



# India's Human Capital:

*Educating the World's Largest Population of Children*

## Key macro data

- Population: 1.15 billion; ↑1.6% p.a.
- Per capita income: US\$1089 (US\$4542 in PPP)
- 50% of the population is below 25 years
- 360 million children of school-going age
- ***The largest child population in the world***



# School attendance

- 361m ***should*** be in school ... 219m ***actually go***
- Drop out rates are high:
  - Grades 1-4: 16% (25m)
  - Grades 5-8: 43% (39m)
  - Grades 9-12: 68% (78m)
- 3.4% of children aged 2-4 yrs are in pre-school (*cf.* 14.4% in US)
- The Indian government estimates that 12.6 million children under the age of 14 are engaged in child labor



# Public vs private provision

- 90m children attend 75,000 private schools
- 129m children attend 950,000 public schools
  - 800,000 of the public schools are in rural areas
  - 80% of rural schools do not have electricity (*cf.* 32% in urban areas)



# Teachers

- Teacher absenteeism on any given day is around 25%
- UN Millennium Development Goal #2: 'Achieve universal primary education by 2015'
- Mid-term report 2008: Projected global teacher shortage by 2015 ...  
**18 million**
- India will need the greatest inflow of new teachers in the world ...  
***more than 2,000,000***

# Girls

- With a female literacy rate of 47.8%, India is in fifth bottom position in the world
- In India's poorest regions, the probability of girls getting primary education is about 42% lower than boys
- There are a number of socio-cultural barriers to female education
  - considered to be at expense of investment in boys' education
  - there is a shortage of women teachers
  - adolescent girls may stop attending schools due to absence of toilets



# Market opportunities

- By any standard, the public education system has failed
- Current regulatory environment means FDI is a challenge
- Private education market estimated to be worth US\$40b
- Household spending on education ranks 2<sup>nd</sup> after food and groceries
- Test-prep and tutoring are valued at US\$7bn
- Public-private partnerships are a point of entry; e.g. provision of buildings and IT infrastructure