

Expanding Private Education Market and Parental Choice for Schools in India: Evidence from IHDS Data



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Intuition/Context

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- ❖ Massive Expansion of private schools (particularly in the last two decades)
- ❖ Heterogeneity and Hierarchy in the expansion of private schools – emergence of low-fee private schools - changing school choice behaviour of disadvantaged groups; challenging the middle-class hegemonic discourse
- ❖ Political economy of schooling – changing institutional space within which households make decisions about schooling choice – policy interventions

Cont...

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- ❖ Growth of private schooling and the shift of middle-class parents from government schools - Shrinking space for school-community interactions – further complexities in the school choice process
- ❖ Importance of quality schooling on subsequent investments on education and labor market outcomes - well recognized in the economics of education literature
- ❖ Until recently, the literature on private schools in India has been dominated by mapping its expansion - studies on parental demand for private schools are quite limited

Issues Addressed in this Paper

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- **The major concern:** specific dynamics of school choice in an increasingly privatised schooling context
- Three issues that merit deeper inspection:
 - Choice sets faced by rural households – given that private provision of schools is uneven
 - Parental decision on school choice by gender – with the existence of pro-male bias in household investment on education (and therefore the choice of schools), particularly in rural India
 - How the choice set varies for the households of different classes? Particularly, with the appearance of low-fee private schools to cater the needs of the poor families

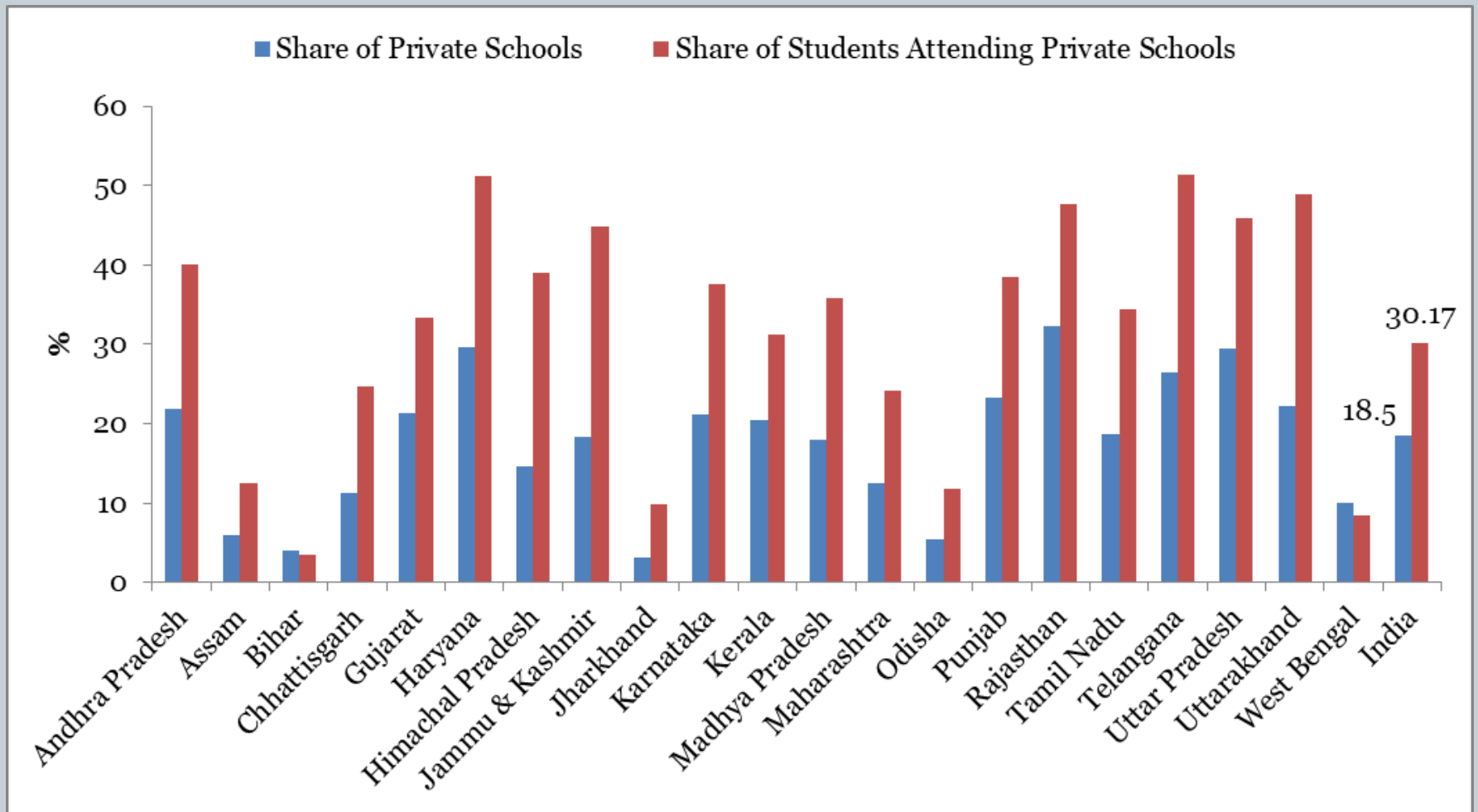
Data and Method

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- ❖ India Human Development Survey (IHDS) I & II; Conducted by the National Council of Applied Economic Research (NCAER) and University of Maryland in 2004-05 and 2011-12
- ❖ IHDS I — 41,554 households (26,734 rural and 14,820 urban); 384 districts; 1503 villages and 971 urban blocks; 215,753 individuals
- ❖ IHDS II — 42,152 households (27,579 rural and 14,573 urban); 384 districts; 1420 villages and 1042 urban neighborhoods; 204,568 individuals
- ❖ Total school going children: IHDS I - 49,516; IHDS II - 48,835
- ❖ Probit Model: Dependent variable takes value one for the children attending private schools and zero if government schools

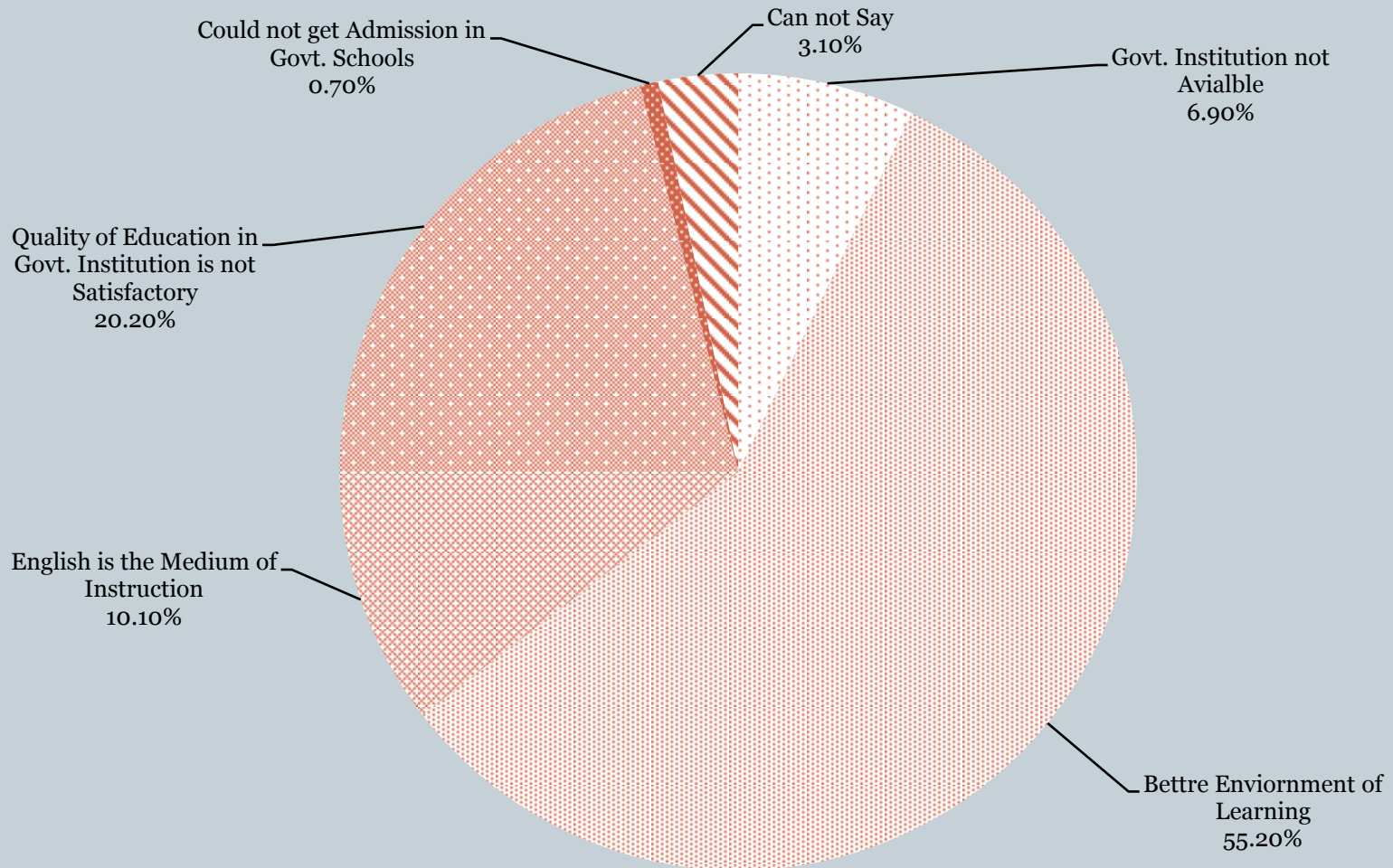
Private Schools (UDISE, 2015-16)

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Reasons for Attending Private Schools, 2014

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VARIABLES	All	Male	Females	Rural	urban	1st Quintile	5th Quintile
Gender_female	-0.0534***	--	--	-0.0559***	-0.0487***	-0.0530***	-0.0310**
	(0.00518)			(0.00584)	(0.0104)	(0.00812)	(0.0131)
Region_urban	0.110***	0.116***	0.103***	--	--	0.0970***	0.103***
	(0.00645)	(0.00915)	(0.00899)			(0.0210)	(0.0142)
Grade_level	-0.0220***	-0.0220***	-0.0219***	-0.0187***	-0.0295***	-0.0103***	-0.0247***
	(0.000957)	(0.00136)	(0.00134)	(0.00109)	(0.00187)	(0.00163)	(0.00236)
<i>HH Asset Quintiles</i>							
Assets_Q2	0.0838***	0.0902***	0.0772***	0.0829***	0.0627**	--	--
	(0.00618)	(0.00894)	(0.00842)	(0.00594)	(0.0255)		
Assets_Q3	0.172***	0.193***	0.152***	0.161***	0.206***	--	--
	(0.00739)	(0.0106)	(0.0101)	(0.00795)	(0.0245)		
Assets_Q4	0.333***	0.347***	0.320***	0.310***	0.376***	--	--
	(0.00884)	(0.0124)	(0.0125)	(0.0107)	(0.0244)		
Assets_Q5	0.500***	0.520***	0.478***	0.500***	0.505***	---	--
	(0.0108)	(0.0147)	(0.0159)	(0.0141)	(0.0256)		

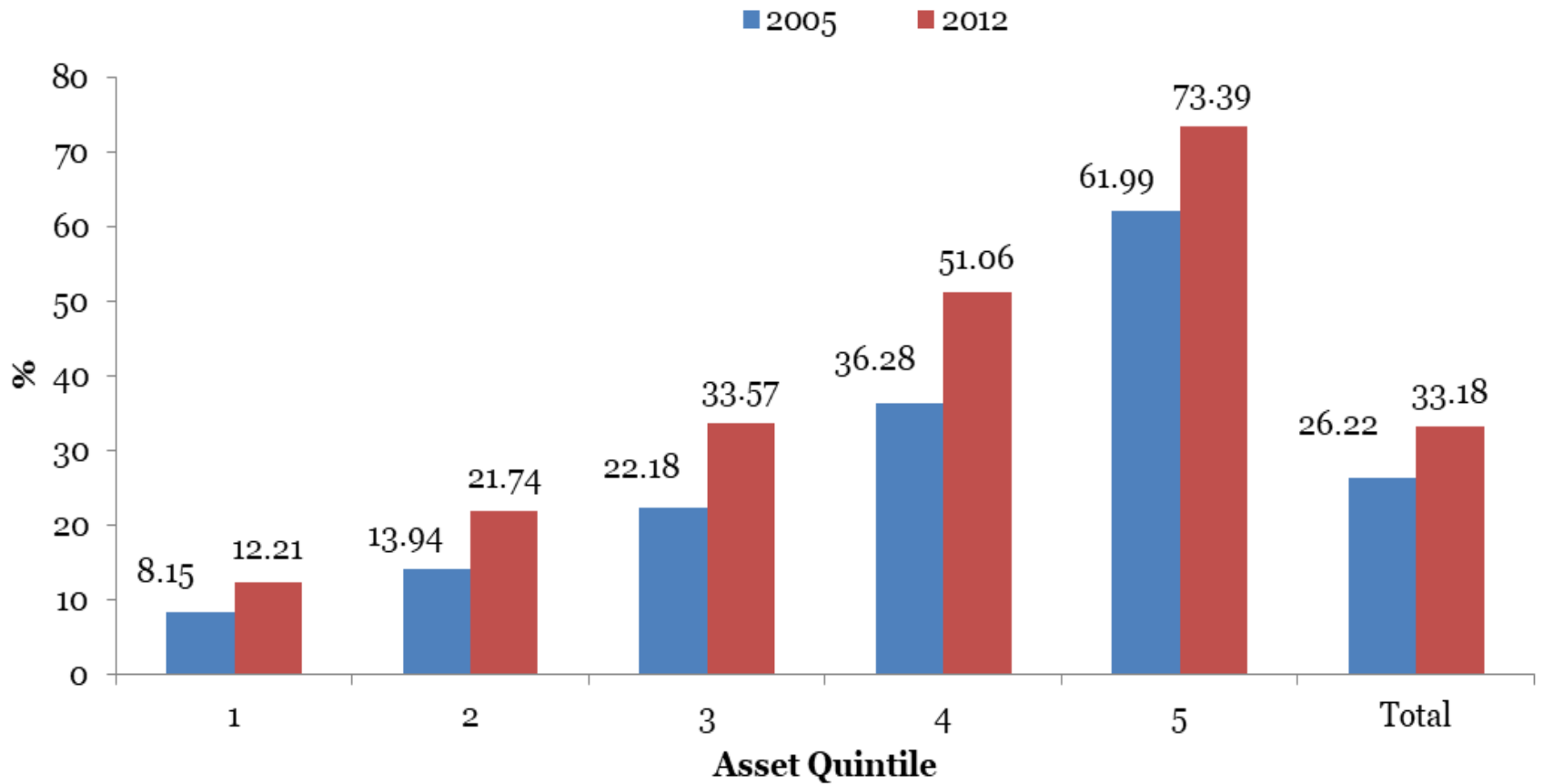
<i>HH Head Occupation</i>	All	Male	Females	Rural	urban	1 st Quintile	5 th Quintile
Agri_allied	-0.0113	-0.00280	-0.0214**	-0.00975	-0.0344*	-0.00176	-0.00819
	(0.00726)	(0.0103)	(0.0102)	(0.00881)	(0.0208)	(0.0189)	(0.0184)
Wage_labor_others	-0.0286***	-0.0351***	-0.0219**	-0.0378***	-0.0174*	-0.0235	-0.0143
	(0.00636)	(0.00909)	(0.00882)	(0.00884)	(0.00972)	(0.0188)	(0.0125)
<i>Social Groups</i>							
OBC	-0.0138**	-0.0150	-0.0104	0.00137	-0.0557***	0.0237	-0.0569***
	(0.00687)	(0.00968)	(0.00970)	(0.00808)	(0.0130)	(0.0155)	(0.0139)
SC	-0.0984***	-0.0959***	-0.0990***	-0.0876***	-0.121***	-0.0471***	-0.185***
	(0.00742)	(0.0105)	(0.0103)	(0.00856)	(0.0145)	(0.0154)	(0.0198)
ST	-0.0656***	-0.0583***	-0.0737***	-0.0440***	-0.102***	-0.0356**	-0.0706*
	(0.0110)	(0.0154)	(0.0155)	(0.0119)	(0.0266)	(0.0167)	(0.0392)
Muslim	-0.0417***	-0.0429***	-0.0384***	-0.0234**	-0.0703***	-0.0208	-0.0647***
	(0.00869)	(0.0125)	(0.0120)	(0.0108)	(0.0150)	(0.0184)	(0.0211)
OMR	0.0641***	0.0552**	0.0703***	0.0648***	0.0226		0.0259
	(0.0180)	(0.0250)	(0.0254)	(0.0233)	(0.0277)	----	(0.0209)

	All	Male	Females	Rural	urban	1 st Quintile	5 th Quintile
<i>HH Head Education</i>							
Primary or UP	0.0418***	0.0365***	0.0490***	0.0326***	0.0680***	0.0141*	0.0826*
	(0.00613)	(0.00864)	(0.00866)	(0.00632)	(0.0154)	(0.00737)	(0.0500)
Secondary	0.0888***	0.0885***	0.0896***	0.0773***	0.120***	0.0645***	0.163***
	(0.00813)	(0.0116)	(0.0113)	(0.00910)	(0.0178)	(0.0187)	(0.0495)
Higher Secondary	0.130***	0.127***	0.133***	0.131***	0.137***	0.109***	0.210***
	(0.00908)	(0.0129)	(0.0128)	(0.0105)	(0.0190)	(0.0240)	(0.0493)
Graduate	0.174***	0.158***	0.192***	0.144***	0.225***	0.0560	0.266***
	(0.0102)	(0.0143)	(0.0144)	(0.0124)	(0.0193)	(0.0407)	(0.0489)
NCHILDM	-0.0115***	-0.0114***	-0.0104***	-	-0.0255***	-0.00443	-0.00215
	(0.00234)	(0.00332)	(0.00330)	0.00823***	(0.00495)	(0.00367)	(0.00600)
NCHILDF	-0.0207***	-0.0150***	-0.0260***	-0.0187***	-0.0270***	-	-0.0216***
	(0.00211)	(0.00314)	(0.00284)	(0.00233)	(0.00444)	0.00907***	(0.00562)
Log-pseudo likelihood	-13993.37	-7717.27	-6219.48	-9071.08	-4742.98	-1849.06	-2332.77
Pseudo R ²	0.31	0.30	0.32	0.28	0.26	0.23	0.20
Observations	31,387	16,517	14,870	22,006	9,381	6,666	5,129

Major Findings - I

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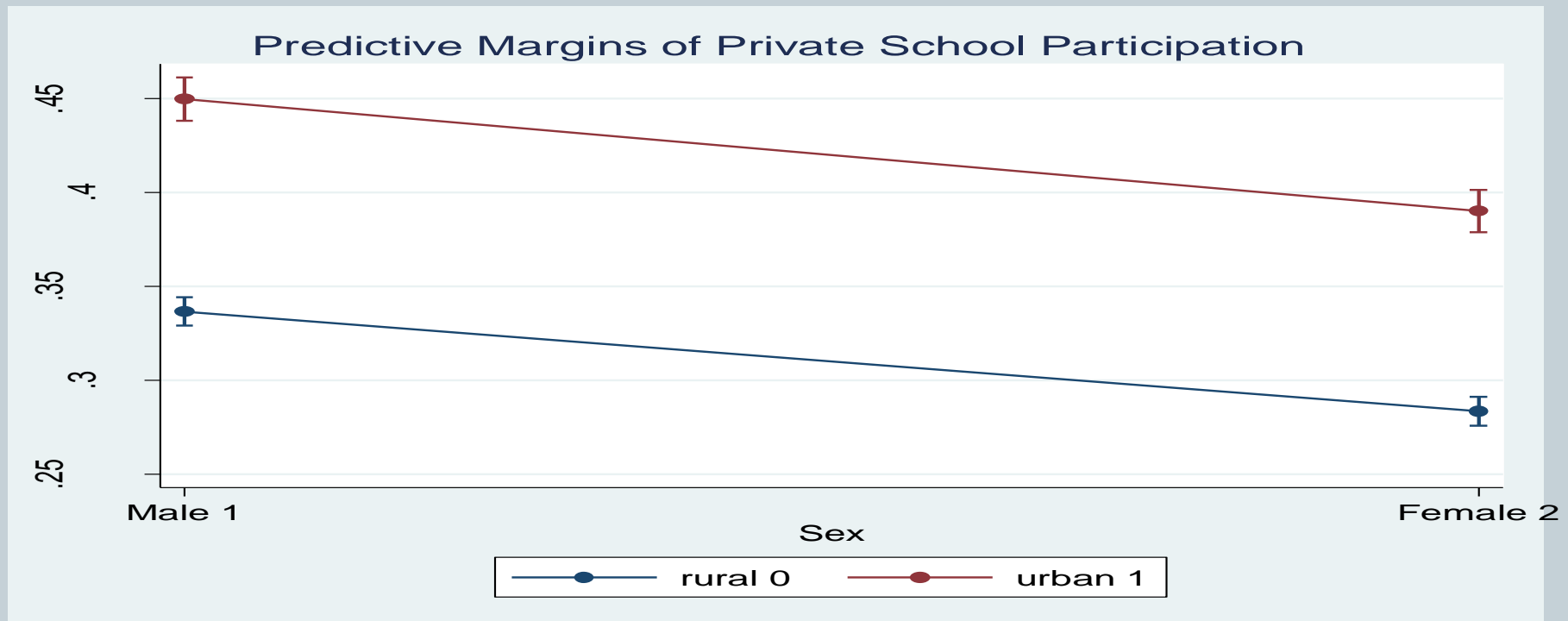
- The largest single factor affecting child's probability of attending private school is the paying capacity (measured by the household asset).
- Students from richest families (quintile 5) have higher probabilities in access to private schools than the students belonging to the poorest households (quintile 1)
- Strongly evident in urban areas as compared to rural areas.



Major Findings - II

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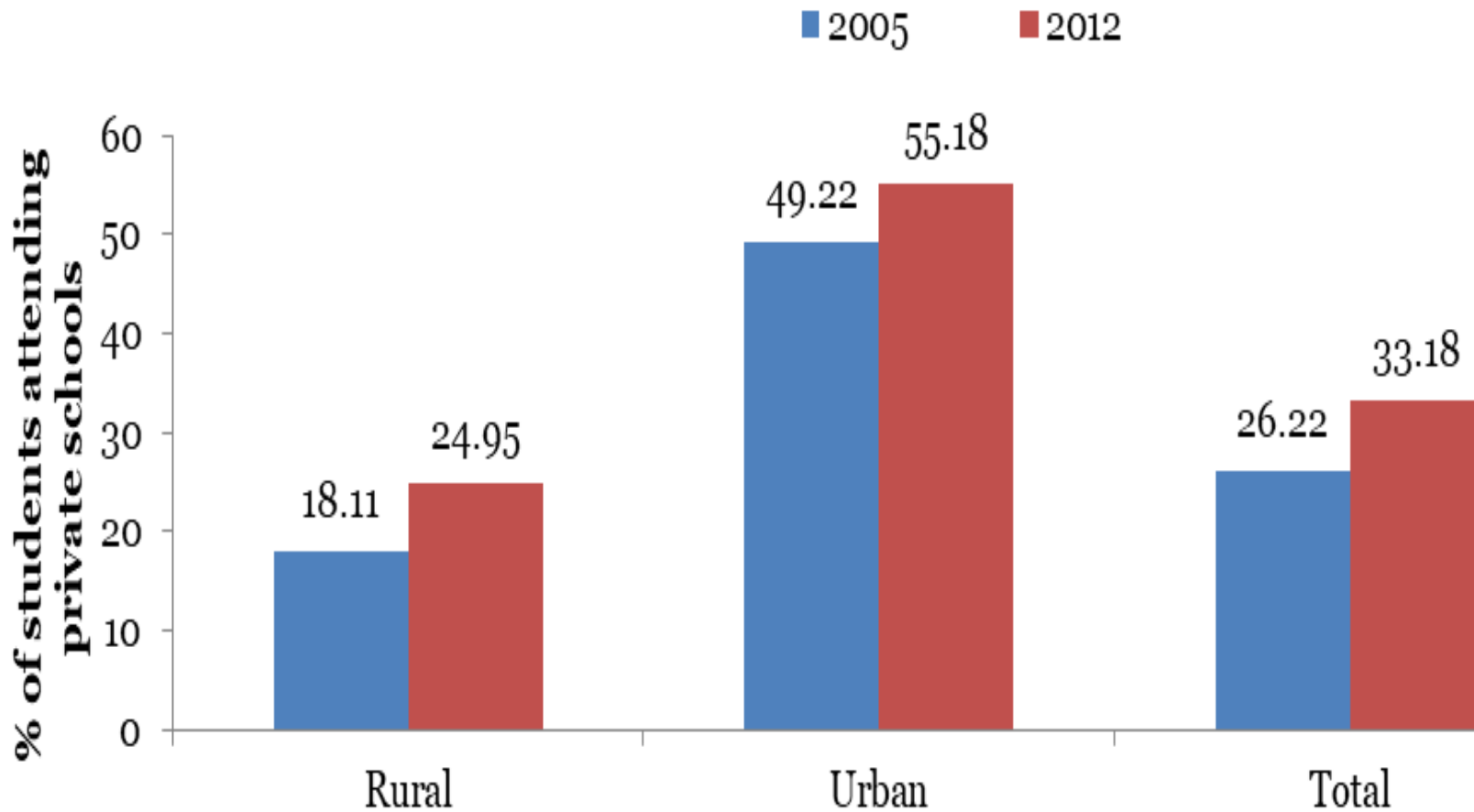
- Pro-male bias in the choice of private schools - difference is more in rural areas and also among poor households.



Major Findings - III

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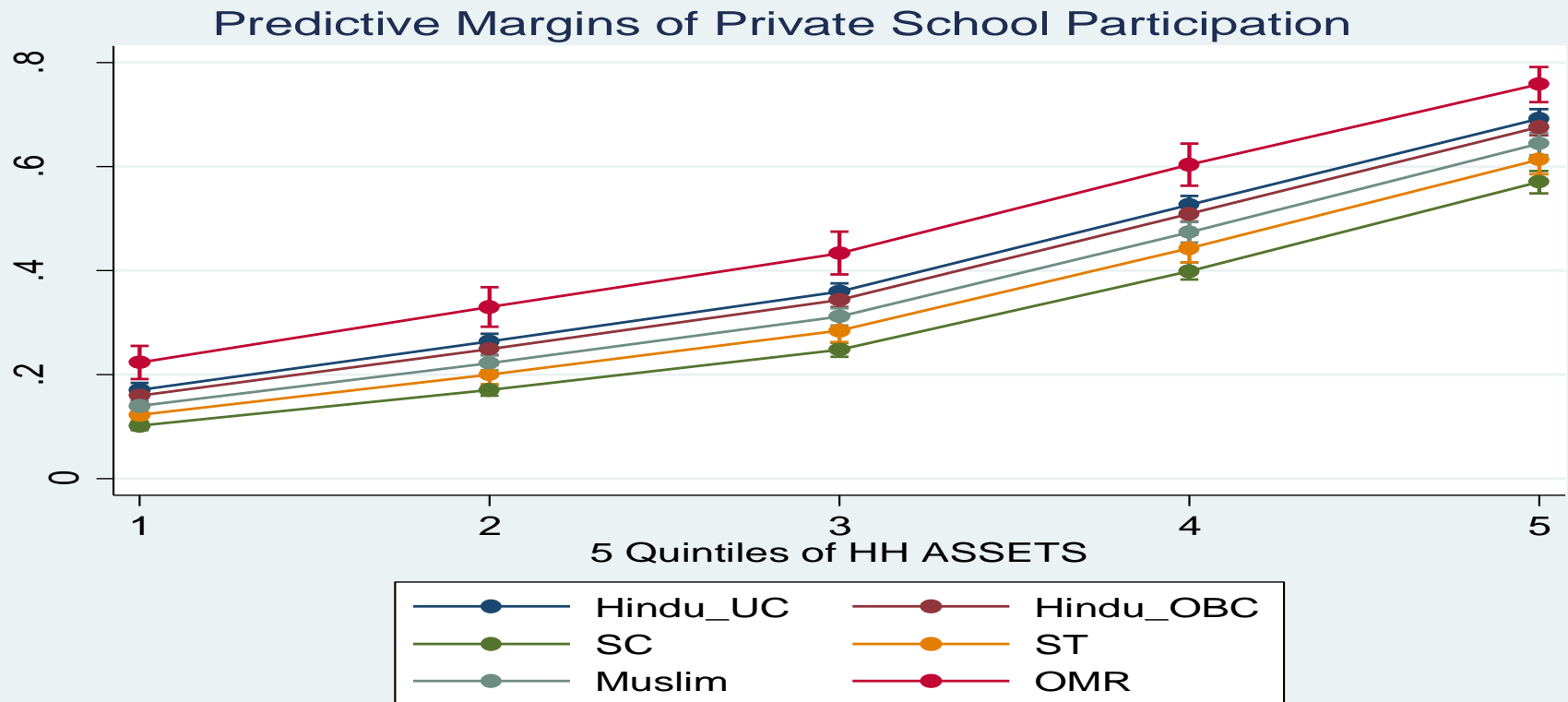
- Striking difference in the choice for private schools among the rural and urban households. Urban households are 11 percentage point more likely to attend private schools as compared to rural areas.



Major Findings - IV

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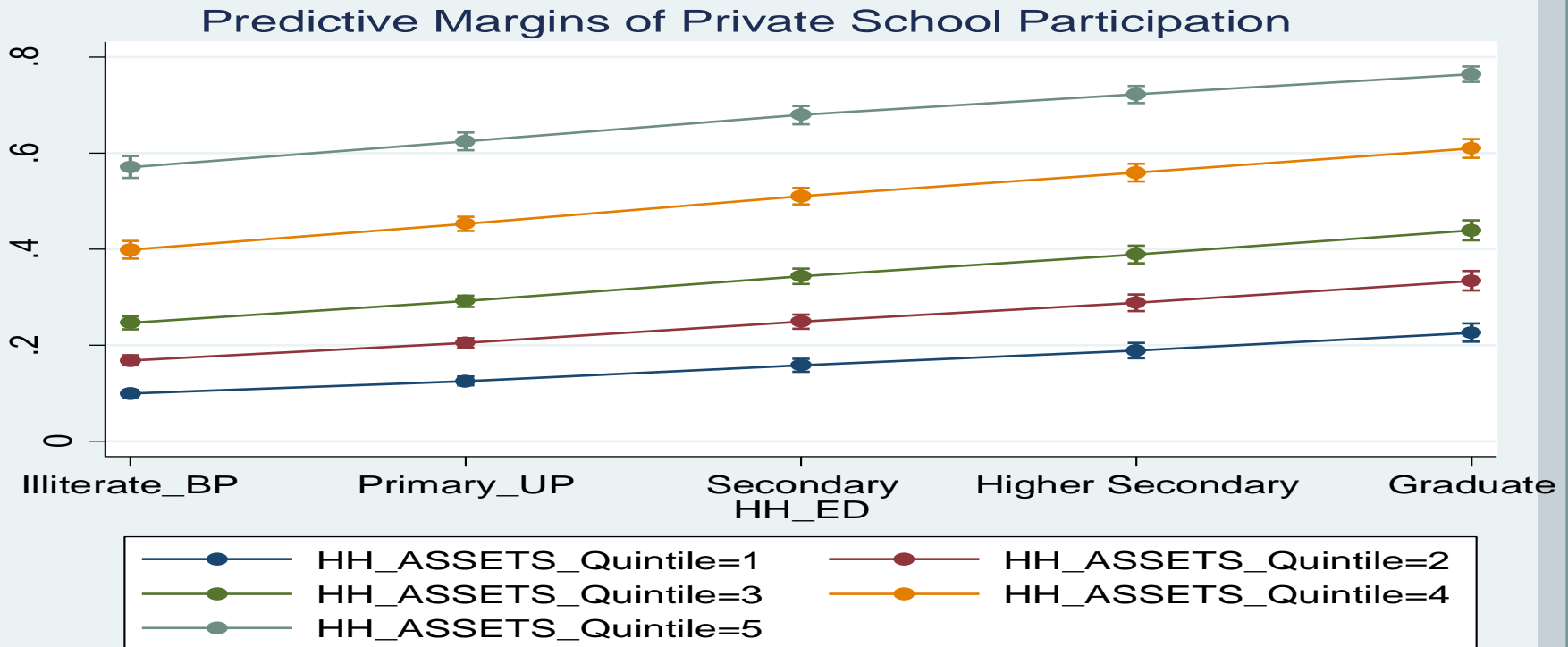
- Upper caste Hindu and OMR have higher chances to attend private schools – the effect is higher in rural areas and for rich households

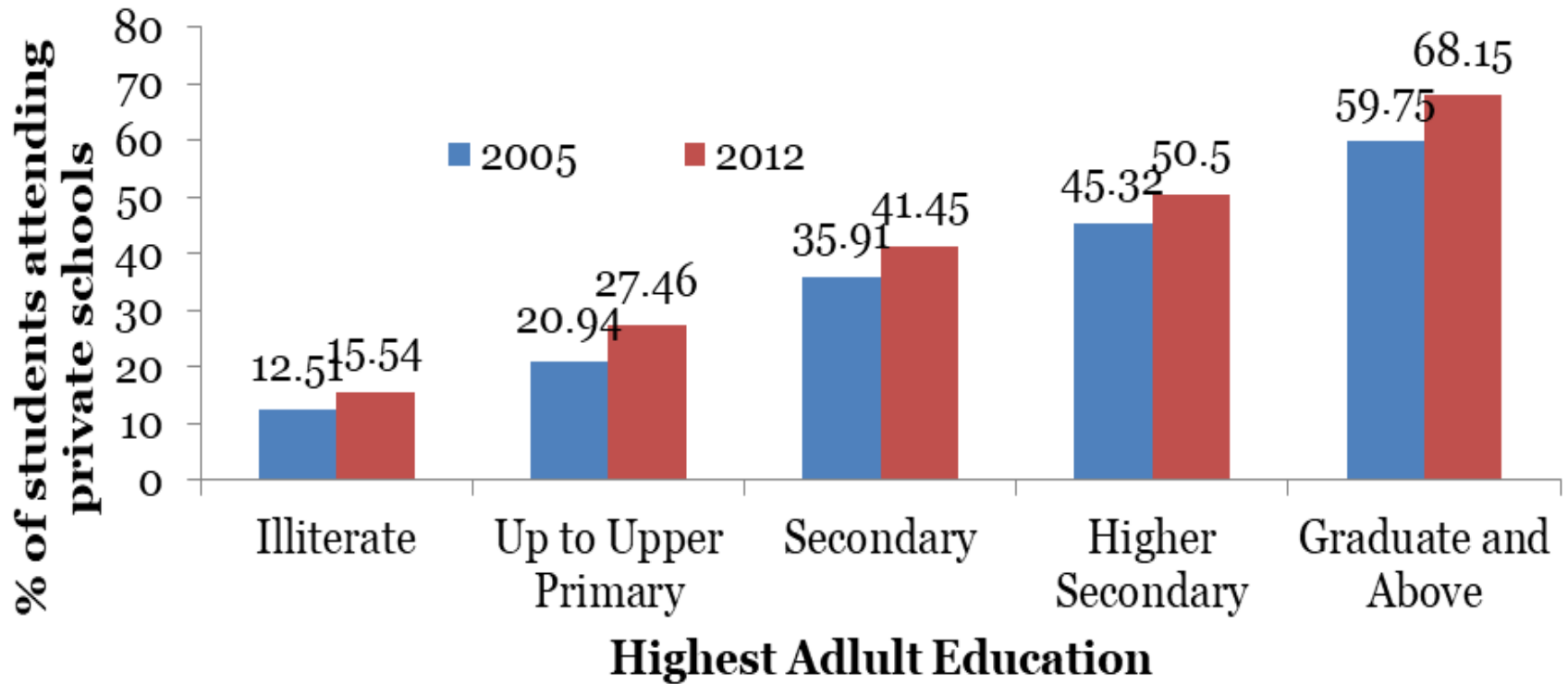


Major Findings - V

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- Probability of attending private schools increases with the rise in the highest adult education of the household – effect is higher for girls than boys and also among poor households





A Few More Points as Conclusion...

- State's apathy for public provisioning of school education - leads to the unregulated expansion of private schools – particularly low-fee private schools
- Growth of private schools and the long-term health of the education system - Approaching towards monopoly in the school education market –Raising equity and quality concerns
- Important to examine the growth of local private school market - state, district and even in below district level o arrive at a more nuanced understanding of the issue
- For example, this may help us to understand why there has been exponential growth of private schools in Uttar Pradesh but not in Bihar
- Who all are accessing private schools and more importantly a detail analysis of the providers
- Dearth of research on the schooling choices of disadvantaged sections, particularly those who access the LFP schools - specific studies targeting to these groups are needed

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Thank You

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