

The crucial role of elementary education for development of individuals and the society can be hardly overrated. Yet in spite of all proclaimed efforts of Indian government focused on achieving universal school enrolment of 6 to 14 years old children, there are still more out-of-school children in India than in any other country in the world. Previous literature dedicated to the problem of elementary education enrolment and retention in India concentrated mainly on the influence of household and individual characteristics on enrolment decisions. The role of school quality received less attention. This thesis aims to bring more light on the effects that supply-side factors have had on enrolment rates in states and union territories of India throughout the 2008/09-2015/16 period. In addition, their impact on progress and retention of students in elementary education is also examined. The findings indicate that investing in building new classrooms or in textbooks incentives has been an effective approach in enhancing the examined outcomes, while factors like small schools or low education of teachers are among problems requiring special attention. Surprisingly, higher number of teachers has no evident positive relation with higher enrolment or retention of students, which might suggest an urgent need for improvements in teachers' performance.