

Government vs private schools: Have things changed?

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This is the 10th year of ASER and two major trends emerge clearly. First, there has been a steady increase in private school enrollment; and second, learning levels are not improving. In fact, learning levels that seemed to be “stuck” till 2010, took a nosedive thereafter. While there is a lot of variation across states, these trends hold more or less across the country.

Private school enrollment stood at around 18.7% in 2006 and has steadily crept up to 30.8% in 2014. This upward trend is seen in states with low as well as high private school enrollment. For instance, it has doubled in low private school states like Odisha, Madhya Pradesh and Chhattisgarh during this period. On the other hand, in Uttar Pradesh where it was high to begin with (30.3% in 2006), it has crossed the 50% mark in 2014.

In addition, about a fourth of all children in rural India pay for private tutors. At the All India level, this number has remained steady across government and private schools. The interesting thing, however, is that the incidence of private tuition is much higher in states with low private school enrollment. For instance, in Odisha and Bihar, almost 50% children pay for additional help. In West Bengal this number is as high as 70%. As a result, the percentage of children with some private inputs in their schooling has increased from about 40% to 48%.

The second trend that is clearly visible is the lack of improvement in learning levels. The percentage of children in Std. 5 who could read a Std. 2 level text was 53.1% in 2006. While there was a lot of variation across states, till about 2010, at the All India level there was not much change in learning levels. In 2010, this figure was at 53.7% - India was in a “Big Stuck”.² After 2010, however, learning levels even at the All India level declined and the percentage of readers in Std. 5 fell to 47% in 2013, rising marginally to 48.1% in 2014. Given the variation across states, for All India levels to actually fall, it must be the case that most large states witnessed a decline in learning levels during this period.

If we look at government and private schools separately, the fall in learning levels appears to come mostly from government schools. Between 2006 and 2010, the percentage of children who could read a Std. 2 level text in Std. 5 in government schools fell slightly from 51.4% to 50.7%. Private schools posted learning gains during this period with the percentage of readers rising from 60.8% to 64.2%. However, after 2010, learning levels in government schools plummeted to a low of 41.1% in 2013, recovering slightly to 42.2% in 2014, while those in private schools remained more or less steady – 63.3% in 2013 and 62.5% in 2014. A learning gap of 9.8 percentage points in 2006 doubled to 20.3 percentage points in 2014!

This seems to be the aha moment – the picture is clear! Parents are shifting their children from government to private schools because the latter provide better learning outcomes. This is a perfectly plausible story and seems to be completely consistent with the data. However, therein lies a fallacy. Comparing learning outcomes of children in government schools with those in private schools is not comparing apples with apples. It is a well-established fact that household and other characteristics of private school children are very different from those of government school children. Since learning levels depend not only on the characteristics of a child's school but also on her own characteristics and those of her household, attributing all the observed differences in learning levels to differences in schools is incorrect. This is the self-selection problem and therefore these other factors have to be controlled for in order to make a fair comparison.

In the ASER 2009 report, my analysis to disentangle the effect of other factors from that of private schools on learning outcomes, had shown that for Std. 1-5, the learning gap of 8.6 percentage points between government and private schools reduces to 2.9 percentage points once the child's own, her parents' and her household characteristics are controlled for. This meant that 2/3rd of the learning differential between government and private schools could be attributed to factors other than the type of school.

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² This phrase was originally coined by Prof. Lant Pritchett.

A similar analysis was done for states and there was considerable variation there. In the case of reading in the local language, in many cases most of the learning differential disappeared once other factors were controlled for. This was the case in Uttarakhand, Chhattisgarh, Madhya Pradesh, Maharashtra, Andhra Pradesh, and Tamil Nadu. In the case of Madhya Pradesh, the difference was actually reversed – once other factors are controlled for, government schools performed better than private schools. In the case of Andhra Pradesh and Tamil Nadu, where government schools had higher learning levels to start with, the gap widened once other factors were taken into account.

However, in 2009, the gap between government and private schools was much smaller. As discussed above, this gap has more than doubled in the last 5 years. Does this mean that the contribution of private schools has gone up? In 2014, the difference between government and private schools in the proportion of Std. 1-5 children who can read a Std. 1 level text is 17.9 percentage points. Once we control for the child's other characteristics, this difference falls drastically to 5.1 percentage points. This constitutes a fall of 72% in the learning gap as compared to a fall of 66% in 2009. In other words, in 2014, factors other than school-type are responsible for a *larger* proportion of the learning gap between government and private schools than was the case in 2009.

State-wise analysis of the ASER 2014 data shows that controlling for other factors reduces the government-private school learning gap considerably in all states. In the case of Punjab, Gujarat, Maharashtra, Andhra Pradesh and Karnataka, the difference is reversed with government schools outperforming private schools once household and parental characteristics are controlled for. In Kerala and Tamil Nadu, where government schools were better than private schools to start with, the difference widens, once other factors are taken into account.

So now we have a puzzle. More and more children are moving to private schools with the learning gap widening between government and private schools; and yet a smaller proportion of this gap is actually attributable to private schools themselves! How do we resolve this puzzle? If other characteristics are contributing more to learning outcomes, then that seems to be the obvious place to start.

Among the child's own characteristics we control for age, gender, tuition and the number of siblings. Incidence of tuition has remained steady at about 25% for both government and private school children. The number of siblings has a negative impact on learning outcomes. More siblings could mean less attention from parents or more work at home for girls, leaving less time for schoolwork. Census 2011 shows a 24% increase in rural households since 2001. But the rural population increased only by 12% over the same period, implying a fall in average household size. Poorer households tend to be larger with higher dependency ratios. Children of such households are also more likely to go to government schools. If the size of such households is coming down, this could be contributing to a better learning environment at home. But then again, this effect is likely to be more operative for private school children who come from smaller households to start with.

We control for the education level of both the mother and father. The more educated the parents, the higher the probability that the child will perform well in school. Between 2009 and 2014, the proportion of parents with no schooling has fallen for both government and private school children. However, the gap between them has increased. In 2009, 55.6% children in government schools had mothers who had never been to school, as compared to 40.8% children in private schools. The corresponding figures for 2014 are 53.3% and 36.7%. Similarly, in 2009, 34% children in government schools had fathers who had never been to school, as compared to 19.1% children in private schools. The corresponding figures for 2014 are 31.1% and 15.6%.

The gap at the upper end of the distribution is even larger. In 2009, 3.2% children in government schools had mothers with more than 10 years of schooling as compared to 10.8% children in private schools. The corresponding figures for 2014 are 4.1% and 15.6%. Similarly, in 2009, 11.2% children in government schools had fathers with more than 10 years of schooling as compared to 24.7% children in private schools. The corresponding figures for 2014 are 12.2% and 29.6%.

What the above figures imply is that while parental educational indicators are improving for both types of children, the home environment for private school children has improved much more than for government school children. This is also probably due to the fact that some educated parents of children who were in government school in 2009, have shifted their children to private schools. So in 2014, private schools were drawing their children from a more educated population of parents than in 2009. Not surprising, therefore, that a larger proportion of the learning gains can be attributed to the home environment of these children.

What about affluence? Private school children typically come from richer households who can afford to pay the additional school fees. Richer households tend to be smaller, allowing parents to devote more attention to their children; they are likely to have mothers who don't have to go to work and can therefore spend more time with their children; they can afford to pay for supplemental learning aids for their children; etc. For all these reasons, as well, private school children may perform better than government school children.

Since 2008, ASER has collected information on household assets. Since income information is hard to collect and often unreliable when available, household assets work as good proxies for affluence. As in the case of parental education, households of both government and private school children are richer in 2014 as compared to 2009. But again, the gap between the two is increasing. Other than electricity connection and mobile phones, all the other indicators have improved more for private school children than for government school children. And in the case of these two indicators, even in 2009 more than 75% private school households had an electricity connection and a mobile phone. Therefore, here again private schools are drawing their pupils from a richer pool than they were in 2009.

So before we start jumping on the private school bandwagon, a couple of points need to be kept in mind. First, not only are parents paying to send their children to private schools, they are also working harder to make sure their children perform better in these schools. Second, while private schools do deliver better outcomes – the gap narrows but does not disappear – even they are not producing learning outcomes that are anywhere near grade level competency. So then the question is: How much “Bang for the Buck” should parents demand from private schools?

However, the real tragedy in this is the situation of government school children. Every year the government spends a huge amount of money on public education. Yet, learning levels have been declining every year since the RTE was introduced in 2010, and were stagnant before that. Between 2010 and 2012, India's elementary education allocations increased by 23% from Rs. 119 billion to Rs. 147 billion. Expenditure, however, has not kept pace with these increased allocations. In 2011, 62% of the SSA allocation was spent as compared to 70% in 2010.³ Maybe that is why SSA allocations have increased only marginally this year. But one of the items that the government has decided to do away with is the TLM grant – this was the Rs. 500 per teacher per year grant that teachers could use towards teaching and learning material like charts, globes, books, etc.⁴

Maybe the government in its infinite wisdom knows something we don't. But if children graduate primary school without being able to read, what do we expect them to learn in middle school? And, if they join the labor force at the end of Std. 8, with automatic promotions up to that point, will the quality of our labor force be good enough to reap the demographic dividend and fuel “Make in India”?

³ Accountability Initiative, Do Schools Get Their Money? PAISA Report, 2012.

⁴ The TLM grant has been cut in most states.