PART - 4

CONCLUSION

CHAPTER - XI

CONCLUDING OBSERVATIONS

Expenditure on education has to be viewed as investment expenditure for it contributes significantly to the economic growth of a nation in much the same manner as does expenditure on building up the stock of physical capital.

It is, therefore, as a generator of economic growth that outlay on education ought to be appraised and evaluated in its various aspects.

The appraisal of the expenditure on education in India is not an easy task because the statistical information relating to educational expenditure suffers from a number of limitations.

The most serious limitation from which the available data on expenditure on education in India suffer is that the educational expenditure given in the government publications does not cover important items of educational expenditure incurred by private persons on books, stationery and equipment, loding and boarding and transportation and refreshment of students. In the absence of information ~~of~~

~~information~~ of this nature, it is difficult to say what amount of total resources is entering education in India.

The published information on expenditure incurred on education pertains largely to institutional expenditure incurred by public bodies or private endowments. The only item of private personal expenditure for which information is available from regular published sources is the expenditure on school or college fees.

In view of the above, the published figures on expenditure incurred on education tell only a partial story. To fill in the lacuna, we had to take recourse to a small survey of students. The purpose of the survey was principally to get a broad measure of unrecorded costs incurred on education.

The results of the survey undertaken by us show that private individuals spend on education as much as by the public sector.

The proportion of national income devoted to education in 1965-66 works out to 2.9 per cent on the basis of published figures. But if we include private personal expenditure incurred on items other than fees, the proportion would work

out to be 4.5 per cent.This still does not take into account what is sometimes referred to as the indirect private cost of education, namely the income forgone by students by choosing not to work for wage but to study. The proportion of 4.5 per cent of national income going to education compares favourably with the similar proportion for the U.S.A. in 1956 which was estimated to be 4.3 per cent.

In this sense, we are spending on education as much as was being spent by the U.S. at a far more advanced stage of economic development.

Total recorded educational expenditure in India increased by 204 per cent in current prices over the decade 1950-60. This gives an average annual growth rate of 11.8 per cent. In terms of composite index (i.e. constant salary --per-teacher, constant wholesale prices, constant consumer prices and the constant cost of building) the increase in the educational expenditure works out to 116.3 per cent or around 8 per cent on average per annum.

While projecting the growth of expenditure on education over a period of twenty years, the Education Commission has assumed an average annual growth rate of 10 per cent in educational expenditure in terms of 1965-66 prices. In terms of our composite index, this would mean a growth rate

of between 13 and 14 per cent on an average over the next 20 years. Thus the projections for the coming two decades envisage a rate of increase in educational expenditure which will be greater by almost 70 per cent than the rate achieved in the decade of the 1950's.

Recorded expenditure on education is classified under two major heads: direct and indirect. The latter comprises one-fourth of the annual recorded expenditure. Detailed information on the distribution of recorded expenditure is available with respect only to direct expenditure.

The allocation of the direct recorded educational expenditure (public + private) according to level of education shows that though elementary education (including pre-primary) accounted for one-half of the total direct expenditure in 1950-51, its share declined to 46.5 per cent in 1960-61. As a result, that devoted to secondary and college education increased. Their respective share was 31.9 per cent and 21.6 per cent in 1960-61.[1] This tendency of the declining share of the elementary education in the total direct expenditure has continued during the first half of the current decade. In 1965-66, the proportionate share of the elementary

---

1 Above proportions refer to the elementary and secondary levels of education. For elementary stage, the proportion of the direct expenditure was 55 per cent in 1950-51 and 52 per cent in 1960-61. And that of secondary school stage was 25.7 per cent in 1950-51 and 26.4 per cent in 1960-61.

education was lower at 44.4 per cent and that of both the secondary and university education was higher at 32.6 per cent and 23.0 per cent respectively.

The proportion of the current expenditure, which is very close to our recorded direct expenditure, devoted to elementary education in the U.S.A. is 50 per cent at present and most of the educables of the age-group, 5-14, are in schools. In Sweeden, it is as high as 59 per cent.

For the secondary level in India, the proportion of 33 per cent in 1965-66, is higher than that of 26 per cent for the U.S. and is more or less equal to that devoted to secondary education in France or Germany. The proportion of 23 per cent for the college education in India is similar to that of 22.7 per cent for the United States.[2] It is twice as high as that of 10 per cent for Germany.

On the basis of international comparison, it appears that the allocation of the direct expenditure in India has been more in favour of the higher levels of education.

This has happened despite the fact that (i) the constitutional target of universal and free elementary

---

2 Here we compare the proportion of direct expenditure devoted to elementary, secondary and college levels in India with that of the advanced countries. Our presumption is that their proportions also are for levels and not just for the stages of education.

education by 1960 is yet to be fulfilled, (ii) the proportion of the age-group, 6-14, has shown a faster decennial growth rate than for total population and it also forms a larger proportion in India compared to that in developed countries. In 1965-66, 62.7 per cent of the children in the age-group, 6-14, were attending elementary schools.

In terms of the growth of educational expenditure and that of enrolment, the progress of elementary education has been slower than that of secondary and higher education.

Direct expenditure incurred on elementary education showed an increase of 164 per cent as against 200 per cent for secondary education and 218 per cent for higher education. The growth rate of enrolment of students was 83 per cent for elementary level whereas that for secondary general education (secondary school level) and higher education was 134 per cent and 144 per cent respectively.[3]

In terms of the quality of education also the standard of elementary education seems to have gone down over the period under review. The direct expenditure per pupil of elementary

---

3 The growth rate of enrolment of students works out to 87 per cent for the elementary stage (i.e. including the students in elementary departments of high schools) whereas for the secondary stage (general education) it works out to 146 per cent.

schools declined by some 8 per cent in real terms whereas that of secondary schools remained more or less unchanged and that of the college level showed an increase of 7.3 per cent.

Thus, while the general economic position of the country has improved, the quality of elementary education has not only not improved, but possibly deteriorated.

To the extent that the quality of education suffers for lack of facilities other than teaching, the quality of elementary education can be said to have declined further. The non-salary expenditure per pupil of elementary schools declined by 19 per cent in constant wholesale prices.

International comparisons of the performance of three levels of education also show that the leeway to be made up in the quantity of elementary education in India is substantially greater than with respect to secondary and higher education.

It cannot be overlooked that the elementary level constitutes the very base of the whole system of education and any deterioration in the quality of education at the elementary level is bound to reflect adversely on the quality in subsequent levels. Expansion in subsequent

levels at the expense of the quality of the first level appears to be most ill-advised.

It appears to us therefore necessary that there should be a reallocation of resources in favour of elementary education in any plan for the future expansion of educational facilities in the country. In the projections for the next ten years made by the Education Commission, the share of the elementary education will rise to nearly 50 per cent as against 44.4 per cent in 1965-66.

The paradox of the Indian educational scene is that while on the one hand relatively more is being spent on secondary ~~and higher~~ levels of education than in several advanced countries, the population of the age-group, 14-17, attending secondary schools in India is not only much lower than the similar proportion for the United States or France (developed countries) but also the proportion already reached in Phillippines or Indonesia (underdeveloped countries).[4]

Even the Fourth Five Year Plan enrolment target of 22.1 per cent in 1970-71 is lower than the proportion

---

4 Even the proportion of 14.5 per cent of the children in the age-group, 14-17, attending schools (whether elementary or secondary) in 1959-60 in India is considerably lower than the proportion already attained in both the developed as well as underdeveloped countries.

already attained by the above two underdeveloped countries. Moreover, it is feared that even if the target is realised, it will not meet the full further demand for enrolment at this stage.

At the higher stage again, the expansion in enrolment capacity has lagged behind public demand for enrolment.

Prima facie, there would appear to be a case for expansion of enrolment capacity at a much faster pace than in the past at both the second and third stages of education. But to do so would mean larger allocation of funds. Assuming that the over all amount available for educational expansion as a whole is unlikely to be raised beyond what has been provided for in the Fourth Plan, greater accent on second and third stages would be only at the expense of the elementary stage. Would such a reallocation of resources be justified in the light of what has been stated earlier with regard to elementary stage?

The answer to the above question should not be as difficult to find as it would seem at a first glance once we are clear as to the purposes which expansion at each stage is intended to serve. Elementary education is not only necessary to provide the foundation for subsequent

education of any type but also the minimum essential for acquisition of skills on job where one goes straight from the elementary school to the farm or workshop. The essential purpose which the second and third stages of education ought, in our opinion, to fulfil is to meet the manpower requirements of the economy.To put it more forcefully, it is the educational system which should try to meet the demands of the economy for various types of trained personnel and not the economy which should be called upon to absorb the different types of trained personnel that the educational system turns out.

Here it will be instructive to note that the distribution of second stage students between general education and professional schools in India inclines heavily towards the former.

Of the total enrolment of students at the secondary stage of education in India, only 9.4 per cent of students were in professional schools in 1960-61. In contrast to this, in countries like U.A.R. and Phillippines, the corresponding proportions were 18 per cent and 20 per cent respectively in1957-58.

At the second level of education, the proportionate

share of the professional schools in the recorded direct expenditure increased over the period under review. Still in 1960-61, we spent nearly four-fifths of the direct expenditure on general education schools. The proportion of the direct expenditure devoted to professional school education in India is the lowest compared not only to the developed countries of the world, where the proportion is around 40 per cent to 50 per cent, but also compared to underdeveloped countries.

Thus both the distribution of students between two types of schools as well as the allocation of direct expenditure between general and professional education show that the educational system in India is heavily biased in favour of general education schools.

No doubt over the period under study, both the proportionate share of professional education in the direct expenditure and that of enrolment in professional schools increased, but the re-adjustment in the educational system has been taking place slowly.

The Education Commission has deplored the fact that unduly large resources were absorbed in the past in the expansion general education and has suggested that in both

the Fourth and Fifth Five Year Plans (i.e. from the period, 1965-66 to 1975-76), the expansion should be on vocationalising of secondary education so that by 1957-76 the proportion of enrolment in professional schools goes up to 20 per cent and even this may not be going far sufficiently.

In our view, expansion of facilities at the second level of education, if at all they need to be expanded, should not take place at the cost of the elementary education.

Expansion of educational facilities at the second level requires more resources than elementary schools. The recorded direct expenditure per pupil of secondary general education schools is three times as high as that of elementary schools. Still larger resources are required for the expansion of facilities in professional schools.The recorded direct expenditure per pupil of professional schools in also three times greater than its counterpart in general education schools.

In India, the development of education is primarily the responsibility of the government. The proportion of the recorded educational expenditure financed by it increased from 68 per cent in 1950-51 to 74 per cent in 1960-61. In 1965-66, it was higher at 77.5 per cent. It financed 40 per cent

of the recorded direct expenditure incurred on general schools in 1950-51. And that financed in 1960-61 was 53 per cent. The proportion of the recorded direct expenditure incurred on professional schools met out of government funds was 78 per cent in 1950-51 and 80 per cent in 1960-61. This shows that the extent of subsidization is considerably higher with regard to professional schools than general education schools. Thus if facilities for professional education are to be expanded (and they should be expanded in the light of what we observed earlier regarding the state of professional education in India compared to that in both developed and developing countries), government is required to raise more funds than that required for expanding general education.

But it appears that the prospects of raising additional amount of resources by the government are bleak as during the Third Five Year Plan education, in terms of the proportion of total expenditure (on Revenue and Capital account) devoted to education, suffered a set-back. This came about because of (a) the phenomenal increase in defence expenditure and (b) the rapid growth in expenditure on other social and developmental heads. The question which arises here is: Is it possible to raise the enrolment capacity at the second level of education without at the same time

impinging upon the share of the elementary education? Or without at the same time asking the government to raise more funds?

There appears to be at least two reasonably possible ways of creating additional educational facilities without asking for additional funds for the secondary stage.

First, there exists the possibility of enrolling more students by lowering the teacher-pupil ratio in both the general and professional education schools (i.e. by raising the number of pupils taken care of by one teacher) without adversely influencing the quality of education.

The teacher-pupil ratio of 25 (unadjusted) for general education schools compares favourably with that of 27 for Japan (The adjusted teacher-pupil ratio of 18 for the secondary stage in India is even higher than that for most of the advanced countries). For professional schools in India, the teacher-pupil ratio of 15 is even more favourable. In Canada and Japan, it is 22.

No doubt the higher teacher-pupil ratio in India in general or professional schools is indicative of any superiority in the standards of Indian secondary stage education.

In our view, the higher teacher-pupil ratio in India is more an indication of under-utilization of teaching capacity.

Secondly, if it were possible to transfer the management of government schools into private hands, with the government playing the same role, financial and otherwise as for private aided schools, it should be possible to make sizeable saving and thereby to enroll more students. The recorded direct expenditure per pupil in government schools, general or professional, is higher than private aided schools, though the average number of students per institution is larger in government schools.

We have attempted three estimates of the saving as well as of additional enrolment on the basis of the three alternative assumptions. Our calculations show that at least on financial grounds, there appears to be a case for such transfer of students.

The maximum additional facilities we can create in this way is estimated to be 37 per cent of the total enrolment of students in general education schools in 1960-61. On the other hand, for professional schools it works out to be as high as 150 per cent of the total enrolment in professional schools.

Even the minimum additional number of students who can thus be enrolled in professional schools works out to be 55 per cent which is higher than the maximum additional facilities estimated for general education schools. The maximum increase in the enrolment capacity in professional schools works out to be as high as 254 per cent of the total enrolment in professional schools, when the saving realised in general education schools is transferred to professional schools. The minimum additional number of students who can thus be enrolled in professional schools will be of the order of 29 per cent.

At the higher stage again, of the total number of students, only one-fifth of the students were in colleges for professional education as against four-fifths in colleges for general education. Similarly, the distribution of recorded direct expenditure as between liberal and professional college education shows that the general education colleges accounted for two-thirds of the recorded direct expenditure in 1960-61. Like the second level ofeducation, at the college level also, the Education Commission has deplored this high concentration of expenditure and students in the fields of study of liberal type and has suggested that "the expansion of facilities in higher education should be planned broadly on the basis of general trends regarding manpower needs and employment opportunities".

Expansion of facilities at the higher stage is even more costly than at both the elementary and secondary stages of education.

How far the two possibilities explored above for the second level of education are relevant to the university stage?

At the college level the teacher pupil ratio of 16 is much higher than that of 37 for France or 21 for Sweeden. Again, the teacher-pupil ratio of 11.2 for professional colleges is higher than that of 18.6 for general education colleges in India.

Thus it appears that one could legitimately argue in favour of bringing down the teacher-pupil ratio at this stage also.

With regard to the second possibility of transferring students now in government colleges to private aided colleges our calculations show that the highest percentage of additional students we can enroll in professional colleges is estimated to be of the order of 84.3 per cent. The minimum works out to be 41.3 per cent. As against this, for general education colleges, such transfer would result in the creation of additional enrolment capacity of 11.9 per cent of the studens enrolled in general education colleges.

For professional colleges, the maximum increase in the enrolment capacity is estimated to be 26 per cent, when the saving realised in general education colleges is transferred to professional colleges.

Thus, there appears to be a large scope for the increase in enrolment capacity without providing for additional resources at the second and the third stages of education and for vocationalising education by shifting the emphasis from general education to professional education.

To what extent our finding that there appears to be a vast scope for the expansion of facilities in professional schools and colleges is consistent with the present glut in the market for technically qualified hands?

At present India is passing through a period of recession in industries. As a result, the demand for such personnel has declined. But this can be regarded as a passing phase during the long period of economic development. And since we are more interested in the perspective planning of both the development of the educational system and the economy at large, policy decisions should be based on long-term perspectives rather than on short-term disturbances.

The government has not just to keep content by creating educational facilities commensurate with the manpower requirement of the economy but it has also to strive for the ful-

filment of the social objective of educational development, namely, equalization of educational opportunities.

Social justice to be achieved is more a matter of concern at the second and third levels of education. This is because the higher levels are relatively more costly and require more finance to meet the educational expenses.

Mostly students at secondary and higher levels rely on family finances for meeting their educational expenses.

Aid of different types and from various sources, covers either fully or partly the tuition cost of the majority of the students from low income families at both the secondary and higher levels. But for non-tuition costs such as books, stationery and equipment, lodging and boarding, transport and refreshment, students have to rely almost completely on parental income.

At the second level of education, the ratio of tuition cost to non-tuition cost works out to 1:0.5 for the students belonging to the income-group, Rs.1-3600, whereas that for the students coming from the income-group above Rs.3600, it is 1:1.4. The average ratio works out to 1:1 when students of low as well as high income-groups are taken together. At the college level, the ratio works out to 1:0.7 for the low income-group students and it comes to 1:1.3 for the high

income-group students. It is 1:1.2 for the students of low and high income-groups together.

Thus of the two costs - tuition and non-tution - it would appear that the former is more important than the latter to low income-group students. But once allowance is made for the aid received towards meeting tuition fees, the burden of tuition cost almost reduces to zero. On the other hand, we should calculate the burden of non-tuition cost on students' families on the basis not of what expenses are actually incurred but of what ought to be incurred.

Viewed in this manner, the non-egalitarian trends to-day in education at the secondary and higher levels are not difficult to explain.

At the second level of education, the cost of books and stationery is of greater significance than either the cost of transport and refreshment or the cost of staying away from home while studying. No doubt at the college level, per pupil expenditure on books and stationery is two times as high as that at the second level, but the more important is the cost of staying away from home while studying. For low income families, the cost of staying away from home works out to almost ~~seven~~ ten times the cost incurred on books and stationery.

The Education Commission's recommendations that (a) books and stationery should be provided free of costs or at reduced rates, (b) grants for the purchase of books should be given to the top ten percent of the talented students, (c) book-banks should be developed and (d) library facilities should be expanded, are extremely useful. But if greater access to college education is to be provided to low income families, it is their cost of staying away from home which ought to be brought down considerably.