

# INDIA: Do Kids in Private Schools Learn More?

Primary school education is a basic building block for children’s development, preparing them for success later in life. But in many countries, poor children often don’t finish school even if it’s available to them. Those who do stay in school may not learn much. The quality of education can be so low that children end up completing primary school without learning to read or do basic math. One response to the perceived low-quality of public schools has been the rapid growth of private schools that cater largely to the poor through low monthly fees, responding to demand from parents seeking what they believe will be better opportunities for their children. The main public policy concern is whether these schools really do deliver better educational opportunities or whether it’s the better stu-

dents—with perhaps more motivated parents who push them—who are choosing these schools.

In India, where such fee-charging private schools are growing in number and popularity, the Legatum Institute, the World Bank, the British government’s Department for International Development, the educational non-profit Azim Premji Foundation, and the government of the Indian state of Andhra Pradesh worked together to evaluate alternatives for improving education and giving children more choices. One initiative, known as the Andhra Pradesh School Choice Project, sought to make private schools available to poor families by setting aside a number of spaces and subsidizing the full tuition costs. The main finding of the evaluation was that students who attended low-cost private schools did as well as students in government-run schools on most subjects. But they also learned additional subjects, despite the fact that the cost of educating a child was 60 percent lower than the cost in government-run schools. **The results are relevant for policy-makers in India and for educational experts everywhere who are facing questions and sometimes controversies about the value of supporting low-cost private schools.**

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## Context

The public school system in India incorporates two extremes—excellent access and very poor learning. More than 96 percent of primary-school aged children are enrolled, putting India close to universal education. Yet less than 40 percent of children aged 6-14 can read at or above a second-grade level. Parents looking for better educational opportunities for their children are increasingly turning to private schools that promise higher quality. In rural India, more than a quarter of children aged 6-14 are enrolled in private schools, while in urban India more than half of the children are in private schools.

For the most disadvantaged families, even these private schools can be out of reach. The Government of India, concerned that the poorest children don’t have access to these schools, included a provision to boost access in the sweeping Right to Education Act passed in 2009. Private schools were required to set aside 25 percent of their seats for the poor, with the government

reimbursing tuition up to the cost of a public school education. This provision is only now taking effect, after the Supreme Court upheld its constitutionality in 2013.

There has been a lot of debate in India about the implications of government steps to increase access for disadvantaged students to private schools. Opponents argued that, among other things, students in private schools would be negatively affected by an influx of poorly prepared students, and that these students wouldn’t be able to keep up with the curriculum. Prior to the law’s being enacted, the Indian state of Andhra Pradesh, working with the Legatum Institute, the Azim Premji Foundation, and under the technical leadership of the World Bank, implemented and evaluated a four-year research program that aimed to answer key questions regarding the likely impact of the law’s provision for opening up private schools to more poor students.

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## Evaluation

The project was launched in the 2008-2009 school year in five districts in Andhra Pradesh, covering a total of 180 villages. The project, which focused on families with a child in kindergarten or the first year of school, offered vouchers to cover the child's private schooling costs through the end of primary school (fifth grade). A two-stage randomization was established in order to better measure the impact of the program on voucher and non-voucher students by taking into account possible spillover effects (for instance, students who were in private schools to begin with might suffer from an influx of less prepared classmates from public schools).

The first lottery assigned entire villages into treatment and control groups. A second lottery, carried out only in treatment villages, assigned families into groups that either received or didn't receive the scholarships. Fifty-nine percent of around 11,000 eligible households in the 180 villages applied. At that point, the villages were randomly divided equally between control and treatment groups. In order to distribute the vouchers, a second lottery was then held just for households in the treatment group. Of the 3,097 households in the treatment villages that applied for vouchers, 1,980 were accepted and 1,210 took the scholarship and enrolled in a private school. By the end of the four-year study, 1,005 students

were still in private schools. The voucher covered tuition and school uniforms, books and other supplies. It didn't cover the cost of transportation if the school picked was outside the village, nor did it include money in lieu of the free midday meal students in government schools gets. The value of the voucher was set at roughly 40 percent of what government schools spend to educate a child. The average tuition in these private schools in the study was about a third of the cost to educate a child in a government school.

Learning outcomes were measured through independent student tests after two years and then after four years in math, English, and Telugu, the state's native language and the language of instruction in the state's public schools. At the end of four years, tests were also given in science, social studies and Hindi, which is the national language of India. Tests were given to all the students in treatment and control villages who had applied for the scholarship voucher, and to a representative sample of students who either hadn't applied or were already in private school when the program started. In addition, household and school surveys were carried out each year. Data collectors also made unannounced visits to schools to collect data on school processes and teacher effort, and also surveyed teachers and households.

## Results

**Students who received a voucher to go to a private school didn't do any better than students in government schools in the main subjects of math and Telugu language, but the private schools also spent less time teaching these subjects and gave students more time in other subjects.**

Students who attended private school with vouchers didn't do any better in math and Telugu than students in the government schools. However, private schools spent less time teaching these two subjects and more time on other subjects including English, social studies and science, and Hindi (which the government schools

don't teach at all). Students also did much better than government school students in Hindi, which private schools teach as a third language. Private schools also give students more time for computer use, arts, crafts, sports and study hall. Overall, private schools were not more effective at improving test scores in math and Telugu, but they were more productive with their time, since they achieve similar outcomes with less time and use the extra time to teach more subjects.

**Private schools weren't only doing more, they delivered this education at a fraction of the cost of educating a student in a government school.**

This note is based on "The Aggregate Effect of School Choice: Evidence from a Two-stage Experiment in India," by Karthik Muralidharan and Venkatesh Sundararaman. *Quarterly Journal of Economics*, Vol. 130, August 2015, Issue 3. Generous financial support for this study was provided by the Legatum Foundation.

The per student private school cost in the Andhra Pradesh sample—based on what the schools charged for monthly tuition—was less than a third of what the government spent to educate a student in its schools. Even after adding in the extra money for a voucher winner's payments for books, uniforms and other supplies, it was still only about 40 percent of what it cost to educate a student in a public school. Private schools managed to deliver these savings mainly because they paid their teachers much less than government teacher salaries, on average less than a sixth of what government teachers received.

**Teachers hired by the private schools had less experience, less education and less training, but they were more likely to show up in the classroom, actively teach and keep their class under control.**

During unannounced visits by the survey team over the four-year period, private schools outperformed government schools when it came to observed quality of teaching. In private schools, teachers were more likely to be in the classroom and more likely to be actively teaching. Teachers also were more in control of their classes and more effective at maintaining discipline. Private schools were also less likely to group different grades together into one classroom and have one teacher teach all of them.

In government schools, 24 percent of teachers were likely to be absent on any given day, compared with nine percent of teachers in private schools. Thirty-five percent of government teachers were likely to be actively teaching at any given point, compared with 50 percent of private school teachers.

Private schools also offered a cleaner environment, which can reduce the transmission of disease. Private schools were less likely to have garbage dumped on their grounds, they had fewer swarms of flies and fewer pools of stagnant water. They also were more likely to have separate, functioning toilets for boys and girls.

**Concerns that voucher students wouldn't be able to adjust to the new setting proved unfounded.**

Private school students spent more time than government students in school and more time doing their homework—43 minutes more a day in school, and 23 minutes extra on homework. Students who received vouchers were able to adjust to longer school days and the overwhelming majority were still in private

school at the four-year mark. One difference was they didn't devote as much time on homework as the typical private school students. And while typical private school students spent 20 minutes less a day playing with friends, students who received vouchers to go to private school played with their friends as much as before.

**Critics have also said that private school students might be negatively affected by an influx of presumably poorer and less academically prepared voucher students. This didn't happen.**

The evaluation didn't find any negative impact on students who were already in private school. This was the case regardless of the number of voucher holders—up to the 25 percent limit—who enrolled.



The evaluation was also able to measure whether the departure of voucher holders from government schools for private schools had a negative impact on the remaining students in government schools. Test results didn't show any negative impact.

**Overall, private schools weren't more effective in terms of improving the main subjects of math and Telugu, but they were much more productive because they achieved the same results as government schools but at much lower costs.**

A free education in private school was clearly worth it. Students who used vouchers to go to a private school learned as much as their public school counterparts when it came to the core sub-

jects. They also learned more Hindi and had more time on other subjects. When it came to reducing social segregation, vouchers helped do so without any negative consequences.

But private schools didn't actually offer a better education in core subjects. Although the teachers in these schools exerted more effort—by showing up, teaching and keeping the classes under control—they were less experienced and hadn't received the same training as government teachers. This may have affected their ability to boost learning. So on the one

hand, these low-cost private schools in their current form are unlikely to significantly improve learning for disadvantaged students. On the other hand, they are much more cost effective, since they deliver the same learning at a much lower cost. A next step for research and policy would be to experiment with voucher and school-choice models where private schools (or charter schools) are reimbursed at the same rate as the cost per child in government schools and aren't allowed to selectively admit students.

## Conclusion

Concerns that the program would have a negative effect on fee-paying students proved unfounded. Similarly, concerns that voucher students wouldn't be able to keep up with the work also proved unfounded. It turned out that the low-cost private schools were more productive than the government schools in terms of offering more classes and teaching core subjects in shorter periods of time, despite hiring less experienced teachers and paying them less than government school teachers. As the evaluation shows, vouchers don't hurt students—neither those who receive them, nor those who are their new or old classmates—which means they can be an effective tool for expanding access across socio-economic lines and giving poor children the opportunity to be exposed to the variety of classes the private schools offer. Nevertheless, such programs require careful attention to design to deliver

high-quality education to all children in an inclusive and equitable manner. **A key open question for education policy in low-income setting is to study the extent to which private schools that have the same level of spending per child as government schools can improve learning outcomes without selectively admitting students.**

### Private vs Public

- Private schools in the sample generally had longer school years, lower pupil-teacher ratio and better facilities, such as working toilets (and separate toilets for girls), drinking water and electricity.
- Government schools were more likely to have a cupboard with books that students could borrow and a radio.

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