

Early Childhood Care and Education: A Focus Area for Government as well as Private Sector

Early childhood is defined by the government as the period from birth to six years of age. A time of remarkable brain growth, these years form the foundation for subsequent learning and development. UNESCO advocates Early Childhood Care and Education (ECCE) programs which attend to health, nutrition, security, and learning, and also provide for children's holistic development. In this direction, it organized the first World Conference on ECCE in September 2010, which culminated in the adoption of a global action agenda for ECCE called Moscow Framework.

Famous American scientist, Buckminster Fuller made perhaps one of the most profound observations about the early education system some four decades ago. "All children are born geniuses" he said "and we spend the first few years of their lives degeniusing them." Early childhood education falls in the most critical period when the foundations are laid for life-long development and the realization of full potential. Research shows that there are 'critical periods' at this stage crucial to the full development of the child's brain potential. The formation of later attitudes and values, as well as the desire to learn, are also influenced at this stage, while lack of support or neglect can lead to negative consequences which are sometimes irreversible.

While there is a fairly widespread belief and unanimity about the importance of the formative years, early childhood education has remained outside the spotlight while government efforts have focused more on initiatives such as Education for All (Sarva Shiksha Abhiyan) or universal literacy. India has about 160 million children in the age bracket of zero to six years. India's Gross Enrolment Ratio, or GER, in early childhood education is hovering at over 10% whereas the same in developed countries is above 60%. There are reasons for the low GER in India. The first is that there is no regulatory or curricular need for a child to enroll for early childhood education. The second is that the traditional Indian families have typically one parent working and elders at home reducing the need for the child to go to an early childhood education center. Of course, lack of awareness and economic factors have also contributed to extremely low enrolment in early childhood education.

Of late, activities in the early childhood education space are slowly gaining momentum. There is a realization at the level of government that ECCE is a neglected part of our human resource development effort and there is much to be achieved in this area. While the Integrated Child Development Services (ICDS) is the world's largest program imparting ECCE, its success has, at best, been limited in terms of capacity, quality, infrastructure, and enrolment. The draft National Early Childhood Care and Education Policy of 2012 envisions inclusive and equitable early childhood education and endeavors to lay down the framework for both public and private sector initiatives. The Government aims to spruce up the existing ICDS system with better resources and bring the pre-primary education within the ambit of primary education. Additionally, the Rajiv Gandhi National Crèche Scheme is being set up to assist working mothers belonging to economically weaker sections of the society.

The huge need gap in ECCE presents a large opportunity for private initiatives. While three-fourths of the market remains unorganized, there are few large players who have tapped into the opportunity. Eurokids, Kidzee, and Treehouse are the three largest players that dominate the market. The relatively low entry barrier to set up ECCE centers draws entrepreneurs to the business. The growth of ECCE is also facilitated by lease-rental and franchising models. As per Technopak's estimate, the aggregate revenue of the industry is USD 1 billion and has been growing at 15% YoY. The next five years will be marked by the rise of new brands and shakeouts. Weak, unorganized brands will face challenges and strategy-focused brands, complemented by strong operational acumen, will thrive and prosper.

Private players need to segment the market sharply. Currently, there are quite a few players without any clear differentiation. As the market is very large, from the metros to the semi-urban, there is a great opportunity to expand the market and cater to vastly different segments. As play school is no longer solely an urban phenomenon, semi-urban and rural centers of India present a sizeable opportunity. Needless to say, there will be need for innovation in the existing business model. The investment trend in this industry clearly points to plentiful funding for the right business models. The attractive opportunity that India ECCE presents is attracting foreign players as well.

Currently, ECCE businesses are not regulated by the government. However, ECCE is regulated even in the most developed nation. Singapore's SPARK (Singapore Pre-School Accreditation Framework) is a very successful model of quality and capacity. As per the draft National ECCE Policy 2012, a regulatory framework for ECCE to ensure basic quality inputs and outcomes, across all service providers, will be progressively developed at the national level and implemented by the states, with appropriate customization, in the next five years. This could well be an opportunity for private players to collaborate with the government to fine tune the policy and at the same time get their own house in order.

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