

Understanding Rural Private School Performance

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May 12, 2013

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But *why* are private schools better?

Explanation 1: Teaching Quality

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- ▶ Pay for performance, fire bad teachers.
- ▶ Clearly improvement over public schools.
 - ▶ Chaudhury et al., 2006; Muralidharan and Kremer, 2008
- ▶ Importance shown in US research.
 - ▶ Banerjee et al., 2007; Hanushek, 1997; Hanushek, 2003

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If true, then private school superiority is illusory.

- ▶ Vouchers could result in massive mis-allocation of resources.

This Paper

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 - ▶ In homogeneous villages, school choice is based on academic potential.
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 - ▶ In homogeneous villages, school choice is based on academic potential.
 - ▶ In fractionalized villages, school choice is based on caste politics.

Tells us that *at least* half of private school premium comes from selective sorting, not better teaching.



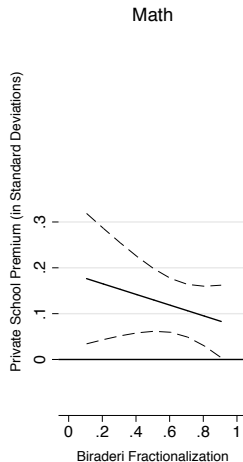
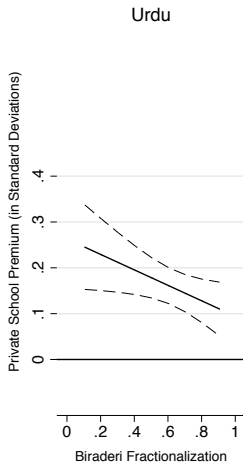
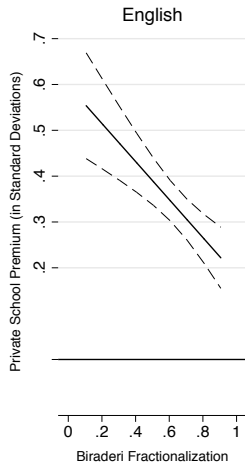




Outline

Caste Fractionalization and Value Added Scores

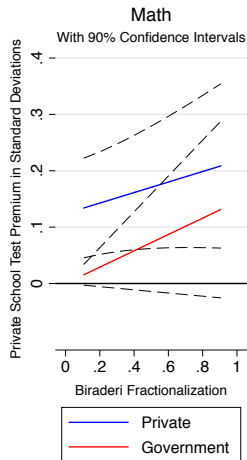
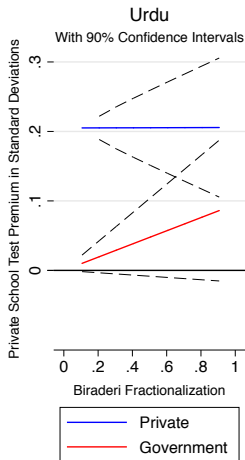
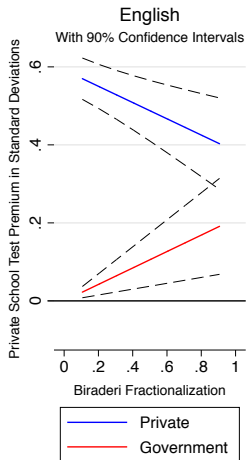
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Controls include village fixed effects, gender, age, age squared, child wealth and parental education

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Next Steps:

- ▶ Develop more robust measures of social status.
- ▶ Test in India