

2020

## 36<sup>th</sup> IARIW General Conference

Paper Prepared for the 36<sup>th</sup> IARIW General Conference, Oslo, Norway, August 24-28, 2020

Right to Education Act, and Learning and Inclusion in Private Schools: Evidence from India

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With the intention to improve enrollment numbers and quality of schools, India passed the Right to Education (RTE) Act in 2009. While many of its aspects and its effectiveness continue to be debated, one of the most contentious sections aims to reduce segregation and improve student outcomes of the disadvantaged through mandating private schools to reserve seats. Section 12(1)(c) of the act (henceforth “the mandate”) mandates reservation of at least 25% seats for socially and economically disadvantaged at the entry level (either pre-primary or grade 1) of the non-minority unaided private schools. This is the first instance of a nationally mandated quota in aforementioned schools. The schools are to be reimbursed by the government with reimbursement set at per student expenditure in government schools or fees charged by the concerned private school, whichever is less. The mandate differs from a typical school voucher scheme where the voucher winners have to bear the additional burden if they desire to send their children to schools charging fees above the voucher amount. Given the current size of the unaided sector, 18 million children over an eight year period can potentially attend school through the mandate, and hence implication of this mandate on students, if implemented well, can be significant.

Whether the end objectives of the mandate are achieved depends on a series of factors. First, it depends on whether the ‘eligible’ population is aware of the mandate, whether ‘eligible’ population chooses to avail the benefits, what school choices are available to them, whether they are accessible; and the ease of accessing application and admission formalities. Then, once admitted, whether these children perform better than they would have over time/ whether their learning outcomes improve may be a key determinant in how they progress forward socially and/or economically. Arguably, improved learning outcomes might be one of the most crucial aspects to the long term success of such a policy given its high contribution towards adult earnings and socioeconomic mobility of individuals.

As is well known, a key challenge in answering such a question is the issue of endogeneity of parental choice about schools and its relationship to typical outcomes of interest. We address that by taking advantage of a field experiment conducted as part of an action research initiative in one of India's largest cities, Ahmedabad located in the state of Gujarat in Western India. The field experiment consisted of providing information and support to eligible parents about the mandate through different media. Randomized clusters of households in "treatment" groups were more likely to take up the policy vis-à-vis the "control" group. We use this exogenously induced variation as a way to identify the impact of policy take-up on learning outcomes of children. It is used as an instrument variable in a two stage regression framework (2SLS).

We attempt to answer whether the programme improved learning outcomes, to see how children under the mandate have performed after 1.5 years of schooling vis-à-vis other students (i.e. those eligible to study through the mandate but attending government schools, or private schools by paying fees at the time of survey). We use test scores comprising of pre-primary exercises, reading, and arithmetic exercises, and details on household characteristics of ~1400 children in urban Ahmedabad to answer this question. We find no differences in learning in school readiness exercises, math scores and reading levels between those attending schools through the mandate (~30%) compared to those attending government schools (~25%), private schools without the mandate (~43%) and those not enrolled in school at the time of survey (~2%).

Finally, we also supplement this evidence with information/analysis on schooling experience of children and parents who avail schooling through the mandate, and on educational expenditure incurred by the household. This would help understand whether the state expenditure on a "voucher like" policy substitute or complement household investments in education. While these findings are largely descriptive, they suggest that those attending government schools are less likely to report having co-curricular activities like picnics, sports and cultural programmes in school. Expenditure wise, as expected, private school goers spend the most. However, there is a substantial difference in expenditure incurred between those attending government schools and those attending private schools through the mandate. Households sending their children to schools through the mandate incur 2.5 times more education related expenses, on average, than those sending their children to government schools. Expenditure incurred on transport forms a huge share of this difference. Such costs can act as a huge barrier for households applying to the policy especially in accessing relatively 'elite' schools which may be further away or require the household to incur more expenditure on co-curricular activities

As learning gaps become more prominent overtime, tracking these children over longer periods would be important to understand the long term effects of such a policy. Another significant question as children grow older and move to higher grades would be studying retention of children in school. Currently, from the time of admission till the time of the survey, ~4% children had dropped out of the mandate. They shifted to a government school, another private schools (by paying fees) or had dropped out of the formal schooling system.

