

The impact of state capacity on education

A study on the connection between state capacity and literacy
rate to further the educational goals in India

Abstract

This thesis investigates whether state capacity furthers a country's educational goals by scrutinising the effects of state capacity on the literacy rate in India. This is fundamentally studied through the theories of good governance and state capacity. Further, data from the Quality of Government between 1984-2011 and literacy rate between 1981-2011 are observed to discover whether state capacity and literacy rate are connected. The Quality of Government assesses corruption, bureaucratic quality, law, and order. Likewise, policies connected to these measurements, as well as others, are examined to discover their impact on education.

Ultimately, it is discovered that state capacity and literacy rate are strongly connected, although there is significantly different measuring periods and limited measurements of state capacity. Thus, this may vary if other measurements are used. Nonetheless, state capacity is observed to have a significant impact on education by its theories and the policies implemented in India.

Keywords: India, Educational Goals, State Capacity, Literacy Rate, Good Governance, Quality of Government

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Table of Contents

1	Intro	1
1.1	Aim & Question	1
1.2	Disposition	2
2	Theory	4
2.1	Good Governance.....	4
2.2	State Capacity.....	5
3	Methodology and Material.....	7
3.1	Variables.....	7
3.1.1	State capacity.....	8
3.1.2	Literacy rate.....	9
3.2	Choice of Case and Limitation.....	9
3.3	Material	11
4	Result and Analysis.....	12
4.1	How State Capacity Affects Literacy Rate	14
5	Conclusion	18
5.1	Further Research	19
6	References.....	21

1 Intro

India is one of the developing countries that has proven to increase its strength in a short amount of time. The country became independent from the UK in 1947. Further, it became a democracy in 1950 (Ganguly 2011). As economics has been the centre of neoliberal reforms presented to the world in the 1970s, globalisation has helped India develop through goods, services, and labour. Since the 1990s, India's economy has grown steadily after the economic crisis of 1991 and has proven positively for its population of 1.2 billion (Dutta 2017, p. 1, 13, 30). As the state of India is growing, it has better possibilities to improve its education. This is the reason for this thesis to take a closer look at the relationship between state capacity and the educational goals of a country. State capacity is considered the capacity of a state to pursue its goals, as well as its educational goals (Akbar – Ostermann 2015, p. 845). In this thesis, India has been chosen as its case study due to its rapid development.

1.1 Aim & Question

This thesis intends to study how state capacity affects the literacy rate due to state capacity being considered one of the factors apart from the economy, democracy etc. that is believed to further the developmental goals in a country such as the literacy rate (Norris 2012, p. 49, 97-109). Further, literacy concerns the facilitation of fundamental education for everyone and is used as the measurement by countries to achieve their educational goals (Oxfam India). As prior research seems to be limited on this topic, it is crucial to discover this connection. Further, this may help to find the solution to how countries may develop their educational goals.

The main question of this thesis is: *Does the role of state capacity further educational goals?*

To discover this, state capacity and the literacy rate in India will be measured by secondary data to examine the possible effects of state capacity on literacy rate. Further, an empirical question has been chosen to analyse the situation from what it is, rather than what it should be. Although, it is the hope that it could lead to an improvement in the chosen area. The hypothesis of this thesis is that state capacity affects the literacy rate by for example the implementation of policies in a country. Thus, state capacity should further the educational goals of a state.

Furthermore, to scrutinise how state capacity affects literacy rate, this thesis will investigate what the state does to accomplish its educational goals. This will be examined by discovering how state capacity may affect the literacy rate in India. Further, some of the policies connected to state capacity in India will be viewed, such as the size of the educational budget, number of schools, students enrolled in the educational sector and the laws connected to education. By looking into the measurements of Quality of Government and literacy rate, it is the aim to observe how some of the factors of state capacity and literacy rate are connected. Likewise, through this data, this thesis will try to determine the strength of their correlation. Consequently, it is understood that the result of a positive or negative effect on the literacy rate will be explained. Similarly, the likely impact on literacy rate will be discussed from the theories of state capacity and good governance as well as policies connected to education.

1.2 Disposition

Initially, this thesis will account how state capacity and literacy are connected by viewing Bo Rothstein's theory on good governance and Nafisa Akbar & Susan L. Ostermann's theory on state capacity in India. This is believed to help in explaining the various definitions of state capacity. Rothstein's theory will help in explaining the various effects that take place on social and economic outcomes through for example public goods or governmental institutions. At the same time, Akbar and Ostermann's theory will explain the definition from its historical and

contemporary aspects. It is the aim that these theories will give the background information on state capacity and the problems there may be related to having various definitions and measuring different aspects of the concept in different situations. Hence, this may lead the analysis to be easily followed.

Further, a comparative case study through statistical data has been chosen for this thesis as this will help to understand the change of the primary variables, state capacity and literacy rate, by investigating India over a period to compare them. On one hand, state capacity will be scrutinised by examining the IRGC Quality of Government in the country. This measures the state capacity through viewing corruption, law and order, and bureaucracy quality. On the other hand, the literacy rate will be observed from earlier research on the topic that has gathered the data from the national census. Through the data, this thesis will try to discover whether there is a connection found between state capacity and literacy rate in India between 1981-2011. Further, the strength of their connection will be determined.

Moreover, this thesis intends to find how state capacity affects literacy rate by looking into the reforms and policies made by the Indian government that may be related to the measurements of Quality of Government. This is studied by using secondary sources in this thesis to explain both state capacity and literacy rate separately by scientific articles and literature as it is believed to help in the comprehension of their relationship when combining both subjects.

2 Theory

The theoretical framework of the thesis is primarily observed through Bo Rothstein's theory on good governance and Nafisa Akbar & Susan L. Ostermann's theory on state capacity in India. As these are closely related to another and Quality of Government, they will be used interchangeably (Rothstein – Teorell 2012, p. 13). At the same time, other scholars' theories will also be observed to discover other opinions on the concepts or to further strengthen the arguments. It is the aim of the thesis to discover the connection between state capacity and literacy rate to account for the effects of this connection. Further, the purpose of these theories is to discover how state capacity affects literacy rate, and thus, help in furthering the state's educational goals.

2.1 Good Governance

Good governance is a new concept since the mid-1990s whose main goal is to examine the developing and the transition countries. Many international organisations and national development agencies have started using it such as the World Bank and the United Nations. However, it is proven by the economic and financial crises that "bad governance" is not limited to the developing and transition countries (Rothstein, 2012).

Further, good governance is used for various practices that are called "public goods" which includes all aspects from international security to protection of rights. In addition, good governance is increasingly used toward the "institutional turn" in social sciences. Research has taken place to discover "...the dominating societal view in studies of social and economic outcomes" (Rothstein 2012). A reason for the rising use of the concept is that it has proven to have a positive effect on human wellbeing as good governance includes various aspects such as government effectiveness, levels of corruption, and the quality of legal systems. The main

characteristic is “the link between the quality of government institutions that implement policies ... and economic growth.” (Rothstein 2012). Nonetheless, there is also evidence of good governance damaging economic equality (Rothstein 2012).

Moreover, a frequently used definition of good governance by the World Bank Research Institute includes three points by which authority is implemented in a state. These include “... (1) the process by which governments are selected, monitored and replaced, (2) the capacity of the government to effectively to effectively formulate and implement sound policies, and (3) the respect of citizens and the state for the institutions that govern economic and social interactions among them.” (Rothstein 2012).

2.2 State Capacity

The traditional role of the state is mostly based on Weberian terms where the definition of state capacity according to Nafisa Akbar and Susan L. Ostermann follows as “...the degree to which a state is able to monopolize violence within a delimited territory.” (Akbar – Ostermann 2015, p. 847). Further, Pippa Norris focuses on this conceptualisation and describes state capacity to determine “... how far regime authorities can achieve their goals and perform functions essential for collective wellbeing...” (Norris 2012, p. 44). This is believed to follow Michael Mann’s argument that focuses on the “institutional capacity of a central state ... to penetrate its territories and logistically implement decisions.” (Norris 2012, p. 44). According to this belief, there are two types of state capacity: bureaucratic and patronage. Bureaucratic forms of governance are based on specific institutional grounds for capitalist growth and the modern nation-state, whereas the patronage state is known for corruption and nepotism where leaders are obeyed through personal networks and traditional and social privileges (Norris 2012, p. 45-48). Bureaucratic norms should principally be considered as they “...influence how officials enact their roles and responsibilities as they carry out the tasks of policy implementation...” (Mangla 2015, p. 884). Further, Mangla points out that the “... norms also shape the ways officials engage with citizens and civic agencies in educational planning...” (Mangla 2015, p. 884).

On the other hand, the modern state is proven to be capable "...when it is able to perform the functions it is expected to execute..." (Akbar – Ostermann 2015, p. 850). However, in recent studies state capacity is rather related to the "...state's ability to provide for its citizens." (Akbar – Ostermann 2015, p. 851). Further, these scholars believe that a state is capable "...when the public has access to a range of goods and services and the state provides this access regularly and consistently." (Akbar – Ostermann 2015, p. 851). However, scholars such as Norris treat the effects of state capacity on the society separate from the state or "government" (Norris 2012, p. 44).

By examining the state from its wealth, one may find that one state is capable of prospering economically, while the other is considered incapable or weak. However, a problem that may lie with this conceptualisation is how the state is measured. Some scholars such as Timothy Besley and Torsten Persson use the level of economic growth of a state as an alternative for capacity which in the end measures the outcome of state capacity, but not state capacity itself. While economic prosperity is a likely indication of a strong state capacity, it does not necessarily imply that the state has a strong state capacity (Akbar – Ostermann 2015, p. 851). In addition, Akbar and Osterman argue that in order to include other countries besides the developing and the transitioning countries, the definition and measurements of state capacity should be reconsidered. Thus, they believe that the examination of the state should be from the modern state's perspective (Akbar – Ostermann 2015, p. 847).

Ultimately, the stronger the state, the better prospects the state has to further its educational goals. As such, it is expected that there should be a positive correlation between the state capacity and literacy rate, which shall be seen over time in India. This means that the richer a state is and the higher amount a state spends on education, the more likely it is for the state to increase its literacy rate. However, this also depends on other factors and the method in which state capacity is measured as mentioned above. Thus, this proves that state capacity is the responsibility of the state which is capable of developing its educational goals. However, the question lies in the extent it is affected, which this project further intends to investigate.

3 Methodology and Material

This thesis will with the help of data scrutinize, whether there may be a connection between state capacity and literacy rate. Further, it will investigate how state capacity affects the literacy rate in India to discover how state capacity furthers the educational goals of a country. This will be discovered by the Quality of Government from Gothenburg University to examine the development of state capacity in India. Further, India's literacy rate over time will also be scrutinized from earlier research. With a focus on an interdisciplinary and social scientific problem, the variables will be compared to discover whether they are connected and what impact state capacity has on literacy rate (Hansen et al. 2020, p. 43-44).

The research is a comparative case study with the most similar design shaped as a quantitative study. Through the statistical data from earlier research, this thesis aims to observe whether the data gives a pattern to observe a possible correlation between the independent and dependent variables. Further, the use of statistical data strengthens the ambition of theory testing (Esaiasson et al. 2017, p. 51-53, 63, 101-104).

3.1 Variables

The independent variable in this study is state capacity (X). Other words that are related to the concept may also be used such as good governance, Quality of Government etc., especially with regards to measuring state capacity. This variable will be viewed to discover what effect it has on literacy rate, which is the dependent variable in this thesis (Y) (Esaiasson et al. 2017, p. 46-51).

To measure state capacity, the data from the Quality of Government standard dataset 2020 from the Gothenburg University will be used. At the same time, literacy rate will be measured from earlier research that has gathered the data from the national census over the years.

As time is limited for this thesis, data through secondary sources will be used instead of gathering data for this thesis itself. However, using secondary material instead of primary material has consequences as it may not give the data that is needed for the research, and it may have faults that further needs to be considered (Hansen et al. 2020, p. 305-306, 317).

3.1.1 State capacity

State capacity will be observed from the ICRG Indicator of Quality of Government which assesses state capacity by the measurements: corruption, bureaucracy quality, law, and order (Teorell et al. 2020). This dataset is chosen as the operating variables matches the theoretical definitions and thus, strengthens the validity (Esaiasson et al. 2017, p. 58). Further, these measurements of Quality of Government will be elucidated by Pippa Norris from the literature *Making Democratic Governance Works. How Regimes Shape Prosperity, Welfare and Peace*.

The first aspect assesses the corruption in the political system, which may affect the economic and financial environment that connects businesses and politics, which includes foreign businesses (Teorell et al. 2020). This examines the state and its impact on the state's economy and measures the actual or potential corruption from nepotism, patronage, or other financial funding in the public sector (Norris 2012, p. 50).

Further, bureaucracy quality is the variable that measures the strength of institutions and the quality of bureaucracy in order to reduce the need for revisions of policies when the change of government takes place (Teorell et al. 2020) (Norris 2012, p. 50). Further, it considers the strength of governing without drastic changes in policy (Teorell et al. 2020). In addition, it measures factors as the processes of meritocratic career advancement, and independence from political pressures (Norris 2012, p. 50).

Finally, the factors of law and order are assessed separately. Law assesses the strength and impartiality in the legal system, whereas order assesses the popular observance of the law (Teorell et al. 2020) (Norris 2012, p. 50).

As such, this data will give an indication of state capacity and its development over time which will then be compared to the literacy rate in India. Moreover, as

discovered by the theoretical aspects, the concepts related to state capacity bear various meanings. As the measurements by Quality of Government do not include other significant measurements, there may even be a relation between state capacity and literacy rate, although it may not be found by the aforementioned measurements.

3.1.2 Literacy rate

According to The Census 2011 of India, a literate person is “a person aged and above who can both read and write with understanding in any language, is treated as literate. A person, who can only read but cannot write, is not literate.” (OXFAM India). This definition has been used since 1991 (Oxfam India).

At the same time, UNESCO defines literacy as “the ability to identify, understand, interpret, create, communicate and compute, using printed and written materials associated with varying contexts.” (OXFAM India). As these definitions vary to a significant extent, a person in India may be considered literate in the eyes of the Indian government while not being regarded as literate by UNESCO.

Moreover, this thesis will use data on literacy rates from earlier research on the same topic from Dr Navinchandra R. Shah, who has gathered the data from the government census of India from British India till 2011. The data used from this research is known as the effective literacy rate, where the number of literate citizens from the age of seven and above, as mentioned in the national definition, is multiplied by a hundred and then divided by the population aged seven and above.

3.2 Choice of Case and Limitation

This thesis aims to discover the level of impact of state capacity on literacy rate with the use of secondary sources. As such, the goal is theory-testing through earlier research to investigate whether there may be a possible link between the variables (Hansen et. al 2020, p. 305-306). It is the hope that this will help to discover whether state capacity furthers the educational goal of a country. This may lead the project to be a theory developing, however, this is not the main aim of this thesis (Esaiasson et al. 2017, p. 41-43).

Further, the reliability of the sources is considered low as they are not proven to be tested more than once and the data only rely on statistics (Esaiasson et al. 2017, p. 209). However, the internal validity appears to be strong due to the use of statistical data, and the plausible theories that seem to connect the variables (Esaiasson et al. 2017, p. 59) (Hansen et al. 2020, p. 106-109). Similarly, as its study is generalised to the phenomenon and the population of India, and regards as being a social scientific problem, the external validity appears likewise to be strong (Esaiasson et al. 2017, p. 59) (Hansen et al. 2020, p. 111-115). Thus, the validity of the result is weak and may include systematic faults (Esaiasson et al. 2017, p. 64).

While discovering whether state capacity relates to the literacy rate, an intermediate variable is likely found due to a later effect from the independent variable on the dependent variable (Hansen et al. 2020, p. 38-41). However, this could be due to a time shift of the effect, such as policies taking longer to affect the desired result (Hansen et al. 2020, p. 64-65). Besides, there may be a complementing explanatory variable in various situations that should not be considered with the primary explanatory variable (Esaiasson et al. 2017, p. 97). Moreover, the comparative case study is the internal longitudinal level over time in India. The most similar design is to examine the state to discover the contrast that may be found in the state later (Hansen et al. 2020, p. 88-89, 91-93).

Moreover, this thesis will use the data from 1981-2011 on literacy rate with 1984-2011 on state capacity to discover the economic impact that was made throughout the 1990s in India. The reason for this different period is due to the aim of this thesis is to discover the effects during the 1990s. This is the period India went through economic changes that are considered to develop the country. In this way, the state capacity of India is expected to develop accordingly. Further, the Quality of Government is not measured before 1984, although the literacy rate has been measured since the independence of India at the beginning of every decade. In addition, this period might help explain a possible correlation that seems to have a positive outcome (Shah 2013) (Teorell et al. 2020). Hence, this period is chosen to discover the possible effects of state capacity on the literacy rate. Nevertheless, as studies are not necessarily limited to this period, research made on other periods may be observed to discover the indication of the direction of development toward the national educational goals of India.

Ultimately, the correlation between the principal variables, state capacity and literacy rate, will be calculated in excel. This indicates the extent to which Y is impacted by X and how the strength of the connection of the variables. Further, interval scale variables are measured by the strength and direction of the linear connection between -1 to +1, where 0 indicates no connection, -1 indicates a completely negative connection, and +1 a completely positive connection (Esaiasson et al. 2017, p. 377).

Thus, the main question will be analysed: Does state capacity further a state's educational goals. In the case of India, the primary goal is to ensure that primary and secondary education is available to every citizen of the state for no cost by 2030 (Jana 2020). Further, policies implemented by India related to the variables of Quality of Government will be investigated. This will help in discovering how state capacity has changed and how it may have affected the literacy rate.

3.3 Material

The material used in this thesis is both relevant to the problem and is known to be respected in the scientific field. The primary material is about literacy and state capacity to discover the link between them as mentioned above. Further, additional material related to the measurements of state capacity will be scrutinised. In this manner, this thesis will discover the impact of state capacity on education by observing the size of the educational budget, the number of schools, and laws implemented to decrease inequality.

Mohan Jyoti Dutta explains the economic and political development in India in the literature *Imagining India in Discourse. Meaning, Power, Structure*. Further, research on the education system in India by the British Council that studies the development of educational matters in India since the 2000s. Likewise, Oxfam India describes the educational background in India with a focus on inequality and policy. Moreover, Sonalde Desai and Veena Kulkarni have investigated inequality in India based on caste, a religious classification of societal status, across the areas of education, employment, and income. These materials are examined to discover how state capacity furthers the educational goals in India.

4 Result and Analysis

Table 1: Graph on state capacity in India from 1984-2011

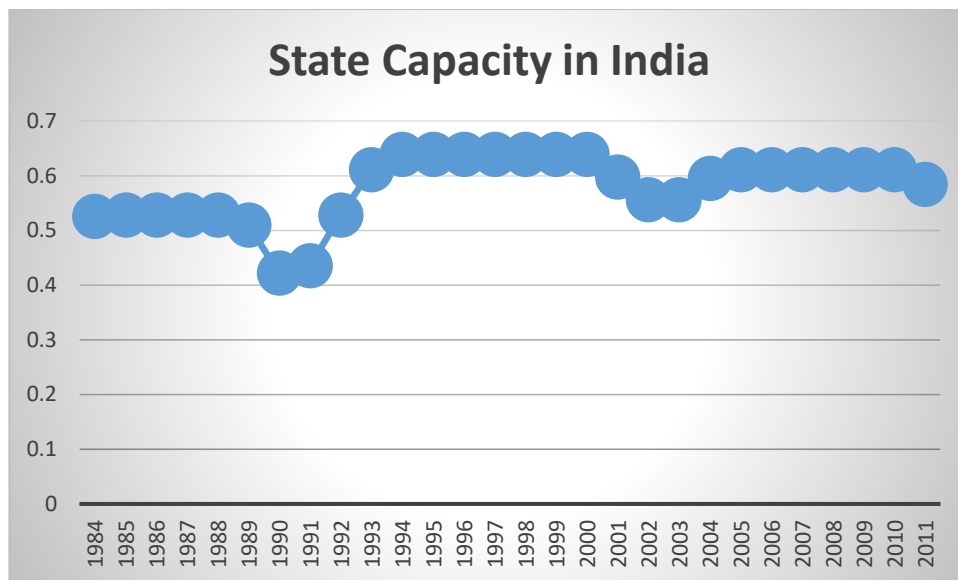


Table 2: Histogram on Literacy rate from 1981-2011 in India

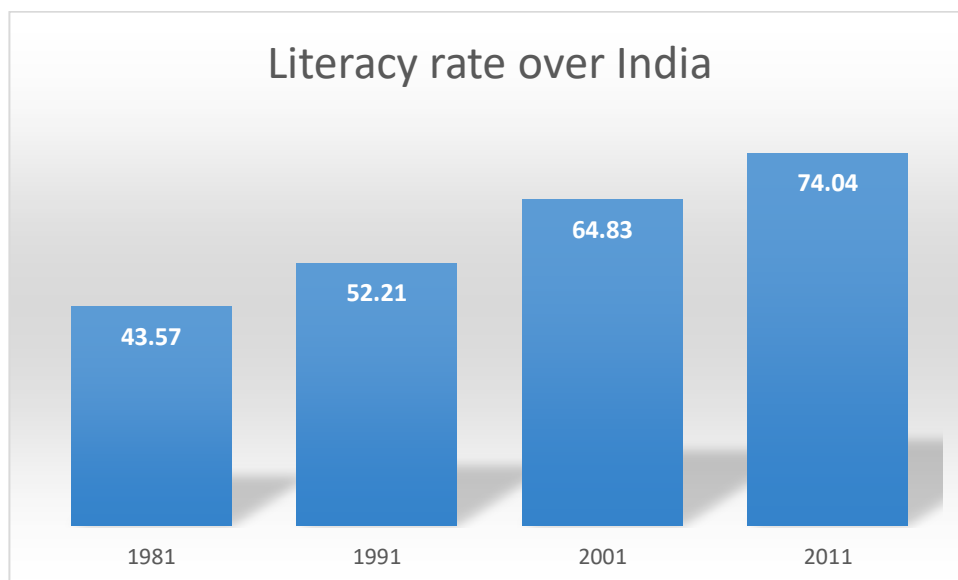


Table 3: Correlation between state capacity and the literacy rate

	X (QoG)	Y (Literacy)
1981		43,57
1984	0,53	
1991	0,44	52,21
2001	0,60	64,83
2011	0,58	74,04
Correlation	0,87	

The result of state capacity in table 1 shows that there has been a fall at the beginning of the 1990s during the economic crisis. Subsequently, it has increased to a greater extent than before. This fell again at the end of the decade, and increased to a higher level in the 2000s, though being lower than the 1990s. Subsequently, it dropped again in 2011 that is the end of the period chosen for this project.

At the same time, the literacy rate in table 2 has increased from 1981-2011. The increase of literacy rate during every decade seems to be increasing slightly over time. Further, the greatest increase is observed between 1991 and 2001. Likewise, the increase between 2001 and 2011 seems to be greater than the increase between 1981 and 1991. Hence, a connection between state capacity and literacy rate appears to be found as literacy rate follows the increase of state capacity. However, the time it may take from the implementation of policies to their effect must also be considered. Further, the literacy rate is observed to have grown even when state capacity is measured to be significantly lower after the 2000s. As such, there may not be any correlation between literacy rate and state capacity.

Moreover, state capacity seems to have grown over time, though it has been fallen in between, it increases after a short period. The point where state capacity decreases is around the same period when the literacy rate is measured, and it increases shortly after. Although this seems not to have a significant impact on the literacy rate that keeps developing. Besides, it should be noted that state capacity is not measured before 1984. Due to this, the level of state capacity before this period is unknown. However, when state capacity increased to a higher degree during the 1990s, the literacy rate increases significantly to a higher level than previously and continued to develop afterwards, which is seen after the 1990s.

Further, the correlation calculated in table 3 to 0,87 shows that there is a strong correlation between state capacity and the literacy rate in India. Nonetheless,

the correlation does not show whether other factors are intermediate variables in the development of the literacy rate. These issues cannot merely be pointed out by looking at the graph and are not the primary aim of this thesis. Though, it is known that other factors such as economy and democracy are believed to further development in countries as well (Norris 2012, p. 49, 97-109).

4.1 How State Capacity Affects Literacy Rate

As mentioned in theoretical aspects, state capacity is measured by various definitions that may lead to different measurements of state capacity. Further, it was discovered that the measurements by Quality of Government scrutinise corruption, bureaucracy quality, law, and order. These measurements will be observed on the policies implemented in India combined with theoretical aspects on state capacity and good governance. Likewise, other aspects will be considered to view the effects of state capacity on the literacy rate.

Following the independence from the UK in 1947, the Department of Education was established under the Ministry of Human Resource Development with a mandate to increase access to education and improve the quality of education. The first National Policy on Education was made in 1968. This was limited to the national economic growth but continued to grow until the end of the 20th century (Anderson – Lightfoot 2019, p. 6).

The first aspect assesses the corruption in the political system. This may affect the economy of the state, which it further examines (Teorell et al. 2020) (Norris 2012, p. 50). A country with lower corruption leads to economic prosperity (Dutta 2017, p. 128-129). Although a state with economic prosperity indicates that a state may have a strong state capacity, it might not be the case (Akbar – Ostermann 2015, p. 851).

In the case of India, the economic development throughout the 1990s may have had a significant impact as the link between the economic growth and the quality of governmental institutions is the key point while assessing various aspects that may be related to good governance (Rothstein 2012). As such, the measurements of Quality of Government may be considered intermediate variables.

This could be a reason for the increase in state capacity. However, the question lies in what happened after the 2000s? Was there an economic fall? Or was there merely a greater increase in the economy of India during the 1990s that affected the state capacity? However, the aim of this project is not to investigate the economy or these questions, although, they may be useful for further research in the area of state capacity.

Although this aspect does not measure the economic effect on schools, the budget spent on education increased from around £11 billion in 2004-05 to £63 billion in 2015. This needs to be considered with the increasing population. As such, the calculated number has fluctuated from 4.1% in 2000-01 down to 3.3 in 2004-05 and later increased to 4.4% in 2013-14. (Anderson – Lightfoot 2019, p. 12).

Further, bureaucracy quality is the aspect that measures the strength of institutions and shows whether the responsibilities of the executives are carried out in policy implementation (Teorell et al. 2020) (Norris 2012, p. 50) (Mangla 2015, p. 884). This is a key factor when observing a change in policies and discovering whether policies are implemented to improve the educational goals in India. Since India committed to the Millennium Development Goals in 2000, the country has been progressing toward achieving universal primary education (Anderson – Lightfoot 2019, p. 6). Accordingly, the government figures show that the number of schools increased from 971,000 in 2000 to 1.52 million in 2015. Further, enrolment in primary and secondary schools increased from 186 million in 2000 to 261 million in 2015 (Anderson – Lightfoot 2019, p. 12).

Furthermore, during the 1990s, the Midday Meal Scheme was initiated and ensured that every schoolchild was provided with a free midday meal. The District Primary Education Programme, which aims for universal primary education, has further led to the Sarva Shiksha Abhiyan – Education for All Campaign in Hindi – that introduced facilitating new schools and strengthening facilities in the existing school, including teacher capacity, and learning materials for teaching. In addition, the right to education was amended in the national constitution up till the age of fourteen (Anderson – Lightfoot 2019, p. 34).

Nonetheless, these policies would likely not have occurred had India's economic situation not developed throughout the 1990s. Before this development, the state was believed to be a barrier to economic growth that supported bureaucratic monopolies. Due to poor competence by Indian bureaucracy, it was

believed to have created complex problems at the intersections of the state and the private market (Dutta 2017, p. 126).

Moreover, the factors of law and order are assessed separately. Law assesses the strength and impartiality in the legal system, and order assesses the popular observance of the law (Teorell et al. 2020) (Norris 2012, p. 50).

These measures are important as they measure whether a state is capable of providing for its citizens and performing the functions that are expected from it (Akbar – Ostermann 2015, p. 850-851). Many laws have been implemented to decrease inequality in education. According to Articles 41, 45 and 46 in the Directive Principles of State Policy in the Constitution of India, the state must ensure that every citizen receives free education. Further, equality of opportunity in educational institutions is a fundamental right in India which means that no citizen is to be discriminated by their status, caste, gender etc. and every citizen shall have equal opportunities in education. In addition, Article 30 permits minorities to establish and administer educational institutions, whereas Articles 15, 17 and 46 protect the weaker sections of the society (Oxfam India 2015).

To what extent has this been achieved? Looking at earlier research, the laws seem not to be observed in general. It is proven with education becoming universal in primary school in India, ethnic inequalities have increased in higher educational levels. Further, according to the Government of India, there is increasing inequality between Muslims, the largest minority in India, and Hindus in India. In addition, there seems to be a rise in inequality between higher caste and lower caste. However, according to the study, the enrolment in primary throughout every societal group had increased over time, while completion of secondary school and college had decreased among some of the groups (Desai and Kulkarni 2008, p. 245-247). As this research only studies the period between 1983-2000, it may solely indicate the status during the 1990s where the implementation of some of the abovementioned policies took place.

Nevertheless, the mean year of education still appears to be behind other developing countries, such as China and Brazil. In addition, dropout rates from government schools remain at a high level. In 2016, the number was 12.3% for primary schools only. Likewise, disadvantaged groups, such as scheduled castes and scheduled Tribes, are still facing great challenges, despite the government

initiatives to reduce inequality (Anderson – Lightfoot 2019, p. 7). Similarly, India was ranked 123 out of 135 in female literacy rate in 2015 (OXFAM India 2015).

Ultimately, this seems to be far from the principal educational goal of India, although, there seem to have been implemented many policies against discrimination and to develop education in the nation. Concludingly, as state capacity is connected to the literacy rate, an increase in state capacity has increased India's literacy rate and furthered its educational goals. As state capacity is still limited, there are seen many problems to develop the educational goals to a greater extent, which for example is seen by the inequality across the genders, castes, and religions.

5 Conclusion

The main question of the thesis was to discover whether the role of state capacity furthers the educational goal of a country. In this thesis, India has been chosen in this case study. Initially, this thesis observed whether there is a connection between state capacity and literacy rate theoretically. This was done by discovering the theories of several scholars such as Bo Rothstein, Nafisa Akbar and Susan L. Ostermann on state capacity and good governance. Although the concept has several definitions that measure differently, it is proven that state capacity can affect the literacy rate. Likewise, a state with a greater capacity may have better prospects to reach its educational goals than a state with a poorer capacity.

Further, state capacity was measured by the Quality of Government, and the literacy rate was measured from earlier research with data from national consensus. Through this data, it was observed that a connection between state capacity and the literacy rate was found. However, there may be other factors behind the increase in literacy rate and could likely mean that this may not be the case. However, the strength of the relation between the variables was measured to 0,87. As this is a strong correlation, a link between state capacity and literacy rate is proven by the data used. Though, this may differ if other measurements are used.

Similarly, the measurements of state capacity and literacy rate were investigated to discover whether state capacity affects literacy rate, and in this way, furthers the country's educational goals. These measurements were proven to have a significant impact by observing the governmental policies that were implemented during the period scrutinised. Thus, it is concluded that the measurements in the Quality of Government affect the results and has an impact on the literacy rate in India. This could have led to a different outcome if measured otherwise as discovered by different definitions from various theoretical aspects on good governance. For example, the governmental policies that were implemented may have been the result of other measurements that are not measured. The measurements of Quality of Government were limited to corruption, bureaucracy quality, law, and order (Teorell et al. 2020) (Norris 2012, p. 50). Likewise, other

measures that may be related to these have been scrutinised to discover their impact on India's educational goals.

Moreover, as this research primarily used secondary material, there were some consequences. Firstly, the Quality of Government was measured from 1984 annually, whereas the literacy rate is measured once a decade from 1981. The difference in the period creates a barrier to studying any likely effect of state capacity on literacy from an earlier period, as it takes time from the time the policy is implemented to discover its effect. Further, it is problematic to observe any change in the literacy rate between the measurements in between the decades. Although an increase is seen over every decade, there could likely be a decrease between the intervals. This weakens the reliability of the result discovered in this thesis.

Ultimately, it is observed that there is a strong connection between state capacity and the literacy rate. Though, this is only found between literacy rate and the measurements used in the Quality of Government. Other definitions of state capacity may include other measurements and could lead to a different result. Nevertheless, state capacity seems to have a significant impact on developing the literacy rate from its policies and theories. Thus, it is proven to further the country's educational goals.

5.1 Further Research

There seems to be a great extent of research done in the respective areas of state capacity and literacy rate. Although, this seems to be limited when it comes to research on the effect of state capacity on literacy rate. Thus, this project may open doors for further research on this topic due to the importance of education and the effects it brings for the citizens. As there are groups among the societies where inequality is seen in education, such as women and minorities, further research may discover how these groups are to be facilitated in the area of education. Likewise, further research could discover the level of the strength that may be in the connection between state capacity and literacy rate from other measurements of state capacity and its related concepts. In order to investigate this, various countries

could be compared in different periods, or a longer period, that might be more compatible than measured in this thesis.

Moreover, the level of literacy rate could further be measured to discover the differences in its definitions and how it is measured. Similarly, other measurements such as Human Development Index could be combined to observe other factors that may develop education and discover whether this is the case. Finally, further research may have a better opportunity to use primary material, which may help in preventing consequences discovered in this thesis.

6 References

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