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Demand or Supply for Schooling in Rural India?

### Abstract

This paper examines the education decisions of rural households in India, presents new evidence on informal instruction of children in the home and assesses the relative importance of household attributes and local educational quality for school attendance and human capital investment time. Micro-data from the 1998-99 Indian Time Use Survey (ITUS) conducted in Gujarat, Tamil Nadu, Madhya Pradesh, Meghalaya, Orissa and Haryana (covering 77,593 persons in 18,591 households) are matched to state level data from the 7th All India School Education Survey (AISES) on school quality and availability. Probit models of the determinants of school attendance and sample selection bias regression models of the total time invested in human capital acquisition by boys and girls (ages 6 to 10, 11 to 14 and 15 to 18) in rural India are estimated. The implications for school attendance and human capital investment time of scheduled caste status, parental education less than high school, household income less than median and school quality less than Tamil Nadu are simulated. Poor quality of local schools emerges as a crucially important negative influence on school attendance.