

# **SCHOOL DROPOUTS AND STATE CAPACITY: AN EVIDENCE FROM INDIAN STATES**

**MANSI MISHRA**

## **ABSTRACT**

In a country like India where every person has right to free education from 1<sup>st</sup> to 12<sup>th</sup> grade, 6% of the students enrolled in school do not graduate. This national crisis has been an educational nightmare for past few decades. Dropouts have increased health costs as dropouts are more likely to suffer from illness as compared to high school graduates, they drive up criminal justice costs as about 41 percent of inmates in state and federal prisons have less than a high school education, dropouts draw heavily on welfare and public assistance as they are not educated enough to earn their livelihood and dropouts are less likely to vote and engage in civic activities. This study examines the factors that cause students to leave before graduation. Significant outcomes of the research showed not interested in studies, costs too much and required for household work as the most common reasons why students quit. Using a multinomial logit model, this study examines the predictors for students dropping out because of reasons related to child, household, school, financial constraints and others. Sex of the student, occupation of the household head and State of Residence of the students are significant predictors of all the reasons for school dropout.

Compared to other reasons for dropout, school related reasons have the largest number of predictors that are statistically significant. Girls dropout more because of reasons related to household, school, finance or others in comparison to their own disinterest in studies. This highlights the disadvantage about girls being interested in studies but still being unable to complete their education. A major limitation of the study is that public insurance variable created using ESIS, CGHS, State Health Insurance and Rashtriya Swasthya Bima Yojana is used to measure state capacity. However government's active involvement could exist in terms of providing hospital services at low prices and in that case people might not buy state health Insurance schemes.

The conclusions of the study indicate that if the government invests in building infrastructure which would assist students to get supportive learning outcomes then dropouts will fall.