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Privatisation of Education- A Study in Kerala Context

Economics

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Sindhu Krishnadas. T

Part time research scholar in Economics John Mathai Centre, Aranattukara, Kerala

ABSTRACT

The education in Kerala is facing some crisis. The school curriculum failed to equip students with the skills necessary for a modern economy. In Kerala people shows an obsession to secure white collar jobs and reluctance to do manual work. Though the unemployment rates in Kerala are the highest in India, the state's requirements for manual labour in occupations like farming, construction, quarrying, earthworks etc. are increasingly met by laborers from neighboring states. Educational institutions in Kerala still lay emphasis on traditional courses in arts and science subjects. Curricula were not adapted to the changing needs of the economy. The job markets in foreign countries are now seeking specialized labourers. Traditional pattern of education provided by the institutions of Kerala cannot meet the needs of these job markets. The failure of the public system of education to add new specializations to existing courses, as also to start new courses in emerging areas, has led to the migration of students to other states. The courses in fast growing areas like computer education travel and tourism, hotel management, foreign languages etc. are provided by private institutions in Kerala. In Kerala, social, religious and political organizations acted as pressure groups for the establishment of new institutions. But it has been criticized that the education system of Kerala lacks quality. The lack of proper investment is the main constraint for themodernization and diversification of the education sector. Private agencies played a major role in the expansion of the educational sector in Kerala. These institutions are liberally aided and supported by the government. The number of private aided schools and colleges outnumber the government- owned institutions. Now the government is sanctioning the private self- financing institutions. The paper tries to analyse the impact of privatization on the education of Kerala.

INTRODUCTION

It is an undisputed fact that Educational expansion in Kerala has a long history and it is unique in many respects. Unlike the other parts of India, Educational initiatives of both the public and the private agencies during the last two centuries have, not only made the state the most literate one, but also placed the state well ahead in gender and spatial equity. As a consequence of this, now, Kerala, is widely known for its educational attainments. In terms of the achievements in literacy rate (90.92 per cent in 2001) Physical Quality of Life, HDI is far ahead of other states and comparable to the middle income countries. Kerala has achieved universal literacy, reduced school drop out rates to extremely low levels and bridged the gender gap in school education almost entirely. The State has also succeeded in reducing inter-community and socioeconomic differences in school enrolment. It has achieved the goal of universal, free school education envisioned in the Constitution of India. The efficiency of the school systemmeasured in terms of the rate of retention is the highest in the country. All these achievements were without thesupport of a high level of income.

Since the introduction of the new economic policy in 1991, economicactivities have undergone significant changes in India. In tune with the liberalised, privatised, globalised policies of the government, both on a nationaland state level, the educational sector in Kerala is also witnessing some **new**trends. So far the government has played the dualrole of an investor andfacilitator in public andprivate investment in education. Government efforts foreducational expansion in Kerala for the last two centuries have transformed theeducation sector completely. Now Kerala enjoys the unique distinction ofattaining universal elementary education in lndia and stands out as the mostliterate state.

New Economic Policy and Privatisation of Education

Recently, governments both at the centre and the state favour more private initiative in education and they have shown the tendency of gradual withdrawal from the education sector. Thestate government has been reducing ,its expenditure on education. The share of education in total expenditure has been brought down from 27.45 per cent in 1990-91 to 22.47 per cent in 2001 -02 Year 2001. The number of government and govt aided schools has also registered a decline, but the number of private schools in the unaided sector has gone up and there has been a steady increase in the enrollment in un aided schools since 1991.

What the pictures of land scapes in education in Kerala as well as India clearly point out is that there is a steady growth of Unaided sector, at the cost of aided and govt finaced private and govt schools, at all the levels, though there is slight variation. There have been several interpretations for this phenomenon. As it has been pointed out by experts like Nair, P.R.G (1999) and Panikker, K.N (2003) deterioration of quality of education in govt schools and the poor and inefficient public education system has encouraged this trend in general. Apart from this, the identification of education as a sector for better investment area has also invited huge investments in this sector which accelerated the supply side provisions.

The current scenario of education in India is dominated by increasing dominance of private un aided institutions in all levels of education. The share of govt institutions is 45 per cent at the all India level, while it is 30 percent in the case of Kerala. Govt aided private institutions forms the major share in Kerala, while it is less than one forth at the all India level. In the case of Private Un Aided Institutions constitute one third of the total at the all India level, it is a megre 14 per cent in the case of Kerala. It is clear that public and private sector are playing major role in imparting education everywhere since time immemorial.

The public sector is entirely under control of Government agencies due to financial dependency on civil estimates. On the other hand, the role of the private sector in catering education has substantially increased in recent years in the wake of India's New Economic Policy (NEP) as adopted by the GOI in August 1991, and characterized by liberalization, privatization and globalization. The role of private sector in gross domestic capital formation in GDP has increased substantially from 13.1 per cent in 1991 to 14 per cent in 1998. Now, most of the private educational entrepreneurs believe that schools are a good source of investment to make money, and it has become an important business to emerging private educational entrepreneurs in the country due to lack of provisions in educational policies on running the educational institutions, particularly at pre- primary ,primary and upper primary stages. Money spent on running schools yield substantial dividends in terms of economic returns to the entrepreneurs.

Economic Development and Privatisation of Education

Apart from this, Indians are increasingly spending more on education as the parents feel that quality education will enable their children to earn better and settle better in life. The average monthly expenditure on education per household in 2011-12, Delhi occupied the top place with Rs. 1308, followed by Haryana with Rs.1104. In this segment Punjab and Jammu& Kashmir occupied the third and fourth positions with Rs. 934 and Rs. 681 respectively. Kerala was placed fifth with Rs. 653. The increase in expenditure on education by Indian households is evident from the fact that while consumer market has grown at 14.5 pr cent per annum over the last 5 years, expenditure on education rose by 21per cent. An analysis of the data shows that as households become economically prosperous their share of expenditure on education gradually rises from 2 per cent for the bottom 10 per cent to 13.5per cent for the top 10 per cent households. A major factor that is contributing to this increase in expenditure on education is the growing preference for private sector educational institutes over government institutes. Many of the rural families send their children to private schools even it means incurring increased expenditure in spite of the presence of adequate number of government schools in the neighborhood. Families with relatively lower income levels do not hesitate to spend a significant amount of their disposable income on private schools and colleges. Though there is a heap of literature on Economics of Education, this phenomenon of growing privatization of school education in Kerala, continue to be a grey area with a few critical and pertinent questions left unanswered. This study is an attempt in this regard.

Policy Implications

Since the late 1980s and early 1990s, as a result of shift to thse new liberalized regime, there has been a series of shifts and shocks in the education sector also, both at the national levels as well as at the State level. The withdrawal of state from the frontier of welfare activities, reduction in government spending in the social sector and promotion of private initiative in all most all the areas of development were the core of the policy prescriptions. The state government has been reducing, its expenditure on education. The share of education in total expenditure has been brought down from 27.45 per cent in 1990-91 to 22.47 per cent in 2001 -02 Year 2001 (George 1999). The number of government and aided schools has also registered a decline, but the number of private schools in the unaided sector has gone up. The government has been gradually withdrawing from economic activities; private enterprise is being encouraged. Education as a monopoly and as a state supported system is also being liberalised. Private initiative and investment has been rising rapidly in the form of unaided schools and self-financing institutions. The share of unaided schools in the total number of schools in Kerala has increased from 4.5 per cent in 1990-91 to 8.5 per cent in 2000-01, while the share of Government and aided schools has declined from 39.2 and 56.3 in 1990-91 to 37 per cent and 53.8 per cent respectively in 2000-01 (Economic Review, 2001)

Table 1. District wise Distribution of Schools in Kerala 2011-12

District	Govt	%	Private	%	Un Aided	%	Total	%
Thiruvananthpuram	532	11.52	360	5.03	97	11.24	989	7.82
Kollam	427	9.24	439	6.13	61	7.07	927	7.33
Pathanamthitta	260	5.63	430	6.00	46	5.33	736	5.82
Alappuzha	331	7.16	392	5.47	40	4.63	763	6.03
Kottayam	300	6.49	555	7.75	56	6.49	911	7.20
Idukki	199	4.31	255	3.56	24	2.78	478	3.78
Ernakulam	367	7.94	540	7.54	104	12.05	1011	8.00
Thrissur	257	5.56	683	9.54	69	8.00	1009	7.98
Palakkad	326	7.06	579	8.09	67	7.76	972	7.69
Malappuram	546	11.82	781	10.91	145	16.80	1472	11.64
Kozhikode	328	7.10	863	12.05	46	5.33	1237	9.78
Wayanad	172	3.72	108	1.51	12	1.39	292	2.31
Kannur	280	6.06	961	13.42	52	6.03	1293	10.23
Kasaragode	295	6.39	215	3.00	44	5.10	554	4.38
Total	4620	100	7161	100	863	100	12644	100

Source: Economic Review 2012

Perhaps the most significant development in the recent periods in Kerala's Education landscape is the emergence and prominence of Private Unaided Schools, particularly since the advent of economic liberalization. There has been a projected preference on the part of Kerala Society towards this Private Unaided Schools in a big way and this has resulted in burgeoning growth of this sector during the last couple of decades. Several reasons such as quality erosion, attitudinal change, change in the perception of society towards education, emergence of middle class and the upper middle class etc., are attributed for this development.

Researchers find that the factors like remittances from Keralites working abroad and public policies like providing transport subsidy to students, facilitated the spread of education across rural Kerala, especially after 1950's. (Kumar and George 2009) (Zachariah and Rajan 2004). Bhat and Rajan (1990) pointed out that female literacy is the most important factor that has contributed to the ongoing demographic transition in Kerala.

The educational system in Kerala is the state's single largest economic activity. The per capita expenditure on education is the second highest in India. However the state's expenditure on education has been falling in recent years. In Kerala, students constitute nearly 1/5th of the population. (Kerala SasthraSahityaParishad 1999). Teachers constitute nearly 18% of the total employment in the organized sector. Education in Kerala provides multi-faceted contribution. The high women education in Kerala is the main cause of improved health status. Education has also played an important role in arresting population growth. Educated Keralites migrate to other nations and help our state to attain huge foreign remittance.

Kerala is a densely populated state. So it is very difficult to start new industries that cause pollution. Kerala have to give much importance in the development of knowledge based industries. Kerala should invest in human capital for rapid development. Instead of starting 'post modern industries', Kerala should start knowledge based industries. Economic development of Kerala is closely related with the development of educational scenario. For a state like Kerala, too much priority should be given to the development of human resources through proper education.

Conclusion

The education in Kerala is facing some crisis. The school curriculum failed to equip students with the skills necessary for a modern economy. In Kerala people shows an obsession to secure white collar jobs and reluctance to do manual work. Though the unemployment rates in Kerala are the highest in India, the state's requirements for manual labour in occupations like farming, construction, quarrying, earthworks etc. are increasingly met by laborers from neighboring states. Educational institutions in Kerala still lay emphasis on traditional courses in arts and science subjects. Curricula were not adapted to the changing needs of the economy. The job markets in foreign countries are now seeking specialized labourers. Traditional pattern of education provided by the institutions of Kerala cannot meet the needs of these job markets. The failure of the public system of education to add new specializations to existing courses, as also to start new courses in emerging areas, has led to the migration of students to other states. The courses in fast growing areas like computer education travel and tourism, hotel management, foreign languages etc. are provided by private institutions in Kerala.

In Kerala, social, religious and political organizations acted as pressure groups for the establishment of new institutions. But it has been criticized that the education system of Kerala lacks quality. The lack of proper investment is the main constraint for the modernization and diversification of the education sector. Private agencies played a major role in the expansion of the educational sector in Kerala. These institutions are liberally aided and supported by the government. The number of private aided schools and colleges outnumber the government- owned institutions. Now the government is sanctioning the private self- financing institutions.

The drastic change in the perspective of Kerala society which identifies education as the most critical ladder for social and personal development has began to reflect in the social behavior and it has its impact in the educational landscape also. As a result Keralitesbegan to spend increasingly large amounts, regardless of their capacity, more and more on education as the parents feel that better quality education will enable their children to earn better and settle better in life. A casual look at the average monthly spending on education per household in 2011-12, Kerala occupies fifth position with Rs. 653. Delhi occupies the top place with Rs. 1308, followed by Haryana with Rs. 1104. Punjab and Jammu& Kashmir occupied the third and fourth positions with Rs. 934 and Rs. 681. The increase in expenditure on education by Indian households is evident from the fact that while consumer market has grown at 14.5per cent per annum over the last 5 years, expenditure on education grew by 21per cent.

An analysis of the existing data shows that as households become economically prosperous their share of expenditure on education gradually rises from 2per cent for bottom 10 per cent households to 13.5per cent for the top 10per cent households. In terms of annual growth in education expenditure, the spending of the bottom 10per cent households is almost similar to the expenditure incurred by the top 10per cent households. While it was 19 per cent for the bottom of the pyramid, it was 24 per cent for the 10 per cent top layer. A major factor that is contributing to this increase in expenditure on education is the growing preference for private sector educational institutes over government institutes. Many of the rural families who wish to give their children better future send their children to private schools even it means incurring increased expenditure in spite of the presence of adequate number of government schools in the neighborhood. Families with relatively lower income levels do not hesitate to spend a significant amount of their disposable income on private schools and colleges.

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