



**DIRECT BENEFIT**

# **TRANSFERS IN EDUCATION**

March 2017

# DIRECT BENEFIT TRANSFER

DBT can be implemented in three ways: Conditional and unconditional cash transfers, vouchers, and reimbursement of fees and education expenses. The vouchers and reimbursement options ensure that the money is used only for education. In cash transfers, parents can use part of the money for other necessities.



## VOUCHER

Coupon to cover full or partial cost of education in a school of student's choice.

Case: PAHAL



## CASH TRANSFER

Unconditional cash transfer or transfer conditional on set parameters such as attaining minimum attendance.

Case: Orissa



## CASH TRANSFER

Repayment of expenses incurred on education.

Case: Children Education Allowance (For central government employees)

# **1 SECONDARY SCHOOLS: DIRECT BENEFIT TRANSFER**

# HOW MANY CHILDREN ARE DENIED THE RIGHT TO SECONDARY EDUCATION?

## Out-of-School Children

Higher Secondary Level (Grade 11-12)



142

Million children around the world



30%

42.2

Million children in India

## Where is the shortage?

Government Schools:  
Private Schools

Primary	10:1	125:1	7:1
Secondary	1:1	2:1	1:1
Higher Secondary	1:1	0.2:1	1:1

Madhya Pradesh

Orissa

India

# HOW TO STRUCTURE A PILOT?

**OBJECTIVE** | Increase secondary school enrollment

**WHERE** | Identify districts on set parameters such as: a) Low ratio of secondary schools to potential candidates; b) Economic backwardness; c) Literacy rate; and d) School attendance levels.

**WHO** | Any child residing in the area who has successfully cleared Grade 8 will be eligible to receive a stipend.

**WHAT** | DBT to cover cost of tuition fee, textbooks, stationery, uniforms, shoes, transport (boarding expenses if the school is out of town), and other related expenses.

If a student chooses government schools, there are three policy options: 1) DBT gets void; 2) Amount may go to student based on performance indicators such as attainment of distinction; 3) Voucher amount can go to school as an untied grant. School may decide where to spend money.



# HOW TO STRUCTURE A PILOT?

**CONDITIONS** | a) Attend school for at least 75 percent of the school year.  
b) Obtain at least 45 percent marks on average in final examinations.

**PRIVATE SCHOOLS** | Schools interested in the scheme to register themselves at the local executive body. The schools should also create awareness in their areas to encourage enrolment. It should discontinue collection of fees from DBT recipients and issue notice to students not fulfilling attendance requirements.

School Management Committees and Parent Teacher Associations to play a key role in coordinating the role at the school level and ensuring school accountability.

# HOW TO STRUCTURE A PILOT?

**CHALLENGES** | There could be several challenges at the implementation level and adequate mechanisms should be put in place to ensure smooth operations of the project

**a) Issue:** Schools could overwrite students or inflate attendance to siphon funds.

**Solution:** Each student should be enrolled according Aadhaar ID; Enrollment, attendance, and performance of each DBT students should be tracked through computerized systems to enable remote monitoring and evaluation of the project, progress, and counter any corrupt practices.

**b) Issue:** Inflation of marks to meet the conditions.

**Solution:** A third-party assessment agency to verify learning levels.

**c) Issue:** To address quality improvements beyond the minimum criteria i.e. attainment of pass rate

**Solution:** Performance incentives for schools and students. Schools that record high growth for indicators such as retention and enrolment should be incentivised. Awards for best performing DBT recipients.

# **2 RTE 25% RESERVATION: HOW TO ENSURE EFFICIENCY?**

# RTE 25% Efficiency

- Focus on effective implementation of policies/schemes that encourage inclusive education e.g. RTE Sec 12(1)(c).
- Convert the 25% reservation into DBT.
- 22,000 of 26,000 private schools in Rajasthan have fees lower than government schools.
  - This incentivizes private schools to show higher fee on paper.
  - If the money is given to parents, they can ensure the minimum price is charged and prevent any fraud.

# **3 VOUCHER FOR OUT-OF-SCHOOL CHILDREN**

# HOW MANY CHILDREN ARE DENIED THE RIGHT TO EDUCATION?

## Out-of-School Children: Elementary

Grade 1-5



**61**

Million children  
around the world



**6.2**

Million children in  
India

Ranked **#2** globally

Grade 6-8



**60**

Million children  
around the world



**7.7**

Million children  
in India

# DIRECT BENEFIT TRANSFER FOR UNDERSERVED COMMUNITIES

**WHAT** | Provide DBT for helping out-of-school children and differently abled.

**IDENTIFICATION** | Self targeting; Several techniques, such as Proxy Means Testing (PMT), can be employed to verify household income/welfare/eligibility.

Offer **aspirational schools** including boarding schools, cover the cost of boarding if they stay with a relative and not in a formal hostel.

# UTTARAKHAND:PAHAL SCHEME

**WHEN** | 2007-14

**WHERE** | Initiated in Dehradun and later expanded to Nainital and Haridwar in 200809

**WHAT** | Pahal aimed to impact educational achievements of outofschool children by enrolling them in private schools. It was launched in areas with no government schools within a radius of 1 kilometer.

**6-14 years old** who have been out-of-school for at least a year, never enrolled, or do not have access to a government school within a radius of 1 kilometer were eligible. Student identification was done on the basis of household surveys.

The scheme provided Rs. 3,000 per student annually. In return, the school provided textbooks, uniforms, remedial teaching, computer education and other co-curricular activities.