

## PRIVATE SCHOOLS: DO THEY PROVIDE HIGHER QUALITY EDUCATION?

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This is the fourth year of ASER and this unique survey of the status of learning in rural India has become a much awaited report for policy makers. Every year state administrations use it to evaluate the impact and progress of their primary education programs. The sheer size of the survey also makes it very amenable for academic research. However, one of the shortcomings of ASER often cited by researchers is that it does not have information on enough "controls".

ASER, as the acronym suggests provides the status of learning, not the reasons behind it. Learning depends on many things. Apart from the child's innate (unobserved) ability, how well the child is learning will depend on the characteristics of the child, the school the child goes to, the household the child lives in. Child characteristics would include things like age, gender, whether the child gets additional help (tuition), etc. School characteristics include the type of school the child goes to, facilities available in the school, teacher characteristics, etc. And, household characteristics include parents' education, household income, etc.

While the ASER survey has information on child characteristics and most importantly on learning, it has not had information on a lot of other variables that might affect learning. Given the purpose of the survey and how it is conducted, collecting data on additional demographic characteristics has not been one of its priorities. However, over the years ASER has collected information on additional variables that might affect learning outcomes.

The core of ASER has been information on basic reading and arithmetic. This information, therefore, is collected and disseminated every year since ASER's inception in 2005. However, every year ASER adds information on additional variables --- demographic, school as well as testing information from new tools. In 2005, ASER investigators visited one government private school in each of the sampled villages and collected data on school facilities and teacher and student attendance. This was repeated in 2007. In 2006, the mother's education level was recorded and mothers were also tested for basic reading. Since 2006, ASER has continued to record the mother's education level, though they have not been tested in 2007 and 2008. In 2007, children were also asked whether they paid for additional tuition. ASER 2008 adds information on household assets and village infrastructure variables.

In the households the investigators were asked to enquire about the availability of various assets like phone, electricity, television, and livestock. Whenever possible they were asked to observe the presence of the asset. In addition, they noted what type of house the child lived in --- katcha, semi-pucca or pucca. In the absence of income data, household assets are the most reliable proxy for the affluence of the household. Income/affluence is found to be correlated with learning outcomes via providing access to better learning inputs.

Similarly, ASER investigators this year were asked to record village infrastructure variables. They were asked to observe whether the sampled village had a pucca road leading to it, whether it had a bank, post office, STD booth, PDS shop, government primary school, government middle school, government secondary school and whether it had a private school. Like the household variables, village infrastructure variables might proxy for certain educational opportunities.

There is a huge debate on whether private schools provide better education. Indeed, there is plenty of anecdotal evidence about parents' perceptions about the better quality of private schooling. According to ASER, between 2005 and 2008, the percentage of rural 6 - 14 year olds going to private schools has increased from 16.4% to 22.5% at the All India level. However, there are wide variations across states. Kerala more than doubled private school enrolment between 2005 and 2008 --- from 22.4% to 49%. UP and Punjab are the other high private school states. Private school enrolment in these states increased from 27.9% to 35.9% and 25.3% to 41.7%, respectively, between 2005 and 2008. On the other hand, Bihar, Chattisgarh and West Bengal have very low enrolment in private schools. For instance, in Chattisgarh private school enrolment increased from 4% in 2005 to 10% in 2008. On the other hand, in Bihar, it has fluctuated between 8 and 10% and in West Bengal between 3 and 8%.

What the above numbers imply is that regardless of the initial level, private school enrolment has been increasing steadily in rural India in the last 4 years. So the obvious question is: Why? The most logical answer maybe because they provide better education.<sup>1</sup> Indeed that is the story one hears from many parents. They would rather send their children to private

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<sup>1</sup> There could be other explanations as well. It could simply be an access issue – government schools are just not there. While this might be important at the secondary school level it certainly is not the case at the primary school level. The government's drive to increase educational inputs seems to have paid off, at least at the primary level. In the ASER 2008 sample of over 16,000 villages, 93% had a government primary school, and there was not much variation in this number across states.

schools because the inputs (teachers, facilities, etc.) are better there - the link between inputs and learning is assumed to exist. This hypothesis seems to be borne out by the data as well. In class 5, the proportion of fluent readers in private schools was 68% as compared to 53% in government schools.<sup>2</sup>

The question then is that can one safely say that this large learning differential is entirely attributable to the better quality of education being provided in private schools? Is it not possible that a particular type of child goes to private schools and this kind of child finds it easier to learn? It is not difficult to construct scenarios where the difference in educational outcomes is entirely due to factors other than school inputs.

For instance, the positive correlation between household income and private schooling is well documented. In the ASER 2008 sample, about 50% of private school children came from homes which had "pucca" walls and roof. The corresponding number for government school children was only 25%.<sup>3</sup> Now, it is possible that richer households have more educated parents who help their children with school work or get them additional help in the form of, say, private tuition. Therefore, the children perform better and the better performance is not due the better quality of school inputs but is attributable to home inputs.

The point of the above example is that there are many factors that affect how children learn. Therefore, drawing conclusions from simple correlations may not be the right thing to do. To see the impact of private schools, one will first have to control for the effect of other factors that affect learning outcomes.

In the past many of these controls have been missing from the ASER dataset. ASER 2008, for the first time, has information on household assets that can be used as a proxy for household income. It also has mother's schooling data, which is a very important determinant of not only whether the child goes to school but also of the child's learning levels. A serious shortcoming of the dataset, however, is the absence of school level variables.<sup>4</sup> Keeping this caveat in mind, we proceed with the following analysis.

A simple model was estimated for learning in classes 1-5. The outcome variable was whether the child is able to read a Std. 1 text or more. This was related to the following characteristics:<sup>5</sup>

- Age of the child (and any non-linear effects associated with age)
- Gender of the child
- Whether the child's mother had gone to school (and any differential impact of this variable across gender)
- Type of school the child goes to (government/private/other)<sup>6</sup>
- Type of house the child lives in (katcha/semi-pucca/pucca)
- Other household assets (phone, television, electricity)
- Characteristics of the village the child lives in (whether a pucca road leads to the village, whether the village had a bank, post office, STD booth, PDS shop, government primary school, government middle school, government secondary school and whether it had a private school)
- Which state the child lived in (to capture different educational policies across states)

Controlling for everything else, a child with an educated mother has a higher probability (by about 6 percentage points) of being a reader. Girls have a lower probability of being readers (by about 1 percentage point) compared to boys. However, this gender bias disappears for girls whose mothers have been to school. All households asset are positively correlated with learning and as discussed earlier, this is because they capture the effect of higher household income. However, among household assets the largest effect is that of having a "pucca" house and that of having a phone in the house. Once we control for household characteristics, most of the village level variables are not significant determinants of primary school learning levels. This is understandable, since household characteristics are likely to be highly correlated with village infrastructure. For instance, if the village is electrified, houses located in it are likely to have electricity. There are two exceptions however. Even after controlling for household assets, children living in villages with a government secondary school and/or an STD booth are likely to have higher learning outcomes.<sup>7</sup> So connectivity matters for learning - at both the household as well as the village level. Similarly, villages with a government secondary school might be more "developed"

<sup>2</sup> Fluent readers are defined as those who can read the Std. 2 level text.

<sup>3</sup> In the absence of income, the type of house is a good proxy for affluence.

<sup>4</sup> In 2007, ASER collected information on facilities in government primary schools. The survey also identified children who went to the surveyed schools allowing us to investigate the link (if any) between school facilities and learning. However, since only government schools were visited, any analysis exploring the correlation between school infrastructure and learning outcomes could not explore this relationship in private schools.

<sup>5</sup> The model was a linear probability model with state fixed effects estimated for the 20 major states. To account for differences in schools across states, state fixed effects were interacted with the school type variable.

<sup>6</sup> Type of school was also interacted with the class the child was in to take into account differences in classes across schools.

which might be correlated with learning. For instance, it is possible that government primary schools that are a part of a larger secondary school are of a better quality because these larger schools have access to greater and better resources.

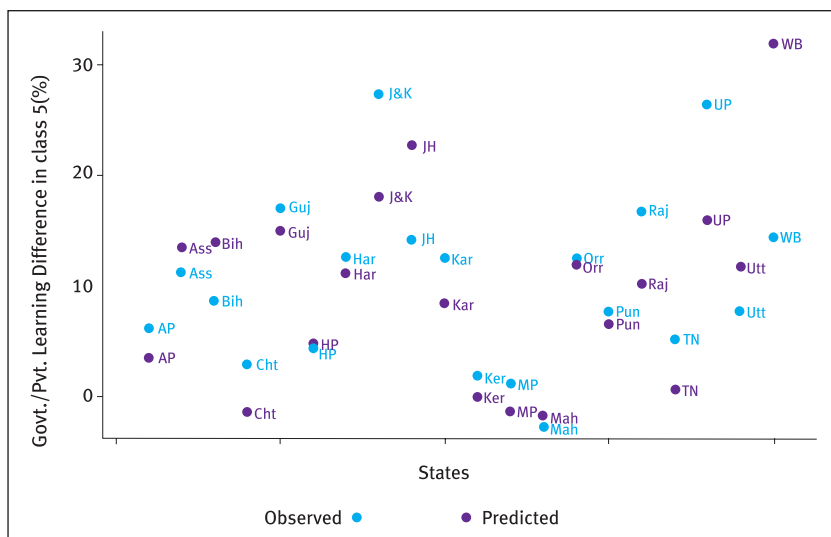
Once we control for all these factors, children going to private schools still have a learning advantage over their government school counterparts. However, this advantage which is about 9 percentage points for children in class 5 at the All India level varies a lot across states. Recall that the difference in learning levels in class 5 was 15 percentage points. Of this differential then, about 40% is attributable to factors other than the fact that the child goes to a private school.

Figure 1 shows the differential in learning levels in government and private schools for children in class 5 across different states. For each state, the "observed" and the "predicted" differential has been plotted. The "observed" differential refers to the difference in class 5 learning levels computed directly from the data and the "predicted" difference refers to the differential computed from the model after controlling for all the other variables that might affect learning. There are a few points that emerge from Figure 1.

- In most states (13 out of 20), the observed difference is greater than the difference after we control for other factors. Therefore, the "school effect" is not as much as it seems.
- In Assam, Bihar, Jharkhand, Uttarakhand and West Bengal, once we control for other factors, the differences between government and private schools get exacerbated. In these states, private schools are doing better than what the data would suggest at first glance.
- In Himachal, Maharashtra and Orissa there is no narrowing in the differential after controlling for other factors.
- In some states the difference between government and private learning outcomes completely disappears once we control for other factors - Chattisgarh, Kerala, Madhya Pradesh and Tamilnadu. All these are very interesting states: Kerala has the highest learning levels and also the largest proportion of children in private schools. Chattisgarh had large gains in learning in 2008 and has only 10% children in private schools. Similarly, Madhya Pradesh made huge improvements in learning in 2006 and has managed to retain the gains. Tamilnadu, is at the other end of the spectrum, with consistently low levels of learning since 2005, despite having probably the best supply of educational inputs. Madhaya Pradesh and Tamilnadu have similar levels of private school enrolment - about 15%.

So, we return to our fundamental question: do private schools deliver better learning outcomes? The answer from this preliminary analysis is "it depends". Clearly, more analysis needs to be done. Until recently there have been few nationally representative samples of households with children's learning data and with information on households and villages.<sup>8</sup> The availability of such data opens up greater opportunities to get a better understanding of the differences between private and public provision of elementary education in rural India. This research is critical in today's India. On the one hand, we see big increases in private school enrollment each year and on the other hand, we see large scale attempts by governments to enhance learning in primary grades. Holding other things constant, it is imperative that we understand where children are likely to learn better.

Figure 1: Differences between Learning Outcomes between Government and Private Schools



<sup>7</sup> In the ASER 2008 sample of over 16,000 villages, only about 39% had a government secondary school. There was a fair amount of variation in this number across states – only 18% of UP villages had a government secondary school compared to 85% of Kerala villages.

<sup>8</sup> University of Maryland and NCAER have recently collected information on children's schooling and learning with a nationally representative household sample.