

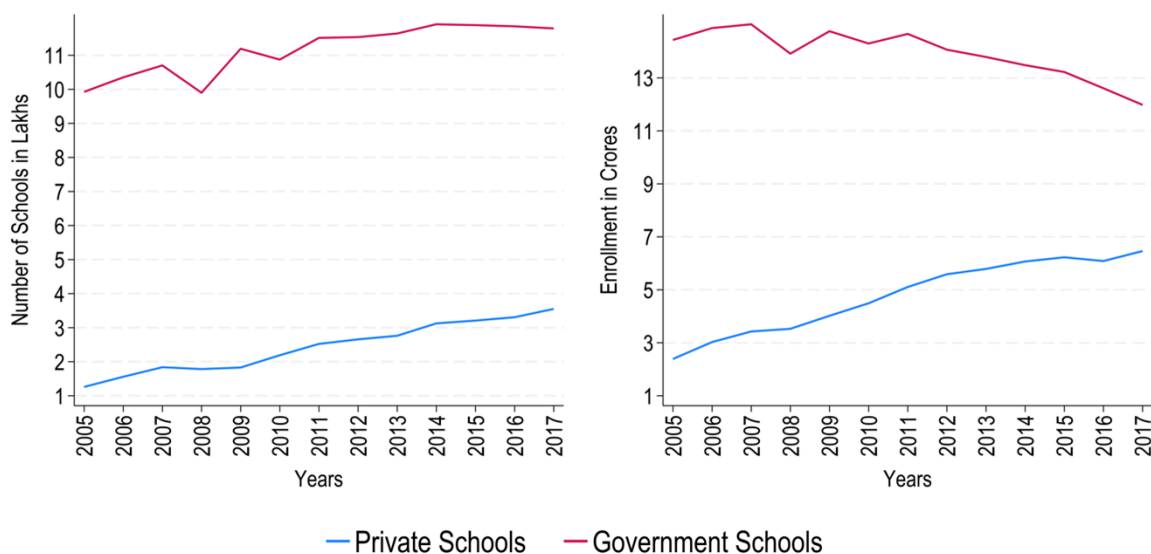
The influence of local politicians in the private education market

Private schooling has experienced rapid expansion in India – both in terms of number of schools and student enrolment. Analysing data from 2005-2017, this article shows that constituencies represented by ruling party-aligned politicians experience significantly higher growth in private schools, relative to those represented by opposition leaders, potentially through the influence exerted by the former over the bureaucracy. However, this does not translate into improvements in educational quality.

Muneer Kalliyil, Soham Sahoo

Private schooling has been a significant component of India's education landscape, particularly over the last few decades. The growth of private schools in the country has far outpaced that of government schools, with private institutions becoming a prominent choice for many households seeking better education for their children. Between 2005 and 2017, the number of private schools nearly tripled, while government schools saw relatively modest growth (Figure 1). This pattern is reflected in student enrolment trends as well. Between 2005 and 2017, government schools witnessed a 16% decline in student enrolment, whereas private schools saw a substantial 270% increase.

Figure 1. Distribution of government and private schools in India



Source: District Information System for Education.



Investigating the drivers of this expansion of private schooling, existing research has focused primarily on the relative performance of private versus government schools and the dynamics of the education market (Muralidharan and Sundararaman 2015, [Singh 2015](#), Andrabi *et al.* 2024). Another strand of literature has shown that local political leaders can influence education outcomes in their constituencies (Clots-Figueras 2012, Lahoti and Sahoo 2020). Our study adds to this literature by analysing a less examined dimension: the influence of local political leaders on the establishment of private schools. Specifically, we explore whether state assembly constituencies represented by ruling

party-aligned politicians (that is, Members of Legislative Assembly or MLAs) experience higher growth in private schools ([Kalliyil and Sahoo 2024](#)).

Starting a private school requires navigating a complex regulatory process involving multiple government approvals at different stages ([Mehendale 2020](#)). During the construction phase, the school administration must obtain several clearances from local authorities, including fire safety, water supply, sanitation, and structural fitness certifications. Once the physical infrastructure is complete, a key step is acquiring a 'No Objection Certificate' (NOC) from the state government. The NOC certifies that the institution has met essential regulatory requirements and that the government has no objections about its further certification. This document is mandatory for the school to apply for further formal recognition and affiliation with various educational boards.

However, obtaining a NOC is often a difficult process that requires interaction with multiple stakeholders in the government. This process depends on the discretion of the officials in the Department of School Education at the state level, often causing delays and creating obstacles during the application process. These disruptions may take the form of additional approval conditions, requests for clarifications, repeated documentation submissions, etc. At this stage, politicians may play a significant role by influencing the enforcement of regulations through their control over bureaucratic processes. The extent of their influence can be closely linked to their alignment with the ruling party, affecting how efficiently the process unfolds.

Methodology and data

Our research examines the impact of political alignment on the growth of private educational institutions in India using constituency-level panel data covering the period from 2005 to 2017, and a close-election 'regression discontinuity design' (RDD). The RDD allows us to estimate the causal effect of ruling party alignment by comparing constituencies where ruling party-aligned candidates narrowly won to those where they narrowly lost. This approach helps isolate the impact of political alignment from other factors that might influence school growth, since the constituencies considered in this analysis are likely to be similar in other aspects.

Data on the number of schools and higher education institutions at the assembly constituency level is generated using the information from the District Information System for Education (DISE) and All India Survey on Higher Education (AISHE), India's primary sources for school and higher education statistics.

Key findings

First, we find that constituencies represented by ruling party-aligned politicians experience a significantly higher growth rate in private schools compared to those represented by opposition leaders. On average, the growth rate of private schools is about 3 to 5 percentage points higher in ruling party-aligned constituencies. This suggests that ruling party politicians actively facilitate the establishment of private schools in their constituencies.

Interestingly, we find no significant impact of ruling party alignment on the growth rate of government schools. Despite the fact that MLAs are primarily responsible for procuring government

resources and facilities for their constituencies, there is no observable difference in the growth rate of government schools between ruling party-aligned and non-aligned constituencies.

This difference between government and private schools can be explained by the centralised planning process usually followed in government school establishment, which is predominantly decided at the state level with minimal local involvement. In contrast, private schools are often the result of local initiatives and community involvement, making them more susceptible to the influence of local, party-aligned political leaders. We observe similar patterns in higher education institutions – the growth effect is significant for private colleges and universities but remains insignificant for government-managed higher education institutions.

Mechanisms

Existing evidence shows that ruling party-aligned MLAs lead to higher economic growth in their constituencies (Asher and Novosad 2017). Insofar as higher growth translates into greater willingness to pay for private schooling, it might explain the expansion of private schools. Investigating this channel, we find that although economic growth rises in response to having a ruling party-aligned leader, it does not mediate the impact on private school expansion. Further, ‘heterogeneity analysis’ across the electoral term shows that private school expansion precedes economic growth, indicating that a demand-driven channel is not the main explanation for our results.

As alternative mechanisms, our analysis highlights that the influence exerted by ruling party-affiliated politicians over the bureaucratic apparatus could be a key factor behind the observed results. Elected representatives, particularly ruling party-aligned MLAs, possess substantial informal control over administrative decisions, including the ability to influence bureaucratic postings and transfers ([Iyer and Mani 2012](#)). Additionally, MLAs often hold *ex-officio* positions on various district-level committees, including those related to education. This control becomes particularly relevant in the context of private schooling, where establishing new institutions requires navigating multiple bureaucratic approvals. Involvement in the establishment of private schools may also be motivated by anticipated benefits, ranging from enhancing social reputation to extracting economic rents. Furthermore, our findings suggest that the higher growth of private schools in constituencies aligned with the ruling party could be linked to politicians themselves investing in educational institutions. This aligns with prior research indicating that political families often invest in the education sector, recognising its potential to bolster social prestige, extend patronage networks, and facilitate discreet financial transactions ([Verma 2011](#)). The direct involvement of MLAs or their relatives in the private education market is magnified when they can leverage their affiliation to the ruling party.

What about school quality?

Digging further into the implications of our main findings on the growth of private schools, our analysis reveals no significant positive impact on the quality of these private schools. This is true when we measure quality in terms of the private schools’ physical infrastructure and teacher qualification as well as learning outcomes of children from these constituencies. This implies that while politicians may facilitate the establishment of more private schools, it does not necessarily translate into improved educational quality. Moreover, it is reasonable to assume that schools that are superior in quality compared to the existing schools may not need political interventions to

obtain recognition and affiliation. As a result, politically supported schools may not be effective in raising the quality standards.

Conclusion and implications

The study reveals that ruling party-aligned politicians play a pivotal role in facilitating the growth of private schools and higher education institutions. Constituencies with aligned leaders witness a higher growth rate in the number of private schools relative to those under non-aligned leadership. But while more private schools have been established in constituencies with ruling party-aligned politicians, our findings suggest that this increase does not translate into significant improvements in educational quality or learning outcomes, raising questions about the efficacy of political involvement in school development. Therefore, it is important for policymakers to recognise the effects of this politically motivated school expansion and formulate regulations that uphold quality standards alongside growth in numbers.

Further Reading

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