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# Unintended consequences to education for all: India's Right to Education Act

Chirantan Chatterjee, Eric Hanushek, Shreekanth Mahendiran 23 July 2020

*Expanding access to schools has been an important goal of development policy. This column studies the 2009 Right to Education Act in India intended to mandate compulsory and free access to schools for all children aged 6 to 14. It finds that the act led to an increase in the number of private tuition centres which partly crowded out the goal of more equal access to education as only children from wealthier households can afford private tuition.*

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Beginning with international commitments to Education for All (EFA) in 1990 (UNESCO 2000), universal access to learning was adopted as an objective by a range of development agencies including UNESCO, the UN, and the World Bank. As a result, school attendance has increased significantly around the world (UNESCO 2015). However, like with many governmental initiatives, the results do not always match the underlying design.

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The outcomes of the 2009 Right to Education Act (RTE) in India provide a good example of how individual reactions to governmental programs can subvert the intent of the program. In a recent study, we estimate the causal influence of RTE on the expansion of private tutoring (Chatterjee et al. 2020). We find that universalizing access to schools led to a significant expansion of private tutoring, which again supports the more advantaged students from higher income families.

## India's Right to Education Act

In 2000, just 86% of Indian children were in primary schools, and the survival rate to grade 5 was 47% (UNESCO 2003). These numbers underscore India's longstanding challenge in providing broad access to schooling. With the worldwide push for expanded school access, India began moving toward universal access, eventually passing the Right to Education Act after a long debate. In 2002, the 86th amendment to the constitution introduced Article 21(a) which stated that "the State shall provide free and compulsory education to all children of the age of six to fourteen years in such manner as the State may, by law, determine." The RTE Act was first presented to the parliament in 2006, but it was rejected with lack of funds cited as the official reason. However, the RTE Act gained approval from the Union Cabinet in 2008 and then passed through both the houses of the Indian parliament by August 2009, making it a national law. By 2012, all the state governments implemented the RTE Act by passing it into their own state legislatures.

The RTE ensures that every child between the age of 6 to 14 years has the right to be admitted to a quality neighbourhood school but it does not mandate that a child must access only neighbourhood schools. Further, the RTE mandates that any private unaided schools in the neighbourhood have to 25% of its seats at the entry level (class 1) to economically weaker students and ntaged groups. The costs incurred by the private schools for admitting such students are



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covered by the government. The RTE further mandates that all schools offering primary and upper primary education must have good infrastructure in terms of a weather-proof building, boys' and girls' toilets, drinking water, ramps for handicapped children, a library and so on. It also specifies quality indicators for teacher preparation, class size, and the like.

Interestingly, however, the debate about RTE never considered that this policy might induce an expansion of private tutoring and that this could offset the equity improvements from increased access to schools.

## Shadow education

Private tutoring, loosely termed shadow education, is widely used around the world, but there are few analyses of the extent and character of such education (Bray 2017). Opinions on the impact of shadow education tend to differ across countries – ranging from a useful complement to government schools to a source of inequity in society. The net impact on welfare is difficult to ascertain from existing work.

In India, the tradition of private tutoring goes back to the 1980s (Azam 2016) with a recent report [indicating](#) that parents in India lack trust in government schools and spend as much as 35% of household income on private schooling and supplemental education. A primary motivation for private tutoring that is frequently cited by Indian households is improving performance on key exams that determine schooling options and access to quality post-secondary schools.

## RTE's impact on private tutoring

Our paper considers the offsetting effects to equity improvements of RTE in India arising from a resulting expansion of private tutoring. We develop a unique database of registrations of new private educational institutions offering tutorial services by local district between 2001-2015. We estimate the causal impact of RTE on the expansion of private supplemental education by comparing the growth of these private tutorial institutions in districts identified a priori as having very competitive educational markets to those that had less competitive educational markets.

The key to our casual identification is comparing changes in private tutoring after the passage of RTE for groups with intense educational competition and groups with less competitive pressure. Our main analysis leverages this intuition and defines highly competitive districts as those with one of the premier technical schools, i.e. an [Indian Institute of Technology \(IIT\)](#). The location and governance of the original IITs were exogenously set in 1961 with the IIT Act. The admission competition for these undergraduate schools is especially intense as they have been traditionally viewed as a clear gateway to economic success in India. And while students from throughout India can attend any given IIT, the importance and competition clearly rises in the local district. Hence, we classify less-competitive districts as those lacking one of these institutions..

In order for our difference-in-difference design to be valid, the educationally-competitive and the less-competitive districts must follow common trends in the development of tuition centres before RTE, which would continue in the absence of RTE. Deviations from trend after the introduction of RTE are interpreted as the causal effect of RTE on private tutoring. In the empirical analysis, we verify and validate this parallel trend assumption.

Figure 1 depicts the expansion of tuition centres between 2001 and 2015. The monthly registrations are flat until just before the final enactment of RTE. The number of registrations in the educationally competitive districts then start to increase in anticipation of the RTE and shoot up after its enactment.

**Figure 1** Graphical representation of parallel trends of new tuition centres registrations per billion persons

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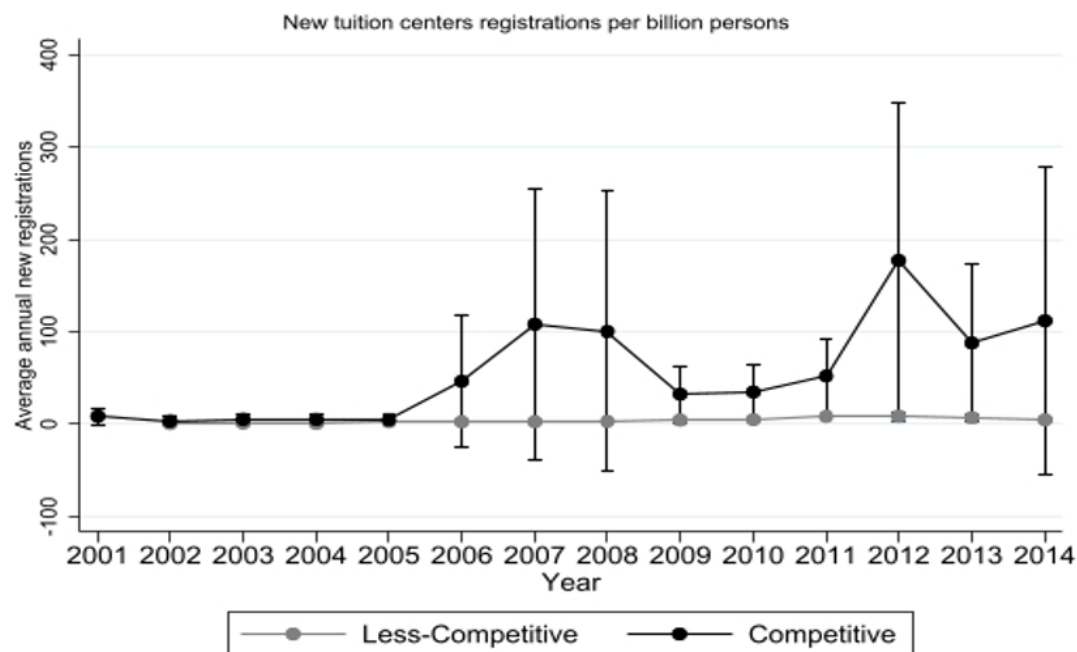
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Overall, we find a strong causal impact of the RTE on the private tutoring market. Our baseline estimates show that, with the expansion of school access due to the RTE, the number of private tutoring centres in India expanded at a monthly rate of 53 centres per billion inhabitants in the educationally competitive districts. This implies a conservatively estimated increase of some 172,000 tuition students in the fourteen IIT districts (which we a priori define as competitive) in the period after the RTE until 2015. As a comparison, the number of students actually enrolled in IITs corresponds to only 10% of this increase in tuition students.

In the empirical analysis, we also control for anticipation effects and test for alternative definitions of competitive districts, staggered implementation by state of RTE, and we control for district size and demand for skilled labor at the district level. Our results remain consistent across alternative specifications.

## Conclusions

Our overall results illustrate the basic dilemma surrounding shadow education. These tuition centres may facilitate human capital generation either at the remedial or competition/excellence margin. Previous analyses of private tutoring provide a general prima facie case that there are clear educational advantages to tuition centres in general (e.g. Banerjee et al. 2007, Muralidharan et al. 2019). Our own analysis of Indian test data supports this result as we find improvements in test scores for those students who enrol in tutoring centres. But the results also show that, while the intent of education for all is noble, private behaviour can offset the equity enhancement implied by the expanded access.

The same issue is also highlighted by this pre-RTE observation about the rise in shadow education in India of Amartya Sen (2009): "Underlying this rise is not only some increase in incomes and the affordability of having private tuition, but also an intensification of the general conviction among the parents that private tuition is "unavoidable" if it can be at all afforded (78% of the parents now believe it is indeed "unavoidable" - up from 62%). For those who do not have arrangements for private tuition, 54% indicate that they do not go for it mainly or only because they cannot afford the costs." According to our analysis, the RTE then only compounded this problem.

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