

# Education Sector Hotline

July 02, 2018

## CHANGING SCHOOLS: THE GOVERNMENT SHOULD ALLOW PRIVATE COMPANIES TO SET UP SCHOOLS

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### SUMMARY:

Private sector is making immense contribution to K-12 education sector. However, our laws still require schools to be set up by a not-for-profit structure, such as a trust or society. This is acting to the detriment of private sector in many ways. Specifically, it affects the ability of private sector to raise money- which is critical, as education is a capital incentive sector.

Haryana is one state in India which has already allowed private companies to set up schools within its state. Recently, the medical council of India has allowed private limited companies to set up medical colleges, so as to increase private sector participation. Such progressive changes foster investor confidence. Government therefore needs to provide incentives to the private sector if their involvement is expected in the long run. This can only happen when the sector is liberated, with adequate checks and balances. These checks and balances already exist in law. Its therefore a question of taking the next step and being progressive !

Through this article, we are mootting the argument to allow for-profit entities to set up schools by governments for the greater good of the sector.

Changing Schools: The government should allow private companies to set up schools

– Aarushi Jain & Vivek Kathpalia

You can direct your queries or comments to the authors

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