum and structure	Uncertified GS teachers, GS pedagogy, curriculum and structure	GS Pedagogy and curriculum to certified government teachers	Certified GS teachers, GS pedagogy, curriculum and structure
<i>Level</i>	Grades I-III	Grades IV-VII	Grades I-III	Grades I-XII
<i>Finance</i>	Major cost coverage from SSA	Individual feepayer and CSR	Government	Government (I-III) and primarily feepayers (IV-XII)
<i>Client</i>	Government	Feepayer and CSR	Government	Feepayer and Government
<i>PPP Type</i>	Design, rent premises from community and manage facilities	Design, rent premises from community and manage facilities	Deliver contract services on public premises	Deliver school management services in government provided premises

Secondly, can the approach be replicated and scaled up to deliver quality education for the very poorest of the poor? Although there is an argument that GS is obtaining income through competing for business from different providers – be the funder the government, the donor or the feepayer – the four types can also be seen to work along a continuum that starts with a (i) *Subsidy Model* with a majority of the funding coming from the government; (ii) moves toward a *Trade Off Model* in which the organization is constantly working towards financial sustainability through fee collection and additional donor revenues; (iii) includes a *Revenue Model* as a non-profit with a contracting business activity; and (iv) is looking to embark on a more traditional PPP *School Management Model* in which GS will obtain revenue from the government under the RTE voucher scheme with additional revenue from parents through management of a traditional school infrastructure.

In Part 3 - in order to determine whether the GS models have the potential to be scaled up to reach a meaningful number of learners or to assess to what extent can GS be adapted to operate as a social enterprise – the Study considers aspects such as the target group, service provision, economic viability, capital model, scale and customer perception.

The third and final question revolves around the appropriate policy environment for supporting partnership approaches. In 2010 RTE was enacted in India. This Act provides for the legal right for a child to a free admission, attendance and completion of basic education from 6 to 14 years of age with quality to be assured through compliance against established standards and norms. The intention of this Indian Act to provide universal education - as is perhaps the case in legal frameworks in other countries - is laudable but application of the standards and norms under this

¹² Gyan Shala has made an application to the AMC for operation and management of ten existing public schools to which this type would apply. The application is pending.

Act will mean that innovative and effective non state approaches such as the GS example are unable to operate as their 'modus operandi' does not fit within the confines of the law.

PART 3: IS THE GYAN SHALA PROGRAMME VIABLE AS A MARKET BASED EDUCATION SOLUTION?

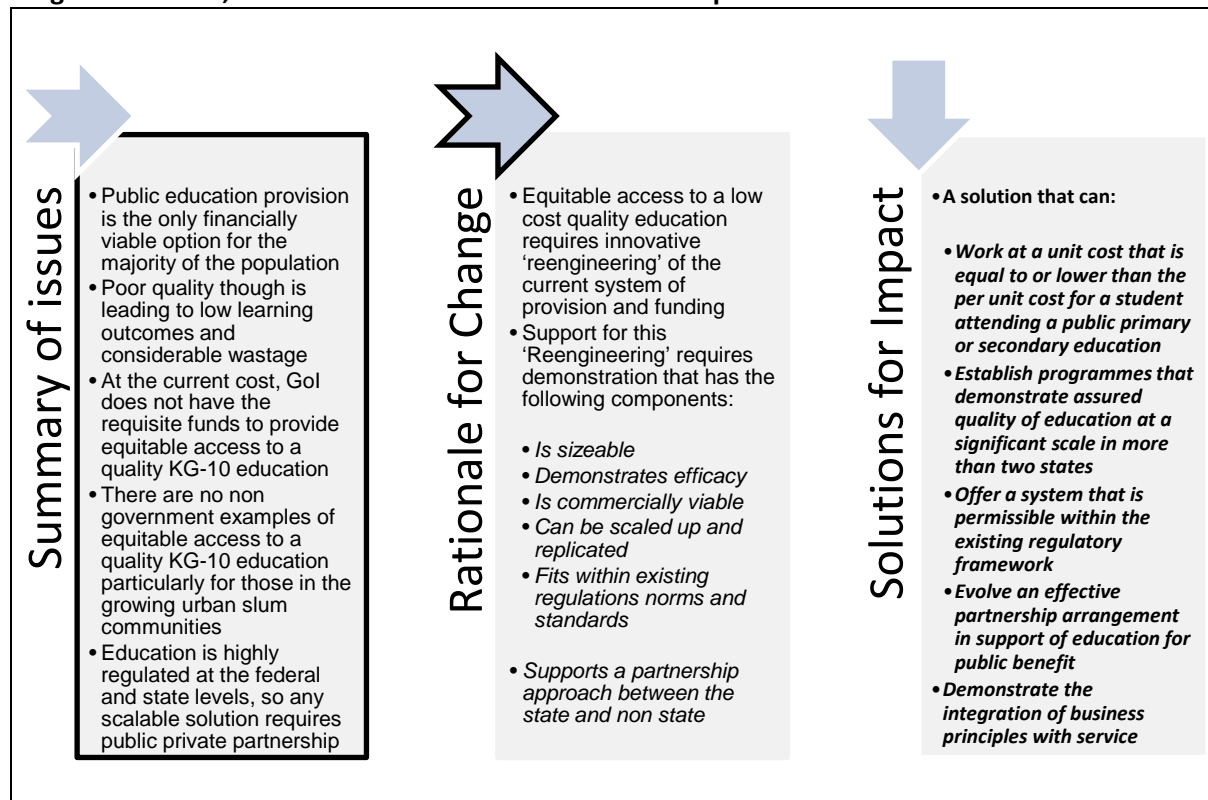
8 Introduction

8.1 Goal of a Market Based Education Solution

The ultimate long-term goal of any potential Market Based Education Solution (MBES) is to support the universalisation of education through the development of low cost high quality education delivery mechanisms that operate within the existing regulatory framework and are capable of demonstrating their efficacy. The medium-term impact will be an increase in the stock of human capital so that 'states' have a stronger knowledge economy through a better skilled, better educated citizenry able to fulfil their aspirations and able to hold a balanced world view. The proposed programme supports interventions across any urban slum environment.

A MBES design needs to reflect a strong correlation between poor education indicators (especially illiteracy), poverty, and the assumption that better quality education is a key contribution to improving livelihood opportunities. In addition, the design reflects the belief that the quality of the education requires equal focus between the content of what is being taught and the governance of the education system. It is important therefore that the proposed programme aims to improve governance and access to education as well as revising the curriculum and increasing the education attainment levels of children. Diagram 2 provides a summary of the *Issues*, a rationale for supporting Gyan Shala as a possible model for *Change*, and proposed *Solutions* against which impact will be measured.

Diagram 2: Issues, Rationale and Possible Solutions for Impact



8.2. Determining the Critical Success Criteria

The overarching goal (impact) and purpose (outcome) of the proposed MBES presented are:

<i>Goal:</i>	Better educated and skilled citizens within deprived urban environments.
<i>Purpose:</i>	Sustained increase in the numbers of girls and boys participating in better quality primary and secondary education residing in deprived urban environments.

Table 17 shows the six success criteria that have been selected as critical to achieving this impact and outcome. Weightings for each of the six criteria have been ranked from 5 (High) to 1 (Low)¹³.

Table 17: Appraisal of Options

<i>Will the Option be feasible?</i>	
1	Provide value for money (VfM) in short, medium and long terms?
2	Prioritise the needs of girls and the most vulnerable and under-served?
3	Make it possible to manage cash flow risk?
4	Transform approaches to teaching and learning?
5	Support community demand for accountability and quality education?
6	Provide an approach that can be scaled up?

Although GS currently only delivers education through the primary Grades, this Study has assessed all the feasible options across the Primary and Secondary sectors - from KG through to Grade 10 which could lead to the achievement of the impact and outcome. Three feasible options were assessed: *Option 1* in which GS is an alternative provider of education for OOSC or children that are hard to reach in urban slum communities (through Grades 1-3 only) with the majority of the revenue coming from the government with support from external donors and no fee income from students. *Option 2* in which GS is a low fee private provider of primary education (through Grades 1-7/8) with revenue coming from the government through the RTE 25% allocation, some funding from donors and a maximum of 25% from student fees in Grades 4-8. *Option 3* in which GS is a low fee private provider of primary and secondary education (KG through to Grade 10) with no fee payment from students in Grades 1-3, shared funding from donors and students in Grades 4-8 and full fee payment from the students in Grades 9-10 supported by a targeted scholarship programme.

8.3 Appraisal of Options

This section reviews each of these options in turn in order to determine which of the three is the most viable for replication.

8.3.1 Option 1: A Programme from Elementary Grades 1-3 Only

Under this first Option, the State Government's SSA budget would be relied upon to cover the majority of the education programme. A programme inside SSA only would thus not involve direct support from either (a) external donors (which currently account for 73% of income); or (b) fees from students (which currently account for 2% of income).¹⁴ But a programme based on sole funding from SSA would have a number of financial and educational constraints including: (i) a cashflow risk as payments made by the state authorities can be irregular and delivered in variable amounts thus impacting upon a steady cashflow system of payments both into GS and out to suppliers and staff; (ii) a revenue risk since the payment is currently made per student based on 60% per student enrolled and a further 40% payment upon the student's completion of Grade 3 and receipt of transition into a government Grade 4 class; (iii) a marketing risk in that the potential beneficiaries

¹³ In this Preliminary study there has been no attempt to weight these criteria, although in the implementation of a full study this could be undertaken.

¹⁴ See Section 5.3 in Phase 1 of this Study for a breakdown of the revenue and the sources.

would be less enamoured of a programme that only delivered for three years when the child would then have to transfer and overcome some of the same access constraints that the GS programme is geared to address (such as proximity and scheduling); and (iv) a quality risk since the provision of only three years immersion in the GS teaching and learning process would have an adverse impact on learning outcomes as well as possibly hinder children who then transferred into a more formal and traditional education system.

8.3.2 Option 2: Full support through Elementary and Middle Primary Grades 1-8

There are two main considerations which support where GS is a low fee private provider of primary education (through Grades 1-7/8) with the majority of the revenue coming from the government through the RTE 25% allocation and some funding being sourced from donors and a maximum of 40% from student fees in Grades 4-8: firstly garnering some revenue from the beneficiaries gives them more ownership of the programme while funding from three sources (public, donor and student) provides a more stable cash flow base for the overall operation; and secondly, provision of the full primary eight years gives an opportunity for a complete primary education programme that prepares students with a specific exit point to transit into the secondary level in a private or public school.

However there are again a number of significant constraints related to this option, including: (i) evidence from the beneficiaries shows a strong preference to undertake their secondary studies in a GS environment on the grounds of quality, cost and access if such an option was provided; (ii) while students are enrolling for their full primary schooling in the '1-Room' shalas, they will still have to conclude their studies in a public school in order to sit the state examinations and earn their education certification; (iii) although this impact has not been quantified yet, there is a possibility that failure to provide the secondary 'bridge' might have a negative impact upon attendance and retention in the primary programme; and (iv) GS will still be overly reliant financially upon funding from the government and if this funding were to be withdrawn, GS would not be sustainable purely on external donor and fee income.

8.3.3 Option 3: Supporting the Primary and Secondary KG to Grade 10

While there are two considerable quality and financial benefits of supporting the full KG to Grade 10 programme that include the provision of a full holistic ten years of education and access to funding across three funding sources, these benefits must of course be weighed against the potential risks which include, firstly, a significant Capital risk since establishing a secondary programme requires considerably more capital as GS will need to establish full-fledged schools with facilities such as libraries and laboratories. Then there is a recurrent costs risk since any secondary programme will require qualified teachers with greater content knowledge - and sourcing and retaining these staff will require payment of a much higher salary which in turn impacts upon the current business model where salaries comprise only 50% of expenditure. Then, even if the secondary programme establishes traditional school facilities that meet government norms and source qualified staff, there is still the regulatory risk as to the delivery model in which teachers move from school to school is compliant. Finally there is the Variance risk - even if the delivery model, curriculum and pedagogic approach are comparable, there is the risk of the customer not accepting delivery in two very different types of facilities and at different price points.

A summary of the benefits and risks of these three options is provided in Table 18.

Table 18: Summary of the Benefits and Risks of the Options

Option	For	Against	Evidence
One: Gr 1-3	<i>Easily replicable Lower transaction costs Proven model</i>	<i>Beneficiary pressure Cash flow Insufficient funding Sole source funding</i>	Focus Group Discussions to ascertain stakeholder perceptions Field work to determine Factors of Choice and family background data Analysis of GS financial data
Two: Gr 1-8	<i>Dual funding sources Appropriate exit or transition Proven model</i>	<i>Beneficiary pressure Lack of certification in-house Insufficient funding Insecurity of long term funding</i>	
Three: KG-10	<i>Triple funding sources Holistic programme Opportunity for cross subsidy through scholarships</i>	<i>Access to capital Recurrent costs risk Regulatory risk Variance risk</i>	

8.4 Selection of Option 3 based on Success Criteria

Table 19 provides a quantitative assessment of the three options that entails appraising each of the options and assessing them against the Critical Success Criteria (CSC) that were presented in Table 17.

Table 19: Scoring of Options using the Critical Success Criteria

Critical success criteria	Option 1 G1-3	Option 2 G1-8	Option 3 KG-12
i. Provide value for money (VfM) in short, medium and long terms?	4	4	4
ii. Prioritise the needs of girls and the most vulnerable and under-served?	1	2	5
iii. Make it possible to manage cash flow risk?	1	3	4
iv. Transform approaches to teaching and learning?	2	4	5
v. Support community demand for accountability and quality education from KG to Grade 10?	1	3	5
vi. Provide an approach that can be scaled up?	2	4	5
<i>Total</i>	<i>11</i>	<i>20</i>	<i>28</i>

The appraisal based on the Study's Phase 1 Situational Analysis and the assessment against the CSC indicates that - of the three possible options - full support to the provision of KG through to Grade 10 (Option 3) is the most likely to meet the six success criteria and thus lead to the desired 'outcome' of a *sustained increase in the numbers of girls and boys from deprived urban environments participating in better quality primary and secondary education* and 'impact' that supports *increasing human capital in deprived urban environments*. In view of this, the rest of the Study now presents a more in depth overview of a 7-Year Gyan Shala KG-Grade 10 programme. This overview commences with the financial case including assumptions supporting potential enrolment, finances including income and expenditure, profit and loss and concludes with details from two surveys that were conducted to assess feedback to such a programme from the potential stakeholders.

Implementation of Option 3 involves the full provision of primary and secondary education in order to help achieve the goal of *better educated and skilled citizens in the selected areas of operation* and the purpose of *sustained increase in the numbers of girls and boys participating in better quality primary and secondary education in the selected areas of operation*. The following five specific outputs have been identified as essential to achieve the purpose and contribute to the goal. These

are presented as: (i) wider access to basic education, especially for the most vulnerable and chronically under-served, with gender equity in urban slum environments; (ii) better supported and more effective schools (through school construction/ rehabilitation and improving facilities); Improved teaching/ learning methods (curricula, textbooks, assessment); (iv) Improved teacher management (improved teacher development and ongoing employment of women teachers); and (v) capable, accountable and responsive management and governance of the education system, including public financial management.

There are two integrated components for consideration under this Option 3 Business model - *Component 1* which entails continuation of the lease and delivery of the existing '1-Room' Shala model for Grades 1 to 7 with funding from government for Grades 1 to 3 and government and external donors for Grades 4 to 7; together with *Component 2* and the establishment of single schools catering to KG to Grade 10 that receive funding from government and donors for some targeted students supplemented by income from fees for students in all grades. The assumptions behind the two models are provided in Boxes 12 and 13:

Box 12: Existing '1-Room' Shala Model

- To run schools for grade 1 to 7 in a single brick and mortar room
- Requirement of one room which is leased
- Shala to be run in two shifts
- Maximum capacity of approx 40 students per shift
- Total student capacity of 80 students (2 shifts)
- The teacher requirement be 40 per shift implying a student teacher ratio of 40:1 although usually lower than this
- Some teachers to be used in 2 shifts

Box 13: Proposed 'Single School' Model:

- To run schools for grade 1 to 10 in a single brick and mortar school
- Requirement of approximately 11,000 sq ft of building which can be Leased or Owned
- School to be run in two shifts
- Class strength of 40 students per class and 2 section per grade
- Maximum Capacity of approx 800 students per shift (~14 s/ft per student when full)
- Total student capacity of 1600 students (2 shifts)
- The teacher requirement be 34 per shift implying a student teacher ratio of 23:1
- Some teachers to be used in 2 shifts

Table 20 provides the indicative 'ramp up' of the 'Shalas' and the schools over a seven year period starting from a zero position.

Table 20: Indicative 'Ramp Up' of the Facilities over 7 Years

<i>Schools</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Year 6</i>	<i>Year 7</i>
Cumulative '1- Room' Shala	188	385	607	911	1,343	1,894	2,604
Shalas	188	197	222	304	432	551	711
Cumulative 'Single School'	2	5	8	10	10	10	10
Schools	2	3	3	2	0	0	0

9 The Financial Case

9.1 Projected Enrolment across Primary in '1-Room' Shalas

Based on these assumptions for the two types of facilities and delivery models, projections are now made for projected enrolment rates over a seven year period. The projections for the '1-Room'

Shalas in Table 21 and they are based on the actual growth rates witnessed over the past six years within the GS programmes in Gujarat and Bihar.

Table 21: Projected Enrollment Trends in Students & Centres for Grades 1-7 over 7 Years

Grade	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
1	4017	3527	4019	6569	9269	12513	16893
2	2308	2376	2456	2987	4546	4635	6257
3	1045	1598	1808	1830	2466	3,637	3,708
<i>Sub total</i>	<i>7370</i>	<i>7501</i>	<i>8283</i>	<i>11386</i>	<i>16281</i>	<i>20,784</i>	<i>26,857</i>
4	136	270	273	263	373	485	630
5	-	125	232	224	253	336	436
6	-	-	97	176	223	228	302
7	-	-	-	91	158	201	205
<i>Sub total</i>	<i>136</i>	<i>395</i>	<i>602</i>	<i>754</i>	<i>1007</i>	<i>1,249</i>	<i>1,574</i>
Total	7,506	7,896	8,885	12,140	17,288	22,033	28,431

Source: Gyan Shala Enrolment Data

Based on the historical data for GS, key assumptions for projections in the Elementary School are that enrolment at grade 1 grows at 35% while Drop out rates at grade 2 and grade 3 are approximately 50% and 20% respectively while the assumptions for projections for the Middle School are that enrolment at grade 4 grows at 30% and there is a Drop out of 10% in each grade. Table 22 now provides enrolment data that is projected for the KG-Grade 10 'Single School' model over a seven year period.

Table 22: Projected Enrollment Rates in K-10 Single School Model

<i>Students & Teachers</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Students per school	370	820	1,060	1,380	1,540	1540	1540
Total Enrolments	740	2,750	5,690	9,140	12,040	13,960	15,080

9.2 Financial Estimates

9.2.1 Potential Costs

Based on the enrolment trends for the '1-Room' model based on actuals experienced by Gyan Shala over the period 2006/7 to 2011/12 and the 'single school' model with projections based on assumptions of market demand at this price point, the costs are now presented first with a summary of the annual costs and then the costs envisaged over the seven year period for both the '1-Room' shalas and 'Single School' models respectively. Table 23 shows the annual costs for the 'shalas' followed by Table 24 which shows these costs projected over the seven years while Tables 25 and 26 present a similar analysis for the 'Single School'. Table 28 then aggregates these respective costs into the integrated Option 3 Business model.

Table 23: Summary of Total Costs and % Cost per student at Elementary and Middle Gyan Shalas in 2010/2011

Components		Elementary (St 1-3)		Middle (St 4-7)	
		Total Cost in GBP	% Cost per student	Total Cost GBP	% cost per student
Human resources	Head Office	30338	7	14986	16
	Academics*	212336	47	28481	49
Training		26565	6	1651	4
Testing		127	-	19	-
Teaching and Learning Resources		76872	17	10933	18
Administration		14100	3	5288	3
Facilities (rent and maintenance)		65141	14	5528	9
Operations (project development and field support between states)		27153	6	1368	2
Capex (furniture and equipment)		15584	-	2277	-
Total Costs		453		68254	
Total Number of students		16281		1007	
Cost per student		28		68	

Source: Gyan Shala Financial data

Total costs for a seven year programme are then projected based on the expenditures collected under Study 1 and projections based on Gyan Shala's growth projection over the previous seven years.

Table 24: Total Cost for '1-Room' Shalas over 7 Years

GBP	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Total Operations Cost	215,924	259,176	326,098	482,945	747,674	1,039,758	1,465,142
HR	118,809	145,521	185,652	276,385	430,111	601,384	851,649
Training	12,575	13,230	14,888	20,342	28,968	36,919	47,638
Testing	62	75	95	141	220	308	437
Materials & Resources	37,242	44,841	56,704	84,650	131,985	184,686	261,718
Administration Expenses	7,286	8,799	10,610	14,189	19,905	25,214	32,364
Facilities	28,288	33,261	41,532	62,248	97,324	136,337	193,387
Operations	11,662	13,450	16,617	24,990	39,161	54,910	77,949
Capex	12,064	12,792	14,457	19,726	28,064	35,753	46,119

Source: Gyan Shala Financial data

The total recurrent and development cost of implementing the Plan in the 'Single Schools' for a 7 year period based on current estimates are provided in Table 26. This total cost is based on the detailed breakdown of the costs by component for a 'single' school that in a steady state at capacity is provided below in Table 25.

Table 25: Summary of Projected Costs for a KG to Grade 10 Gyan Shala School

<i>GBP</i>	<i>Owned School</i>		<i>Leased Infrastructure</i>	
	<i>Total Cost</i>	<i>%Cost per Student</i>	<i>Total Cost</i>	<i>%Cost per Student</i>
<i>Items</i>				
Salaries	54,587	65%	54,587	46%
Central Team	10,917	13%	10,917	9%
Resources	10,267	12%	10,267	9%
Training	3,536	4%	3,536	3%
Rent		0%	35,359	30%
Operations Cost (Inc 5% YoY)	3,241	4%	3,241	3%
Misc (Inc 5% YoY)	1,621	2%	1,621	1%
Total Operating Cost	84,169	100%	119,528	100%
Capex	271,492		50,796	
Number of Students	1,540		1,540	
Operating Cost Per Student	55		78	

Based on Gyan Shala Financial data

Total costs for a seven year programme for the 'single School' Model are now projected based on expenditures collected under Study 1 for the delivery model but also including on the following assumptions:

Average teacher salary of INR 50,000 per shift /year
Average central team member salary based on 20% of total for Teachers' salaries
Cost for rental of premises INR18 per sq ft for a 11,000 sq ft structure increase of 12% every 3 years
Cost of purchase of land INR 600 per sq ft for approximately 9500 sq ft
Cost of construction INR 1300 per sq ft

Table 26: Operational Costs for 10 'Single Schools' over 7 Years in GBP

<i>Model</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Year 6</i>	<i>Year 7</i>
Leased	44,173	210,878	455,503	731,199	959,585	1,093,474	1,189,381
Owned	43,907	147,337	297,251	470,791	624,937	747,460	835,791

A critical decision in the rollout of Gyan Shala as a MBES using a single school model is the costs for either renting or owning the land and buildings. Table 27 provides a comparison of the indicative cost implications of the two approaches for both a single school and a network of ten schools¹⁵.

Table 27: Cost Implications for a 'Leased versus Owned' Approach in GBP

		<i>Leased</i>	<i>Owned</i>
Total Cost of Project per School	<i>Capex</i>	4,000	266,666
	<i>Opex</i>	76,000	66,666
Total Cost of Project for 10 Schools	<i>Capex</i>	40,000	2,666,666
	<i>Opex</i>	760,000	66,666

¹⁵ For simplicity of comparison in supporting this Preliminary Analysis, different scenarios for depreciating the Capital under the 'Owned' model have not been calculated here but in further work including possible 'pitching' of the model to government or private sector partners, these calculations can easily be added into the projections.

Table 28 now offers an estimate of the consolidated costs for the Option 3 Business Model in which Gyan Shala runs a mixed programme using its existing '1-Room' Shalas alongside the single schools can now be calculated based on the following assumptions for the enrolment rates, infrastructure projections and unit costs.

Table 28: Project Costs for the Integrated Gyan Shala Market Based Solution in GBP

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
1 Room Shala enrolments	7,506	7,896	8,885	12,140	17,288	22,033	28,431
1 Room Shalas	188	385	607	911	1,343	1,894	2,604
Total cost – 1 Room	215,924	259,176	326,098	482,945	747,674	1,039,758	1,465,142
Single school enrolments	740	2,750	5,690	9,140	12,040	13,960	15,080
Single schools	2	5	8	10	10	10	10
Total cost – Single School (Leased)	44,173	210,878	455,503	731,199	959,585	1,093,474	1,189,381
Total cost – Single School (Owned)	43,907	147,337	297,251	470,791	624,937	747,460	835,791
Total Cost Integrated MBES (Leased)	260,097	470,054	781,601	1,214,144	1,707,259	2,133,232	2,654,523
Total Cost Integrated MBES (Owned)	259,831	406,513	623,349	953,736	1,372,611	1,787,218	2,300,933

9.2.2 Potential Funding and Revenue

Determination as to whether the integrated programme premised under Option 3 can be viable is based on sources of income. Table 29 provides some indicative revenue based on the following assumptions: firstly, with the fee structure for the different grade levels in the two types of schooling and, secondly, an indicative proportioning of funding across the three different types of funder in the two types of schooling across the elementary, middle and secondary grades. The proposed fee structure for the '1- Room' shala is proposed at : INR 170/month (GBP 2.3/ month) for Grade 1-3 and INR 400/ month (GBP 5.3/ month) for Grade 4-7 whereas for the 'Single School' the proposed fee structure is set at INR 375/ month (GBP 5/ month) for Grade 1-3, INR 425/ month (GBP 5.7/ month) for Grade 4-7 and INR 475/ month (GBP 6.3/ month) for Grade 8-10. An allocation of the different funding sources is presented in Box 14.

Box 14: Allocation of the Funding Sources

Funding Source	1 Room Shala		K-10
	Elementary	Middle	
Government	100%	25%	12.5%
Donor	-	50%	12.5%
Fee paying	-	25%	75%

Based on the fee structures for the different grade levels in the two types of schools with disbursement across the three different sources, Table 29 provides an estimate of the projected income on an annual basis through this seven year time frame.

Table 29: Total Indicative Income for the Integrated MBES Programme in GBP

Funding and School Type		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Government	<i>1-Room</i>	220,686	248,907	302,306	450,487	699,760	972,701	1,369,828
	<i>Single School</i>	5,870	22,429	47,909	80,113	110,539	134,098	150,905
Donor	<i>1-Room</i>	4,868	15,373	25,499	34,789	50,652	68,540	94,289
	<i>Single School</i>	5,870	22,429	47,909	80,113	110,539	134,098	150,905
Fee payment	<i>1-Room</i>	2,433.96	7,687	12,750	17,395	25,326	34,270	47,144
	<i>Single School</i>	35,220.00	134,574	287,456	480,678	663,234	804,586	905,427
Total income	<i>1-Room</i>	227,988	271,967	340,555	502,671	775,737	1,075,511	1,511,261
	<i>Single School</i>	46,960	179,432	383,275	640,904	884,312	1,072,781	1,207,236
Combined Total Income		274,948	451,399	723,830	1,143,575	1,660,049	2,148,292	2,718,497

9.2.3 Projected Profit/Loss

Based on the projections developed in this Section regarding the projected income and potential expenditure across the two schooling types, it is now possible to review possible balance sheet for the Option 3 Business model. Table 30 provides a summary of the projections for the Profit and Loss over the seven year period from the perspective of the '1-Room' Shalas, the owned schools and the leased schools. This Table highlights three key points with regard to the MBES Institutional Framework and its integration of the '1-Room' Shala model with either the Single School Leased or Single School Owned models:

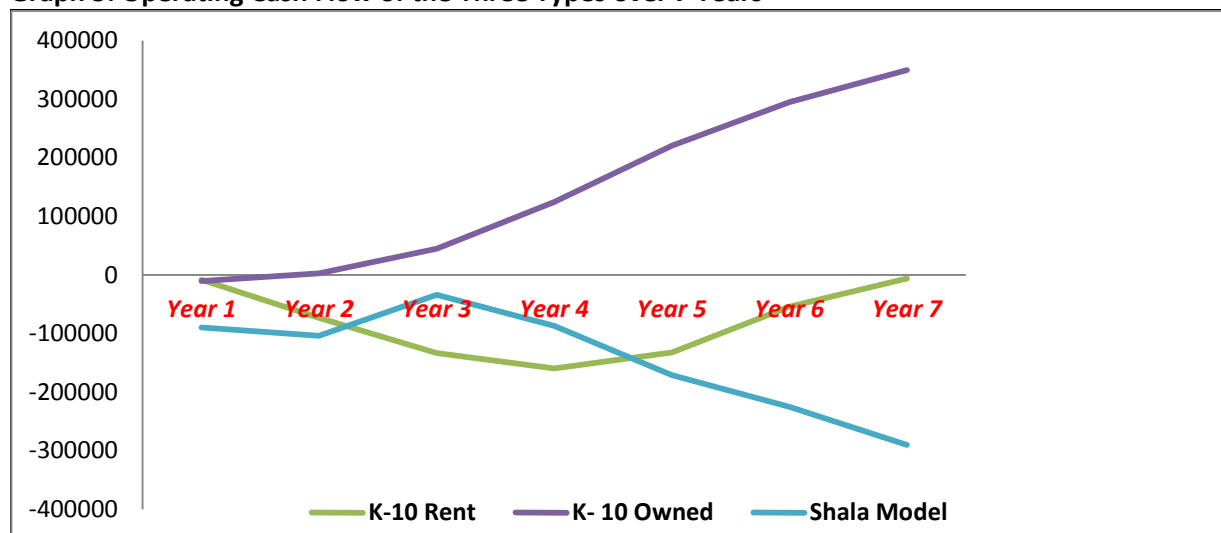
- (i) it is apparent that the '1-Room' enterprise is providing education to 28,000 students within a 7 year timeframe but there is no profit and access to funds is always a major concern given reliance on one or two donors only;
- (ii) there is initial evidence that if the '1-Room' enterprise is integrated with the Leased 'Single School' then the enterprise will break even or show a small loss across both models but it would have access to three different types of funders; and
- (iii) there is an interesting trend developing that shows – if initial financing of the land acquisition and capital works is not included - the '1-Room' enterprise integrated with the Owned Single School would amount to 13.6% on turnover of GBP 2.7 million after 7 years.

Table 30: Profit and Loss of Option 3: the Gyan Shala Integrated Programme in GBP

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
I-Room Shalas	<i>Income</i>	227,988	271,967	340,555	502,671	775,737	1,075,511	1,511,261
	<i>Expenses</i>	227,988	271,967	340,555	502,671	775,737	1,075,511	1,511,261
	<i>Surplus/Deficit</i>	-	-	-	-	-	-	-
Single School (Owned)	<i>Income</i>	44,560	175,832	379,675	638,504	884,312	1,072,781	1,207,236
	<i>Expenses</i>	43,907	147,337	297,251	470,791	624,937	747,460	835,791
	<i>Surplus/Deficit</i>	653	28,495	82,425	167,713	259,374	325,320	371,445
Single School (Leased)	<i>Income</i>	46,960	179,432	383,275	640,904	884,312	1,072,781	1,207,236
	<i>Expenses</i>	44,173	210,878	455,503	731,199	959,585	1,093,474	1,189,381
	<i>Surplus/Deficit</i>	2,787	(31,446)	(72,228)	(90,295)	(75,274)	(20,693)	17,855

Graph 5 illustrates the Operating Cash Flow of the three types over the seven year period. The Graph shows how – without inclusion of the start up costs for purchase of the land and infrastructure – the K-10 Owned model is (i) breaking even after three years and earning revenue that is comparable to the losses being incurred under the ‘1-Room’ shalas; and (ii) maintaining a similar trend on a year-on-year basis; while the K-10 leased model is showing small losses over this same time frame but showing profitability after seven years.

Graph 5: Operating Cash Flow of the Three Types over 7 Years



10 Gathering Background Information from the Stakeholders

10.1 Introduction

Two surveys were conducted to gather information from stakeholders. The first survey was conducted in August 2011 in both Ahmedabad and Patna in order to obtain a deeper insight into the functioning of the traditional ‘1-Room’ Shala. This Study involved focus group discussions (FGDs) with different groups of stakeholders regarding the following four major themes: – (i) *Leadership and Management*, (ii) *Teaching and Learning*, (iii) *Infrastructure and Facilities*, and (v) *Image of the GS Centres*.

- Leadership and Management revolved around issues related to the structure, management style and monitoring mechanisms in place within GS;
- Teaching and Learning revolved around the quality of teaching and learning and the extent of child-centred practices;
- Infrastructure and Facilities dealt with the type of basic facilities (toilet and water), learning environment and available resources in the centres; and
- Image of the GS Centres covered aspects related to the general perception regarding the centres among parents and the wider community.

The second survey was conducted among 110 families in November 2011 in the three main areas of Patna – Danapur, Manpura and Mahendru. A Questionnaire was administered for the survey consisting of 22 questions on (i) the family profile, education, social and economic status of the family members, (ii) parental motivations for sending their children to Gyan Shala and (iii) their willingness to pay for GS services. Section 10 provides a summary of the main findings from these two surveys. Examples of how details were recorded regarding the participants are provided in Annex 4.

10.2 The 'Perceptions' Survey

The study was conducted in the two states of Gujarat and Bihar. In Gujarat the centres were located in Vasna, Vadaj, Amraiwadi, Behrampura and Mehgani Nagar of Ahmedabad city. In Bihar, the centres were spread across two major locations, Patna city and Nalanda. Proportionate sampling was done to arrive at the number and size of participants in each FGD group from both Gujarat and Bihar as shown in the Table below. Altogether there were a total of 20 stakeholder groups that formed part of the FGDs and 311 persons who participated in the interview discussions.

Table 31: Details of the Groups that participated in the 'Perceptions' FGDs

<i>Details</i>	Number of FGD Groups			
	<i>Management</i>	<i>Teachers</i>	<i>Parents</i>	<i>Students</i>
<i>FGD groups in Gujarat</i>	3	3	3	3
<i>FGD groups in Bihar</i>	2	2	2	2
<i>Total</i>	5	5	5	5

Total number of the participants in the 'Perceptions' FGDs

<i>States</i>	Number of participants			
	<i>Management</i>	<i>Teachers</i>	<i>Parents</i>	<i>Students</i>
<i>Gujarat</i>	15	34	60	73
<i>Bihar</i>	23	34	38	34
<i>Total</i>	38	68	98	107

There were three objectives of these FGDs: (i) to determine the stakeholders' and the beneficiaries' perception regarding the efficacy of the model; (ii) to assess their perspective of the quality of the education provided in the GS centres; and (iii) to gather a collective opinion of the parents regarding their 'paying capacity' and 'willingness to pay', if required, for the 'quality education' provided by Gyan Shala.

The FGD guidelines for this 'Perceptions' survey were developed by CfBT based on the four focus areas. Interviews were then held in the form of structured questions that were addressed to each of four groups of participant groups - Management, Teachers, Parents and the Students. To ensure that there was equal representation, the Management group was selected from all levels in the GS hierarchy. Five Management groups took part in the discussions. One group was exclusively from the Elementary level, another from the Middle school level, and the third was a mix of both Elementary and Middle levels. Similar division of participants was done across all groups so that there were separate groups from the Elementary and Middle schools, and one mixed group of both the levels.

The FGDs were undertaken by three teams of Consultants (three in Gujarat and two in Bihar) with at least one of whom who was conversant with the local language and familiar with the GS model. Each team consisted of two members - the FGD Facilitator and a Recorder. Each FGD lasted for at least one and half to two hours. Following a brief introduction to the purpose, the FGD teams facilitated discussions and recorded the discussion verbatim (in writing) and using electronic recorders. What follows is a brief summary of the main findings from the discussions around the four themes from these FGDs.

10.2.3

Findings of the study are reported for Gujarat and Bihar. Boxes 15-18 present the group members' responses to each of the 23 direct questions, organized as shown in the table below under the four focus areas, as well as details of the additional feedback from the groups when asked the open ended questions "One thing I like" and "One thing I'd like to suggest to change" under each of these four focus areas.

Table 32: Summary of the Focus Areas and Questions

Focus areas	Sub areas	Specific Questions for Triangulating across the Groups
<i>Leadership and Management</i>	Vision and purpose Rules and regulations Communication Monitoring mechanisms Teamwork	<ul style="list-style-type: none"> i. there is good leadership of the ESO ii. there is good management in the middle and/or elementary centres. iii. the rules and regulations are made known to all iv. the mechanisms for quality control and assurance whereby school supervisors monitor and report the completion of learning tasks by children and provide feedback both to teachers locally, and to the design team centrally, work effectively. v. The cooperation and understanding among the supervisory and teaching staff is good. vi. all members of the school can express their opinions and concerns to senior management vii. GS provides ongoing opportunities for growth and development of its supervisory and teaching staff.
<i>Teaching and learning</i>	Quality of instruction Curriculum Allocation of space, time and TLM Teaching methods Students learning	<ul style="list-style-type: none"> viii. the school has high academic standards and high performance expectations ix. the division of the class work into three subject streams (language, math and project work) supports child-centered class processes with enough space, time and material available for children’s individual and group work. x. the provision of continuous teacher training and support with the regular checking components enables a teacher with modest formal education to conduct quality classroom transactions. xi. there is very little gap between what is designed for teaching in the class and what actually happens in the actual classroom practice. xii. the supervision system where additional support is provided to children who are lagging behind is ensuring that no child is left behind. xiii. the team responsible for conducting periodic and regular audit of learning quality/ attainments and to report to the design team and chief executive is doing an effective job.
<i>Infrastructure and facilities</i>	Health and hygiene issues Basic facilities Furniture and resources Access and safety of children	<ul style="list-style-type: none"> xiv. all necessary basic amenities such as toilets and drinking water are provided. xv. GS provides a better quality furniture, lighting and ventilation in the classrooms that can be found in other schools in this neighbourhood. xvi. a significant level of importance is placed on personal hygiene and cleanliness. xvii. precautions are taken to make the school safe for the students and staff.
<i>Image of Gyan Shala centres</i>	Parental preferences regarding schools Gyan Shalas versus government/private schools Paying capacity of Gyan Shala parents	<ul style="list-style-type: none"> xviii. GS enjoys a good reputation and that the parents are happy to send their children here. xix. the fee that is charged is fair for poor people to pay (ie INR 50 per month for elementary and INR 100 per month for Middle school). xx. Parents would be prepared to pay upto INR 300 per month to send their child to a GS school. xxi. parents are informed of what goes on at the school. xxii. if there was a public school nearby the students at GS would prefer to study in the public school. xxiii. if there was a low fee private school nearby the students at GS would prefer to study in that private school.

I Leadership and Management

“Senior teachers get agitated when they are not promoted and when we get outsiders as supervisors then we explain to them the rules for promotion” – senior manager from Ahmedabad
“I joined GS as a teacher; after seeing my work I was promoted as a supervisor” – an Ahmedabad teacher

This section evaluates the stakeholder’s understanding of the GS vision and the various systems of management and monitoring that ensure the successful maintenance of a large enterprise. Box 15 provides a summary of the key stakeholders’ views regarding the GS vision, the extent to which it promotes stakeholder understanding and support, and the guidance provided to the teaching learning processes in all the centres. This summarizes views from the perspectives of the Management, the Teachers, the Parents and the Students.

Box 15: Summary of Perceptions regarding ‘Leadership and Management’

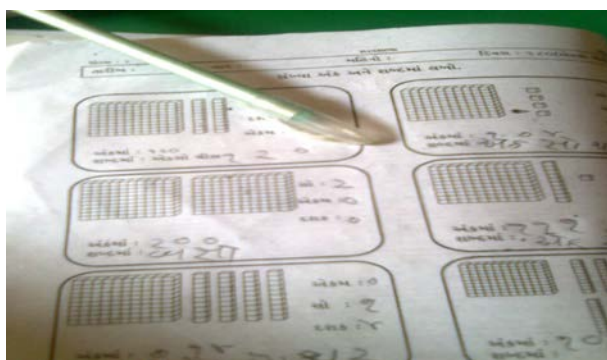
Stakeholders	Leadership and Management
Management	<ul style="list-style-type: none"> ➤ The Management groups were aware of and articulated the purpose of GS very clearly though they were unable to recall the vision statement ➤ The group explained in detail the communication system in the organization with details of the monitoring process that guides the two-way information flow between the central office and all centres and vice versa ➤ The system is highly dependent on oral communication and information stored in the minds of practitioners and their diaries ➤ Important information regarding rules and regulations is provided to the parents at the time of setting up the centres. ➤ Regular monitoring visits to the centres are scheduled by the core group to observe the classroom processes. ➤ There is a fixed schedule that has the details of number of visits of the Supervisors, Senior Supervisors and the Design team. ➤ There is a good rapport between all the levels of the team. According to the Deputy Team leader, the levels are demarcated in such a way that they are all dependent on each other; there is no level that is independent.
Teachers	<ul style="list-style-type: none"> ➤ The GS purpose to provide quality education to the poor is shared with all the parents. They are also informed of all the rules and regulations while admitting their children in GS centres. ➤ No written communication goes to the parents or students. Similarly they do not get any communication in writing from their head office regarding any issue. ➤ The quality in all the centres is monitored by the core group from the Head Office. The Supervisors and the Senior supervisors visit the centres at least three or four times a week but were unsure of the frequency of the Design team’s visit. ➤ Classes are observed by the Supervisors and the Senior Supervisors, who guide them orally, but do not give any written feedback about their classes. The gaps in the teaching learning process are discussed in the monthly meetings for the benefit of the entire group. ➤ Apart from the above there is no formal system of submission of any data by the teachers that explains the functioning of the centre. ➤ Overall a team spirit pervades the GS unit. ➤ There are “informal” systems of communication inbuilt in the organization.
Parents	<ul style="list-style-type: none"> ➤ According to the parents the main purpose of the GS is to provide education to the poor people living in slums. ➤ The rules regarding the functioning of its centres are informed to them when they visit the centres either during admission or during parent teacher meetings. ➤ The supervisors visit the centres two / three times per month to check the happenings in the classes. ➤ The parents usually share their concerns with the teachers in the centre. They discuss their problems with the teachers whenever they visit the centres during the day. ➤ Most of the time even if it not a formal meeting, a tête-à-tête happens when they go to the centre while dropping or collecting the child after the school hours.
Students	<ul style="list-style-type: none"> ➤ GS aims to provide education to poor children. ➤ They are informed of the discipline rules when they join the centre. They are supposed to attend their classes on time, complete their homework on time, pay attention to what their teacher tells etc. If they don’t listen to their teachers sometimes they are punished.

	<ul style="list-style-type: none"> ➤ They share the rules of the centre with their parents. Their teachers too inform the rules and regulations of the centre to their parents. ➤ Their supervisors visit their centres every now and then. They check their worksheets and books to see what they have learnt. They are asked few questions to ensure that everyone is thorough in the lessons. ➤ They discuss their issues / problems either with their friends or teachers. They list out their wants to the supervisors. ➤ They enjoy a good rapport with both their teachers and the supervisors.
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II Teaching and Learning

“We do not know the teachers qualifications which does not matter as long as they teach well” - A parent with a child in an Ahmedabad shala

Our teacher is the best one in the whole basti, she is so patient, she doesn't shout at us, sometimes our parents shout at us” - A student from an Ahmedabad Shala



This section deals with the stakeholders' views regarding the standard of teaching and learning, vis-à-vis their expectations and the GS methodology. It captures the mechanisms that are developed to improve the quality of instruction in the centres. It also highlights the opportunities for continuous professional development of the senior and junior GS staff.

Box 16: Summary of Perceptions regarding 'Teaching and Learning'

Stakeholders	Teaching and Learning
Management	<ul style="list-style-type: none"> ➤ The management has expectations from all the stakeholders which are shared with all of them during some meetings in the annual schedule ➤ The teachers have to complete their lessons on time, stick to their schedule and the parents have to comply with the centre's norms and procedures and participate in their child's learning process and contribute to the centre's excellence in whatever way prescribed. ➤ The programme ensures that the child gets the maximum leverage out of minimum investment. ➤ GS thrives on a child-centred philosophy where every child is given his due, therefore all the resources designed for the learning are appropriate for the child. ➤ The children with learning problems are provided special care in the centres. Apart from the teacher, there are supervisors and the extra teacher who provide hands-on support to the children who lag behind. The worksheets are 'tweaked' a little for the child to understand better. The concepts in which the child is weak are re taught by the teacher in a new way. Apart from the above, the child is encouraged to learn from peer teaching too. ➤ The ongoing support in the form of teacher training every month and every year equips the teachers with the ability to handle the classes. ➤ The Teacher Guide books define the step-by-step delivery of the content. ➤ The gaps in the planning and implementation are checked by the Design team that

	works on the feedback given by the teachers, supervisors and senior supervisors. This mechanism of acting on the practitioner’s feedback helps in the maintenance of the quality of worksheets and teacher guides.
Teachers	<ul style="list-style-type: none"> ➤ The stakeholders are informed of their expectations. ➤ The expectations are small, practical and humble and are determined from the background and environment of GS centres. ➤ They are trained in child-centric methods that have the child at the centre of the learning. ➤ There are different teams that visit the centres like the supervisors, senior supervisors and the design team that coordinates in designing the course content for all the classes. ➤ Though a formal observation format is not followed by their seniors while observing their classes, the gaps in content delivery are discussed in the meetings. ➤ They feel with the changing times the teachers need to be at least graduates to teach any class. ➤ Teachers are subjected to intensive coaching before, during and after the academic year to equip them with the skills required to follow GS methodology.
Parents	<ul style="list-style-type: none"> ➤ The GS management expects all parents to be regular in sending their children to the centres every day and meet their teachers. ➤ The children are given all attention in the classes. They have colourful furniture, pencils, books and worksheets that help attract them to the centre every day. ➤ The teachers are the greatest resources of the GS model who teach both the class lessons as well as life skills to the students. ➤ Each child has a place in class and also gets to play and use the material given by the teacher.
Students	<ul style="list-style-type: none"> ➤ The students are expected to study well and conduct themselves well both inside the class as well as outside. ➤ They have worksheets, colourful furniture, chalk to write on the board and sharing periods that make them feel special and wanted in the class. ➤ When the teacher encounters a weak student all the attention is diverted towards him/her. ➤ The peers are always there to help the weak student. ➤ The team of supervisors and the senior supervisors visit the centres. They check the worksheets and the books of a few students at random and the same is reported back to the office. The team also conducts tests and asks questions to the students so that they are aware of individual strengths and weaknesses.

III Infrastructure and facilities

‘Though government school has good facilities the fans do not work most of the time, in GS centres the fan doesn’t stop working’ - A parent with a child in an Ahmedabad shala

This section distils the responses of the stakeholders regarding the availability of infrastructure and facilities. The respondents were questioned regarding availability of resources in their centres and how facilities compare with the government and other private schools. It also has views on how the organization provides a safe, orderly, and healthy environment to the staff and students.

Box 17: Summary of Perceptions regarding ‘Infrastructure and Facilities’

Stakeholders	Infrastructure and facilities
Management	The centres are provided with good and safe premises so that the safety of the staff and students is not compromised. The physical resources are child friendly and allow the teacher to re arrange them accordingly. All the centres have sufficient ventilation and lighting. All facilities are better in GS in comparison with other schools.

	Health and hygiene aspects are mostly dealt with through orientation in the classes by the teachers. Also, the topics form part of the syllabus that indicates the importance of each area for the child. Project work supplements the above measures.
Teachers	<ul style="list-style-type: none"> ➤ The centres are safe and sound. There are hardly any centres that require major repairs. ➤ All the resources provided by the central office are adequate for children of all ages. The rooms have sufficient ventilation and lighting. ➤ Obviously, the GS facilities are better than the other schools' facilities because the children are learning at a much faster rate than in the other schools. ➤ Matters of health and hygiene are discussed with the students and are studied in the curriculum.
Parents	<ul style="list-style-type: none"> ➤ The centres have all the facilities of drinking water, toilets and fans in the premises. ➤ GS facilities are better than other schools as their children never complained of a day without a fan. ➤ Teachers tell them to maintain neatness and cleanliness. ➤ They have to ensure that their surroundings are dirt free
Students	<ul style="list-style-type: none"> ➤ They have all facilities in their classes which include the furniture, a fan and drinking water. ➤ Their teachers tell them about good habits and clean manners. ➤ Their centres are better than other school facilities as sometimes their friends tell them that the fan in their class was not working.

IV Image of the Gyan Shala Centres

"For the kind of work the parents do, they are getting a very good education in GS".

Ahmedabad teacher

'We are ready to pay if GS provides high school education for our children' – Parents with children in Ahmedabad shalas

This section presents the consolidated views of the respondents on the popularity of the GS centres, parents' preferences regarding the choice in education and their ability and willingness to pay for the quality of education received in Gyan Shala.

Box 18: Summary of Perceptions regarding 'Image of the Centres'

Stakeholders	Image of the Gyan Shala centres
Management	<ul style="list-style-type: none"> ➤ The group ranked GS as the best institution in terms of its quality. They ranked the government schools second and the private schools third in order of preference. ➤ According to them the parents of GS voted it as the best quality education provider in the region. ➤ The parents visit the centres almost every day to drop their children or to take them home in the evening. During this short period they interact with the teachers to know what is happening in the centres. ➤ Parent-teacher meetings which are conducted every three months provide an opportunity for sharing and learning. ➤ If asked to choose between GS and other institutions, the parents prefer GS because of the assured quality in the centres.
Teachers	<ul style="list-style-type: none"> ➤ Teachers mentioned that the GS program was the best, followed by the private schools and last by the government schools. ➤ Since the parents interact with the teachers often, either in the mornings or evenings, they know what is happening in the centres. Few parents also check their home work and get back to the teachers about the amount of work given as home assignment. ➤ If asked to choose between a GS centre and a private school, the parents said that they prefer to send their children to a private school if they had the money.

Parents	<ul style="list-style-type: none"> ➤ They rated GS centres as the best schooling in their localities. ➤ Though their children are provided free education there is no compromise in quality. ➤ They visit the centres regularly to attend the meetings as well as talk to the teachers regarding their children performance in class. ➤ Between a government school and a GS centre they would prefer GS for their children. ➤ If they had enough money they would send their children to private schools.
Students	<ul style="list-style-type: none"> ➤ For the students their centres were the best places to study. They said that private schools come second and third come the government schools. ➤ Their parents often visit the centres as they are located in their own areas. ➤ Also, they attend the parent teacher meetings whenever organized. ➤ The parents don't need a reason to come to the centre. They drop them in the morning and collect them in the evening. ➤ If GS did not exist they would prefer joining private schools.

10.3 The Bihar 'Families Survey

10.3.1 Sample

The survey was conducted among families from the following three main areas and 19 sub areas over five days in November:

Main Area	Sub Areas
Danapur	Saguna Mor, Pasi Tola, New Manpura, Saguna, Sanichara Sthan, Lalkothi, Sultanpur
Manpura	Nehru Nagar, Dujara, Kanuana Gali, Mainpura, Kurji Mor
Mahendru	Naya Gaon, Nand Nagar, Golakpur, Ganga Ghat, Tikiya Chaitola, Rampur

A Questionnaire was developed with the objective of obtaining: (i) quantitative data on the family, social and economic profile of the beneficiaries of the GS schools; (ii) quantitative information on the factors motivating parents to send their children to GS schools; and (iii) information regarding willingness of parents to pay for GS services.

10.3.2 Methodology and Key Findings

Two representatives of CfBT interviewed comprising 103 women and 7 men from 110 families in which there were a total of 144 males and 135 female adult household members. One local GS representative was present with each interviewer to help in translation¹⁶. The data from the interviews were compiled into excel sheets and percentages derived for analysis. Box 19 provides some of the main findings:

Box 19: Main Findings from the Family Survey

<ul style="list-style-type: none"> ➤ 60% of families interviewed were based on a nuclear setup with 61% having 6 members (which means 4 children) or more in the family; ➤ 32% families had total family income between 3001-5000 rupees and 30% families between 1000-3000 rupees per month; ➤ 56% of males and 31% of females were literate but only 3% of the males and 2% of females respectively had gone beyond secondary education; ➤ 70% of parents felt that Quality of Education is the most important factor, which drew them to Gyan Shala; ➤ 97% of parents wanted their children to continue their education in a GS programme;
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¹⁶ Although inclusion of a GS representative could lead to bias, it was felt advantageous to have someone from GS to introduce the interviewers and the majority of the questions pertained to socioeconomic data and profiling rather than perceptions pertaining to the provision.

- 78% were willing to pay for elementary school and 84% were willing to pay for middle school;
- The most important factor for improvement was a demand for school uniforms.

10.3.3 Findings

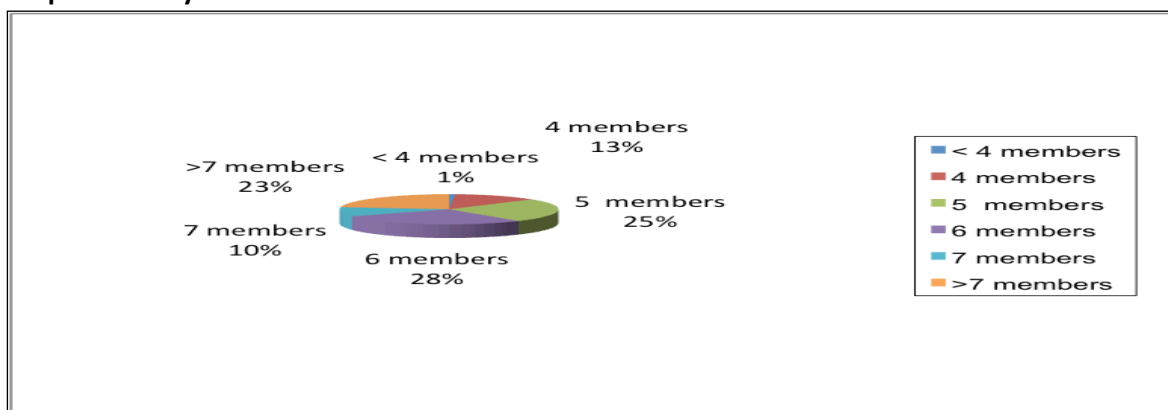
Key findings are provided with regard to the three focus areas: (i) profile, education, social and economic status of the family members, (ii) their motivation for sending their children to Gyan Shala and (iii) their willingness to pay for Gyan Shala services.

Family profile, education, social and economic status

Family Profile

83% of the families were permanent residents of the area. 10% of the families had moved from other urban slum settlements and 7% were migrants from rural and semi-urban areas. 60% of the families interviewed were of nuclear set up and 40% were joint families. Graph 6 illustrates the number of family members of the population interviewed. The majority of the families (53%) had 5-6 members and 23% of the families had more than 7 members – which refers mainly to joint families.

Graph 6: Family Profile

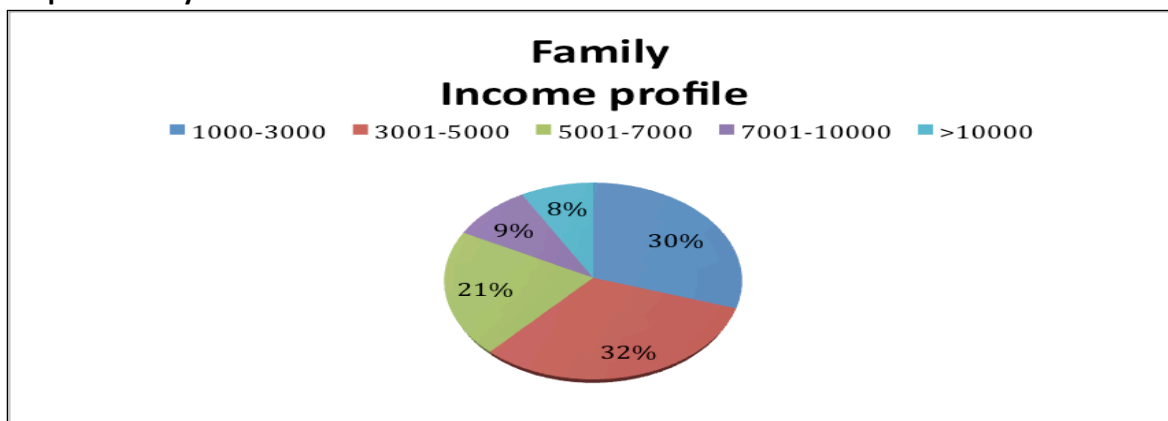


Source: CfBT Field Survey in Bihar 2011

Family Income Profile

Family income is the sum of the income of all earning members of the family per month. Graph 7 highlights how 62% of the families earned between INR 1,000 to 5,000 per month while 21% earned between INR 5001 to 7000 per month. For daily wage earners an average number of working days per month was enquired and the monthly income was calculated.

Graph 7: Family Income Profile



Source: CfBT Field Survey in Bihar 2011

Religion and Caste Profile

15% of the families were Muslims and 85% of the families were Hindus. 77% of the families were from Backward Castes, 15% from Scheduled Castes and Scheduled Tribes and 8% were from Upper Castes. Therefore a total of 92% of the families were from disadvantaged social groups.

Family Housing Profile

Surprisingly 57% of the families are house owners while 38% live in rented houses with 3% occupying public property illegally and 2% guarding other's property. Of the families that rent, 58% paid INR 500-1000 per month, 28% paid INR 1000-2000, while 10% paid less than INR 500 and 5% paid a more substantial INR 2000-3000.



Employment Profiles

Of the 144 male adult members (>16yrs of age) 137 (95%) were employed with the majority (72%) being labourers earning their wages on a daily basis and 21% earning regular salaries. Only 5% stated that they were unemployed. The daily wage earners were mainly street vendors, construction workers and mechanics. Whereas for the 135 female adult members (>16yrs of age) only 29 (22%) were employed, of whom 7% were daily wage earners and 15% earning regular salaries primarily as domestic helps. A 12 year old girl was working as well as studying in Gyan Shala.

Education Profiles

Table 33 highlights the differences in education attainment comparing the 144 male and 135 female members of the households.

Table 33: Level of Educational Attainment

Level of Attainment	Male	Female
Total literate	56%	32%
Elementary	19%	11%
Middle	12%	7%
Secondary	21%	11%
>Secondary	3%	1%

Profile of the Children of Gyan Shala

54% of the children going to Gyan Shala from the families interviewed were girls and 46% were boys. 1 child had a partial hearing impairment while 3 children were identified as slow learners by parents. Unsurprisingly, given that in Patna Gyan Shala has only been operating since 2008 with the provision of elementary school, the majority of children of higher birth ranks are going to Gyan Shala since the younger children are not yet of school going age.

(ii) Factors influencing choice of Gyan Shala over Private and Government Schools

69% of parents chose Gyan Shala because of the quality of education as the most important factor. Quality of education was described as comprising methods of teaching, discipline and the relationship between the teacher and student. 36% voted for distance as the second most influencing factor while 30% voted for cost as the second most influencing factor. Time schedule of classes did not have much significance for parents. One family mentioned that they had chosen to educate their girls in Gyan Shala since it was free and close to their residence while the boys were going to a private school since they needed to be better educated than the girls who would be married off at an early age.

10% of the children had moved from private or government schools to Gyan Shala whereas there was no reverse movement noted from Gyan Shala to other schools. Of those who moved from private schools to Gyan Shala the primary motivating factor was cost and for those who moved from government to Gyan Shala the primary motivating factor was quality of education. Both groups indicated distance from home as an additional influencing factor as GS shalas were closer to their residence than government or public schools.



(iii) Continuing Education in Gyan Shala and willingness to pay

97% of the parents said they would like to continue their children's education in Gyan Shala and, significantly, 78% were willing to pay for the elementary school and 84% were willing to pay for the middle school across the following scales. The main price point was in the INR 50 to 100 per month range, although it can be assumed that this figure could perhaps be higher since experience indicates that respondents often 'under' state their level of payment.

Table 34: Fee Amounts across the School Levels

Fee levels	Elementary	Middle
No fees	22%	16%
< 50	30%	25%
50-100	36%	41%
100-200	9%	15%
200-300	1%	1%
300-400	-	1%

Factors for Improvement

When asked 'What aspect would you like to improve in GS?', the parents interestingly provided the answers in the following manner across six different areas.

Factors	Infrastructure	Distance	Quality of Education	Uniform	Increase Grades	Include English
% Parents	6%	3%	1%	32%	4%	6%

Parents who mentioned infrastructure as a factor for improvement made reference to toilet facilities and playgrounds. One GS centre did not have toilet facilities as it was difficult to find rooms with toilets in that particular area according to the GS supervisors. In addition, the interviewers noted the following two points: in one school a few parents were unable to determine the difference between government schools and Gyan Shala, as under SSA Gyan Shala is providing mid-day meals in all schools in Patna; and secondly, a few children studying in Gyan Shala were taking external paid tuitions especially for English.



11 Issues, Risks and Mitigating Strategies

There are a number of significant internal and external risks that GS - or indeed any low fee private provider - must overcome when delivering education to the lowest socioeconomic quintile in different locations across a large area. Some of the main risks are summarised below with brief outlines of how such risks might be mitigated. The following three main 'internal' risks have been identified, they include:

- i. a possible *fiduciary* risk which can be addressed by strengthening financial management systems (e.g., procurement, audit, output-based budgeting);
- ii. a risk of weak *implementation capacity* resulting from poor management systems and inadequate number of staff with management capabilities – a risk that can be contained through the delivery of a capacity building programme that supports the creation of a cadre of specialist managers as well as encouraging greater participation from the community in order to strengthen school management through SMCs;
- iii. *Access to teachers* and their retention for the primary programme is not presently seen as a substantial risk for GS although access to qualified teachers for the secondary programme will require a recruitment drive and TA to possibly support an 'on the job' qualification programme.

Then there a number of significant 'external' risks that include:

- i. A *lack of political will* to support such an innovative educational offering is clearly a possibility although the State governments in Bihar and Gujarat are presently very supportive;
- ii. Opposite to a lack of the political will is the risk of *undue political interference* - interference over such matters as teacher recruitment and transfers, curriculum reform and school construction The GS has undoubtedly got community support;
- iii. A serious national *economic downturn* might affect the ability of the three proposed funding sources to fund the programme although presently the Gujarat economy is robust while the Bihar economy is receiving considerable GoI and external donor funding to raise it from being one of the states with the lowest GDP. In the five-year period between 2004-05 and 2008-09,

Bihar's GDP has grown by a stunning 11.03%, just a shade behind Gujarat's growth of 11.05%;¹⁷ and

- iv. *Lack of private sector interest* to support the initiative. There are few incentives for the private sector foundations to offer support while the beneficiaries do not have the willingness to meet the proposed fee charges due to the lack of a clear policy and collection system.

12 Brief Summary and Conclusion

Part 1 of this Study briefly looked at the basic education sector and the role of private education within this sector. Over the past 20 years demand for schooling in India has increased, but provision is unequal. The National Policy on Education (1986) and its Programme of Action (1992) state that all children, irrespective of caste, creed, location or gender, should have access to elementary education of a comparable quality. In reality, schooling provision favours those better off, and disadvantaged groups (including poor children, girls, children from Scheduled Caste (SC), Scheduled Tribe (ST), Other Backward Class (OBC) groups) have less access and access to poorer quality education. Large variations in access exist across states, regions, and social categories such as gender, caste and ethnicity. Whilst great strides have been made to improve physical access to schools, ongoing challenges remain to provide meaningful access for all children in India.

Government schools are considered to be failing on grounds of efficiency and equity, infrastructure and instruction. Given the choice, most parents prefer to send their children to private schools. Consequently there has been an unprecedented rise in private schooling. But defining private schooling is difficult, the UNESCO definition of a private school is one that 'is controlled and managed by a non-government organisation (e.g. religious group, association, enterprise)' (UNESCO, 2005). The type of private school that is currently mushrooming in India is the small school that is started, owned and run by a private individual, or 'edupreneur', and funded solely out of parental fee payments. These schools are often run at the lowest possible fee level in order to appeal to as wide a market as possible, therefore being referred to as low-fee private schools (LFP). These private schools can be divided into schools that are recognised by the government and those that are not. Government recognised schools have to maintain certain standards (although in reality many do not). Students at recognised schools may also be eligible for government stipends.

In most cases, private provision of education does not tend to serve areas and people that government provision has been unable to reach. The advent of private schools usually means choice between schools; often between a government school and a private school or between competing private schools. Many factors influence the choices that parents make between sending their children to LFP or government primary schools. The most significant factors identified in fieldwork using quantitative data from a survey conducted with 250 families in 13 villages in Uttar Pradesh conducted by the Consortium for Research on Educational Access, Transitions and Equity (CREATE) and written up in Härmä (2010) reported the following findings summarised in Table 35:

Table 35: Factors affecting School Choice

<i>Factor</i>	<i>Findings</i>
<i>Family and size</i>	Decreasing percentage of children in LFP schools as the number of children increased
<i>Caste and religion</i>	LFPs are dominated by high class Hindus – only 20% in LFPs are from SC/ST backgrounds
<i>Occupation</i>	LFP schools are dominated by children of people from skilled professions
<i>Birth rank</i>	In LFPs 60% of pupils are boys while in government schools 60% are girls

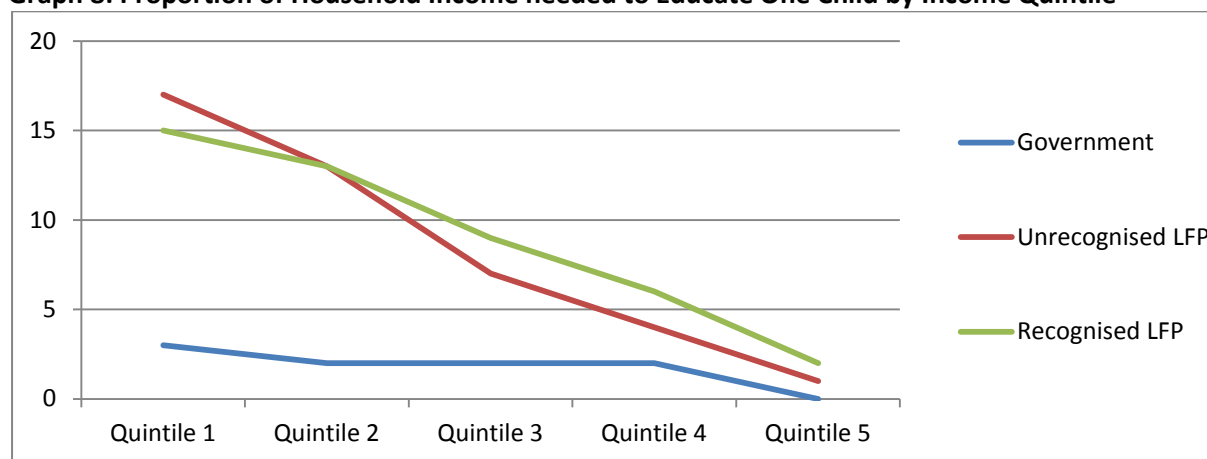
¹⁷ Times of India. January 3 2010.

<i>Parents background</i>	Two thirds of fathers sending their children to LFPs had secondary or higher educated children
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Source: Harma (2010)¹⁸

Clearly, children who are from large families, low castes, with parents working in unskilled professions, higher birth rank, who are girls and have relatively less well educated parents are those that are in government schools in greater numbers. Graph 8 shows that for the poorest families, sending one child to a LFP school costs 13-16% of household income. Only in the third to fourth quintiles of socioeconomic status does a child's chance of attending LFP schooling significantly increase.

Graph 8: Proportion of Household Income needed to Educate One Child by Income Quintile



Source: Harma (2010)

Harma (2010) argues that with wealthier families more capable of exercising choice and choosing to send their children to private schools, the government sector has become a ghettoised option of last resort for the poorest and most marginalised in society. Those accessing government schools are not achieving meaningful access leading to real learning. Traditionally privileged groups in society are favoured by the market in education, leaving behind those of low caste or minority religion, the landless, girls, and children born later in families and children of larger families.

Part 2 of this Study then looked in more depth at the Gyan Shala programme to determine to what extent this programme provides an example of a 'total system solution' that credibly demonstrates a model approach exhibiting the following three core characteristics: (i) effectiveness in reaching children from poor and vulnerable families; (ii) is replicable on a mass scale; and (iii) exhibits unit costs that are below or within the existing government budgetary norms. Table 36 provides a brief summary of the company and its current services.

Table 36: Company and Current Services

<i>Company Overview</i>	<ul style="list-style-type: none"> ➤ Provides education to 11,257 children in '1-Room' schools in the urban slums of Vasna, Vadaj, Amraiwadi, Behrampura, and Meghani in Ahmedabad city (Gujarat since 2002) and 11,290 children in '1-Room' schools in Mainpura, Karwana Gulhi in Patna city (Bihar since 2008) ➤ Delivers education that has proven to be of quality using three different external assessments by MIT/Pratham, Education Initiatives and CfBT
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¹⁸ Härmä, J., 2010. *School choice for the poor? The limits of marketisation of primary education in rural India*. CREATE PATHWAYS TO ACCESS Research Monograph No. 23

	<p>Education</p> <ul style="list-style-type: none"> ➤ Uses a curriculum that has been designed using standardised modules, each of which has a complete set of lessons, learning aids and teaching instructions ➤ Annual cost of elementary education is INR 2100 (GB 28) and middle level of INR 4725 (GBP 63), both of which are lower than the unit cost in government schools for comparable grade levels¹⁹ ➤ Revenue is collected from three sources – government funding under SSA, contributions from donors and user fees of approximately GBP 1.5/2 (INR 100-150) for middle level
<i>Service Description</i>	<ul style="list-style-type: none"> ➤ Single room classrooms for Classes I-III (Elementary) and Classes IV-VII (Middle) ➤ Elementary Curriculum comprising Language, Mathematics and Project Work ➤ Middle Curriculum comprising Mathematics, Science, Language, Project work and Computer Science ➤ Catchment comprising children from families residing in urban slums ➤ Delivery of the curriculum is provided through (i) a Design and Management team consisting of an Office team (curriculum design and administration) and the Field Work team (mentoring senior teachers and implementation), (ii) Senior teachers who monitor the junior teachers that teach a class of 30 students
<i>Catchment Background²⁰</i>	<ul style="list-style-type: none"> ➤ 60% of the families are based on the nuclear family with 47% having six or more members in the family ➤ 72% of the males are daily wage labourers with earnings of INR 100-150 per day (GBP 1.5 to 2) ➤ 56% of the males and 31% of the females were literate but only 3% and 2% of the males and females respectively had gone beyond secondary education) ➤ 96% of the population were permanent settlers in the area of whom 57% owned their home

Some common trends emerged from the GS programme that are particularly noteworthy. First, GS is flexible in incorporating alternatives into its structure – for example paying para-teachers a lower salary than regular government school teachers – yet the programme does not threaten the position of the incumbent teachers or education administrators in the short run. Secondly, the programme is ‘demand driven’ in the sense that a Shala will be set up only if the community wishes to set up a centre. Further, the community is encouraged to suggest suitable candidates from within the community who could teach in these centres. Third, the ‘para-teachers’ under the schemes do not go through regular teacher training college programmes. Instead, they go through a customized training programme that involves basic content and pedagogy modules, and they are rigorously supported by a senior team providing on-site continuous follow-up training. Finally, and perhaps most critically, since these para-teachers are selected from within the community and regularly monitored and supported by the GS central team, they thus have much more direct accountability to their clients and beneficiaries as well as to their employers.

While Parts 1 and 2 focussed on the education sector and the role of the LFPS with a detailed look at a low fee Gyan Shala programme, the focus under Part 3 was on looking to the future to determine if such a programme can be replicated and scaled up. To that end the questions are more ‘abstract’ and requiring answers based on assumptions or projections and they include: *What are the economy dimensions required to ensure success of the programme – how can it manage to generate a surplus while catering to a catchment drawn from the bottom quintile in an urban slum environment? What*

¹⁹ INR 75 to GBP 1

²⁰ These catchment details are based on fieldwork conducted among 110 families in Patna in November 2011.

are the political dimensions required to ensure success of the programme – how can it manage to overcome the political odds stacked against reform and maintain itself as a ‘success story’? And what are the tensions of scalability and sustainability that will need to be faced by such a programme and how will these addressed?

Three alternative options were reviewed and based on measurement against critical success criteria, the business option that integrated the ‘1-Room’ shalas alongside single schools was selected. Projected revenue and expenditure was then extrapolated and based on preliminary estimates and certain caveats, this integrated Option was shown to provide a viable model for sustainability. However those features that are the strengths of the programme are in turn the issues or challenges that face the programme with regard to its political and financial sustainability and its scalability. The clearly visible inequity in salaries between ‘regular’ government school teachers, the pressure for ex-post regularization, and the variance in standards, quality of training, instructions and outcomes, and the critical need for financial solvency all place a strain on the system’s sustainability. These challenges and means of mitigation or explanation under this possible model are detailed in Table 37.

Table 37: Challenges for Gyan Shala and the MBES Framework Response

Challenge	Details of Challenge	Mitigating Move or Explanation
<i>Pay disparity</i>	Regular’ Government Teachers get paid 3-6 times more than para-teachers	GS teachers have been comfortable with this disparity over a number of years and field research showed that lower wages were not mitigating against employment nor impacting on performance
<i>Pressure for ‘ex-post regularization’</i>	States under pressure to ‘regularize’ para-teachers and this regularization will be variable across different states	The MBES with a single school model provides the opportunity for GS to provide staff with an ‘in service’ certification programme for its teachers and thus meet this regulation over time
<i>Variance in Quality of Training, Instruction and Outcomes</i>	Quality of instruction will vary between the ‘1-Room’ and ‘Single Schools’ models under the MBES Institutional Framework	The GS programme is performing well on several measures of performance – parental satisfaction, student enrolment, student and teacher attendance and test scores. This performance can be replicated within the Single Schools with careful contextualisation of the existing delivery model
<i>Financial solvency</i>	The ‘1-Room’ model is dependent upon external funding and only ‘fit for purpose’ for delivery at the primary grades while the growing challenge for low fee non state provision is increasingly an ability to offer transition to secondary education for the lower quintiles	The MBES Institutional Framework that integrates the two models provides a means for providing access to a quality primary education to the poorest while also ensuring transition to secondary through a cross subsidy scheme. In addition, under certain conditions relating to provision of the land/facilities it is possible for this MBES Framework to be potentially self supporting.

While good schools – be they public schools that are well-supported or private schools that charge high fees – provide good quality education, performance of poorly supported public schools and cheaper private schools is a challenge posing significant barriers to access to a quality basic

education for all. This challenge is particularly acute in the burgeoning urban slum environment where the needs of the customer (such as proximity to the school, requirement to do household chores and inability to meet costs of education) and the physical and social context are different.

The Study concludes with some key questions that still remain unanswered with regard to quality education provision at very low cost to the poorest of the poor particularly those that reside within the urban slums:

- i. Without a subsidy or a possible Public–Private Partnership (PPP) arrangement, is it possible for a private education provider to deliver quality education based only on fee collection from the lowest socio-economic quintile?*
- ii. Without reengineering the mode of delivery - through such means as 'para-skilling' and the use of 'para-teachers' in non-formal classroom settings – is it possible for the private or indeed public provider to deliver quality education that meets the particular physical and social needs of these clients?*
- iii. To what extent are very poor parents prepared to choose low-cost schooling over free schooling, even when they only have very little disposable income? And*
- iv. To what extent does the regulatory environment - particularly those norms regarding the teacher qualifications and facilities' requirements – impact upon this significant consumer choice for the poor?*

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Annex 2: Members of Governing Board

Mr Arvind Sharma
Chairman- Leo Burnett, India

Mr. B M Vyas
Managing Director, Gujarat Cooperative Milk Marketing Federation, India

Mr. Shri Deep Joshi
Ex. Chief Executive, Pradan, New Delhi

Professor Pankaj Jain
Consultant, -Chairman

Professor Ramakant Agnihotri
Department Of Linguistics, Delhi University

Professor K. Subramaniam
HBCSE, TIFR, Mumbai

Professor Shailesh Gandhi
IIM, Ahmedabad – Treasurer

Professor Tushaar Shah
Senior Scientist, IWMI, Colombo

Professor Veena Mistry
Retd. Pro-Vice Chancellor, MSU, Baroda

Permanent Invitee

Mr. Sudhir Mankad
Superannuated Chief Secretary, Gujarat

Annex 3: Breakdown of Income and Expenditure for Gyan Shala 2007-2010 (INRs)

<i>P & L</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
Sales	8,20,515	14,27,750	18,38,898	22,16,582	8,86,042
Other Income	65,192	1,56,740	3,32,696	5,59,919	8,64,442
Donations & Grants	1,21,78,375	1,31,96,946	1,40,13,305	2,03,46,171	3,34,01,983
Salary	46,33,603	57,15,818	77,70,148	1,04,77,463	1,58,76,196
Training	5,47,973	11,56,852	8,62,288	13,17,806	16,47,075
Travel	0	0	1,52,859	98,249	1,22,268
Resources	21,32,086	34,77,407	29,05,819	45,50,226	58,82,524
Administration Expenses	1,28,591	1,24,385	2,23,715	5,70,279	13,95,508
Reference & Library Material	11,490	16,304	9,833	5,181	33,049
Rent	17,17,545	18,88,833	20,18,219	24,85,024	32,66,745
Project Development and Support	0	0	4,104	41,777	1,77,395
Field Work	4,64,219	4,12,695	4,87,919	7,09,694	8,37,945
Testing	0	0	53,843	5,93,326	19,19,456
Misc	2,53,880	2,68,833	2,91,481	4,74,724	5,19,714
Interest	5,977	862	3,178	5,204	18,195
Depreciation	13,08,220	4,31,326	6,01,873	11,50,879	21,35,130
Tax	0	0	0	0	0
Net Profit/Loss	18,60,499	12,88,121	7,99,620	6,42,840	13,21,266

Annex 4: Examples of Data Collection on FGD Participants

Management Group - Ahmedabad

Date – 24 Aug 2011
Facilitator- Anitha Jagathkar

Venue – GS office
Recorder- Pooja

S. No	Name of the participant	Age	M/F	Yrs in GS	Designation
1.	Ms Sonal	42	F	5 ½ yrs	Dy. Team Leader
2.	Ms Digisha	27	F	2 yrs	Core team (Design)
3.	Ms Pooja	25	F	6 month	Sr. Supervisor (Design)
4.	Ms Vijiya	33	F	9 yrs 4 month	Sr. Supervisor (Field)
5.	Ms Tabassum	25	F	4 yrs 4 month	Supervisor (Field)
6.	Mr Vasant	41	M	3 yrs 4 month	Supervisor (Field)

Teachers Group - Ahmedabad

Date: 24 Aug, 2011
Facilitator: Anitha Jagathkar

Venue: Gyanshala office
Recorder: Pooja

S.No	Name of the participant	Age	Yrs in GS	Classes taught
1	Usha Ben Bharat Solanki	29	5	1
2	Urmi Solanki	26	18 months	II and III
3	Ming ben	35	3 months	I
4	Nirmala ben Gandhi	26	1 year	1
5	Ila Rajesh Kumar Verma	35	6 yrs	II, III
6	Sankata ben Makwana	42	6 yrs	II, III
7	Nazneen Sayak	21	5 yrs	II, III
8	Umra Jahan Ansari	19	2 months	I
9	Ranuja Modan	22	3 yrs	1
10	Arjuman Sheik	24	3 yrs	II, III
11	Rahat Thakur	24	3.5 years	I, II
12	Parmar Sangeetha Ben	34	5 yrs	II, III
13	Parmananda	34	5 yrs	II, III

Parents Group - Ahmedabad

Date: 25 Aug

Venue: Vasna

Facilitator: Anitha Jagathkar

Recorder: Kaajal

S. No	Name of the participant	Age	M/F	Occupation	Monthly income	Name of the child	Class /centre	Next school
1	Jyothi	25	F	Housewife	-	Nitin,	1	Maanav Sadhana
2	Manjula	28	F	Housewife	-	Neelesh	1	Maanav Sadhana
3	Vasanthi	29	F	Housewife	-	Aarti, Neha	2,3	
4	Chanchal	50	F	Housewife	-	Rhea	2	
5	Manjula	35	F	Housewife	-	Amuru	1	
6	Gauri	32	F	Balloon Seller	-	Ashram	3	GyanShala (GS)
7	Amruta	35	F	Housewife	-	Madhubala	10	PS Nirma School
8	Kammu	30	F	Balloon Seller	1500	Munno	3	GS
9	Usha Ben	26	F	Housewife	5000	Vishal	2	GS
10	Jamuna	28	F	Housewife	3000	Rahul	1	GS
11	Jassi	25	F	Toys Seller	1500	Pooja	3	GS
12	Rekha	40	F	Housewife	2000	Vikram	2	Alpas School
13	Hansa	27	F	Balloon Seller	400	Deepak	5	GS
14	Jyotsna	24	F	Housewife	3000	Lakhi, Anchal	1	GS
15	Champa	32	F	Housewife	2000	Vandana	1	Sanskar Teerth
16	Narmada	52	F	Housewife	3000	Rinku	1	GS

Students Group- Ahmedabad

Date: 26 Aug, 2011

Venue: Vasna

Facilitator: Prathama

Recorder: Palak

S.No	Name of the participant	Age	M/F	Class	Previous school	Next school	Father's name	Occupation
1	Bhavin Trivedi	13	M	3 rd	Ekta	GS	Maheshbhai	Police
2	Poonamchand Sargela	6	M	3 rd		GS	Gopalbhai	Selling clothes
3	Mohit Sargara	13	M	7 th	Ekta	GS	Chargemsinh	Selling clothes
4	Manish Danterni	8	M	3 rd		GS	Kanubhai	Job
5	Karan Sargara	8	M	3 rd		GS	Ishwarbhai	Petrol Pump
6	Manisha Dantani	8	F	3 rd	GS	GS	Dineshbhai	Sewing work
7	Vehal Solanki	7	F	3 rd	GS	GS	Dineshbhai	Rickshaw
8	Sachin Jagaria		M	3 rd	GS	GS	Ravindrabhai	Job
9	Rakhi Sargara	8	F	3 rd	GS	GS	Vasantbhai	Selling clothes
10	Asmita Sargara	8	F	3 rd	GS	GS	Bharatbhai	Labour work
11	Puja Sargara	8	F	3 rd	GS	GS	Harishbhai	Making cupboards
12	Manisha Rathod	10	F	3 rd	GS	GS	Kakubhai	Selling vegetables