

# Meta-Study of Literature on Budget Private Schools in India

**Centre for Civil Society**

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## Introduction

Budget Private Schools (BPS) are privately-run schools that charge very low fees, operating among the poorer sections of the society and have become relevant to the education discourse of India. Such small schools began mushrooming in the late 1980s across developing countries as alternatives to dysfunctional state-run schools and India was no exception. However, in the succeeding two decades, BPS contributed heavily to the soaring enrollment rates in private schools. These schools have been referred to in literature as “low-fee private schools”, “affordable private schools” and “private schools for the poor” among others, and are considered an entrepreneurial response to meet urgent education needs by expanding access to the poorest children. Despite lack of infrastructure and facilities, studies over the past decade have shown that learning outcomes in these schools are equal to or better than those of far more resourceful government schools. Despite huge spending over the past decade and more, the government still faces the challenges of millions of out-of-school children, high dropout rates after elementary education and low female enrolment among other things. It is in this context that existing literature on such low-fee charging private schools is being analysed below to gain a better understanding of the situation in different parts of India about the achievements, challenges and overarching role of Budget Private Schools (BPS) in India’s school education ecosystem.

Studies published in the late 1990’s to as recent as 2014 have been included in the analysis and this meta-study has attempted to capture as wide a range of issues related to BPS from learning outcomes and regulations to gender problems and questions of equity while trying to maintain as much geographic coverage as possible at the same time. This study aims to understand why parents are increasingly choosing to send their children to BPS even in places with access to government-run schools, how children in BPS are performing relative to government schools and how regulations are affecting the functioning of BPS, besides trying to gain some clarity about the direction in which education in India is headed in this context.

## Private Schooling in India – Size, Nature, and Equity-Effects (Kingdon, Private Schooling in India: Size, Nature, and Equity-Effects, 1996)

- The paper argues that published educational statistics in India ignore unrecognised private schools and include only the recognised ones.
- Kingdon points out that because of this and the fact that enrolment data in government-funded schools is over-reported, the official educational statistics in India are seriously skewed. This exaggeration of the size of free, government-run schools and the understatement of the size of fee-charging private schools has implications for everyone from analysts and policy-makers to democratic representatives in parliamentary debates.
- Kingdon uses the government published official data on education and compares it to NSSO household survey data, mainly focusing on the state of Uttar Pradesh while also looking at aggregate national level data to prove this point. Further, she draws from previous literature to show that micro-studies in different parts of the country support this argument.
- Kingdon also argues that while rising incomes may be one reason for increasing demand for private schools because government run schools remain underutilised, the primary reason is that the state-run schools are dysfunctional. Kingdon identifies the situation to have equity effects, i.e. the well-off have better chances of acquiring quality education through private schools and that the flaws in data need to be effectively corrected if we need to move towards equitable school education in India.

Read full report at: <http://www.epw.in/special-articles/private-schooling-india-size-nature-and-equity-effects.html>

## PROBE report (Center for Development Economics, 1999)

- The Public Report on Basic Education in India (PROBE Report) details the state of basic education in the BIMARU states (Bihar, Madhya Pradesh, Rajasthan, & Uttar Pradesh) of India. The Report is based on a field-survey carried out by a team of investigators in the last few months of 1996.

- The report among other things pointed out that the long-held belief of parental resistance to schooling was a myth. The basic assumption of policy up to that point was that there was a lack of demand. The report was instrumental in shifting the focus to solving the supply side constraints.
- The quality of education on offer is also reported to be very poor and contributing very little to the formation of human capital that education was supposed to achieve. The report discusses how Himachal Pradesh managed to achieve much more—relative to itself the past and the other states in the present—by harnessing parental involvement.
- The failure of the state policies on education is demonstrated by providing evidence to dispel the myths about education in India that had curiously been driving policy. While the report did suggest more effective state action to solve these problems, it does provide evidence to the contribution of private schools to the system.

Read full report at:

[http://www.undp.org/content/dam/india/docs/public\\_report\\_basic\\_education\\_india.pdf](http://www.undp.org/content/dam/india/docs/public_report_basic_education_india.pdf)

### **Private Schools for Less Privileged (De, Noronha, & Samson, 2002)**

- The study was undertaken in one district each of Haryana (Bhiwani), Rajasthan (Dhaulpur) and Uttar Pradesh (Rampur). Fifty households in each sample area were surveyed and schools under all kinds of management (government, private, private aided) were studied. Aided schools were few, found only in urban areas and none less than 30 years old.
- The research focused on smaller private schools which were set up around 10 years before and they found that while the infrastructure and teacher training/retention were minimal, these schools managed to create demand among parents. Teachers at the secondary level in government/aided schools also claimed that schools preferred students who did primary schooling in private schools.
- While students in private schools were generally from better socio-economic backgrounds than students in government schools, the study points out that the surveyed parents preferred a school with minimal infrastructure and extra-activities. This

was because the choice was between the low-fee-charging private schools and government schools that were either absent or dysfunctional.

- The study concludes that private schools cannot be expected to bring non-enrolled students into schools because of the opportunity costs that it entails for the parents through loss of labour (which children out of school provide) in these areas. Therefore, if government schools do not start offering better quality education and compete with the private schools, the goal of Universal Elementary Education cannot be reached.

Read full report at:

[http://www.eledu.net/rrcusrn\\_data/Private%20Schools%20for%20Less%20Privileged\\_0.pdf](http://www.eledu.net/rrcusrn_data/Private%20Schools%20for%20Less%20Privileged_0.pdf)

### **The Regulation of Private Schools Serving Low-Income Families in Andhra Pradesh, India (Dixon & Tooley, 2005)**

- This paper sets out some findings of a research project carried out in private unaided schools in low income areas of Hyderabad, India. The part of the research project documented here was designed to examine the question: 'Is the regulatory regime conducive to entrepreneurial action and market discovery?' with particular reference to the low-income schools in Hyderabad.
- This paper is focused on setting out the results of pattern-matching empirical data with the Austrian economic concepts of entrepreneurship, rivalry, and market discovery.
- The research discovered that two regulatory regimes exist, one that is set out 'on paper' in the Education Acts and associated rules, and another that operates 'in practice'. That is, there is a combination of regulations 'on paper' and regulations existing in an 'extra-legal' sector.
- Generally it was found that the regulations 'in practice' are consistent with market principles. Conversely the regulations set out 'on paper' are not conducive to entrepreneurial innovation and market discovery.
- Recommendations for potential policy initiatives include the possibility of legitimising the 'extra-legal' sector by introducing self-regulation, possibly via self-evaluation systems for the private unaided schools.

Read full report at: <http://link.springer.com/article/10.1007/s11138-005-5592-4#page-1>

### **Private Education is Good for the Poor (Tooley & Dixon, 2005)**

- This study looks at private schools functioning out of low-income areas in India, Ghana, Nigeria and Kenya. The study cites that it found 918 schools in the slums of Hyderabad, of which 35 percent were government schools, fewer than 37 percent were unrecognized private schools and 64 percent of the schoolchildren attended private school.
- The private schools were run largely by proprietors and none of them were receiving government funding. The number of boys and girls enrolled were roughly equal, the pupil-teacher ratios were high and a significant number of schools offered services free of cost or at reduced rates for the poor.
- The mean test scores for mathematics were 22 percent and 23 percent more for recognised and unrecognised private schools respectively, compared to government schools.
- The advantage was even more pronounced in English tests and was achieved at between half and quarter of the teacher salary costs.
- The study points out that the assumption that low cost private schools do not offer quality education is false and concludes that private schools have a huge part to play in the UN's millennium development goal of education for all.

Read full report at: <http://object.cato.org/sites/cato.org/files/pubs/pdf/tooley.pdf>

### **Public and Private Schools in Rural India (Muralidharan & Kremer, 2006)**

- The paper draws conclusions from a nationally representative survey of rural private primary schools conducted in 2003. 28 percent of the population of rural India has access to fee-charging private schools in the same village.



- Nearly 50 percent of the rural private schools covered under the survey were no older than five years at the time of survey, suggesting that the growth of private schooling in India might be a relatively recent phenomenon.
- The study also points out that the presence of private schools were more marked in areas with poor government school performance and richer states were less likely to have rural private schools. Private schools paid lower teacher salaries, had lower pupil-teacher ratios and less multi-grade teaching compared to government schools according to the study.
- Muralidharan and Kremer also point out that teachers in private schools were 2 to 8 percentage points less likely to be absent and 6 to 9 percentage points more likely to be engaged in teaching activity.
- Children in private schools were also noted to have higher attendance rates and test scores, even after controlling for family and school characteristics.

Read full report at:

[http://econweb.ucsd.edu/~kamurali/papers/Published%20Edited%20Volume%20Chapters/Public%20and%20private%20schools%20in%20rural%20india%20\(Final%20Pre-Publication\).pdf](http://econweb.ucsd.edu/~kamurali/papers/Published%20Edited%20Volume%20Chapters/Public%20and%20private%20schools%20in%20rural%20india%20(Final%20Pre-Publication).pdf)

## **Private Schooling and Mental Models about Girls' Schooling in India (Srivastava, 2006)**

- This paper presents the results of a broader case study of low-fee private schooling in the Lucknow District of Uttar Pradesh, considered one of the most 'educationally backward' states in India.
- The research compares the household schooling patterns for boys and girls in households accessing low-fee private schools. It analyses the data from interviews with 60 households, half of them from a rural school and half from an urban school.
- In a time of significant socio-economic changes in India and a rapidly changing educational environment, it investigates parents' perceptions of the need to send their daughters to low-fee private schools.

- Low-fee private schools proved to be the first choice for schooling for boys and girls in both urban and rural settings among households in the study. Parents in the study were not selective in choosing the low-fee private sector on the basis of gender – they were as likely to choose these schools for their daughters as for their sons.
- Parents’ prioritisation of schooling and accessing the low-fee private sector appeared to be related to a shift in thinking about the importance of schooling for all their children, including daughters. This shift in thinking appears to have been triggered by the influence of family and peers, and widespread socio-economic social changes (such as a changing labour market making formal education a necessity).
- Parents considered the low-fee private sector to be a better quality option than the state sector, offering better employment opportunities for their daughters. This could increase the family’s income potential. The prime reason for accessing low-fee private schools for girls was that most parents believed this type of schooling would aid their daughters most through better marriage prospects.
- The paper indicates that patriarchal attitudes still underlie household decisions with regard to schooling for daughters, with the ‘marriage market’ being the leading factor.
- Supplementing findings from secondary research, it suggests that patriarchal attitudes have not significantly changed towards girls. It also suggests that girls’ access to the low-fee private sector will be limited by trends in boys’ schooling, challenging the assumption that greater access to schooling for girls will necessarily and uncritically lead to more equitable social outcomes.

Read full report at:

[http://www.researchgate.net/publication/215472969 Private schooling and mental models about girls' schooling in India](http://www.researchgate.net/publication/215472969_Private_schooling_and_mental_models_about_girls'_schooling_in_India)

### **The progress of school education in India (Kingdon, 2007)**

- This paper provides an overview of school education in India. The paper points out that while India is doing better than Pakistan and Bangladesh, it lags behind the BRIC countries especially in secondary school indicators.

- After examining some basic education indicators like enrollment, teacher absenteeism, etc. the paper investigates the role of private schooling in India, examining the extent of growth of private schooling and surveying evidence on the relative effectiveness and unit costs of private and public schools.
- The paper uses household data to suggest that the role of the private sector in education is grossly under reported in official estimates. It also points out that more than 95 percent of the increase in enrollment in primary schools was absorbed by private schools, even when more than half of them were unrecognised and therefore not part of the statistic.
- The paper also points out that this might explain why states with falling or static public expenditure on education seem to do well on education outcome indicators because controlled for student background, students from private schools performed better at a fraction of the cost incurred by government schools.
- The paper also describes some major public education initiatives like the SSA and the MDM scheme.
- The concluding section suggests a future research agenda and appeals for rigorous evaluation of the impacts and costs of the numerous existing educational interventions, in order to learn about their relative cost-effectiveness for evidence-based policy-making.

Read full report at: <http://oxrep.oxfordjournals.org/content/23/2/168.full.pdf+html>

### **Private Schooling in India: A New Educational Landscape (Desai, Dubey, Vanneman, & Banerji, 2008)**

- Using data from the recently collected India Human Development Survey, this paper seeks to provide a description of private schooling in India and examine the effects of private school enrollment on educational quality.
- This is a nationally representative survey of 41,554 households located in both urban and rural areas of 33 states and union territories of India (with the exception of Lakshadweep and Andaman Nicobar). The sample extends to 384 out of 593 districts identified in 2001 census and covers 1,503 villages and 971 urban blocks located in 276 towns and cities.

- The results suggest that controlling for the endogeneity of school choice, children in private schools have higher reading and arithmetic skills than those in government schools. While overall gains are modest in size, about one fourth to one third of a standard deviation, the gains for students from lower economic strata are higher than those for upper income students.
- The paper explores this relationship by examining the treatment of students from different economic strata in government and private schools.
- It finds that while students from lower economic strata are more likely to be physically punished in government schools than their better off peers, the relationship between parental economic status and physical punishment is negligible in private schools.

Read full report at: [http://www.ihds.umd.edu/ihds\\_papers/privateschooling.pdf](http://www.ihds.umd.edu/ihds_papers/privateschooling.pdf)

### **Consumers of Affordable Private Schools: A Study of Parents in Low-Income Communities in Hyderabad (BGM Policy Innovations Pvt Ltd, 2010)**

- Affordable Private schools (APS) are defined as self-sustaining, private, unsubsidised schools that do not charge a monthly fee more than INR 800.
- The study tries to answer two questions: 1. What is the consumer behavior of parents choosing APS? 2. What is the most meaningful way to engage parents for disseminating Gray Matter Capital's school ratings? Focusing on the former, the study suggests that parents from low income families do make sound and informed decisions when it comes to choosing schools for their children based on the information that they do have but is flawed in the sense that there are no credible and scientific third party ratings they can use.
- The availability of schools, the cost of schooling and school quality (which were perceived through teacher quality, academic performance, English speaking abilities, etc.) were the three major parameters that parents used while selecting schools.
- The study further divides parents into three categories: Drivers, Enablers and Passives. Drivers actively seek high quality education through their networks while Enablers have

similar aspirations but do not have the means to do so. Passives are the ones with no information because of a lack of network and therefore choose the closest and most affordable school.

- The rest of the study looks into strategies for creating scientific ratings for schools and providing parents with access to these ratings.

Read full report at:

[http://issuu.com/enorwood/docs/consumers\\_of\\_affordable\\_private\\_schooling\\_-\\_core\\_r](http://issuu.com/enorwood/docs/consumers_of_affordable_private_schooling_-_core_r)

### **Low cost private schooling in India: Is it pro poor and equitable? (Harma, 2011)**

- This paper draws evidence from a 13 village study in rural Uttar Pradesh, collected primarily through household survey data from 250 families in the context of rapid expansion of low cost private schools in rural areas over the past decade.
- The study points to a near universal preference on the part of parents for private schools, but a majority of the students are enrolled in government schools because private schools still remain unaffordable for them.
- The study uses a logit regression model with poverty as the independent variable to conclude that the likelihood of accessing budget private schools steadily increases from the second quintile to the fifth quintile, i.e. budget private schools still remain inaccessible to the poorest quintile.
- The author concludes that overreliance on the free market policy in education may not be the best idea if this quintile should not be excluded.

Read full report at: <http://sites.mii.edu/comparativeeducation/files/2013/01/Low-cost-private-schooling-in-India.pdf>

## Private Education for the Poor in India (Thorat, 2011)

- Thorat uses available data to point out that private schools are increasingly shouldering a huge portion of India's primary education needs. While the fact that learning outcomes of private schools are better than those of the largely dysfunctional government school system is usually pointed out as the primary reason for this, Thorat argues that ease of access and cost of education are definitely major factors in determining parental choice about education.
- She also points out that the lack of a credible rating system means that parents are not able to correctly gauge the quality of schooling and have to resort to arbitrary signs like reading the news ticker on TV.
- The existing regulatory environment in India is harsh on private schools—both recognised and unrecognised—but without providing viable alternatives for the poor in the context of failing government schools.
- The author suggests different approaches that the government should probably adopt, such as public-private partnerships and school vouchers, to properly harness the potential that private schools offer towards achieving the goal of universal elementary education.

Read full report at: <http://www.educationinnovations.org/research-and-evidence/private-education-poor-india>

## The shifting politics of the private in education: debates and developments in researching private school outreach in India (Ashley, 2012)

- This paper addresses the politics of researching private education with special reference to the Indian context. The evolving nature of the politics of researching the private in the recent past is discussed with reference to research on private school outreach for out-of-school children in India. The author critically examines the reception of this research when it was conducted in 2000–2003 in relation to the discourse and policy in Indian education at the time.

- Ashley makes the case that there is an irrational fear of private education taking over public education and that this raises questions about the effectiveness of the state. The lack of knowledge about the heterogeneous nature of the private education, i.e. different types of private schools which target different sections of the population is also cited as a reason for this hostility towards private education in the policy realm.
- The research is then revisited in the contemporary context in the light of considerable changes in Indian education policy, involving increased public–private partnerships. In this new climate, private school outreach is reconceptualised—previously considered an educational anomaly, it now has renewed relevance.
- The paper uses the Right of Children to Free and Compulsory Education Act's (2009) requirement for private schools to reserve at least 25 percent of school places for economically disadvantaged children in their neighbourhoods, to highlight this change in discourse.
- Ashley raises concerns about the financial viability of this model as well as the effective inclusion of disadvantaged children.
- The paper concludes that the shift in mindset towards private education is definitely welcome but warns that a critical lens needs to be used to understand new policy rhetoric.

Read full report at:

<http://www.tandfonline.com/doi/abs/10.1080/03050068.2012.686258?journalCode=cced20#.VdGWxfmqgko>

### **Are we asking the right questions? Moving beyond the state vs. non-state providers debate: Reflections and a Case Study from India (Bangay & Latham, 2012)**

- This paper provides an overview of recent trends in basic education provision in India: charting an impressive expansion of enrolment in public schools but a growing concern with the quality of learning. Concerns around quality are seen as a driving factor in the migration of students from the public sector to budget private schools.
- While there is evidence of improved learning amongst some budget private schools, there are also significant concerns around equity.

- The paper proposes that for the sake of future generations it is necessary to move beyond a polemical focus on state or non-state provision and focus rather on six core questions about education provision: Is it sound pedagogically? Does it deliver meaningful learning? Is it equitable? Is it scalable? Is it financially viable and is it sustainable? These questions are explored through a review of 'Gyan Shala', an innovative low cost education program operating in the slums of Gujarat and Bihar.
- The paper concludes that a better understanding of the dynamic between the private and public sectors is needed to ensure effective education planning which will deliver meaningful learning to all.

Read full report at: <http://www.sciencedirect.com/science/article/pii/S0738059312001198>

### **Affordable Private Schools Sector Analysis Report (Jain, 2012)**

- The report is based on ratings of different parameters, namely Student Learning Outcomes, Parent Satisfaction, Teaching Quality, Financial Performance, School Infrastructure and School Management for over 200 Affordable Private Schools (APS) in Hyderabad, Delhi and Bangalore in the 2011-12 academic year.
- The report makes the case that while around 50 percent of the APS are providing quality education to low income communities, the rest are performing below expectation.
- The report argues that there is a strong correlation between the fees charged and the quality of education provided and that below a certain threshold (INR 400 per month for the sample) it is difficult for APS to perform.
- Teaching quality and infrastructure are the key points of difference between the highest performing APS and the lowest ones.
- Chain schools are also seen to perform much better than individual run schools as direct result of the school leaders being more progressive and competitive.
- The report concludes with a host of areas to reduce the inequities among APS schools and improve the functioning of a sector with potential—including technology-enabled



learning solutions, innovative teacher training programs, school infrastructure leasing, school management advisory services, school accreditation, leadership mentoring and access to resources where solution providers, investors and donors can be of assistance.

Read full report at:

[http://www.periglobal.org/sites/periglobal.org/files/APS%20Sector%20Analysis\\_2012\\_GrayMattersCapital.pdf](http://www.periglobal.org/sites/periglobal.org/files/APS%20Sector%20Analysis_2012_GrayMattersCapital.pdf)

### **The Marks Race: India's Dominant Education Regime and New Segmentation (Majumdar & Mooij, 2012)**

- The paper draws a picture of the current education system, describing the problems with both the government schools and private schools. Drawing on evidence from West Bengal and Andhra Pradesh, it points out the general deficiencies in education. While private schooling for the primary section is prevalent in Andhra Pradesh, it is noted that private tuition besides normal schooling is the norm in West Bengal.
- The problems identified as part of the private school system are that learning is exam-oriented and therefore leads to only to mechanical memorisation, and a lack of life skills and understanding of subjects for application.
- The rise of budget private schools that charge low fees is attributed to this need of the parents whose understanding of good education is in line with such pedagogical measures based on rote learning and exam results and a suspicion of new pedagogies and non-standardised study material.
- The paper goes on to suggest the need for alternative mechanisms rooted in greater levels of teacher autonomy because besides the aforementioned problems, the current system also suffers from a gender and class equity problem in terms of enrollment.

Read full report at: <http://repub.eur.nl/pub/34859/>

### **Low-Cost Private Schools for the Poor in India (Nambissan, 2012)**

- This paper, based on secondary research on the expansion of budget private schools, claims that advocacy for such schools as a cost-efficient and equitable source of high quality education is backed by powerful transnational pro-market financial and political interests, and that there is no evidence to back these claims.
- Nambissan also claims that this drive toward cost-cutting and paraskilling of teachers in budget private schools is detrimental to the education sector. She bases this on the discriminatory nature by which corporate-run schools offer packages of different quality for the poor and the elite.
- The paper also claims that the Right to Education Act of 2009 (RTE) makes sure that such discriminatory effects of private players are kept in check and this is the reason why they have been protesting the RTE.
- Nambissan puts emphasis on social justice to claim that all efforts to make the regulatory environment favourable for private schooling is based on the forecast that the education sector in India is a USD 70 billion recession-proof one.

Read full report at: [http://www.idfc.com/pdf/report/2012/Chapter\\_8.pdf](http://www.idfc.com/pdf/report/2012/Chapter_8.pdf)

### **Private Initiative in India's Education Miracle (Shah & Miranda, 2012)**

- Shah and Miranda argue that the giant leaps in literacy that India has achieved over the past two decades have been largely made possible due to the proliferation of private schools in general, and budget private schools in particular.
- The paper argues for a new role for the state that addresses equity in education without compromising on efficiency. This can be done by combining the efficiency and accountability to consumers that the private sector provides while the government can rid itself of the supply side and focus on the demand side to ensure equity and independent supervision.
- The authors proceed to make a case for the voucher system as a possible approach that embodies this argument by drawing from the positive results of a pilot projects implemented in Delhi and Uttarakhand.

- The paper also touches upon some of the problems thrown up by the Right to Education Act, especially Section 12 which requires private schools to reserve 25 percent of their seats for students from economically weaker sections in return for government reimbursement.
- Shah and Miranda continue to point out the sections of the Right to Education Act of 2009 (RTE) that have been forcing private schools to the verge of closure and suggest amendments that focus on learning outcomes and not just input norms.
- The authors conclude that for the Right to Education to be meaningful, it must become the Right to Education of Choice and that can only be achieved by creating an education ecosystem that is not hostile to private schools.

Read full report at: [http://www.idfc.com/pdf/report/2012/chapter\\_7.pdf](http://www.idfc.com/pdf/report/2012/chapter_7.pdf)

### **The Aggregate Effect of School Choice: Evidence from a two-stage experiment in India (Muralidharan & Sundararaman, The Aggregate Effect of School Choice: Evidence from a Two-stage Experiment in India, 2013)**

- The study presents experimental evidence on the impact of a school choice program in the Indian state of Andhra Pradesh (AP) that provided students with a voucher to finance attending a private school of their choice.
- The study design featured a unique two-stage lottery-based allocation of vouchers that created both a student-level and a market-level experiment, which allowed the study of both the individual and the aggregate effects of school choice (including spillovers).
- After two and four years of the program, the study found no significant difference ( $0.65\sigma$ ) between test scores of lottery winners and losers on Telugu (native language) and math, suggesting that the large cross-sectional test-score differences between public and private school students on these subjects mostly reflect omitted variables.
- However, private schools spent significantly less instructional time on Telugu (40% less) and math (32% less), and instead taught more English, science, social studies, and Hindi.

Averaged across all subjects, lottery winners scored  $0.13\sigma$  higher, and the average causal impact on test scores of attending a private school was  $0.23\sigma$ . Further, the mean cost per student in the private schools in the sample was less than one-third of the cost in public schools.

- Thus, private schools in this setting delivered (slightly) better test score gains than their public counterparts, and did so at substantially lower costs per student.
- The study also did not find any evidence of spillovers on public-school students who do not apply for the voucher, or on private school students, suggesting that the positive impacts on voucher winners did not come at the expense of other students.

Read full report at: <http://www.nber.org/papers/w19441.pdf>

## Does School Choice Help Rural Children from Disadvantaged Sections? (Karopady, 2014)

- The paper draws conclusions from the analysis of data from a large-scale five-year longitudinal research based on randomized control trials involving a sample of 10000 children in Andhra Pradesh. While previous literature on school choice and the effect of private schooling is covered in the paper, there seems to be no cumulative conclusive evidence.
- The study acknowledges the high preference of parents for private schooling but concerns itself only with data on learning outcomes of children who received the choice to move to private schools, the children who stayed in government schools and children who started out in private schools.
- The findings based on this data show that the group of students that moved to private schools show a significant increase in learning achievement at 33.33% (significant at 1% level) in the first year of shift compared to students who stayed in government schools at 27.9% but the increase fails to be statistically significant beyond the first year.
- The average learning achievement scores remain higher for students that shifted to private schools till the fourth year and drops slightly below that of the students who stayed in government schools in the last year of the study.

- The students who started off in the private schools do better than all the others in these learning outcome evaluations.
- The paper concludes that schools choice does not offer significant improvement in learning outcomes for children from disadvantaged rural sections as compared to government schools.

Read full report at: <http://www.epw.in/special-articles/does-school-choice-help-rural-children-disadvantaged-sections.html>

## Conclusion

The role of private schools in India's education sector has been mostly undermined because of the large number of unrecognised schools which continue to cater to low-income communities in the absence of credible state-run schools in different parts of the country. The learning outcomes of students from private schools, according to different studies, are either at par or better than the learning outcomes of students from government schools. The major takeaways from review of existing literature on BPS are:

- Data used for education planning suffers from the gap of exaggeration of government school enrollment and underreporting of unrecognized private school enrollment (based on incompatibility of NSSO data and government-published education data).
- 95% of increase in enrollment in primary schools was absorbed by private schools, but half of them are unrecognized and therefore not part of the reported statistics.
- There are supply side constraints in education, in terms of quality of government-run schools and access to these schools which has led to an increased private school enrollment despite regulation that is not favourable for investing in education.
- Regulations for private schools on paper are not consistent with market principles but demand from parents has resulted in extra-legal regulations in practice which lack stability but somehow continue to provide outcomes at par with, if not better than, government schools.
- Study of 918 schools in the slums of Hyderabad reports mean test scores for mathematics was 22% more and 23% more for students in recognized and

unrecognized private schools compared to government schools, achieved at between half and quarter of teacher salary paid at government schools.

- Lower teacher salaries, lower PTR and less multi-grade teaching in BPS but BPS achieve better learning outcomes than government schools or at par with them at 1/3rd of the spending involved.
- Starting English instruction earlier and more active teachers are primary reasons for parental choice veering towards private schools.
- BPS teachers are 2 to 8 % less likely to be absent and 6 to 9% more likely to be engaged in teaching compared to government schools.
- While overall gains for children in private schools are modest (1/4th to 1/3rd SD), the gains for students from lower economic strata are higher than those for students from upper income groups.
- Different studies conclude that parents make decisions based on what little information they do have about local schools but there is clear information assymetry which necessitates a scientific rating system for schools that all parents can have access to.
- Hostility in policy circles towards private education in general, because it is thought to undermine the effectiveness of the state but Section 12 of the Right to Education Act of 2009 (RTE) illustrates that the state has started ceding the importance of private schools in the education ecosystem.
- School choice program in AP show no significant difference in test scores of lottery winners in Telugu and Math. But private schools spent 40% less instructional time on Telugu and 32% less in Math resulting in higher average test scores across all subjects for lottery winners. (0.13 sig higher)
- The issues raised about the viability of budget private schools as a major part of the education sector are mostly related to equity and partly to the pedagogy employed. Considering that these budget private schools are still inaccessible to the poorest of the poor, the equity argument does hold some credibility. However, this would be true only in a scenario where no government-run schools exist. Thus, like some papers suggest, it may not be in our best interest to pick one or the other at the moment and instead, we should be looking at a system where both co-exist and compete.

- It is important not to restrict the freedom of choice for those who can afford to pay for their children's education while making sure that even the children whose parents cannot afford to pay, have access to some form of education.
- This model needs to be urgently considered primarily because of the costs involved. The monthly fee charged by these budget private schools are much less than the per-child expenditure per month incurred by the government and they deliver the same or better learning outcomes.
- Therefore, if more of the government funding can be directed towards the poorest of the poor who cannot access these private schools, it would be a much more efficient financial model which subsidises only the people in desperate need of it and at the same time provides more choice in terms of schooling for parents.
- Thus, the role of BPS in education needs to be understood and what they have to offer should be harnessed for the sake of all the millions of out-of-school children that the government school system is still not able to cover if the goal of Education for All is to be achieved.

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