

# Ed Tech: Monitoring the online tutors



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## Synopsis

The pandemic saw a flurry of online tech enabled tutors – from Byju's or Unacademy to New Oriental Education or Koolearn Technology Holding Ltd –mushroom or bloom, selling courses for profit for toddlers to teenagers, so that they can beat the best, in maths or mandarin, coding or chemistry.

As we minted three new edtech **unicorns** in this month alone, taking the total number to five, I got thinking: Is a middle class parent from Chennai with a school going kid any different from the one in Chengdu, China?

Both fret about uneven school quality, intense competition, problematic pedagogy, and lack of social security. The hothouse pressure of securing the best education for their wards and coveted degrees nudge both to break the bank and their life's savings to try and provide the best after school tutoring to prep their kids for competitive exams, just to keep up. If China has **Gaokao**, we have our rigorous joint entrance exams (JEE).

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they can beat the best, in maths or mandarin, coding or chemistry.

Are you surprised then that 44.2% of all educational expenses in China are spent on tutors leading to a 30% growth in private tutoring between 2017-19, as per a Peking University study. Or that one out of three of our school kids use supplementary education, to quote an Omidyar Network India and RedSeer report on edtech from 2019-20.

Millions of young minds rely on them. Billions of VC dollars provide them the rocket fuel for hypergrowth amidst jaw dropping valuations.

Then if the recent Chinese regulatory firestorm can pummel its internet behemoths including its online tutors, lopping off \$1 trillion of their collective market capitalisation in just 72 hours, can and should the Modi government lean on the same playbook?

The fault lines in both these societies are too stark to simply brush away. Just like China, in India too, the chasm created by online education resources available to select few students, based on their economic profile, is further exacerbating an already uneven playing field, widening societal inequalities.

Even then, most of us feel that's highly unlikely. The China crackdown has possibly opened up unprecedented opportunities for our homegrown technology titans to cash in. Since global capital abhors vacuum, sums earmarked for China-tech would logically flow to the next big Asian market, they argue. The dollar deluge – \$4 billion in two years, of which 50% between January and August alone – has catapulted Indian ed-tech companies as “tutors of the world.” Decacorn Byju's is the highest valued edtech startup across the globe.

But perhaps the Modi government needs to. Certainly not by copy pasting Xi's Jing Ping's nanny state template, but a sophisticated, more nuanced light touch intervention is indeed required. More so in higher education.

Governments can intervene if there are allegations of rampant profiteering like it did with price and margin caps on medical devices from 2017. Similarly, the public outrage over surge pricing in ride hailing companies catalysed commission rules, somewhat improved labour code and a ceiling last year.

But, even the largest player in the field, cannot yet claim to make profits hand over fist even if their revenues have surged during the pandemic.

But what the administration cannot ignore for long is the rise in parental grievances. A simple google search will point to the rising angst of parents and students, feeling trapped after being missold a dream. Opaque refund or cancellations policies, aggressive and skewed sales pitches feasting on parental insecurities resulting in loan burdens that sometimes can touch lakhs but with minimum to zero recourse. Profit motive is morphing many of these edtech giants more like the schools that they themselves sought to disrupt.

Once on the treadmill, learning at one's own pace through bespoke solutions remains a misnomer. But unlike the tuitions that prevailed when we were mugging for our exams, devoid any long term payment commitments, login out of a multi-year package now has increasingly become a nightmare with third party loan providers locking in families with EMI options. Bigger in edtech is not necessarily better. The onus is on the child and not the tutor to adjust and adapt in this digital maze.

This is no longer a problem of the creamy layer. Capacity constraints have hamstrung government infrastructure and will continue to do so making these private online alternatives expand far and wide to mufasil towns and villages. And as venture capitalists start doubling down on education, scoping it more as an extension of India's booming consumer internet story, instead of the earlier public good approach of the "impact" funds, the issue is becoming broad based. And no government can look the other way for long especially when its intrinsically linked to our fabled demographic dividend.

Legacy education institutions have always been under strict scrutiny. Since 2018, there are UGC regulations for offering degree courses, but no such regulations were ever contemplated for K-12. Today, even when pandemic has force migrated the whole school and syllabus onto screens and online devices, it's odd to keep these multi-billion dollar ed-tech firms outside the purview of any education regulator.

It can be argued that recent Intermediary Guidelines of the Information Technology (IT) Act do offer a digital code for publishers of content, and by that logic, should cover these unicorns, or as Aarushi Jain, from law firm Nishith Desai Associates, told me consumer foras can also provide redressals to harrowed parents and students. But these laws are new and need more teeth and clarity to delve into what may otherwise be construed as private contracts.

By that logic, when you book a flat, you also enter into one with your builder of choice. It's a voluntary decision, just like opting for an online trigonometry class. Yet the government did intervene with the Real Estate (Regulation & Development) Act (RERA) to instil discipline, transparency and accountability to a sector, rampant with errant operators. The same should apply to edtech.

Free markets are all about choice, animal spirits, entrepreneurial chutzpah. But it is also about creating a regulatory framework and an even field.