

## Private Schools Can Tackle Caste

It's no secret that government schools in India are of poor quality. Yet few know that they are also breeding grounds for caste-based discrimination, with lower-caste students in government schools often asked to sit separately in the classroom, insulted in front of their peers and even forced to clean toilets. This despite the fact that caste discrimination is illegal in India. What can be done? The work of late Nobel Prize-winning economist Gary Becker has some answers.

Mr. Becker, whose work fused economics and sociology, noted that discrimination is like almost anything else—the higher the cost, the lower the demand. This means trouble for Indian students, because for teachers in government schools the cost of discrimination is zero, since their salaries don't depend on how they treat their students. It is no surprise, then, that caste discrimination is widespread in government schools.

Imagine a different system of education in which for-profit private schools compete for students. Suppose a teacher in such a system forces a lower-caste student to clean toilets. The unhappy student may leave the school for another one. Ultimately the cost of the discrimination is borne by the owner of the school who loses a consumer. This school owner has every incentive to monitor and discipline the behavior of her teachers.

Government-school teachers aren't necessarily more prejudiced than their private-school counterparts. But private-school teachers find it more costly to discriminate. In a survey of over 5,000 children, academic researchers James Tooley and Pauline Dixon found that students in private schools felt more respected by their teachers than children in government schools.

This isn't to say that competition and the profit motive are a panacea. As long as there are parents who don't want their children to study with members of other castes, there will be schools whose doors are closed to some children. And as long as there are parents who don't want their children to be taught by teachers from lower castes, there will be schools that don't hire teachers from lower castes. In a country as deeply caste-oriented as India, nothing is a panacea.

Yet children and teachers from lower castes will be better off in for-profit schools than government schools. In a free market for education, entrepreneurs will open schools to serve

children whom others refuse to serve, and entrepreneurs will hire teachers whom others refuse to hire. Because there are profits to be made.

In the short run, neither legislation nor markets can do much to change prejudices. But markets make it costly to express prejudices and make it profitable to satisfy consumers. Unlike legislation, the equalizing forces of the market rely on the self-interest of millions of individuals, not the benevolence of a handful of bureaucrats.

No one understands this better than parents themselves. In a recent Human Rights Watch report on discrimination in Indian schools, the parent of an elementary-school child explained: "The teacher should teach, give knowledge. At this school the children were being asked by the teacher to massage his legs. He beat the children. And when I went to complain about all this, the teacher beat them some more." The parent soon withdrew his child from the government school and placed him in a low-cost private school.

Some commentators, including the authors of the Human Rights Watch report, recommend more legislation to reduce discrimination in government schools. But this prescription confuses intentions with outcomes. In India, legislation means little more than ink, paper and another handle for extracting bribes. What India needs is less legislation and more deregulation. Legalizing for-profit education and removing barriers to new schools would be a good start.

Mr. Veetil is in the economics doctoral program at [George Mason University](#).

Ms. Vijayalakshmi is a doctoral candidate in marketing at [Iowa State University](#).