Journal of Educational Planning and Administration

Volume XXXIII No. 3 July 2019

National Institute of
Educational Planning and Administration
17-B, Sri Aurobindo Marg, New Delhi 110016

ISSN 0971-3859

Annual Subscription

	Within India	*Outside India* (By Airmail)
Individuals	₹ 150	US $ 60
Institutions	₹ 350	US $ 85

Annual Subscription commences with *January* and ends with *October* every year. NIEPA offers 20% discount on subscription for three years and above

Advertisement Tariff (For one issue)

Full Page	₹ 2000	US $ 100
Half Page	₹ 1100	US $ 055

Bank draft/Online Payment Receipt may be sent to the Deputy Publication Officer, NIEPA in the name of the National Institute of Educational Planning and Administration payable at New Delhi.

Published by the Registrar, National Institute of Educational Planning and Administration, 17-B, Sri Aurobindo Marg, New Delhi–110016 and printed by the Publication Unit, NIEPA at M/s Power Printers, Darya Ganj, New Delhi–110002.

JOURNAL OF
EDUCATIONAL PLANNING AND ADMINISTRATION
Vol. XXXIII No. 3 (July 2019)

CONTENTS

BOOK REVIEWS

OBITUARY

Remembering Professor N R Madhava Menon

Professor N R Madhava Menon
(1935 - 2019)
Chancellor, NIEPA
(12 March 2015 - 8 May 2019)

Professor Madhava Menon, Chancellor of the National Institute of Educational Planning and Administration (NIEPA), left for his heavenly abode on 08 May 2019. He has been a beacon light and a leading intellectual in legal education. The NIEPA benefited enormously from his academic standing, world outlook, secular orientation, influential leadership and committed guidance. Members of the NIEPA faculty and staff remember him with high respect and regard for his intellectual capacities, professional recognition, personal touch and democratic engagement with the NIEPA family.

Professor Madhava Menon was an internationally renowned legal expert. He is rightfully referred to as the Father of Modern Legal Education in India. He changed the landscape of legal education through his writings, by pioneering the establishment of National Law Schools in India and through the introduction of a five year integrated LLB course. He was the founder Director of the first National Law School of India and the founder Vice Chancellor of the National University of Juridical Sciences (NUJS).

After completing his doctoral studies from Aligarh Muslim University, Professor Menon practiced as an advocate in Kerala High Court for a brief period. Soon he returned to academics and taught law in Aligarh Muslim University and University of Delhi. He also served as the Principal of Government Law College, Pondicherry, and as Secretary of the Bar Council of India Trust. In 1986, Professor Menon moved to Bangalore at the invitation of the Bar Council of India, to set up the National Law School of India University in Bangalore. He was its founding Vice Chancellor and introduced the five year integrated LLB programme for the first time in India. He established law schools in Calcutta and was the founder Vice Chancellor of the National University of Juridical Sciences as well as founder Director of the National Judicial Academy at Bhopal. He was the author of several books on legal education, legal profession, legal aid, judicial training and administration of justice. Professor Menon received many distinguished and prestigious honours, including the Padma Shri award from the Government of India in 2003.

It has been a proud privilege for the NIEPA family to have been led by him as its Chancellor. The NIEPA has benefited from his scholarship, international standing, global outlook and administrative insights. He has been very appreciative of the NIEPA activities and supportive of translation of good ideas into operational practices. Although he had better arrangements for stay, he used to stay in our modest guest house whenever he visited Delhi, so as to better interact with the academic community in NIEPA. We had several opportunities to have detailed discussions with him and benefit from his deep understanding and vast experience to direct NIEPA in its march towards becoming a credible research university. He regularly interacted with NIEPA faculty and participated in some of our prestigious programmes as the distinguished speaker. He has been an asset for us and was a towering academic personality who added to the NIEPA's credibility.

Professor Menon's departure is a heavy loss to the world of legal education and legal profession. With his demise we at the NIEPA have lost an influential support and a reliable guide. We all stand together to express our deep gratitude and join his family members in their prayers for the departed soul.

Faculty and Staff
National Institute of Educational Planning and Administration

Journal of Educational Planning and Administration
Volume XXXIII, No. 3, July 2019, pp. 175-191

Economic and Educational Inequalities: What Indian Evidence tells us?[#]

N. V. Varghese[*]

Introduction

The world is growing unequal. Income inequality has been increasing in most countries in the recent past. Since the 1980s, the top 1 per cent of the world have earned twice as much income as the 50 per cent poorest individuals. It is important to note that inequalities vary among countries even when they are at the similar levels of development. This points to the important role played by public policies in shaping inequality. The supportive public policies followed to mitigate inequalities have helped create egalitarian societies in many countries.

Education is a crucial factor influencing the distribution of income and reduction in inequalities. The *Learning Generation Report* (2017) underlines this link and argues for a strategy of 'progressive universalism' to give greatest priority to the children who are most at risk, in order to reduce the unequal outcomes for the next generation. Accordingly, quality education for all children is the best strategy to prevent a worsening of inequality and to provide a prosperous future for all.

This paper argues that inequality is more of a choice than destiny. Some societies tolerate higher levels of economic and social inequalities than other societies. Democratic societies, in general, have the least tolerance to inequalities. However, the public policies followed there and the strategies adopted by them influence the extent of inequalities prevailing at the present and changes in the levels of inequalities in the future. Education, if provided equitably, can be a reliable source of economic growth and social progress. Education can also become a source of economic inequalities if access to it is denied to a majority of the population in any country.

The plan of the paper is to analyse first the effect of economic inequalities on access to educational opportunities, followed by an analysis of progression and learning outcomes of students from varying social groups, and to discuss the implications of these patterns on employment and income inequalities in the next generation. I will argue that in the absence

---

[#] Revised version of the Professor K. Jayasankar Memorial Lecture delivered at the Telangana Economic Association Conference in Osmania University, Hyderabad on 09 February 2019.

[*] National Institute of Educational Planning and Administration, New Delhi – 110016,
Email: nv.varghese@niepa.ac.in

of progressive public policies, educational institutions can become the agencies perpetuating the inter-generation economic and social inequalities.

Economic Inequality: Its Nature and Spread

The world is growing unequal, while inequalities vary among countries too. Empirical evidence shows that countries which follow progressive public policies within a democratic framework are more equal than others which do not follow such policies. Empirical evidence on inequalities from the most equal societies, such as those of Denmark, Norway and Sweden, clearly illustrate the positive role of public policies in mitigation of inequalities. Inequalities are "the cumulative result of unjust policies and misguided priorities" (Stiglitz, 2015: 3). Countries need committed public policy reforms to reverse the trend toward economic inequality and to promote conditions for broad-based prosperity.

Education is considered to be the single most important factor promoting economic growth and individual incomes. An unequal distribution of educational opportunities can be a major source of inequalities in any society. The public policies on education focussing on equity in access and success may help reverse the trends in inequalities. It is believed and is evidenced in several countries that equity in educational opportunities is not only a protection of the interests of the poor but may also help reduce economic inequalities in the future (OECD, 2012).

The education-economic inequality cycle seems to be strongly rooted in the public policies and individual choices made available. It can be argued that economic inequalities are a source of unequal access to educational opportunities and unequal learning outcomes. In turn, unequal learning outcomes create barriers to entry to the high wage employment sectors, leading to a further widening of economic and social inequalities in the next generation. In other words, access to education and success in education are important factors influencing the inter-generation inequalities in any society.

Income inequality is a global issue that has become more pronounced in recent years. The world was more equal when most people were poor, and it became more unequal when some became rich and others did not. At the beginning of the 19th century, more than 80 per cent of the world population was living in poverty as per the norms of today. By 1975 the world had become highly unequal and was divided into a developed world and a developing world, with the developed world having incomes ten times than in the developing world. The permeation of markets in economic decision making and the globalisation process, no doubt, contributed to the widening of economic inequalities in the 1970s and in the subsequent decades.

Income inequality occurs when the rate of returns to investors is higher than the rate of growth of the economy. Low economic growth and declining population growth result in a higher concentration of wealth in the concerned economy. Till 2000, the inter-country inequalities were on the increase while the intra-country inequalities have been increasing in the post-2000 period. At the global level, the top 1 per cent's share in income increased from 16 per cent in 1980 to 22 per cent in 2000 and marginally declined to 20 per cent by 2015. In the post-1975 period, the Gini coefficient of global inequality has declined from 68.7 to 64.9 and is expected to decline further to 61.3 per cent by 2035 (Hellebrandt and Mauro, 2015). Even with these trends of marginal decline, however, the inequality coefficient continues to be high. The decline is because of the decline in inter-country

inequalities even when intra-country inequalities have been increasing. Global income growth dynamics are driven by strong forces of convergence between countries and divergence within countries (Roser, 2018).

In all countries where inequalities are widening, income growth is systematically higher for upper income groups. Between 1980 and 2016, the top 10 per cent's share in income increased in all regions (Roser, 2018). The rise in income was moderate in Europe, with the share of the top 10 per cent increasing to about 35-40 per cent, whereas the rise was more pronounced within the range of 45-50 per cent in other countries. In India, the share of the top 10 per cent in income increased to 55 per cent of income. These variations in growing inequalities can partially be attributed to the public policies and taxation measures followed in the respective countries.

The general trend is that inequality levels fall until globalisation takes off and after that they increase again (Pérez-Megino and Berumen, 2015). Higher taxes may reduce inequality within countries (Piketty and Sáez, 2001). These trends in inequality continue even today. The latest OXFAM survey found that in 2018, "Globally, billionaires' fortunes rose by 12 per cent or USD 2.5 billion a day in 2018, whereas the poorest half of the world's population saw their wealth decline by 11 per cent (*The Times of India*, 21 January 2019).

Income inequalities in India have been less pronounced in the decades following independence and planned development when the incomes of the bottom 50 per cent was increasing faster than the growth of national income. This trend changed and income inequalities began to increase from the mid-1980s, and they reached historically high levels in the early decades of the present century. In 2014, the share of national income accruing to India's top one per cent of earners was 22 per cent while the share of the top 10 per cent was around 56 per cent; the middle 40 per cent was left with 32 per cent of income and the bottom 50 per cent with around 16 per cent of the income (Chancel and Pikketty, 2017). It can be seen that income inequalities in India are driven by higher income groups.

A change in the strategy of development from the mid-1980s, promoting markets, introducing deregulation policies and encouraging the globalisation processes, has contributed to the widening of inequalities in India. The rise in inequalities in India is felt equally between rural and urban areas. More importantly, the states that experienced higher rates of economic growth also saw higher increases (or smaller reductions) in inequality (Motiram and Vakulabharanam, 2014). From 1980 to 2012, the rising inequality in income coincided with a higher degree of globalisation. The fact remains and the evidence clearly shows that the gulf between the extremely rich and the rest continues to grow. In India, like in most countries, the influence of elites over policymaking is skewing the economy in favour of the rich and at the cost of progress for all.

The Oxfam Survey 2018 showed that "India's top 10 per cent of the population holds 77.4 per cent of the total national wealth; the top 1 per cent accounts for 51.53 per cent of the national wealth and the bottom 60 per cent own merely 4.8 per cent of the national income. The top 1 per cent of the country's richest are getting richer by 39 per cent as against just 3 per cent increase in wealth for the bottom half of the population. Wealth of top 9 billionaires in India is equivalent to the wealth of the bottom 50 per cent of the population. The inequality is increasing because of the underfunding of public services, such as healthcare and education, on the one hand, while under taxing corporations and the wealthy (*The Times of India*, 21 January 2019). In other words, the public policies to contain inequalities were relatively weak in India, especially in the post-1980s period.

Economic Inequalities and Access to Education

There exists a positive correlation between economic status and access to educational opportunities, on the one hand, and between educational attainment and earnings, on the other. The high and positive correlation between economic inequalities and education inequalities is a serious concern in all democratic countries. Let us see some empirical evidence related to these phenomena.

Since the publication of the Coleman Report in 1966 the influencing role of socio-economic status on educational attainment is well recognised. The social class origins impact not only access to education but also educational progress and learning outcomes (García and Elaine, 2017). It is strongly argued that extending educational opportunities more equally and educational outcomes free from personal and social circumstances of birth will help reduce economic inequalities (OECD, 2012).

The educational system has been criticised as one of the major institutions perpetuating economic inequality, especially in the less developed countries (Stiglitz, 1973). This trend is more pronounced in developing countries, essentially due to the limited expansion of education facilities and distribution of educational opportunities skewed in favour of the elites. The public education system has acted as a focal point of equity, extending educational opportunities to the children of the poor.

There are two important ways in which education and income are correlated. The first influence is that of economic inequalities, impacting unequal access to education. The second influence is that of unequal learning outcomes, resulting in unequal access to employment and incomes leading to a widening of income inequalities.

Let us consider these two aspects in three important dimensions of theirs --- inequalities in access to education, in learning outcomes and in employment opportunities.

Inequalities in Access to Education

Enrolment is an indicator of access to education. There exist wide variations among states in enrolment in schools and institutions of higher education. The disparities in access to education are positively related to the level of education. While the inter-state disparities in access to education are low at the primary level of education, they are high and persisting at the level of higher education. Table 1 presents the trends of Net Enrolment Ratios (NERs) in the selected states of India, with the highest and the lowest NERs at the primary level of education. It can be seen from the table that the enrolment ratios decline considerably at the successive levels of education in all states. This is true even in case of states which have almost universalised access to primary education.

One important trend to be noticed is that the NERs decline sharply between secondary and higher secondary levels. One of the two factors that come out clearly from the table is that public policies towards universalisation of elementary education and the RTE Act, etc, helped levelling off of inequalities in access at the compulsory levels of education. However, the economically poor states find it difficult to maintain, at the successive levels of education, the advances they made at the primary level. A second trend is that the private higher education institutions have promoted enrolments even in economically poor states. The influence of private sector in promoting inequalities is more pronounced at the higher education level than at the school education level.

TABLE 1

Adjusted Net Enrolment Ratios (NER): 2016-17

States	*NER: Primary*	*NER: VI-VIII*	*NER: Secondary*	*NER: Hr Secondary*	*GER: Higher 2015-16*	*GDP per Capita 2015-16*
Assam	100.0	80.3	58.3	27.9	15.4	60817.0 (18)
Manipur	100.0	94.6	60.3	42.4	34.2	55447.0 (29)
Karnataka	97.0	85.9	75.4	26.7	20.0	142267.0 (5)
Tripura	97.0	100.0	88.0	31.9	16.3	80027.0 (27)
Goa	96.0	87.1	79.1	61.9	27.6	334576.0 (22)
Andhra Pradesh	69.0	60.6	46.5	24.2	30.8	108163.0 (11)
Madhya Pradesh	78.0	72.3	46.6	24.2	19.6	62817.0 (17)
Rajasthan	79.0	68.9	42.2	30.9	20.2	83977.0 (12)
Puducherry	79.0	74.2	70.9	59.9	43.2	160421.0
Uttar Pradesh	79.0	58.4	42.7	33.6	24.5	47062.0 (20)
All India	84.0	72.7	51.8	31.0	24.5	94731.0

Notes: Figures in brackets show the GDP rankings of the states.
Sources: NIEPA (2017); MHRD (2017)

A more reliable estimation of inequalities in access to education, based on Gini index (Table 2), shows that the high inequality states have low income and more poor people. In other words, the Gini index shows that the poor are deprived of schooling opportunities. It seems the children from low income groups and poor households are unable to take advantage of educational facilities even when they are available. Further, in the poorer states the disparities in access to education between rural and urban areas are high. In fact, the rural-urban variations in access to education are more pronounced in the economically poorer states than in the economically better off states. For example, in states such as Rajasthan, Chhattisgarh and Madhya Pradesh, the rural-urban disparities in access to education are very high. The rural-urban disparities are the least in educationally advanced states such as Nagaland, Kerala and Mizoram.

The economically better off states, in general, are also educationally advanced states. The education Gini index is the lowest in economically better off states. These states experience the lowest rural-urban disparities in access to education. For example, the economically better off states such as Delhi, Goa, and Kerala have low Gini index indicating more equal access to education in general and the lowest inequalities between the rural and urban areas.

Other studies (Kundu, 2018) have also indicated that educational inequalities are inversely related to the level of economic development of the state. The less developed and economically poor states such as Rajasthan, Orissa, Madhya Pradesh, Bihar and Uttar Pradesh record higher educational inequality than the economically developed states.

TABLE 2

Educational Inequalities in India: Gini Index

States	*Rural*	*Urban*	*Total*	*GDP per Capita 2015-16*
Rajasthan	0.55	0.39	0.49	83977.0 (12)
Andhra Pradesh	0.57	0.37	0.48	108163.0 (11)
Bihar	0.52	0.39	0.48	30213.0 (21)
Uttar Pradesh	0.51	0.38	0.46	47062.0 (20)
Chhattisgarh	0.51	0.33	0.44	76025.0 (13)
Madhya Pradesh	0.52	0.33	0.44	62817.0 (17)
Nagaland	0.26	0.19	0.23	82477.0 (26)
Kerala	0.27	0.26	0.25	148011.0 (2)
Mizoram	0.27	0.20	0.25	14055.0 (24)
Delhi	0.27	0.26	0.26	271305.0
Manipur	0.28	0.23	0.26	55447.0 (29)
Goa	0.30	0.25	0.28	33456.0 (22)
All India	0.46	0.32	0.40	94731

Notes: Figures in brackets show the GDP rankings of the states.
Source: Dutta (2017), for Gini index

Access to higher education decides employment opportunities and entry to high wage sectors of employment. Higher education in India has traditionally been a privilege of the elite. Interestingly, higher education sector enjoyed public support and funding and it depended on the public support for its growth and expansion. The effects of liberalisation policies of the 1990s and globalisation processes were felt in the sector. This century witnessed an unprecedented expansion of the sector. It moved from a slow growing, low GER sector to a fast growing sector. The accelerated growth resulted in trebling of gross enrolment rations (GERs) between 2000-01 and 2016-17. In 2016-17 India had more than 900 universities, 41,000 colleges, 36 million students and a GER of 25.8 per cent.

The accelerated growth in enrolment led to massification of the higher education sector (Varghese, 2016). However, this expansion was accompanied by widening regional inequalities and persisting social inequalities in access to higher education in India (Varghese, Sabharwal and Malish, 2017). Distances between institutions and households acted as a constraint for providing equal opportunities for pursuing higher education in India. The universities and higher education institutions were not only less in number but also that they were located in selected areas, mostly urban locations. The urban location of higher education institutions helped maintain their elite character since only the high-income and high social-status students could financially afford to pay for tuitions, travel long distances and bear the living expenses.

The regional inequalities in the distribution of higher education facilities and enrolment have widened in the recent past. In 2016-17 the number of colleges per hundred thousand population varied from 7 in Bihar to 60 in Telangana, 50 in Karnataka and 45 in Andhra Pradesh. The regional concentration of institutions results in 'distance discount' in the form of reduced costs and improved affordability for those who live in the nearby locations (Varghese, Panigrahi and Rohatgi, 2018). A related development was the widening rural-urban disparities in the establishment of higher education institutions.

TABLE 3

Number of Colleges per 100,000 Population: 18-23 Years

States/UTs	*Colleges per Hundred Thousand Population*	
	2011-12	2015-16
Telangana	-	60
Puducherry	64	55
Karnataka	44	50
Andhra Pradesh	48	45
Kerala	30	43
Bihar	6	7
West Bengal	8	10
Jharkhand	7	9
Tripura	9	12
Assam	13	15
All India	25	28

Source: MHRD (2017)

The regional concentration of institutions has also resulted in the widening of regional disparities in enrolment. For example, between 2001-02 and 2017-18, the Gross Enrolment Ratios increased by three times in some states, two times in others, and were too low in yet other states. The states with higher concentration of higher education institutions also made faster progress and gains in enrolment and they contributed to increasing regional inequalities in access to higher education. As per the NSS data, the distance between rural

and urban areas in enrolment widened over a period of time. In 1995 the distance in enrolment between rural and urban areas was only 14 percentage points while it has increased to 20 percentage points by 2014.

The market process has contributed to a widening of the regional disparities in the distribution of higher education institutions and enrolment. The states with high density of institutions also have a high share of private higher education institutions. Further, the private sector establishes institutions mostly in the urban and semi-urban areas, they attract larger numbers of fee paying students, and this leads to an increasing rural-urban divide in higher education development. The 'distance discount' is benefitting the urban households.

The states that have a high share of private unaided colleges also have a larger number of colleges per 100 thousand population. For example, the share of private unaided colleges is 80.0 per cent in Andhra Pradesh, 67.5 per cent in Karnataka and 62.3 per cent in Puducherry, and these states also have a larger number of colleges per 100 thousand population. Other states which have predominantly public universities and colleges have a lower density of institutions. The exceptions to this pattern are the smaller states and union territories such as Delhi, Goa, and Chandigarh.

The trends in enrolment also reflect a pattern similar to the distribution of unaided institutions. The enrolment is higher in those states which have a high concentration of unaided institutions. For example, the GER is high and the share of students enrolled in private unaided institutions is high in states such as Andhra Pradesh (75.5 per cent), Tamil Nadu (63.0), Puducherry (56.6 per cent) and Karnataka (48.4 per cent) (Table 5). The share of enrolment in the private unaided sector is very low in states such as Jharkhand (7.4 per cent), West Bengal (9.7 per cent), and Bihar (3.2 per cent) where GERs are also low.

It seems the market operations in higher education are more associated with the income levels of the states or their capacity to attract students from other states as is the case in Andhra Pradesh and Karnataka. The geographical distribution of higher education institutions has long term implications for inter-generation inequalities because of the prevalence of distance discount. The public policies to open more higher education institutions in non-urban areas are counter balanced by the large number of private institutions opened in the urban and sub-urban areas.

Inequalities in access to higher education by income groups show that they have been consistently high. The empirical evidence shows that (Table 4) higher education remains a domain of the well to do even today. The GER is positively correlated with the income levels. For example, in 2007 the GER of children belonging to the poorest group in the lowest quintile (lowest 20 per cent) was around 4 per cent while that among the privileged belonging to the highest quintile (highest 20 per cent) was 47.6 per cent. The corresponding figures for the year 2014 were 9.9 per cent and 73.8 per cent respectively.

These trends show that despite the fast expansion of the system, the poor are excluded from entry to institutions of higher education. Policies targeting the poor in the form of student support systems become a necessary condition for progress towards a more inclusive higher education in India.

TABLE 4

GER in Higher Education by Income

Income Quintiles	*1995*	*2007*	*2014*
0-20	1.06	3.99	9.89
20-40	2.39	6.97	18.31
40-60	4.73	10.03	26.64
60-80	9.39	18.53	41.55
80-100	29.91	47.56	73.79
Total	8.82	16.83	30.06
Location			
Rural	4.2	11.1	24
Urban	18.2	30.3	44

Source: NSSO (1995, 2007-08, 2014b)

Inequalities in Access to Higher Education by Social Groups

The fast expansion and massification of the higher education sector has not resulted in substantial reduction in access to education by social groups leading to persisting social inequalities in access to higher education. According to the National Sample Survey of 2014, the GER for STs was 17.2 per cent, for SCs, 22.3 per cent, for OBCs, 29.4 per cent and for General Category it was 41.6 per cent. The GER for the General Category was around 2.4 times that for STs, nearly two times that for SCs and 1.4 times that for OBCs. The empirical evidence shows that those belonging to the disadvantaged caste groups have less chances of pursuing higher education in India. (For details, see Sabharwal and Malish, 2018.)

TABLE 5

GER by Social Groups

Categories	*1995*	*2007*	*2014*
Gender			
Male	10.78	18.76	32.14
Female	6.76	14.72	27.73
Social Groups			
ST	3.43	7.22	17.19
SC	4.84	11.35	22.31
OBC	NA	14.57	29.36
Others (Higher Castes)	NA	26.22	41.65
Others+OBC	10.53	19.44	34.13

Source: NSSO (2014b)

Among the disadvantaged groups, the OBCs have made faster progress and improved their GER and share in total enrolment. The reservation policies (quota system) have helped the disadvantaged groups to increase their enrolment and improve their share in enrolment in institutions of higher education. The Indian experience clearly shows that the affirmative actions targeting the socially disadvantaged groups can reduce inequalities in the access to education and incomes in the future.

If we consider the social groups by their faith one finds that the Muslims lag behind all other religious groups in enrolment. The GER was the lowest for Muslims (16.54 per cent) compared to the GER of other religious minorities such as Christians, Sikhs and Jains whose GERs were more than 2.5 times that of Muslims and the GER of the Hindus was double that of the Muslims. In any case, educational inequalities among social categories and caste groups are high in rural areas especially in educationally backward states and this is equally true in urban areas in some of the educationally backward states.

Inequalities in Access by Medium of Instruction

While caste and faith are sources of exclusion in India, another less noticed source of exclusion in India is the medium of instruction (MoI). Although a majority of Indians speak Hindi, a major share of higher education transaction takes place in English. Nearly 50 per cent of the students attending higher education institutions get their instructions in English, more than one thirds in Hindi and the rest in vernacular languages (Table 6). This picture changes and the disparities are wider if one considers the rural urban divide and divide by social groups.

According to the National Sample Survey of 2014, nearly 72 per cent of the students in unaided private sector followed English as the medium of instruction while the corresponding share in the government institutions is only 34 per cent. More importantly, the share of students following English as a medium of instruction has increased in the private unaided sector while it remained the same in government institutions.

While one third of the rural students follows English as the medium of instruction the corresponding figure for the urban students is more than two thirds. The urban, upper income groups are mostly following English as the medium of instruction. All these data show that English language is seen as the most preferred language in the universities and of the elites. The parental preference is for private unaided English medium schools at the school level and elite public institutions at the higher education level. This pattern reinforces the elite nature and exclusionary pattern of higher education development in India.

TABLE 6

The Medium of Instruction in Higher Education: 2014

	271st Round		
	English (per cent)	*Hindi (per cent)*	*Regional (per cent)*
Total	*49.4*	*34.4*	*16.2*
Social Group			
Scheduled Tribe	40.8	34.9	24.3
Scheduled Caste (excl. Muslims)	34.3	43.9	21.8
Non-Muslim OBC	50.6	36.1	13.3
Muslim OBC (incl. SC Muslims)	47.6	36.5	16.0
Muslim Upper Class	59.7	22.1	18.2
Non-Muslim Upper Class	55.0	29.6	15.4
Gender			
Boys	50.3	33.9	15.8
Girls	48.2	35.0	16.7
Poverty Status			
Non-Poor	50.9	33.2	15.9
Poor	27.5	52.2	20.3
Location			
Rural	35.0	44.6	20.4
Urban	66.9	22.1	11.0

*Per centage of persons in each group with MoI in that language.
Source: Borooah and Sabharwal (2017), p 16

But a closer look at this educational achievement gap over the past 50 years or so shows that the gap began to widen only in the 1970s, right about the time that wealth and income inequality in our nation also began to grow. The past 30 years have seen a sustained rise in inequality in wages, incomes, and wealth, leading to more and more income and wealth accruing to those at the top of the economic ladder, pulling the rich further away from those on the other rungs.

Inequalities in Learning Outcomes

The public policies have been very helpful at the entry level to improve access to all levels of education. The positive discrimination policies have, no doubt, helped bring a larger number of students from disadvantaged groups to institutions of higher education. What happens to them once they are in the institutions of higher education?

One of the sources of growing economic inequality in several countries is the widening educational achievement gap between the children of the wealthiest and the children of the poorer segments (Reardon, 2011; Levin, 2012). The test results on student performance

shows certain trends which are very important. The test results of NAS 2015 for grade 10 show that the students from the government schools are the poorest performers, followed by the aided schools and by the unaided schools which are the top performers (Table 7). This trend is consistent across subjects.

Another consistent trend is that the test scores vary widely among social groups. The students belonging to the ST group scored the least, followed by those from the SC, OBC and general categories. The studies show that globally the lower-social-class students face challenges and early education gaps and these early education gaps have serious consequences for children's later learning and development. India is not an exception to this trend.

TABLE 7

NAS Survey Results for Grade 10: 2015

	Overall	*Govt*	*Aided*	*Unaided*
English		236	246	277
Mathematics		239	248	269
Science		239	248	270
Social Sciences		238	248	271
MIL		235	252	269
	SC	**ST**	**OBC**	**Others**
English	238	241	245	265
Mathematics	240	237	248	269
Science	239	235	249	263
Social Sciences	240	239	249	260
MIL	239	233	249	263

Source: NCERT (2016)

The ASER survey 2018 showed that there exists a wide gap between private and government schools students in terms of their performance. Between 2016 and 2018 government schools students in Kerala improved their scores by 10 percentage points in Himachal, 7 percentage points in Odisha and Chhattisgarh (ASER 2019).

The learning outcomes at the school level have significant implications for transition to higher education and for student performance in the institutions of higher education. While public policies supporting the quota system may help students from disadvantaged groups, their academic survival and learning outcomes depends on their ability to compete with others who are not from disadvantaged groups. Many students from the disadvantaged groups do not perform well in their studies even when they are admitted to elite institutions. A study on students of elite institutions such as Indian Institute of Technology (Henry and Ferry, 2017) shows that dropout rate among those belonging to the disadvantaged groups is higher than those belonging to the general category.

The limited cultural capital the students bring with them, a lack of English language proficiency and poor college preparedness are some of the factors affecting their academic

integration in the classrooms and social inclusion in the campuses of higher education institutions (Sabharwal and Malish, 2017). The medium of instruction, no doubt, is a major factor constraining academic achievement, social interactions among peer groups and social inclusion.

Inequalities in Employment Outcomes

Individual earnings vary by levels of education. The higher educated earn, in general, more than the less educated. Access to and success in higher education determines one's job entry and earnings. When access is limited, competition to get admission to institutions of higher education is higher and those who fail to do well in schools are left out. A more equitable distribution of higher education opportunities, on the other hand, results in a more equitable distribution of employment opportunities and earnings (Fredriksen, 2012).

The distribution of employment by educational levels of the disadvantaged is given in (Table 8). The pattern of distribution of employment indicates that a major share of the employed among the disadvantaged group is accounted by illiterates. The share of the illiterates among the employed is 46.2 per cent among the STs, 38.8 per cent among the SCs and 31.5 per cent among the OBCs against 17.9 per cent among the general category. This is because of the higher share of the disadvantaged groups in the casual labour category while the non-disadvantaged groups have a higher share in the regular employment category (Varghese, 2016).

The shares of females, SCs, STs and OBCs in casual employment, in general, are higher than that in other categories. These job categories are vulnerable jobs and informal in nature with limited or no social protection. Nearly 50 per cent of the Muslim urban male workers and about 60 per cent of urban female workers were engaged in self-employment. The disparities in the share of the educated among the disadvantaged and other groups are comparable among the middle level educated and secondary level educated and the disparities widen among those educated at higher secondary and tertiary education levels.

These trends are reversed when we consider the employment pattern among the higher education graduates. For example, higher education graduates account for 17.6 per cent of the employed among the general category while the figure among the STs is only 3.2 per cent and among the SCs, 4.0 per cent. Among Hindus in urban areas, about 44 per cent of male workers and about 40 per cent of female workers were engaged in regular wage/salaried employment whereas the access to regular employment for Muslims was 29.8 and 21.9 per cent (Madheswaran and Singhari, 2018).

TABLE 8

Distribution of Employed by Caste and Level of Education: 2011-12

Educational Categories	*ST*	*SC*	*OBC*	*Others*
Illiterate	46.2	38.8	31.5	17.9
Literate & Below Primary	13.0	12.2	11.3	8.6
Primary	13.3	15.2	13.1	12.3
Middle	14.0	15.7	17.3	16.5
Secondary	5.9	8.9	12.2	15.4
Higher Secondary	3.7	4.4	6.2	9.8
Diploma/Certificate	0.5	0.8	1.5	2.0
Graduate and Above	3.2	4.0	6.9	17.4
Total	100	100	100	100

Source: NSSO (2014a)

Let us consider the problem of unemployment among the educated. The graduate unemployment rate among different social groups indicate that it is highest at 10.5 per cent among SCs, followed by 8.9 per cent among STs, 8.2 per cent among OBCs and 6.4 per cent among the non-disadvantaged categories. In other words, the incidence of unemployment is higher among the higher education graduates belonging to the disadvantaged groups. The non-inclusive nature of the employment market becomes clearer if one analyses the pattern of allocation of higher salaried jobs more in favour of those from the non-disadvantaged groups

TABLE 9

Unemployment Rates among Social Groups: Rural and Urban

Social Group	*Diploma/ Certificate*	*Graduate*	*Pos-Graduate & Above*
ST	5.5	8.9	8.9
SC	12	10.5	13.1
OBC	10	8.2	8.3
Others	4.7	6.4	6.1
All	8.1	7.6	7.5

Source: NSSO (2014a)

Now let us consider the wage levels by education. Table 10 shows that there exists a positive association between levels of education of the employees and wage levels. The wage differentials widen as one moves to higher levels of education. The wage differentials are sharpest between secondary school graduates and tertiary education graduates. This also reflects the trends we discussed earlier --- that more educated people in higher end job categories are beneficiaries of increases in wages than those at the lower-end jobs

TABLE 10

Wage Differentials by Levels of Education

Level of Schooling	*1983*	*1993-34*	*2004-05*	*2011-12*
Not literate	1.0	1.0	1.0	1.0
Up to primary	1.4	1.3	1.3	1.1
Up to middle	1.5	1.4	1.3	1.3
Up to secondary and higher secondary	2.3	2.1	2.3	2.1
Tertiary	3.7	3.6	4.6	4.1

Source: Madheswaran and Singhari (2018)

The discussions in the above paragraphs clearly indicate that the employment pattern shows concentration of less educated in lower end jobs with lower wages. In fact, the highly educated occupy higher paid jobs. Since the employment opportunities are determined by educational levels, strategies to increase enrolment and retention of the disadvantaged in higher education institutions, providing technical and professional training could be effective means for enhancing their employability and contributing to reducing income inequality in the next generation.

Conclusions

This paper attempted to analyse the relationship between education and economic inequality. The paper shows that the relationship between education and economic inequality is bidirectional. The economic inequalities, in the first instance, influence access to education and learning outcomes. International and national evidence shows the positive influence of economic factors on access to educational opportunities and student performance. At the school level the poor attends the government schools, follow instructions in regional languages and appear for the state Board examination. The students from well to do families attend private schools, follow instructions in English and appear for the CBSE or other national Board examinations. These students (from higher income families and attended high quality schools) get into the best institutions of higher learning.

The variations in the type of schools and institutions of higher education attended and performance in the examinations determine the type of jobs they get into and earnings from jobs. The students from relatively higher socio-economic categories avail of the better educational opportunities at the school and higher education levels and enter into high wage sector. This contributes to a widening of inequalities in the next generation. In other words, countries where educational opportunities are not distributed equally, educational institutions become agents of social selection and perpetuation of inter-generational inequalities.

The empirical evidence in India shows that educational opportunities are more unequally distributed in economically poor states than in economically advanced states. This pattern of distribution may result in further aggravation of income inequalities among states and widening of income inequalities between those who have access to education and those who do not. International experience shows that progressive state policies promoting

educational opportunities among the poor are needed to move towards more egalitarian societies. In India too, economically poor states experience larger educational inequalities and they face the possibility of further widening the inequalities in the absence of progressive public policies targeting the economically poor and socially disadvantaged groups.

To conclude, inequality is a choice; persisting inequality in the present is the result of public policy choices made in the past. The empirical evidence clearly indicates that firmly rooted democratic principles and progressive state policies can expand educational opportunities more equitably and economic benefits more fairly. It is the commitment of governments to extend democracy to the domains of education and employment that would promote broadbased sharing of prosperity.

References

ASER (2019): *Annual Status of Educational Report (Rural), 2018*, New Delhi: ASER Centre

Borooah, V K and Sabharwal, N S (2017): English as a Medium of Instruction in Indian Education: Inequality of Access to Educational Opportunities, CPRHE Research Papers 7, New Delhi: Centre for Policy Research in Higher Education (CPRHE), National Institute of Educational Planning and Administration

Chancel, L and Piketty, Thomas, P (2017): Indian Income Inequality, 1922–2014: From British Raj to Billionaire Raj?, WID. World Working Paper Series No 2017/11

Dutta, S (2017): Educational Inequality in India, *Journal of Educational Planning and Administration*, 31(4): 289-306

Fredriksen, K (2012): Less Income Inequality and More Growth – Are They Compatible?, Part 6: The Distribution of Wealth, OECD Economics Department Working Papers No 929, OECD Publications

García, E and Elaine, W (2017): *Key Findings from the Report "Education Inequalities at the School Starting Gate,"* Economic Policy Institute

Hellebrandt, T. and Mauro, P. (2015): The Future of Worldwide Income Distribution (April 1, 2015), Peterson Institute for International Economics Working Paper No 15-7.

Henry, O and Ferry, M (2017): When Cracking the JEE is not Enough, *South Asia Multidisciplinary Academic Journal*, 5, pp 1-28

Kundu, Amitabh (2018): Economic and Educational Inequalities in India: Access and Outcome Indicators for Different Socio-Religious Groups, in Varghese, N V; Sabharwal, Nidhi S and Malish, C M (Ed) (2018): *India Higher Education Report 2016: Equity*, New Delhi: Sage, pp 63-91

Levin, Henry M (2012): More than Just Test Scores, *Prospects*, 42 (3): 269-284

Madhereswaran, S and Singhari, S (2018): Disparities in Outcome: Graduate Labour Market in India, in Varghese, N V; Nidhi, Sabharwal and Malish, C M (Ed) (2018): *India Higher Education Report 2016: Equity*, New Delhi: Sage, pp 301-330.

MHRD (several years): *Annual Survey of Higher Education*, New Delhi: Ministry of Human Resource Development

Motiram, S and Vakulabharanam, V (2014): *Indian Inequality: Patterns and Changes, 1993-2010*, United Nations University, World Institute of Development Research

NCERT (2016): *A Summary of National Achievement Survey Class X, 2015*, New Delhi: National Council for Educational Research and Training

NSSO (1995): *India: Participation and Expenditure in Education, 1995-96,* 52nd Round. New Delhi: National Sample Survey Organisation, Ministry of Statistics and Programme Implementation, Government of India

NSSO (2007): *India: Participation and Expenditure on Education*, New Delhi: National Sample Survey Organisation, Ministry of Statistics and Programme Implementation, New Delhi

NSSO (2014a): *India: Social Consumption – Education Survey 2014*, New Delhi: National Sample Survey Organisation, Ministry of Statistics and Programme Implementation

NSSO (2014b): *Employment and Unemployment Situation in India* (NSS 68th round), New Delhi: National Sample Survey Organisation, Ministry of Statistics and Programme Implementation

NIEPA (2017): *UDISE Flash Statistics*, New Delhi: National Institute of Educational Planning and Administration

OECD (2012): *Reducing Income Inequality while Boosting Economic Growth: Can It be Done?*, Paris: Organisation for Economic Cooperation and Development

Pérez-Megino, Luis P and Berumen, S (2015): Globalisation and Inequalities in Developed Economies: Kuznets was not Right, *Neumann Business Review*, 1 (2): 23-36

Piketty, T and Sáez, M (2001): Income Inequality in the United States, 1913-1998, NBER Working Paper No 8467

Reardon, Sean F (2011): The Widening Academic Achievement Gap between the Rich and the Poor: New Evidence and Possible Explanations, in Duncan, Greg J and Murnane, Richard J (Ed): *Whither Opportunity? Rising Inequality, Schools, and Children's Life Chances*, New York: Russell Sage Foundation

Roser, M (2018): Global Economic Inequality, published online at OurWorldInData.org, Retrieved from: https://ourworldindata.org/global-economic-inequality

Sabharwal, N S and Malish, C M (2017): *CPRHE Policy Briefs on Diversity and Inclusion in Higher Education,* New Delhi: Centre for Policy Research in Higher Education (CPRHE), NIEPA

Sabharwal, N S and Malish, C M (2018): Student Diversity and Social Inclusion: An Empirical Analysis of Higher Education Institutions in India*,* CPRHE Research Papers 10, New Delhi: Centre for Policy Research in Higher Education (CPRHE), NIEPA

Stiglitz, Joseph E (1973): Education and Inequality, *The Annals of the American Academy of Political and Social Science,* 409: 135-145.

Stiglitz, J E (2015): *The Great Divide: Unequal Societies and What We can Do about Them*, New York

Toracco, R (2018): Economic Inequality, Educational Inequity, and Reduced Career Opportunity: A Self-Perpetuating Cycle?, *New Horizons in Adult Education and Human Resource Development*

Varghese, N V (2016): Managing Markets and Massification in India, *International Higher Education*, 86, pp 13-15

Varghese, N V, Sabharwal, N S and Malish, C M (2017): *Equity and Inclusion in Higher Education in India*, New Delhi: CPRHE/NUEPA, mimeo

Varghese, N V, Sabharwal, N S and Malish C M (2018): *India Higher Education Report 2016: Equity*, New Delhi: Sage

Varghese, N V; Panigrahi, Jinusha and Rohatgi, Anubha (2018): Concentration of Higher Education Institutions in India: A Regional Analysis, Research Paper No 11, New Delhi: CPRHE/NIEPA

Journal of Educational Planning and Administration
Volume XXXIII, No. 3, July 2019, pp. 193-205

Teachers Associations: Vanguards or Neo-Corporate Policy Bargainers?

Pradeep Ramavath J*

Abstract

The influence of teachers associations in affecting educational policies is an important discourse at the national and sub-national levels. The present exploration was designed to examine the role of 'neo-corporate' strategies in the systems of educational governance, as demonstrated through the actions of primary school teachers' association in Karnataka. The Karnataka State Primary School Teachers Association (KSPSTA) is the largest 'organised interest group' of primary school teachers, which influences the routine administration practices and, thereby, shapes the extra educational politics at the state and lower levels. The paper examines the organisational practices of the KSPSTA and analyses the objectives expressed in its constitution, a basic document. A comparison of the maturity level of KSPSTA with that of national and international teachers associations demonstrated its primitive maturity status in established policy networks. It has thus been utilising neo-corporate strategies in its bargaining about the policy decisions, thereby benefitting just a fraction of stakeholders in the school governance system.

* Institute for Public Policy, Centre for the Study of Social Exclusion & Inclusive Policy (CSSEIP), National Law School of India University (NLSIU), Nagarbhavi, Bengaluru - 560 0242,
Email: pradeepr@nls.ac.in, pradeep.ramavath@gmail.com

Prologue

> "There are at least four centres of power that can significantly facilitate an educational decentralisation programme if they collaborate within the context of a shared vision: political parties, national and regional government institutions, teachers unions, and local citizens"

In the process of transforming the educational governance system in a multilevel hierarchical system as in India, policy implementation becomes a complex process, as each level of the hierarchy is eager to assume the authority for decision making but passes on the responsibility of implementation to others (Govinda, 1997). In the context of structured planning processes, the efforts of teachers to achieve quality outcome determine the efficacy of governance system along with the centrally crafted policies at the national and sub-national levels. Education systems in India do not engage with the local teaching communities when it comes to the formulation of educational policies.

Thus, teachers are just expected to carry out the functions of controlling and teaching children through prescribed textbooks and norms in classrooms, thus becoming 'meek dictators' (Kumar, 2008: 37). In this process, the state blames teachers for not ensuring adequate educational outcomes. This vicious process of not involving teachers in deciding the nature and composition of inputs, processes and outcomes in the policy cycle makes our education system a non-participatory and hierarchical closed system.

Neo-Corporate Strategies

The higher levels of educational bureaucracy decide on what is supposedly good for the school system and teachers. In this process, the 'welfare' and 'wellbeing' of teachers are at greater risk, as there is a tendency to attribute quality outcomes with the performance of teachers. However, interestingly, the welfare of teachers is largely determined by political actions and not by rationality. Thus the political nexus between the teaching community and educational bureaucracy looks for individual benefits, rather than visualising for the benefit of the system as a whole. This results in a 'loose' and probably 'incoherent' coalition of interest groups with some foretold adjustments at various levels, which can be seen as one of the main reason for teachers' unionisation. Due to the presence of a professional code of conduct and service rules as prescribed by the department of education, teacher unionisation takes the shape of professional teachers associations at different levels of society. As these associations are formed for the purpose of personal wellbeing, they attract many political parties for influencing voter behaviour. Hence, these associations end up deriving political mileage in the form of personal wellbeing and rarely act as a unit in the policy consultation processes relating to education.

This follows a general pattern wherein the presence of large bureaucracies in the corporate governance systems aspires to benefit certain individuals or fractions of stakeholders rather than deriving benefits to the entire system or the whole of the stakeholder network. Thus such a behaviour of benefitting individuals or fractions of stakeholders has, in fact, atomised individuals in the entire system and has taken a form where bureaucracy and individual stakeholders are benefitted from the structural and policy processes of the corporate governance systems. However, in its entirety, the system

remains at a loss or misses efficacy. Such a behaviour is very common in a neo-liberal economy, which drives the sectoral policy processes. A sudden dissolving of corporations or public listed companies takes place through such a short-sighted selfish motives driven by organised interests in the corporations driven by atomised interests of the individual stakeholders. Hence paving a way for neo-corporate behaviours and strategies where individual stakeholders are benefitted at the cost of collapse of the larger system.

Objectives

The present paper is an attempt to critically appraise the role of Karnataka State Primary School Teachers Association in influencing the elementary education system in Karnataka through neo-corporate strategies. The KSPSTA is chosen for the present study as it is one of the largest recognised primary school teachers' associations represented in the executive committee of Sarva Shiksha Abhiyan (SSA) and having its presence in all educational blocks and clusters of Karnataka. The primary objectives of the study were to ---

i) Build a critical understanding on organisational structure of KSPSTA;

ii) Examine the influence exerted by KSPSTA on educational policies, extra-educational politics and routine administration of the state education department that has implications on elementary education; and

iii) Analyse the perception of teachers association members, government functionaries and educational researchers on the role of KSPSTA in influencing the quality of elementary education in Karnataka.

A review of contemporary national and international literatures was carried out to see the difference between industrial trade unions and teachers associations, types and hierarchy of teachers associations in education sector, influence of these associations on the policies and planning processes, and to analyse the impact of teachers association activities on the learning outcomes.

Teachers Associations and Trade Unions

Critical Differences: The actions of trade unions in private industries stimulate a diverse set of phenomena through interactions between people, values, finance and scarce resources. These interactions might predetermine a set of outcomes influencing the quality. On the contrary, due to the presence of predetermined norms and an official code of conduct imposed by the education department on teachers, any strong level of unionism may not predetermine the desired outcomes, to which teachers may aspire. The functioning of teachers associations and that of trade unions have a basic difference; trade unions are directly affiliated to one or another political force and ideology, and are most aggressive in actions for bargaining, though mutual interest plays an important role through neo-corporate model (Garrity and Louis, 1991). On the other hand, teachers associations are, by their very nature, superficially apolitical and do not show any affinity with political parties --- at least publicly. Strategically, this gives them a unique identity, that of common interest groups, formed for the purpose of teacher welfare and not having any political motives of its own. Hence they mostly try to influence the actions of political parties in power to act

positively on the demands put forward. These demands largely seem to be predetermined through collective consensus of the larger teaching community routed through elected teachers association representatives. By virtue of power realised through potential organisational factors, such as leadership, membership size, larger reach, influence and ability to mobilise for protest or participation, teachers associations act as very important vote banks for various political parties. While studying the unionisation process among teachers in United Kingdom (UK), Kerchner and Mitchell (1989) identified three stages of negotiations, which are critical in shaping the educational outcomes determined through centralised policy intentions. These stages are as below:

(i) ***Meet-and-confer generation:*** Teachers advance their collective interests in the form of demands but refer to administrators and school board members when their interests are at stake. This process is largely determined by the attitude of mutual benefit to both the parties involved in negotiation.

(ii) ***Good-faith bargaining generation:*** The management in the education administration identifies the rights of teachers as bargains on financial and procedural matters.

(iii) ***Negotiated policy generation:*** Stakeholders stop trying to manage and resort to collective bargaining instead; they begin to shape the school policy with the help of contracts and their union.

Most of teachers associations in India figure at stage (i), partly in stage (ii) and rarely in stage (iii). The third level negotiation by them requires maturity, mutual respect and understanding on the part of both the parties and a recognition of the strengths of each other.

Hierarchical Associations

J P Naik (1975) was concerned with the presence of multiple teachers associations in India. He says: "University teachers stand as a superior class; they get unionised and behave as 'Brahmins' of the profession."

Multiplicity of unions is seen across all levels --- there are college teachers unions, of teachers in government colleges, secondary teachers, head teachers of secondary schools, and finally primary teachers. All have different class and hierarchical identities associated with them. They rarely interact and help each other. Contrary to this, all teachers associations in United States (US) come under a single umbrella organisation --- the National Education Association (NEA) --- which is the largest professional organisation representing public school teachers, support personnel, faculty and staffs at colleges, universities, retired teachers, and pre-service college teachers. This type of unification has shown positive impacts and helped the US to improve the quality of the education through mutual interactions across all levels.

R D Coates (1972) tries to see these types of behaviors of teachers associations as the actions and influence of organised interest groups outside the education sector in England; but in the process, he identifies the significance of associations in affecting education policies. In India, their actions and behaviours are more political and rarely influence any policy decisions either at macro or micro levels (GoI, 1986a). In higher education, teachers' associations, which were organised systematically at the state level, become important and

effective bodies to influence the policies, legislations and programme implementation strategies for the improvement in quality of education (Usha Devi, 1995). Thus, Naik (1975) gave a modified version of the *Marxist Manifesto* by saying: "Teachers of all categories unite!" A unified teaching community, irrespective of what level they are engaged at, is possible only through changing attitudes and better institutional setups. Increasing urban–rural divide, liberalisation, privatisation issues are important challenges for the idea of a unified teaching community in India. However, looking at the kind of facilities and resources provided for university teachers, it is justified to walk an extra mile to help the teachers at primary and secondary levels.

Influence on Educational Policies and Plans

In the United Kingdom (UK), it was difficult to trace the influence of National Union of Teachers (NUT) on education policy. The presence of 'educational sub-government' is seen when various political parties, local authority, teacher unions,' etc, consult, bargain and negotiate until some educational policy consensus emerges. Much of this was seen as private discussions taking place between the officials and teachers' representatives. In rare circumstances, when the difference of opinion between these interest groups increases, they take the issues for settlement to the political system. In England and Wales, such appeal was negotiated through 'public campaigns.' However, opting for political arena instead of administrative arena is a very rare event (Manzer, 1970). The position of NUT on certain issues such as greater equality, etc, need to be studied in more detail, but it is not possible to prove their influence on educational policy with the help of limited subjective evidences (Lodge and Blackstone, 1985). Earlier the government's influence on curriculum was indirect since the main advisory body on curriculum was not a government department but the autonomous school councils, in which the NUT was strongly represented. However, after the dissolution of such councils, it becomes only guesswork to identify the influence of NUT on curriculum related issues (Jones, 1985). Hence, most of the time, NUT, which is the largest teacher trade union in Europe with 295,000 members, is seen as carrying out campaigns for improving the working conditions of teachers and picking up certain educational issues which impacts wellbeing of teaching community. Moe (2005; 2006) has examined the role of teachers unions and the issue of extra educational politics in the US, and he found that unions were powerful forces in school board elections in the US. By actively participating in the school board elections, teachers help to select their employers – the very people who set their salaries, benefits, and working conditions (Moe 2006)

In India, the National Policy on Education (NPE),1986, highlighted the significant role which teachers organisation can play in upholding professional integrity, enhancing the dignity of teachers and in curbing professional misconduct. The National Commission on Teachers-II (1986) observed that teachers associations in India must certainly strive to improve the material and other service conditions of teachers. Further, the Commission viewed as very negative the effects of teacher politics and of teachers unions on the functioning of school system. These interpretations were derived from the interviews of teachers, school principals, educational administrators, teachers union representatives, etc, over a period of two years. The Commission's report in 1986 was written with much sympathy for the teaching profession. However, it did not shy away from a frank assessment of the situation. It categorically said that the most important factor responsible for vitiating

the atmosphere in schools was the role of teacher politicians and teachers' organisations (GoI, 1986*s*: 68). Ironically, the role of association in supporting, formulating, drafting, and implementing the policies in schools through huge teacher support was not evaluated or mentioned in any of the later studies.

The experience of non-involvement of teachers in preparation and implementation of educational plans has left a negative impact on the functioning of the education system today. From the viewpoint of teachers, they were never involved in the planning process; this was evident from the historical experience of five-year planning process (Naik, 1975). Once the higher authorities decide the programmes, teachers are assigned to implement the centrally drafted programmes and schemes. This unidirectional process gives rise to a sense of discomfort among the teaching community about the non-participatory nature of the planning process. Occasionally, spaces are created for participation in the planning process if teachers agitate and protest on the discrepancies in outcome of the planning process. The All India Kendriya Vidyalaya[1] Teacher's Association (AIKVTA) successfully protested through indirect political pressure against the proposed system of evaluations of teachers through student achievements and feedback. But the impact of such involvement is difficult to assess.

Impact of Association Activities on Outcomes

Learning outcomes and teacher participation in union activities are negatively correlated. The aggregate learning outcome and achievement of students, which forms the basis to determine the efficiency of education system to deliver quality, is negatively correlated with the teachers' participation in union activities in India (Kingdon and Muzammil, 2010). This dimension of negative correlation between teacher engagement in unionisation process, and of its impact on quality, raises important questions on formalisation of teachers associations in education system. Most of the studies on teachers unions/associations across the continents were qualitative in nature and looked at the politics played by these associations in determining the policies and programmes at the national and local levels.

Methodology

The present study followed a methodology similar to that used by Usha Devi (1995), in her study on the teacher's association in higher education. The data obtained through the scanned documents, content analysis, dialogue, discussion and interviews with the office bearers of associations and with the higher functionaries in the education department were analysed by using the triangulation methodology.

Triangulation of the secondary data sources such content analysis of the byelaw documents, association newsletters, association demand documents, newsletters issued by association, proceedings of the executive committee meetings of SSA, etc, along the primary data sources such as interviews, group discussions and dialogue helped to construct the

[1] Kendriya Vidhyalaya Sanghatana is under the Ministry of HRD, and the functioning of teachers association in KVS is relegated only for protesting and clamoring for political mileage through winning the elections rather than any substantive policy discussions. In most of the cases MHRD do not consider the opinion of Teacher associations in KVS.

validity or trustworthiness of the data sources. Triangulation of the opinions of the association members (teachers association president, secretary at the state level, district level, and block level), educational functionaries,[2] and educational researchers working on the issues of governance and decentralisation in education were consulted before arriving at any conclusion. Triangulation of data sources helped us to ensure the validity and reliability of the data, as the study was qualitative, and opinions of the stakeholders were intended to be captured without any biases or prejudices. These evidences helped us to critically appraise the role of the KSPSTA in influencing the educational policies, planning and extra-educational politics.

Analysis and Discussion

KSPSTA is one among the two[3] and largest recognised associations of teachers in Karnataka. It has been officially recognised by the government as an important 'organisd interest group' of primary teachers. It is one of the largest pressure groups, formed for collective bargaining on issues of salary, transfers, service benefits, incentives and issues in education system impacting teachers' welfare. The KSPSTA was established in 1972 as a registered society. By its byelaws, the association is mandated for democratic, secular ideologies for the universal quality education for all. Officially, it got recognition from the state government in the year 1982 --- getting the right to take up the activities and concerns of the teachers to be represented in front of the state government (as per KSPTA byelaw of 2011). According to the byelaws of the association, there is a system of election of a representative for every fifty teachers; every five year they have the teachers union elections at the block, district and state levels. The state's education department does the monitoring of these elections for a smooth transaction and to avoid conflicts at different levels. There are a total of 3,400 teachers union representatives across Karnataka, with 33 per cent of the seats reserved for women members.

Influence of KSPSTA on Educational Administration

The day to day interference of the association in administration is being noticed as an important element which brings inefficiency. Because of their closeness, most of the time there is a conflict of interest between the teachers association representatives and educational bureaucracy. Teacher absenteeism and request for extra work such as data collection are some of the causes for such conflicts. These conflicts affect the implementation of programmes at the field level. The influence of teachers association on daily functioning is

[2] DDPI welfare, DDPI planning, Director of Elementary Education, Director of Secondary Education, DDPI, BEO, BRCs, CRCs Teachers

[3] Karnataka State Secondary School Teachers Association (KSSSTA) is represented by secondary school teachers and Karnataka State Primary School Teachers Association was formed by primary school teachers. Among the 1.86 lakh teachers in Karnataka, KSPSTA has a membership of 1.85 lakh and it is an integral part of executive committee in Sarva Shiksha Abhiyan (SSA), where suggestions and opinions of the KSPSTA are sought before issuing orders, circulars and notices impacting the wellbeing of teachers.

seen as an important cause of concern for the education department. These influences are seen more in the northern parts of Karnataka, compared to southern parts of the state.

Demands and Memorandum by KSPSTA

The association bargains at different levels of the education department, and some of the issues and demands are raised even at the Commissionerate and Secretariat level. Long-standing issues and demands are put in front of the education minister and the chief minister. The association submits its demands through a series of consultations and discussions at the block and district levels. The demands are generally ignored or tried to be solved by the government, keeping in view the criticality of the issues involved and their impact on the education system. Most of the time, KSPSTA is called for one to one discussion with appropriate authorities. Negotiations are mostly resolved or converted into some benefits by association representatives and educational bureaucrats. Until now, the KSPSTA has resolved or negotiated its demands peacefully and has not gone for any major clashes with the government. Through cooperation and discussions, most of the demands are amicably resolved at different levels in the system.

The government has not seriously considered some of the demands like introduction of a common schooling system and the issues of teachers' voting rights in the elections of teacher member in the Legislative Council, abolition of Nali Kali, posting of head teachers in all schools, etc. Hence KSPSTA members have often speculated about a situation of conflict. The association is ready to go in for an intensive protest and agitation if state functionaries do not consider such critical demands seriously. Some of the negotiations conducted by the association with respect to increments in pay scale, transfers and vacations have a direct impact on the overall governance of the education system. Their indirect impacts are visible in quality outcomes.

(i) ***Time-bound increment in pay scale:*** As per the government policy, teachers are not entitled for time bound increment of pay after completion of ten years of service, though it is meant in practice for the staff of other departments and not for teachers. The teachers association started a campaign, held various demonstrations and resorted to litigation in the High Court suing the government for its allegedly partisan policy. The High Court decided in the favour of Karnataka government. But recently the government revoked the same order of the High Court in favour of the teachers association for seniority-linked increment without 'seniority tag' attached to them. Further, the KSPSTA had been demanding for timely implementation of recommendations of the Sixth Pay Commission at the earliest. This was acceded to recently.

(ii) ***Transfer, posting and promotion:*** The state has a criteria based teacher transfer policy and, as a practice, recommendations from local authorities were considered before transfers were carried out. This became a serious cause of concern, as the criteria were very arbitrary in nature, and against the maxim of equality in justice. Hence, the yearly time of transfer used to be a dreaded time and all used to approach and use the association office bearers and local politicians to influence the transfer decisions. This called for attention from the association. On its part, the government tried to provide a solution to this problem through use of information and communication technology (ICT) and the education department started digitalisation of teacher transfers.

KSPSTA readily accepted this suggestion as it was intended to bring more transparency into the process of departmental transfers. The present transfer policy is seen as a novel policy by the KSPSTA, though arm-twisting is common at the block level. During 2007, Karnataka education secretariat issued a notification[4] through which it provided scope for, positive discrimination for elected members of the teachers association thus violating the principles of equal treatment visualised in the digitalisation process.

(iii) ***Issue of Vacation:*** The teachers association was able to bargain on reducing the total number of schooling days from 240 days a year to about 220 days; and it is still trying to further reduce the number. Every year, to suit its needs which are sometimes non-contextual, the teachers association changes the vacation days. The state could not come up with a yearly vacation policy in the department, and left it to the School Development and Monitoring Committees (SDMCs) which has caused large-scale dissimilarity of vacation in schools. This has caused discomfort in organising the centralised training programmes for teachers. The KSPSTA wants the education department to strictly follow the rules of the vacation departments.[5] This is because the government organises some of the training programmes during vacations and does not compensate for the extra time spent for these programmes. On the other hand, if any government servant of the vacation department is called for any duty during vacations, he is entitled for appropriate earned leave, which is credited to his leave account and can be encashed on retirement. The KSPSTA opines that training programmes during the holidays will not help in improving the attendance of teachers and quality of performance.

Influence on Educational Policy Implementation

The association is mandated to take up initiatives for the improvement of education quality at different levels. At the district, block, cluster and school levels, it is supposed to take up constructive programmes. Education welfare at all levels is the prime motto. In 1987, in tune with this ideal, the head teachers positions were created by the education department in all the schools through the actions of the KSPSTA. The association designed the training modules, and conducted the training at block and cluster levels. All the expenses such as travel, food, stationary, training modules were provided by the association from its own kitty. These administrative trainings were initially provided in school complexes (Shala Sankulas), which were later converted into clusters. Similarly, much of the training related to specific subjects, basic education, etc, is being provided by the association without getting any financial support from the government. During its initial days the association helped the government for an effective implementation of the midday meal programme through resource mobilisation at the local level.

The Nali Kali programme is implemented only in government schools; this has created confusion among the parents and guardians. This has affected the government school

[4] Notification. No. ED 173 ETR 2007, Bangalore, Dated: 15th October, 2007. Para. 8.10.

[5] "Vacation Department" means a department or part of a department, to which regular vacations are allowed, during which government servants serving in the department are permitted to be absent from duty.

enrolments on a large scale. Nali Kali is implemented only in classes 1 and 2 in all government schools. In the opinion of the association, this programme is against the vision of equal quality education for all the children. Thus, because of the differential treatment, the association feels this programme needs to be given up. The KSPSTA appreciates the initiative of the Kerala government for drawing its own version of National Curriculum Framework. It feels that Nali Kali is irrelevant in the Karnataka's situation; it says: "When most improved states like Kerala is not practising the activity based learning, then what is the relevance of such failed methodologies in Karnataka?"

Extra Educational Politics

Due to the sheer number of KSPSTA members at all levels and their presence in all habitations, their influence on party politics and in deciding the fate of political power is a matter of curiosity. The interaction of teachers, department officials and politicians during election time is demonstrated by 'incentives' and 'disincentives' which they pass on to each other (Beteille, 2009). Sometimes the promise of a politician for better transfer/or other incentives ensures the electoral support by the teachers at the local level. Further, teachers have shown their significant influence on vote bank politics and in deciding the fate of political actors, based on the significant correlation values (Kingdon and Muzammil, 2003). These research evidences have been reinforced during the interaction with educational department officials and teachers association members.

One of the long pending demands of the association is about the voting right during the election of teacher members of the Legislative Council (MLCs); they represent by the teachers constituency in this law-making body. The association said that at presentthey do not have the voting right in the teachers constituency (*Shikshakara Kshetra*), which is unconstitutional, and they intend to file a judicial case in the Supreme Court to challenge the law. At present the teachers constituency is being represented by the secondary school teachers and the KSPSTA feels that it is an injustice done to them.

Sufficient indication of a political nexus between teachers union members and educational functionaries is noticed at the block and district levels, which has implications for administrative matters. Some of the educational functionaries at the state level feel that there is a strong nexus between the Block Education Officer (BEO) and block teachers association members; they use each other for mutual benefits. This nexus is very powerful and can affect the policy implementation by twisting the key processes at the local level. The issues related to transfers gets politicised at the block level. Similarly, there is a similar political nexus at the district and state levels. These issues are important matters for research from the viewpoint of the Right to Education Act and its implementation in the state. Office bearers of the teachers association have been found neglecting their classes or remaining absent from the schools --- without taking leave --- because of their 'virtual power' to negotiate at the level of BEO and DDPI, for petty reasons. Most of the time, it is an informal adjustment that provides provision for teachers association members to be absent from school and carry out activities related to sundry issues involving the teachers association. This has a negative bearing, affecting the quality at local level. A study by Kingdon and Muzammil (2010) suggests a substantial negative relationship between the teachers' union members having political connections and the student achievement. It was found that the students taught by a teacher who is both a union member and politically

connected, has lower achievement scores than their counterparts in the same school who are taught by a teacher who is not a union member or is not politically connected.

In Karnataka, except the district collector, no one had the power of disciplinary actions against government employees, including the teachers and other employees of the education department. The association very closely fought against this policy, demanding that this power must be taken away from the district collector and vested with the BEO. After a long battle, the then commissioner of public instruction (CPI) agreed to the proposal and devolved the disciplinary power upon the BEO. The BEO is thus the disciplinary authority though DDPI is the appointing authority. The association feels that the BEOs understand their problems better than anyone else in the system.

Conclusion

Due to low level of autonomy and low capacity for individual bargaining power, teachers find it difficult to bargain on their own with the system. They get organised by forming teachers associations at different levels, on different values and ideologies. On paper, the KSPSTA is an apolitical body formed with the idea of quality education, but most of the time it functions as a political body --- bargaining with the government on their personal wellbeing. Though the government understands the importance of KSPSTA as providers of checks and balances for the bureaucracy, very rarely it recognises their involvement in policy planning processes. Rarely their involvement is seen through representatives of association in some of the executive committees. In effect the policies are formulated and placed before the association for its acceptance through different negotiation practices; as such the association mainly restricts its activity to wrest various benefits out of a policy rather than negotiating about the policy itself.

Both the parties --- the government and the association --- want to create a win-win situation for mutual benefit and they do make unhealthy compromises on various issues. When a policy is proposed, the government thinks about its benefits; it may include in it a political as well as a developmental agenda, while the association looks for its own benefit and does not bring the real spirit and aspiration intended through the reform. Hence, even though the association has been officially recognised by the government as the policy negotiator, its role remains mostly limited to impacting the policies of personal benefits and wresting some political mileage. Due to the very nature of the 'neo-corporate model' of functioning, the association could not visualise the future scenario or firge its vision strongly in any area of educational improvement and policies.

The association is organised through interests and characterised by singular, non-competitive, hierarchically ordered representation. Being autonomous in origin, it has created a 'symbiotic relationship' with the state and to the extent that "state legitimacy becomes partly reliant on the active consent of recognised interests of the organisation." Like all the other associations, KSPSTA is busy creating an image among the public by opposing the policy decisions whereas, during the negotiation process, it mostly remains a silent spectator and supporter of the government decisions. Due to the lack of will and maturity among its members, the association has mostly remained in a bargaining mode rather than in a constructive mode. Sometimes the demands which the association placed were merely pious wishes without any substantial evidences or reason for the same.

Though at present the association is not having any political affiliation, in most of the cases its leaders are blessed by the legislature and they play a key role in completing the quorum for any meeting on an important issue. This synchs very well with the 'neo-corporate' model of organisation that offers a promising alternative for them to attempt to implant the organised interests in decision making process and attempts to reconcile their often divergent objectives through a process of negotiation and bargaining. Like any other association, KSPSTA takes this platform to escape from classroom activities; and the department has to yield to their requests. The latter sees it as an obligation extended to them, and thus recognises the 'structural adjustment syndrome' of devaluation and deregulation which erodes the dominance of the state system. In this situation, policy makers make a calculated decision to 'share' their authority so that they could build support for the enactment and implementation of policies by granting privileged participation to these organised interest groups. During this study, we did not come across any evidence to demonstrate the interference by the KSPSTA in making policies. Also, during discussions, it was evident that the expertise of the association's members could have been better utilised by the department in educational policy discussions in order to make the process more participatory so that acceptance is higher at the implementation level. This could well have empowered the association's members --- taking them up from the positions of issue bargainers to those of policy negotiators.

References

Beteille, T (2009): *Absenteeism, Transfers and Patronage: The Political Economy of Teacher Labour Markets in India*, PhD thesis, Stanford University

Bjork, C (Ed) (2006): *Educational Decentralisation: Asian Experiences and Conceptual Contributions*, The Netherlands: Springer

Coates, R D (1972): *Teachers' Unions and Interest Group Politics: A Study in the Behaviour of Organised Teachers in England and Wales*, Cambridge: Cambridge University Press

Garrity, M and Louis A P (1991): Organised Interests, the State, and the Public Policy Process: An Assessment of Jamaican Business Associations, *Journal of Developing Areas*, Vol 25, April, pp 369-394

GoI (1986a): *The Teacher and Society*, Volume I: *Report of the National Commission on Teachers, 1983-85*, New Delhi: Government of India Press

GoI (1986b): National Policy on Education, MHRD, New Delhi. Government of India Press

Govinda, R (1997): *Decentralisation of Educational Management: Experiences from South Asia*, Paris: IIEP

Jones K (1985): The National Union of Teachers, in McNay, I & Ozga, J (Ed): Policy-Making in Education: The Breakdown of Consensus, London: Pergamon Press

Karnataka State Primary School Teachers Association (2011a): Byelaws and Constitution of KSPTA, Bangalore

Karnataka State Primary School Teachers Association (2011b): *Vidhya Prapancha*, newsletter for the month of September, Bangalore

Karnataka State Primary School Teachers Association (2011c): Demands to Education Department and Commissioner, Bangalore

Kerchner. C T and Mitchell, D E (1988): The Changing Idea of a Teachers' Union, New York: The Falmer Press

Kingdon, G and Muzammil, M (2003): *The Political Economy of Education in India: Teacher Politics in Uttar Pradesh*, Delhi: Oxford University Press

Kingdon, G and Muzammil, M (2010): The School Governance Environment in Uttar Pradesh, India: Implications for Teacher Accountability and Effort, RECOUP Working Paper No 31, University of Cambridge, DFID

Kumar, K (2008): *A Pedagogue's Romance: Reflections on Schooling*, New Delhi: Oxford University Press

Lodge, P and Blackstone, T (1985): Pushing for Equality: The Influence of the Teachers' Unions, the NUT, in McNay, I and Ozga, J (Ed): Policy-Making in Education: The Breakdown of Consensus, London: Pergamon Press

Manzer, R A (1970): *Teachers and Politics*, Manchester University Press.

Moe, T M (2005): `Teacher Unions and School Board Elections', in Howell, William G (Ed): *Besieged: School Boards and the Future of Education Politics*, Washington, D C: Brookings Institution Press, 254-287

Moe, T M (2006): Political Control and the Power of the Agent, *Journal of Law, Economics, and Organisation*, 22 (1): 1-29

Naik, J P (1975): *Elementary Education in India: A Promise to Keep*, New Delhi: Allied Publishers

Usha Devi (1995): Teachers Association in Higher Education An Appraisal, *University News*, New Delhi

Journal of Educational Planning and Administration
Volume XXXIII, No. 3, July 2019, pp. 207-217

Can Student Perspectives on Goals of Higher Education Rejuvenate Undergraduate Education?[#]

Subhashini Muthukrishnan[*]

Abstract

The goals of education have changed over time, depending upon the flow of economic and social events in the course of history. This paper examines the present goals of higher education, as perceived by sample of 1500 undergraduate students from a total of 27 government, private aided and private colleges. The sample provided proportional representation to students from social sciences, basic sciences and commerce streams in all the three years of undergraduate programmes from nine selected districts of Karnataka state. Seven objectives --- namely, education for knowledge creation, for teaching, for critical thinking, for trainability, for research, for employability and good citizenship --- were identified from literature and from focus group discussion on the perceived goals of higher education by students. The outcomes were used to develop a questionnaire and ranking by respondents was done using a seven-point Likert scale. The study revealed that students believe that academics and syllabi must be made more rigorous, contemporary and appropriate by encompassing diverse fields of knowledge to meet their knowledge needs, and that the curriculum itself should be woven with activities relating to extension activities, value education or civics classes for good citizenship. Research and teaching component can be provided by giving them opportunities to make presentations and self-directed learning in the classroom pedagogy. Thus an examination of student goals and needs in terms of higher education is the way to motivate students to take up academics seriously.

Based on "A Demand and Supply Analysis of Quality in Higher Education: A Study in Karnataka State" which was funded by the ICSSR, New Delhi.

* School of Humanities and Social Sciences, St Josephs College, Bengaluru.
Email: subhasjc@gmail.com

A PEEP into the history of higher education from India's Takshila and Nalanda to the Bologna University and the University of Paris of the 12th century reveals that each of them had different purposes for higher education, ranging from preparing students for a practical career to providing general mental training for a meeting place where people could exchange ideas, debate and seek the truth (Majumdar, 1952). Next, Industrial Revolution and Taylorism expected higher education to generate the much needed trained labor force and the 1930s was a period which saw universities forging relationships with industry to make students employable; thus began the industry institute relationships of the modern day.

The 1960s saw the emergence of human capital theories like those of Schultz (1961), Becker (1962), and Mincer (1962), which conceptualised education as a means of accumulating human capital that would enhance productivity and returns over an individual's lifetime; this gave an investment perspective to education. Milton Friedman (1962) led the way to the "marketisation" of education. Romer (1990) and Lukas (1988) highlighted the spill-over effects of education as significant contributors to economic growth. With a revolution in communications infrastructure and innovation, the 1990s gave rise to "knowledge society" while the 21st century gave rise to the concept of 'citizens of the world. It is in this context of globalisation that the goals of higher education are witnessing certain changes.

Statement of the Research Problem

The higher education system today has the daunting task of producing human resources with the right kind of skills, knowledge, and values to meet the emerging needs of the fast-paced globalisation and technology-drivenage. However, issues relating to the quality of higher education provided have become a major area of concern. There is an urgent need to rejuvenate undergraduate education as it forms the basis of all further education, research, and innovation. The efforts made by the government and institutions are supply driven and not demand driven, aiming to meet the motivation and aspiration of undergraduate students, and thus do not motivate them to pursue the courses available to them.

There is, therefore, a need to examine the ways the goals of education are perceived by students, and then design the policy to meet both societal and individual needs. The following sections present a brief review of the existing literature relating to the goals of higher education.

Review of Literature

In India, the Radhakrishnan Committee (1948), Kothari Commission (1966) and the National Policy on Education (1986) posited higher education for nation building, cultivating scientific temper and furthering the goals of socialism, secularism, and democracy enshrined in our Constitution. According to the University Grants Commission (UGC), universities have to perform multiple roles, like creating new knowledge, acquiring new capabilities and producing an intelligent human resource pool, through challenging teaching, research and extension activities. In 1996, UNESCO emphasised four pillars of education, namely "learning

to know, learning to do, and learning to live together, learning to be," which mark the role of higher education.[1]

With changes in the relation between nations and the economic and social needs of countries, the role of higher education too has been undergoing change. The goals of higher education, as viewed from literature, directs to two main strands of thinking, namely developing the human person and developing the competencies for employment. Writers such as McGrath (1949), Keniston (1960) Bowen (1977) Haigh and Clifford (2011) believe in education for developing human values, intellect and growth of the full person.

Writers such as Hirsch and Weber (1999), Barnett (2004) and Westerheijden et al (2007) have shifted focus from the "whole person paradigm" to multiple goals catering to knowledge generation, skill development for employment, contributing to both intellectual vitality and economic well-being. Green et al (2009) highlighted the pedagogical purpose of higher education for developing discipline-nuanced graduate attributes which can be interpreted as education for academic research. Uka (2014) conceptualised higher education as a medium that is engaged on behalf of the people of a society to produce "organic intellectuals." Hongjiang,[2] in a study of comparing Chinese students to American students on the students' perceptions of university education, found that the most common responses were that the purpose of university for Chinese students was for education/learning and to prepare for job/career. The American student's response was no different with the most common responses being preparing for job/career.

Thus the existing literature highlights that higher education has to serve several motives, like obtaining knowledge and expertise in a discipline or professional area, developing necessary skills to find a job, acquiring enhanced careers options for greater earning potential, and even personal benefits such as a better understanding of themselves as people, experiencing self-growth and research. The perceived altruistic and possibly romantic view of student motivation of getting jobs and money, thus, may not be the complete picture. However, no studies on Indian students and their perceptions about the goals of higher education were found during this literature review. Thus this was an important gap in research, and needed to be filled.

The objective of the study, which is a demand-side analysis, was to examine students' perceptions about the goals of education. The study is expected to be useful in designing policies for rejuvenation of the undergraduate education itself. The next section presents the data source and methodology

Methodology

The study was conducted in the southern Indian state of Karnataka and concerned its sphere of collegiate education. Karnataka is an important south Indian state in the field of education. As a state known for information technology, biotechnology and a large number of private

1 http://www.unesco.org/new/en/education/themes/strengthening-education-systems/higher-education/mission/

2 Students' perceptions of university education – USA vs. China Students' perceptions of university education – USA vs. China Hongjiang Xu Butler University https://www.aabri.com/manuscripts/10703.pdf

and public sector enterprises, it is an important state that deserves to be examined in terms of its education sector as well. There are 799 universities in total in India, according to the AISHE 2015-16, and of them, Karnataka has 52 universities of different denominations including private deemed to be universities. Of these, 26 universities offer courses of general nature. Karnataka has 3,555 colleges, of which 3,264 actually responded to the AISHE survey. The state has 50 colleges per one lakh population in 2015-16, and average enrolment per college was 438. Of these, 2,205 colleges offer courses of a general nature. There were 2,206 private unaided colleges, 422 private aided and 636 government colleges, totaling 3,264, for which data was available with the AISHE. A total of 6,91,412 students were enrolled in private unaided colleges, 3,20,591 in private aided colleges and 4,17,043 in government colleges. The three main courses of general nature included the BA, BSc and BCom courses.

Data Sources

The present study used the technique of primary survey and its scope included only students studying at the collegiate level in different colleges in the state of Karnataka. For the survey, based on their HDI rankings, 10 out of the 30 districts of Karnataka were chosen. Thus three districts with a high ranking, four with mid-level ranking and three with low-level ranking were selected. The sampling procedure applied was the probabilistic stratified random sampling with adequate representation for semi-urban and urban colleges. These colleges were again stratified into three categories, namely government colleges, private aided college whom the government provides financial aid, and private colleges which are self-financed. In these colleges, male and female students were randomly selected from three different faculties, namely basic sciences, social sciences and commerce. The random sample had a total number of 1,562 students from all three years of an undergraduate course; of them, finally, 1,500 respondent students were taken for the study after 62 questionnaires were rejected due to inaccuracies or incomplete data. This sample is probably one of the largest found in the literature for a single state in India with regard to perception-based studies on quality in higher education.

A focus group discussion was conducted in early 2014 with 60 randomly selected college students from basic sciences, social sciences and commerce from the government, private aided and private unaided colleges in the city of Bangalore. Multiple groups were formed to discuss and identify some of the qualitative dimensions, as perceived by Indian students, which aided in developing the questionnaire. They discussed, among other issues, their perceptions about the goals of higher education. Students' feedback from focus group sessions determined the questions. After a pilot survey, the final questionnaire had 13 sections with 166 questions pertaining to respondent profile, the meaning of quality, purpose met by college education, active and collaborative learning, interaction in class, syllabus and evaluation, campus enrichment, faculty interaction, teacher quality, infrastructure facilities, support in personal growth, and financial indicators. Questions were ranked using a seven-point Likert scale response format. This paper is thus a part of the findings of the study.

Empirical Analysis

Elaborating upon the issues discussed in the literature and from the focus group discussion, a few possible goals were identified. These include knowledge creation, teaching, employability, critical thinking, research, trainability and a good citizenship. The questionnaire had questions where student respondents ranked the goals of higher education. The seven objectives identified were as below:

(i) Education for Knowledge Creation (G1)
(ii) Education for Teaching (G2)
(iii) Education for Critical Thinking (G3)
(iv) Education for Trainability (G4)
(v) Education for Research (G5)
(vi) Education for Employability (G6)
(vii) Education for Good Citizenship (G7)

Respondents ranked these goals 1 to 7, based on their perception of the relative importance of the objectives, with 1 being the most important and 7 the least important. A descriptive analysis was done with the data generated and the result is as follows.

TABLE 1

Perception of Students on the Goals of Education

Student Perspective	*Most Important*	*Undecided*	*Percentage Responses*
Knowledge	73.4	7.1	19.5
Teaching	52.7	13.7	33.6
Good Citizenship	48.6	12.8	38.7
Critical thinking	42.5	20.0	37.5
Employment	37.5	15.2	47.1
Research	22.8	15.8	61.3
Trainability	22.3	15.4	62.3

Source: collated from field work

This clearly shows that students gave the highest ranking to education for knowledge sake, followed by teaching, while the least important objectives were regarding research and training. The same data were analysed by using an ordered response model.

Typically, ordered response models assume that higher values indicate higher indices, which is not true in case of the data above. However, this can be rectified through a simple modification, by the creation of a new set of variables that equal 8 – r, where r is the rank of an objective assigned by a student. This would modify the variable such that now 7 = 8 – 1 would be the highest rank, and 1 = 8 – 7 would be the lowest. This modification would somewhat simplify the analysis since positive coefficients of independent variables would then indicate higher importance.

The general form of the model is given below:

$$y_i^* = x_i'\beta + \varepsilon_i$$

Where y_i^*corresponds to the rank a respondent (student, teacher, or employer) provides to a particular objective of education. It is important to note that can only assume discrete values (from 1 through 7). However, this collects the probabilities around the integer and cumulates them into the ordered response variable.

Thus, a second specification exists for the model above, namely,

$$y_i = j, if\ \gamma_{j-1} \leq y_i^* \leq \gamma_j$$

$$y_i = 1, if\ \gamma_j < 1, y_i = 7, if\ \gamma_j > 7$$

Where $\gamma_i{}^*$ the true value is placed by the respondent on that particular objective, and $\gamma_i{}^*$ is the turning point, or decision point, where the student switches from one rank to the next.

The ordered logistic regression model assumes that the error terms, ε_i, are logistically distributed. That is, error terms are independent, identically distributed logistic variates.

The coefficients of the terms in a resultant regression equation provide us with the natural logarithm of the increase in the odds ratio that a student selects a higher rank than a lower rank for each rank for a unit change in the particular explanatory variable.

The regression analysis below proceeds by regressing each objective as the dependent variable, and by utilising gender, course, nature of the college, and location of the college as dummy independent variables, and age and fees paid as continuous independent variables. The quantum of fees paid by a student was divided by 10000, in order to aid analysis, and used as a second continuous variable. The analysis was carried out by using Stata. Students from the social sciences in government colleges located in semi-urban areas are selected as the base category for the included dummy variables. Since the data are cross-sectional in nature, the problem of heteroscedasticity emerges, and thus, the robust option was selected. Exponents of coefficients are shown in order to observe the actual odds ratio, in lieu of their logarithms that are derived from a normal ordered logistic regression model. Hence, the option 'or' is also selected, and raw coefficients are not reported on account of their lack of usefulness in the following analysis. The results of these regressions are shown in Table 2 below.

TABLE 2

Regression Results of Students' Goals for Higher Education

	G1	G2	G3	G4	G5	G6	G7
Age	0.965 (0.033)	0.962 (0.031)	1.010 (0.033)	0.983 (0.032)	0.963 (0.032)	1.135*** (0.037)	1.001 (0.033)
Gender (Female)	1.114 (0.106)	1.161* (0.107)	1.053 (0.097)	0.924 (0.085)	1.053 (0.097)	0.859* (0.079)	0.903 (0.083)
Course (BSc)	1.253* (0.155)	0.969 (0.116)	0.834 (0.100)	0.832 (0.099)	1.006 (0.124)	0.970 (0.116)	1.124 (0.136)
Course (BCom)	1.361*** (0.155)	0.928 (0.102)	0.965 (0.107)	0.817* (0.091)	1.067 (0.118)	1.093 (0.121)	0.905 (0.099)
College Type (Private Aided)	0.852 (0.092)	1.076 (0.113)	0.954 (0.101)	0.915 (0.097)	0.948 (0.100)	1.189* (0.125)	1.029 (0.109)
College Type (Private Unaided)	1.216 (0.225)	1.745*** (0.300)	0.486*** (0.086)	1.038 (0.176)	0.832 (0.141)	1.184 (0.207)	1.063 (0.179)
College Location (Urban)	0.731*** (0.074)	1.058 (0.105)	1.581*** (0.160)	1.039 (0.103)	1.109 (0.111)	1.152 (0.114)	0.613*** (0.0611)
Fees Paid (Rs '000)	0.998 (0.003)	0.987*** (0.003)	1.009*** (0.003)	1.005* (0.003)	1.003 (0.003)	1.000 (0.003)	1.001 (0.003)

Note: Coefficients are odds ratios. Figures in parentheses are robust standard errors.
*, **, and *** indicate significance at the 10 per cent, 5 per cent, and 1 per cent level respectively.
Source: collated from field work

The findings for each of the goals identified are as follows:

Education for Knowledge Creation (G1)

The significant variables in this regression model (at a 10 per cent level or greater) are the course in which a student is enrolled, and the location of the college in which they study. Science students have a ceteris-paribus odds ratio 1.25 times greater than a social science student. Similarly, commerce students have an odds ratio 1.36 times greater than that of a social science student. Thus commerce students find knowledge creation to be the most important objective followed by science and social science students. The odds ratio of an urban student is only 73 per cent that of a semi-urban implying that students in semi-urban colleges place greater importance on education for knowledge creation than those in urban colleges. This implies that rejuvenating undergraduate courses in basic and social sciences require more relevant and rigorous syllabus that is focused on knowledge creation and should suit the geographical location of the college.

Education for Teaching (G2)

The odds ratio of a private unaided college student providing a higher ranking education for teaching is 1.75 times than a government college student. This implies that students from

private unaided colleges place significantly higher importance on education for teaching when compared to the base category.

The regression reveals that, ceteris paribus, on an average, a Rs 10,000 increase in fees decreases the odds ratio of providing a higher ranking to a lower ranking by 23 per cent. Thus, as a student pays more fees, he/she is less likely to view education as important for building the capacity for teaching which the case of a private unaided college student is. On the other hand, when students pay higher fees, they are more likely to be concerned with the returns that they receive from the education they take part in. Corporate sector employment gives higher pecuniary benefits than other forms of employment and it is possible that students who pay higher fees are placing greater emphasis on the corporate world, less on teaching, thus leading to a lower ranking of the importance of education for teaching by them.

Education for Critical Thinking (G3)

A student from an unaided college will have an odds ratio 0.486 times lower than a government college student for valuing higher education for developing critical thinking. This is a significant difference, indicating approximately a 50 per cent change in the odds ratio. In order to achieve higher examination scores and to be able to promote themselves as a destination for quality education, they often provide a somewhat mechanised education system where feeding students with examination oriented reading material and conducting examinations that excessively emphasise memory much more than thinking the ability is the strategy. As a result, the ability of students to think critically falters, leading them to place less importance on this objective in their preference rankings. This implies that the syllabus, pedagogy and evaluation system requires a paradigm shift from being examination oriented to learning oriented.

Urban college students place significantly more importance on education for critical thinking than students from semi-urban areas, with an odds ratio of assigning a higher rank to a lower rank 1.58 times greater. The employment needs in the urban labor market value the ability to think critically and solve real-world problems far more than technical knowledge. Thus, students place greater importance on this objective of education in urban areas while compared to semi-urban ones. This implies that rejuvenating higher education requires an examination of the labor market needs.

Education for Trainability (G4)

The analysis for this objective is carried out noting that the regression equation is only significant at a very low level ($p = 0.152$). Thus, the results may only be applicable to very large samples and are of a general nature.

At a 10 per cent level of significance, commerce students differ significantly from students of the social sciences in their rankings of the importance of education for trainability. Ceteris paribus, commerce students on an average provide lower rankings for the importance of trainability than students of the social sciences. The odds ratio of probabilities of providing a relatively higher ranking for a commerce student is 0.816 times those of a social science student (approximately 18 per cent lower on average).

Education for Research (G5)

The regression equation is insignificant at all acceptable levels, and thus no analysis is possible. The data reveals that the rankings provided to this objective are independent of the explanatory variables considered in the analysis. This implies that students do not recognise the research component of education as important and if research has to be given focus, then a component of research in the syllabus and teachers with research training are required. Students don't appear to be exposed to research during undergraduate education.

Education for Employability (G6)

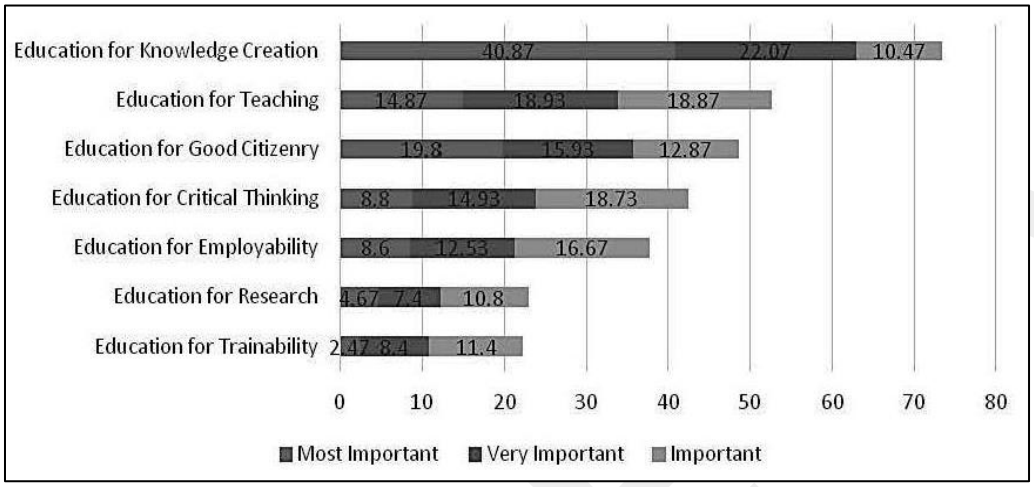
Female students place less importance on education for employability than male students. The odds ratio of a female student to 0.86 times that of a male student, on average ceteris paribus. Extensive societal and family pressures force can explain this to some extent. Another important explanatory variable in determining the ranking of education for employability is the age of a student. The regression reveals that as the age of a respondent increases, they are more likely to place a relatively higher rank to this objective. A single year increase in the age of a student increases the odds ratio of providing a higher ranking 1.13 times (A 13 per cent increase). Older students would tend to place greater importance on education for employability than relatively younger students, who finance their education through family funds and do not have families of their own for which they are financially responsible. This implies that education for employability is a serious concern and the system must provide support to meet this need striking a balance between employability and other objectives.

Education for Good Citizenship (G7)

The only significant explanatory variable in the above regression is the location of the college. The odds ratio of providing a higher rating is lower for students of urban colleges than it is for students of semi-urban ones (the base category). Ceteris paribus, on an average, students studying at an urban college have an odds ratio of 39 per cent lower than students studying in a semi-urban college. This difference is perhaps explained by the contrasting societal paradigms existent in the two areas. Since the difference is low, probably extension education can be an important component to develop several good citizenship qualities like issues of social concern by being involved in social action, being politically active for which they may not have exposure to .This form of extension education can be used to give direct exposure to students about the realities round them especially for students of social sciences. Thus, we observe that there are several important differences in the rankings of objectives across age, gender, course, college and fees paid.

CHART 1

Overall Importance of Goals of Higher Education for Students



Source: From collected field data

Chart 1 shows the overall importance of the various selected goals to student respondents. Overall, the largest portion of students considers Knowledge creation to be one of the most important goals of higher education, with over 73 per cent of students assigning it a rank of 1. This is followed by education for teaching and for good citizenship. Research and trainability rank as considerably important goals to the fewest number of students who were surveyed.

Conclusion and Discussion

From the study it is clear that knowledge building is still rated high by undergraduate students across the types of colleges offering general education and this finding needs to be taken seriously. Findings imply that rejuvenating undergraduate courses in basic and social sciences require more relevant and rigorous syllabus that is focused on knowledge creation. When it comes to developing critical thinking, findings indicate that the syllabus, pedagogy and evaluation system requires a paradigm shift from examination oriented to learning oriented system. Including research based learning is the way to expose persent undergradute students to value higher education for research. Employing newer learning methods like extension education in the curriculum can generate interest in research, and also develop several good citizenship qualities like issues of social concern by being involved in social action, being politically active for which they may not have exposure to otherwise. This form of extension education can be used to give direct exposure to students about the realities round them especially for students of social sciences. Thus, we observe that there are several important differences in the rankings of objectives across age, gender, course, type of college and fees paid. When these experiences are guided towards employment, students too believe that education is for employment and so forth.

Thus ideas of rejuvenating undergraduate education can come from students as well and this needs to be considered while framing syllabus and class room teaching learning activities rather than a top down approach.

References

Barnett, Ronald (2004): Learning for an Unknown Future, *Higher Education Research and Development*, 23 (3)

Becker, G S (1962): Investment in Human Capital: A Theoretical Analysis, *Journal of Political Economy*, 70 (Supplement): pp. 9-49

Bowen, H R (1977): Goals: The Intended Outcomes of Higher Education, *Investment in Learning*, Foundations of American Higher Education, second edition

Friedman, M (1962); *Capitalism and Freedom*, Chicago: University of Chicago Press

GoI (1948): The Report Of The University Education Commission (Radhakrishnan Committee), New Delhi: Government of India

GoI (1966): Report of the Education Commission (Kothari Commission, 1964-66): *Education and National Development*, New Delhi: Government of India

GoI (1986): National Policy on Education (NPE), New Delhi: Government of India

Green, F and Zhu, Y (2010): Overqualification, Job Dissatisfaction, and Increasing Dispersion in the Returns to Graduate Education, *Oxford Economic Papers*, 62, pp 740-763

Haigh, M and Clifford, V A (2011); Integral Vision: A Multi-Perspective Approach to the Recognition of Graduate Attributes, *Higher Education Research and Development*, 30: 573-584.

Hirsch, W Z and Weber, L E (Ed) (1999): The Glion Declaration, in Challenges Facing Higher Education at the Millennium, IAU, Washington: The American Council on Education and the Oryx Press

Keniston, Hayward (1960): The Goals of Higher Education, *Proceedings of the American Philosophical Society,* 104 (6)

Lucas, Robert (1988): On the Mechanics of Economic Development, *Journal of Monetary Economics*, 22: 3-42

Majumdar, R C (1952): *The History and Culture of the Indian People*, Mumbai: Bharatiya Vidya Bhavan

McGrath, Earl J (1949): The Goals of Higher Education, *The Journal of Higher Education*, 20 (4)

Mincer, J (1962) L On-the-Job Training: Costs, Returns, and Some Implications, *Journal of Political Economy*, pp 50-79

Romer, P M (1990): Human Capital and Growth: Theory and Evidence, Carnegie-Rochester Conference Series on Public Policy, Vol 32, pp 251-286

Schultz, Theodore W (1961): Investment in Human Capital, *The American Economic Review*, 51 (1), March, pp 1-17

Uka, A (2014): Student Satisfaction as an Indicator of Quality in Higher Education, *Journal of Educational and Instructional Studies in the World*, 4 (3) retrieved from http://www.wjeis.org/FileUpload/ds217232/File/02.uka-.pdf.

Westerheijden, Don F; Stensaker**,** Bjorn Rosa and Maria Joao (Ed) (2007): *Quality Assurance in Higher Education: Trends in Regulation, Translation and Transformation*, New York: Springer

Journal of Educational Planning and Administration
Volume XXXIII, No. 3, July 2019, pp. 219-247

Pattern of Enrolment and Dropout in School Education in India: Possible Inferences on Inclusive Quality Education[#]

P Geetha Rani[*]
Mukesh[†]

Abstract

Even though universal elementary enrolment is in place, dropout is a stupendous problem in India. The analysis in the paper clearly shows a decline in cumulative dropout rates over decades --- even with the tremendous initiatives and substantial investment under various centrally sponsored schemes from the DPEP to RTE. Causes of dropout are complex and multidimensional. Yet they can be narrowed down to two important factors at the macro level, viz, financial constraints and lack of interest on the part of students and parents in studies. The present paper examines the financial constraints from the human capital perspective by estimating the private rate of returns to education at elementary level. It is unambiguous that the private or household cost of education is high. The extended analysis on the household burden of elementary education is substantial for poor families. Nor is the pasture greener on the other side for them, as there exist very low wage rates resulting in poor private rates of return to elementary education. This combination of the high cost, low return and lack of interest in education (poor quality of schooling!) leads to the creation of an industrial reserve army, as the Marxists would put it, waiting for a job in a country where informal jobs account for 92 per cent share of the labour market. Deep into the development trap, at the same time, these youth are being forced to live with inadequate skills to compete in the robotic tech-savvy globalised labour market.

[#] The views expressed here are solely of the authors and do not represent those of the organisations where they are serving. This is a revised version of the papers presented at the International Conference on "Inclusive Quality Education: Towards Sustainable Development Goal 4," 17-18 June 2017, organised by the Institute of Social Sciences, New Delhi, and in the Development Convention on "India at Seventy: New Development Challenges," 24-25 April 2018 at ISEC, Bangalore. The authors would like to thank the JEPA for valuable comments and suggestions.

[*] Department of Educational Planning, NIEPA, New Delhi, Email: geethselva@gmail.com

[†] Department of Fisheries, Ministry of Fisheries, Animal Husbandry & Dairying, Government of India, New Delhi, Email: mukesh.iss.goi@gmail.com

Introduction

The drive towards Universal Elementary Education (UEE), via the programmes like *Sarva Shiksha Abhiyan* (SSA) and Right to Education (RTE) have resulted in a welcome boom in enrolment. However, these efforts have rather resulted in a *learning crisis* as reflected in the Sustainable Development Goal (SDG) 4 that calls for "ensuring inclusive and equitable quality education and promoting lifelong learning opportunities." It is one of the seventeen SDGs (United Nations, 2015). Though the SSA and the RTE Act have led to improvements in physical infrastructure of schools, creating school spaces could not however generate the social demand for education is an area that still requires attention. An interesting paper titled "If You Build It (School), Will They Come?," the association between physical infrastructure and enrolment has been found to be small (Filmer, 2007). It is because successful learning is influenced by multiple factors, viz, the cost of schooling, income forgone, expected earnings, socio-economic background including the incomes of parents, quality of schooling, and other school related factors. These contributing factors play a vital role in the extent of attainment of SDG 4 goal, which requires that we ensure that all girls and boys get free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes by 2030 (4.1); ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy by 2030 (4.6), and ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, for sustainable lifestyles, by 2030 (4.7).

Defining and measuring the quality of education is confronted with many problems as it has multiple meanings, interpretations, and hence multiple outcomes. Given the complex and hard-to-measure nature of educational quality, an effort is made to decipher the insights by graphically depicting the pattern of grade-wise enrolment. This graphical pattern highlights the poor quality of school education. The present analysis has been extended to examine the dropout pattern and its causes by using the unit data of the NSSO 71st round. The pattern and causes of dropout has been examined across states. While examining the causes of dropout, the twin acute problems --- financial constraints and the lack of interest in studies --- stare in the face. By taking up one of the severe causes of dropout, i.e. the financial constraints, the paper endeavours to study the cost and burden of sending children to school, which the households have to incur, and the benefit that would be accruing to them with elementary educational attainment.

With this backdrop, the rest of the paper is organised as follows: The next section describes the various data sources used in the paper and the methodology adopted. The pattern of enrolment, dropout rate and its size, and the nature and causes of dropout have been examined in Section Three. Section Four makes an attempt to understand the cost and burden of schooling and estimates the private returns to elementary education. The last section concludes with policy implications.

Data and Methodology

Secondary data from surveys and various other sources, such as Selected Educational Statistics, DISE, SEMIS and U-DISE, Census 2001 and 2011 have been used for analysis. The enrolment analysis, using secondary data, covers the period from 2001-02 to 2014-15. The dropout pattern and causes is examined by using the 71st round data of

the National Sample Survey Organisation (NSSO) on Social Consumption, viz 'Education.' The reference period of the data is January to June 2014. The present paper uses the data from block 7 of Schedule 25.2, relating to the particulars of currently-not-attending persons of age 5-29. This relates to a total sample of 42,250 students consisting of 58 per cent (24,501) rural and 42 per cent (17,749) urban population.

The study uses box plots for illustrating the inter-state disparity across school dropout rates. It is an exploratory graphic, created by John W Tukey, used to show the distribution of data not widely used. The box plot is a graphical representation of data that shows a data set's lowest value, highest value, median value, and the size of the first and third quartile. The box plot is useful in analysing small data sets. It provides basic information about a distribution, for example, a distribution with a positive skew would have a longer whisker in the positive direction than in the negative direction. Box plots are good for portraying extreme values and are especially good at showing differences between distributions.[1]

From this analysis, one of the major reasons for dropout is found to be the cost of schooling incurred by children's families. The indirect cost of schooling has been proxied by the mean earnings of population in age group 10 to 60 with elementary and no education. This is estimated by using date from the India Human Development Survey (IHDS) from the National Council of Applied Economic Research (NCAER) and the University of Maryland. The IHDS I and II are nationally representative surveys and conducted in all states and union territories (UTs) except Andaman and Nicobar Islands, and Lakshadweep (Desai et al, 2010), corresponding to 2005 and 2011-12 respectively. Using the IHDS data, the paper calculates the expected earnings and age-earning profile of the working population. In order to make this earning information comparable with that of NSSO data on expenditure on education, it is assumed that the indirect cost of schooling or mean earnings of the population increased as per the rate of growth of SDP during the period 2005-06 to 2007-08 and also between 2011-12 and 2014. Direct household cost incurred on elementary schooling is estimated using the 64th (2007-08) and 71st (2014) rounds on Social Consumption: Participation in Education to estimate the household cost of education of enrolled students in the government and government aided schools. Household burden of schooling is examined with the share of total individual cost in the per capita income.

Further, an attempt has been made here to estimate the private rates of return using the short cut method as suggested by Pscharapoulous (1995). This method yields approximate returns to education. Given the shape of the age-earnings profiles (Figures 7-A and 7-B), one can approximate them as flat curves. In such a case, the rate of return estimation is based on a simple formula:

$$Private\ ror = \frac{\overline{W}\,\mathrm{e} - \overline{W}\,\mathrm{n}}{8(\overline{W}\,\mathrm{e})} \qquad ---(1)$$

[1] The first step in constructing a box plot relies on the construction of 25th, 50th, and 75th percentiles in the distribution. It may have lines extending vertically from the boxes (whiskers) indicating variability outside the upper and lower quartiles. The spacing between different parts of the box helps indicate the degree of dispersion and skewedness in the data and identify outliers.

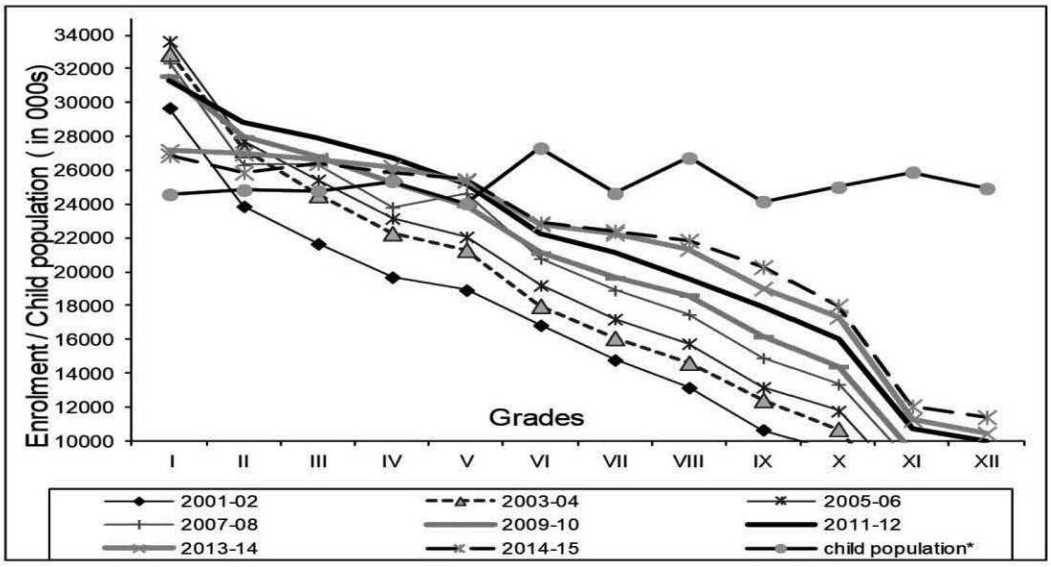
where $\overline{W}$ e refers to the mean earnings of an individual with the subscripted educational level, and 8 years is the length of the elementary cycle; the subscripts e refers to elementary and n refers to no schooling. Although this method is easy to use, the disadvantage lies in the abstraction that the discounting process is very sensitive to the values of the early working ages accounted for in the calculation.

Enrolment Pattern by Grades

This section, using an inward-looking approach, attempts to examine the enrolment pattern grade-wise. Enrolment from Grade I to Grade XII indicates the demand for school education. This demand curve is downward sloping. The (somewhat) straight line horizontal to x axis is the age specific child population corresponding to the Census 2001, 2011 and the corresponding child population projections for the in between periods. The child population indicates the total number of children who are to be enrolled in schools so as to avail *inclusive and equitable quality education*. In other words, this connotes the supply of children (Figure 1).

FIGURE 1

Grade-Wise Enrolment and Projected Child Population* in India



Note: *Age cohort based on child population projections as per the age of the children corresponding to the classes, starting from 5 year, 10 months to 16 years 10 months.

Source: Based on Selected Educational Statistics, from 2011-12 till 2014-15 using DISE; SEMIS; U-DISE; Child population in the ages from 6 to 17 from Census of India, 2001 and 2011 and Projected using CAGR for the rest of the years.

The vertical axis indicates, intuitively, the cost or price of education because of the downward sloping demand curve. It further indicates the inverse relationship between the demands for higher grades and the cost of additional grades. Implicitly, it can be inferred that quality comes at a price. Another argument is that the public (government) provision of education is unable to provide the minimum required quality to retain the enrolled children in schools. The gap between the demand and supply of children after Grade V is widening. These gaps are stark where the compound effects of inequalities in access to and completion and progression through secondary education become most visible. This is the culmination of the disadvantages rooted in poverty, social discrimination and the filtering effect of inequality at the lower levels of the education system.

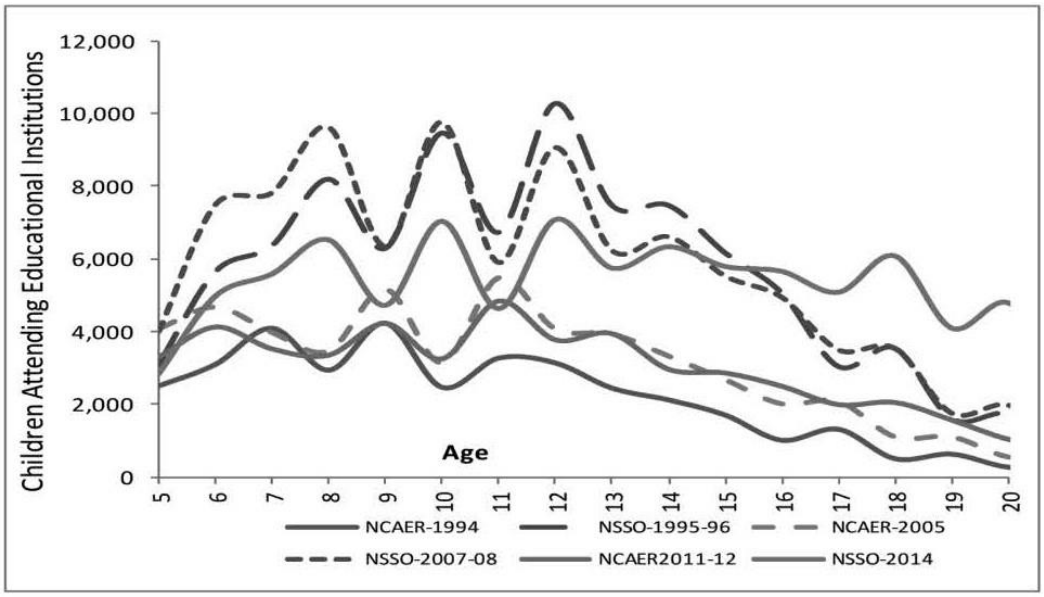
The limitation here is that the enrolment by public and private schools has not been factored in. Based on the suggestive estimates, it may be that around 20 per cent of the children are enrolled in private unaided schools. In other words, a majority of them are in the government school system, and thus the widening gap and its poor quality is intuitively derived. Based on the enrolment pattern, it is argued that the publicly provided services in school education are broadly of low quality. To corroborate this argument, it would have been ideal to examine the completion rates of children across school levels by management type. No such information is, however, readily available to know the effectiveness of different management type of schools.[2] Even though large numbers of children, more than the child population (including overaged), enter primary schools, but, as the widening gap indicates, many of them fail to complete their education.[3] This pattern of declining enrolment along with age is further evidenced from various surveys such as NCAER and NSSO at different time points, as reported in Figure 2.

[2] Including District Information on School Education (DISE), Secondary Education Management Information System (SEMIS) and Unified DISE.

[3] The increases in education investments under the SSA during the past decade have led to considerable progress in improving primary school access, infrastructure, and student enrolment. This is true with the mid-day meal scheme.

FIGURE 2

Number of Children Attending Educational Institutions by Age across Sample Surveys



Source: Based on unit data from NCAER: 1994, 2005 & 2011-12; NSSO: 1995-96, 2007 & 2014

Pattern of Dropouts in India

This section presents the size, nature, pattern and causes of drop out in education using the administrative and NSSO survey data as a supplementary to the analysis in the preceding section. The cumulative dropout rates[4] in school education from grade I to X was 70 per cent in the year 1990-91 and declined marginally to 60 per cent by 2011-12[5] (Figure 3). The dropout rate in case of girls is more than that for boys across school levels. The cumulative dropout rates at the primary level have declined relatively faster than at the upper primary and lower secondary levels. Even in the beginning of the new millennium, the gap in dropout rates between these two levels of education remained stagnant, indicating lack of serious initiatives to reduce the gap within elementary education. With dropout rates hovering around 60 per cent even at the upper primary level, enrolment, in itself, loses its meaning, except as a frame of reference. Smaller gap between upper primary and high school suggests that if children are able to complete elementary levels of education, the chance for them to enter into secondary education is marginally better than in the case of movement

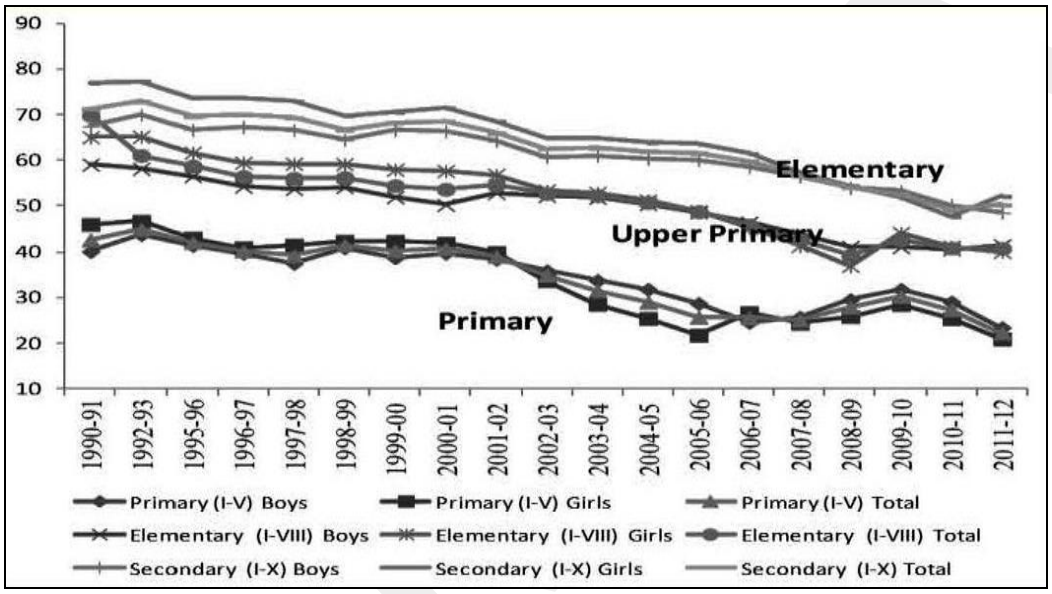
[4] Dropout rates is estimated as the percentage of pupils who drop out from a given grade or cycle or level of education in a given cycle / school year. The formula for estimating the drop out is given as: Gross Dropout rate for Grades I to V = {1 - (Enrolment in class V during 2001 - 2002/enrolment in Grade I during 1997-1998}*100.

[5] Since 2012-13, the available dropout estimates are annual average dropout rates, and hence they are not comparable.

from primary to upper primary levels. Rising enrolments across primary, upper primary and secondary levels are accompanied by high dropout rates. On an average, almost two-thirds of pupils drop out by the time they reach the secondary levels, which wastes valuable human, physical and financial resources.

FIGURE 3

Cumulative Dropout Rates in School Education by Gender in India: 1990-91 to 2011-12



Source: Selected Educational Statistics, various issues

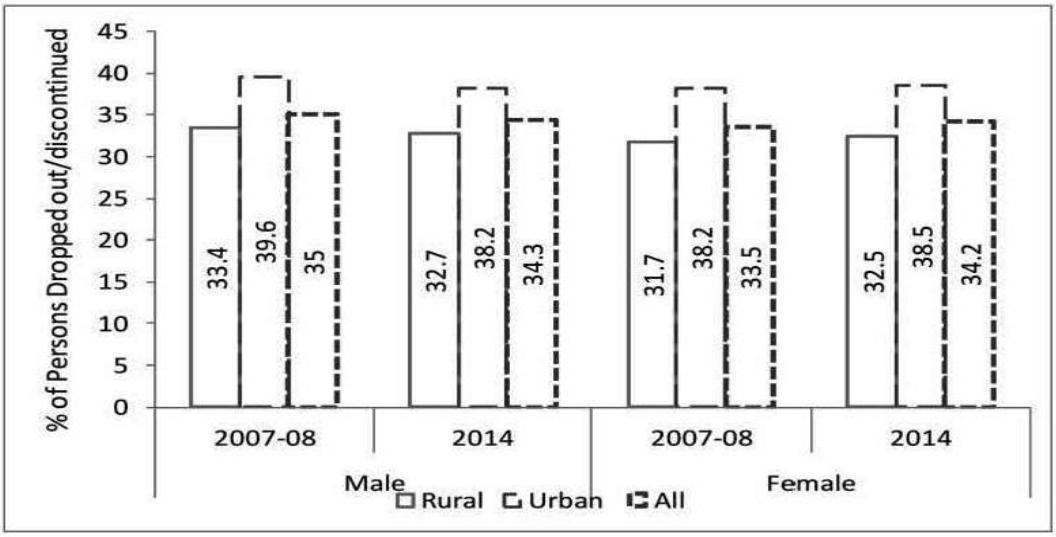
Cumulative dropout rates are high, as is evidenced from Figure 3.[6] The scenario is no different when we examine the National Sample Survey data. NSSO (2016) defines dropouts / discontinuance as an ever-enrolled person currently not attending any educational institution may be due to either: (i) he/she has discontinued after completing the last level of education for which he/ she was enrolled or (ii) he/she has discontinued education before attaining a specific level. For the first category, for example, if a person had completed the middle level but did not enrol for the next higher level of education, he/she was not considered as a dropout. It was considered as a case of discontinuation. However, if a person enrolled for the secondary level but did not complete it, then he/she was considered a dropout. For the purpose of this survey, both the types were treated alike for recording information. Even with such conservative definition of dropout and discontinuance, it is reported that 38 per cent in urban and above 30 per cent in rural areas dropped out or discontinued their studies. The scenario between 2007-08 and 2014

[6] It is important to note that the dropout rates are way much lesser when they are calculated from the DISE reports, as they correspond to annual or year on dropout rates. In this paper, cumulative dropout rate is the key variable of concern.

remained almost unchanged, without any appreciable improvement (Figure 4). Whether this declining pattern holds good or not is examined by using the administrative and survey data in the subsequent section.

FIGURE 4

Percent of Persons (Age Group 5-29) Dropped out/Discontinued in 2007-08 and 2014



Source: Based on Table 55, Appendix A and NSS Report no. 532 for 64th round figures

Dropout is defined as a person who is currently not attending any educational institution but had attended one in past and discontinued before completing the specific level of education. The specific leveSl of education may be primary level, middle level, secondary, higher secondary level or graduation or a still higher level. It is important to note that there is a significant difference between dropout and discontinuation. An ever-enrolled person currently not attending any educational institution may be due to either: (i) he/she has discontinued after completing the last level of education for which he/she was enrolled or (ii) he/she has discontinued education before attaining a specific level. For the first category, for example, if a person had completed the middle level but did not enrol for the next higher level of education, he/she was not considered as a dropout. It was considered as a case of discontinuation. However, if the person enrolled for the secondary level but did not complete it, then he/she was considered a dropout. Adopting this comprehensive definition, the estimated dropout is reported in Table 1. A close look at Table 1 can indicate that comprehensive definition corroborates to the cumulative dropout rates as reported in Figure 1.

TABLE 1

Dropout by Level of Education, Location and Gender among the Age Group 5-29 (in per cent)

Level of last enrolment	*Rural*			*Urban*		
	Male	*Female*	*All*	*Male*	*Female*	*All*
Primary	46.5	43.5	45	41.2	40.3	40.8
Upper Primary	37.9	38.7	38.2	41.1	37.1	39.3
Secondary	43.5	40.6	42.1	41.9	33.7	37.9
Higher Secondary	25.5	24.3	24.9	25.3	18.1	21.5
Diploma	12.7	10.2	11.7	10.2	13.1	11.2
Graduate	11.8	11.6	11.7	10.1	8.4	9.3
Post Graduate	7.1	7.1	7.1	3.4	6.8	5.4
All Level of Education	36.6	35.8	36.2	30.1	25.6	27.9

Source: Estimated by authors using the unit data

Dropout rates are highest among the primary level, followed by the lower secondary level of education. The next highest rates of dropout rates have been reported from the upper primary levels. It can be noted that dropout here refers to those who left school without completing the number of years needed to obtain that particular level of education. Looking Figure 1 and Table 1 together, it can be said that the dropout rates of 60 per cent in 2011-12 had come down (improved) to 40 per cent by 2014. Yet, it is a huge challenge; more severe in rural areas and among rural male children at the primary level. But at the upper primary level, the pattern and size of dropout varies that the problem is more sever among urban male children. At the lower and senior secondary levels, the dropout rate is similar across the board, except for urban female students. However, the dropout rates at higher education levels (including diploma levels) are comparatively lesser than at school level. Hence, we proceed to analyse the estimates of dropout rate at the school education across states (see Figure 5; Annexure Tables A-1 and A-2).

State-Wise Analysis of Dropout Estimates

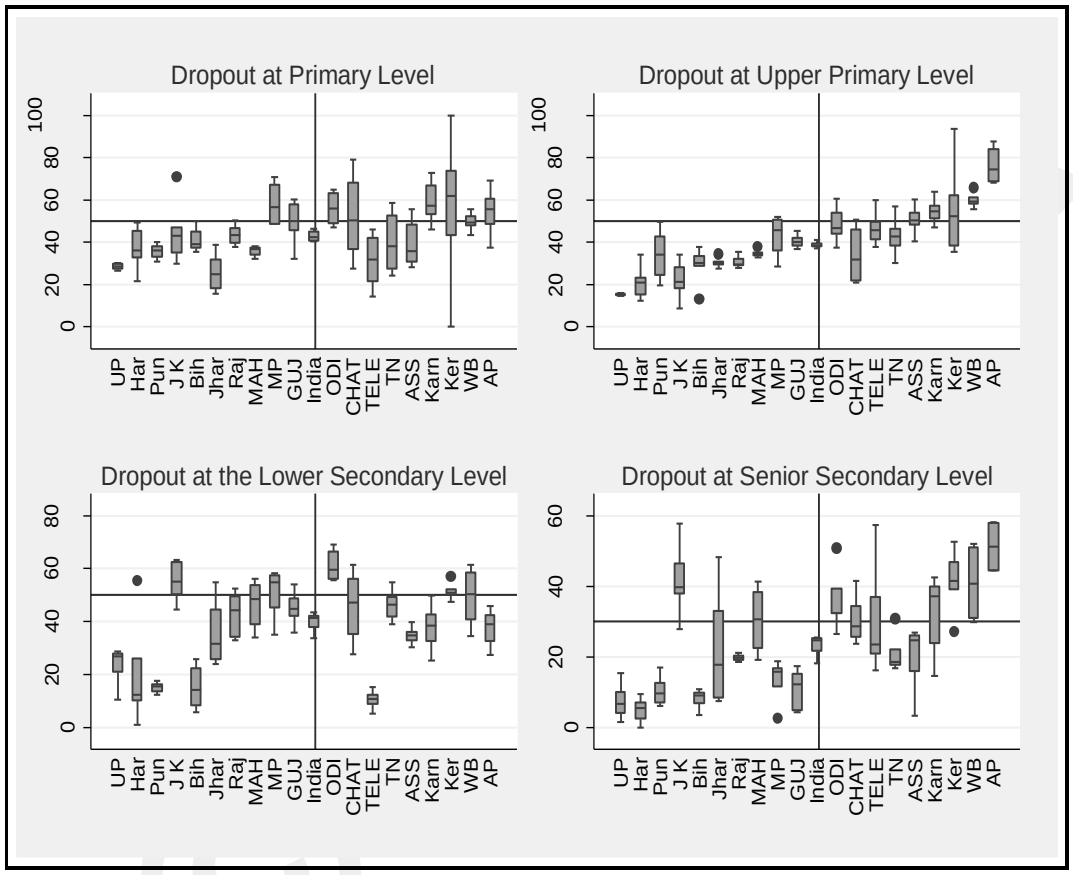
The inter-state and intra-state dropout rates across rural and urban locations, gender and level of education reveal interesting specifics. The dropout rate in Andhra Pradesh, Bihar, Gujarat, Maharashtra, Odisha, Rajasthan and West Bengal is found to be very high --- higher than the national average. On the other hand, dropout is less in the states of Haryana, Punjab and Uttar Pradesh. Another important finding is that the dropout rates are declining as the level of education increases, irrespective of the geographical location, in almost all states. Gender-wise dropout has not revealed any pattern as in some of the states female dropout is less than the male dropout and reverse has been observed in the rest of the states. However, gender-wise variation within the states for different levels of school education has been noticed. It is important to list out the states where gender gap in dropout rate is very high at different levels of school education.

At the primary level, gender gap is highest in the rural parts of Andhra Pradesh, Assam, Gujarat, Chhattisgarh, Jharkhand, Jammu & Kashmir, Tamil Nadu and Haryana. But among the states with high dropout rates, it is observed that the dropout of girls is on the higher side compared to the dropout of boys in the states of Assam, Jammu & Kashmir, Tamil Nadu and Haryana. Gender gap in dropout in the rural areas is very high in Andhra Pradesh and very low in the adjoining state of Telangana. Another interesting observation in the rural areas at primary level of education is that the less developed states like Rajasthan, Uttar Pradesh, Bihar and West Bengal has shown much lower gender gaps. Similarly, in the urban areas, the highest gap has been observed in Andhra Pradesh, Gujarat, Chhattisgarh, Jharkhand, Jammu & Kashmir, Karnataka and Haryana. Further, among the states with high dropout rates, it is observed that the dropout of girls is on the higher side compared to the dropout of boys in Andhra Pradesh, Jammu & Kashmir, Jharkhand and Haryana. It is interesting to note that the dropout of male students is higher than the female students at primary level and in the rural area but reverse has been found in the urban areas in Andhra Pradesh. Same situation has been reported in Jharkhand. The states with lower dropout of girls could be reflective of the importance of policy initiatives of state governments to retain the girl children in schools.

Dropout rate in Uttar Pradesh is least among the states at the upper primary level. In fact the gender gap in dropout is negligible, irrespective of the geographical location, in Uttar Pradesh. At the upper primacy level, dropout of male students is higher than the female students in the rural areas of Andhra Pradesh, Assam, Bihar, Haryana, J & K, Maharashtra, Punjab, Rajasthan, Tamil Nadu and West Bengal. Similarly, in urban areas, the same is found to be highest in Andhra Pradesh, Assam, Bihar, J & K, Maharashtra, Odisha, Telangana, Tamil Nadu and West Bengal. It is important to highlight that at upper primary level, the dropout of male students is around three times higher than the female students in the rural areas across Haryana and Jammu & Kashmir. But in the urban area of Haryana, dropout of female students is more. Similarly, in the adjoining state of Punjab, dropout of male students is more in rural areas and reverse has been found in urban areas.

FIGURE 5

Box Plot of Dropout by Levels of School Education, Location, Gender and across States among Age Group 5-29 (in per cent)



Source: Based on the Estimates Reported in Annexure Tables A-1 and A-2

At the secondary level the highest dropout rate in rural areas has been observed in West Bengal, Odisha, Madhya Pradesh, Jammu & Kashmir, Gujarat and Maharashtra irrespective of the gender. Similarly, in urban areas, the highest dropout has been observed in Chhattisgarh, Delhi (male), Haryana (male), Jammu & Kashmir (female), Madhya Pradesh (female), Rajasthan (male) and Odisha. Dropout of male students is higher than the female students in the rural areas of Andhra Pradesh, Bihar, Gujarat, Karnataka, Odisha, Maharashtra, Telangana, Rajasthan, Uttar Pradesh and West Bengal. In urban areas, dropout of male students is higher than the female students in all states except West Bengal, Uttar Pradesh, Jharkhand, Punjab and Jammu and Kashmir. Dropout rates at the higher secondary level have shown a marginal improvement; However, they are still high in the rural parts of Andhra Pradesh, Odisha, Jammu and Kashmir and West Bengal. Further, in the urban areas, dropout rate has shown improvement at the higher secondary level. It is important to

highlight that the dropout of females is very high compared to the dropout of males in the urban areas of Assam.

In order to understand the causes of dropout, many surveys and/or in-depth interviews among students or school staff have been carried out in developed countries. Hardly such surveys are available in India. Even the existing surveys like NSSO, which collects limited information on dropout, is are analysed extensively. The present paper uses this information.

Causes of Dropout

The percentage distribution of reasons of school dropouts by gender for rural and urban India has been reported in Table 2.

TABLE 2

Percentage Distribution of Reasons of Schools Dropout in Both Rural and Urban India

Reasons of dropout	*Rural*			*Urban*		
	Male	*Female*	*All*	*Male*	*Female*	*All*
Not interested in education	32.6	23.4	28.3	30.7	22.9	27.3
Financial constraints	23.6	16.3	20.2	25.9	19.4	23.1
Engaged in domestic activities	3.9	28.7	15.5	2.4	22	11
Engaged in economic activities	23.8	3.9	14.5	20.6	2.5	12.7
School is far off	0.4	2.1	1.2	0.2	1.9	0.9
Unable to cope up with studies/failure	11.5	11.3	11.4	15.3	10.1	13
Completed desire level/class	0.2	0.2	0.2	0.3	0.3	0.3
Marriage *	0	9.4	4.4	0	14.4	6.3
Others reasons	4.1	4.7	4.4	4.6	6.5	5.4
All	100	100	100	100	100	100

Note: *Only for female students
Source: Estimated based on the unit data

It can be observed that most male students in rural and urban areas are dropping out from school because of lack of interested in education. The second major reason of dropout is engagement in economic activities in rural India and financial constraints in urban India. The third major reason of school dropout are financial constraints in rural India, and engagement in economic activities in urban India. Unable to cope up with studies or failure in studies is yet another major reason for school dropout among male students. On the other hand, the major reason for dropout among the female students is engagement in domestic activities across rural and urban India. The trade-off between work and schooling of girls is one of the causes for concern. It is a cause of concern to note that, throughout India,

marriage is one of the prominent reasons of dropout among the female students. It may be observed that the dropout due to engagement in domestic activities is seven times higher among the female students than the male students in both rural and urban India. Similarly, dropout due to engagement in economic activities is six times higher among the male students than the female students. In a nutshell, engagement in domestic activities for females and engagement in economic activities for males is one of the major reasons of dropout.

State- and Location-Wise Analysis of Causes of Dropout

An attempt has been made here to analyse the major reasons of school dropout among male and female students for the major states, separately for rural and urban areas.[7] It can be seen that, irrespective of the gender of students, financial constraints are one of the major factors for dropout across all the states/UTs except rural Delhi. The second biggest challenge is the lack of interest on the part of students in almost all states/UTs. It may be observed that more than 50 per cent male students in rural Haryana and Tamil Nadu are dropping out school because they are not interested in education. The same has been found in Uttar Pradesh, Chhattisgarh and Andhra Pradesh. But in rural Delhi more than 50 per cent students are dropping out because they are unable to cope up with the studies or failure in studies while the same is not the case in urban Delhi.

School dropout of male students residing in rural areas due to the engagement in economic activities was much lower in Haryana but was found to be very high in Telangana, Bihar, Rajasthan and Maharashtra. In these states, every third student is dropping out due to the above reason. On the other hand, more than half of the female students residing in rurals area of Haryana are dropping out because they are not interested in education. 'Marriage' also seemed to be a serious reason of dropout in rural areas, especially in West Bengal, Jharkhand and Kerala. Another important factor of dropout in case of the female students residing in the remote parts of India is their engagement in day to day domestic activities, especially in Rajasthan, Punjab, Uttar Pradesh, Bihar, Assam, Jharkhand, Gujarat, Maharashtra and Telangana. Similarly, the three biggest challenges of dropout among the male students of urban India are the financial constraints, no interest in education, and their engagement in economic activities. It may be observed that in Haryana, Odisha and Tamil Nadu engagement in economic activities is not the prominent reason for dropout while in Punjab, Delhi, Rajasthan, Assam and Jharkhand every third students is dropping out due to the same reason.

Like the students in rural Delhi, significant proportions of male students are dropping out in urban Madhya Pradesh, Gujarat and Kerala as they are unable to cope up with studies or suffer failure in studies. It may be observed that around 70 per cent female students of urban Assam are dropping due to their engagement in the domestic activities. Similarly, the rate has been found to be very high in Rajasthan, Bihar and Gujarat. Further, dropping out among the female students due to the lack of interest in education is found to be very high in urban Haryana; it is more than 50 per cent. Marriage is also found to be a significant contributor, especially in Delhi, Andhra Pradesh, Karnataka and Telangana. However, in

[7] These detailed tables containing major reasons of school dropout can be obtained from the authors on request.

Jammu & Kashmir, Punjab, Haryana, Delhi, Chhattisgarh and Gujarat, marriage is not one of the reasons.

An important observation here is that dropout due to lack of interest in studies is omnipresent across genders, regions and sectors. To understand why dropout occurs, it is important to see it as a cumulative process of disengagement or withdrawal that occurs over time. Defining dropout through its measurement projects dropout as a status or educational outcome. Dropout can be prevented by picking up on a certain number of signals that form an early warning system. An understanding of dropout as a dynamic process can provide information on the way solutions can be formulated.

The reported reason 'not interested in studies' could lead to different interpretations. For instance, it can indicate that the dropped-out children and their parents are not aware of the long term benefits of education. And/or, they may find that it is not worth spending their time in schools, which indicates their perception about the opportunity cost of education in terms of their time. It can also indicate that the schools are unable to retain the enrolled children till the completion of their studies. Though educating poor people spreads the benefits of growth and development, the poor hardly receive a threshold level of quality education. This results in a majority of their children dropping out. This reduces the poor students' chances to continue their studies further, while the better-off obtain relatively better quality educational services --- either by paying for better private schools and/or private tuitions or by enhancing their chances to continue their studies. It is well recognised that the quality of education affects the labour market outcomes and the future productivity of students. We do learn that school quality is associated with higher returns to education (Hanushek and Woessmann, 2008) and a higher probability of finishing school.

Yet another most common way of rationing the scarce educational places of good quality is by examination; those with the highest scores are allowed to enter the better higher educational institutions. As argued by Jimenez (1987), however efficient this approach may be, it is not equitable. Even if it is assumed that innate ability is randomly distributed throughout the population, children from richer households can be expected to do better in examinations than those from poorer groups. It is because these children from the better-off families keep away from the government schools for a better training in good quality private unaided schools to gain access in highly selective government provided educational services. These discrepancies are greater by the time students reach higher education, where selectively is more stringent. One of the major reasons being the dismal quality of schooling and the direct and indirect cost of education as evidenced from the preceding analysis. In other words, the cost of education is a pull factor and the loaded reason "not interested in studies" is a push factor for the enrolled children for quitting school. "Not interested in studies" is a very difficult term to define, interpret and implicate. This could refer to a possible poor quality of schooling. Both National Achievement Surveys of NCERT and Annual Survey of Education Report repeatedly exhibit the crisis of learning. The present paper makes an attempt to delve into the financial constraints with cost benefit analysis.

The Cost of Education

An analysis of the cost of education and earnings by educational qualifications at this juncture would be worthwhile. The cost of education is the sum value of all inputs that go into the process of education (Schultz, 1961). It is the expenditure incurred on various items to acquire education by the children but spent by his/her family, the government and the society at large. Expenditure incurred by an individual and his/her family is of two types --- direct and indirect cost. Direct cost includes expenditure on admission fee, tuition fees, books, stationery, examination fee, boarding and lodging for hostel students, etc. This is household expenditure on education or out-of-pocket expenditure on education or direct cost. Using IHDS data I and II, it was estimated as Rs 1,650 at the elementary, Rs 4,106 at the secondary and Rs 8,794 at the higher education levels in 2005; the corresponding figures were Rs 4,023 at the elementary, Rs 12,562 at the secondary and Rs 27,937 at the higher education level in 2011-12. (See Table 3.)

TABLE 3

Private Cost of Education in India in 2005 and 2011-12
(At Current Prices)

Levels of Education	*2005*			*2011-12*		
	HH Expenditure	*Earnings Foregone*	*Total Private Cost*	*HH Expenditure*	*Earnings Foregone*	*Total Private Cost*
Elementary	1650	17805	19455	4023	23296	27319
Secondary	4106	36574	40680	12562	39340	51902
Higher	8794	84484	93278	27937	79100	107037

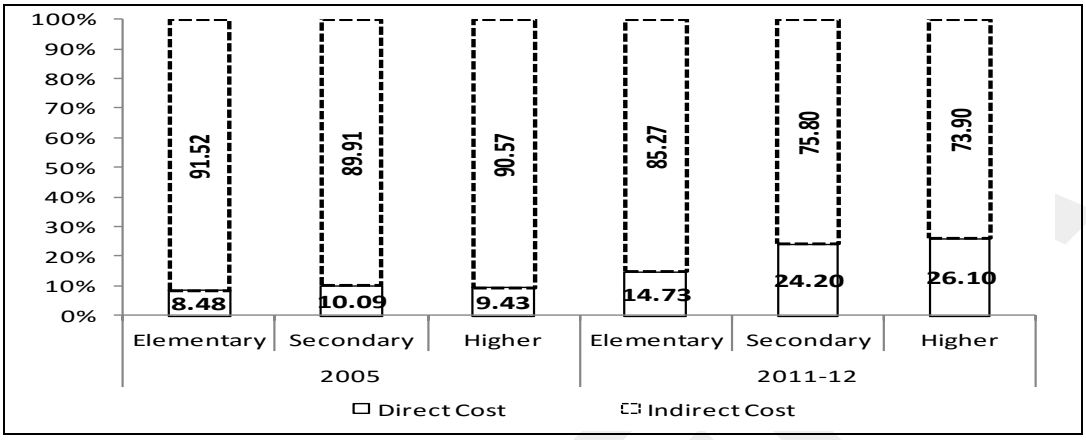
Source: based on unit data from IHDS - I and IHDS - II

The indirect cost is incurred by the student and his/her family implicitly. The indirect cost or invisible cost is the opportunity cost8 of the child attending the school. Opportunity cost[8] of a child in the age group 10-14 has been proxied by the mean wage of working children in the same age group and so on. It was estimated as Rs 17,805 at the elementary, Rs 36,574 at the secondary and Rs 84,484 at the higher education levels in 2005 (Table 3). The corresponding estimated figures were Rs 23,296, Rs 39,340 and Rs 79,100 at the same three levels in 2011-12. The sum of direct cost (proxied by household expenditure) and indirect cost (foregone earnings) is referred as the total private cost of education. It can be noted that the share of direct cost remained at around 10 per cent across all levels of education in 2005 (Figure 6).

[8] Opportunity cost is the income that is forgone by the child and his/her family while attending school.

FIGURE 6

Share of Direct and Indirect Costs of Education in 2005 and 2011-12



Source: Based on Table 3.

This indicates the unequal sharing of direct cost of education across levels of education. The trend changed in 2011-12 when direct cost accounted for around 15 per cent while secondary and higher education accounted for about 25 per cent of the total private cost. It implies that secondary and higher education had become costlier in 2011-12 than in 2005.

The cost of education plays a decisive role for children continuing schooling. Direct costs serve as a strong disincentive for sending poor children to school. Even when education is free, there are other direct and opportunity costs which are awfully real. The cost of books, uniform, transportation, private tuition, etc, are unbearable costs for poor families. There are indeed a large number of direct and indirect benefits of education. Thus, while the costs of schooling appear to be real and immediate, the benefits are often too remote to perceive. One significant and measurable economic benefit is the earning of an individual due to the acquired level of education.

Benefits of Education

The simplest measure of benefits is the mean earning. Table 4 reports the mean earnings for completed levels of education by gender. It signifies that graduates with additional years of schooling receive higher earnings compared to those with lesser years of schooling. A monotonic relationship can be observed between each year of schooling with that of earnings across male-female and at time points in the duration 2005-2012.

TABLE 4

Mean Earnings by Completed Levels of Education per Annum in India (in Rs*)

Years of Schooling	*2005*			*2012*		
	Male	*Female*	*Total*	*Male*	*Female*	*Total*
None	13825	5971	10151	32936	14243	23296
1st grade	13296	8162	12115	31473	17385	27394
2nd grade	14145	7491	12416	34439	16991	29109
3rd grade	15334	6917	13290	35640	15778	29546
4th grade	16458	7049	14448	40090	16406	33571
5th grade	19782	8478	17470	43761	16922	36512
6th grade	19615	8424	17702	44065	18024	38343
7th grade	20671	9271	18408	44674	18014	38546
8th grade	25656	13342	24089	50080	19223	44647
9th grade	25387	10266	23753	52305	22551	47410
Secondary	42006	26293	40316	80774	39468	74573
11th grade	36362	28800	35566	57834	33875	54108
Higher secondary	48625	42212	47740	93807	73188	90301
1 year post-secondary	57606	34036	52450	94765	59907	87187
2 years post-secondary	53535	52095	53234	94641	88426	93069
Bachelors	89227	71711	86316	161893	127018	155001
Above bachelors	--	--	--	213861	166496	200431
Total	29932	11898	24986	63616	27609	52612

Note: * At current prices
Source: Based on Unit Data, Indian Human Development Survey - I and II

It clearly brings out a number of kinks, first at the secondary (10 years of schooling), next at the senior secondary (12 years of schooling) and another at undergraduate level. The pattern is same across genders and time periods. Yet another important cause of concern, revealed by this table, is that the earnings of females are substantially lesser than those of males across each year of schooling.

The table brings out two important facts: (i) Wage differential between two successive years of schooling is marginal. On the contrary, wage differential across various levels of schooling is substantial. (ii) Wage differentials between men and women are very high in each successive year of schooling up to bachelor's degree. But at the higher levels of education, the wage differential between men and women is lower. It is because of the low value attached to a female's education in a major part of India which is linked with some deep-rooted features of gender relations here. One such important feature is the perceived

low benefits of investing in girls' education. The perception is popularly put as 'bringing up a daughter is like watering a plant in another's courtyard' (Sen and Dreze, 2002). Where parents see little benefit from the poor quality of education, these costs are more likely to deter them from sending their daughters to school than their sons. Loss of girl children's availability for household chores and wage earnings are very often the major opportunity costs for poor families for sending their daughters to schools. Cultural norms and social attitudes increase the costs of girl's schooling both in terms of direct and opportunity costs.

While the gender division of labour tends to mask the benefits of girl's education in the short run, the usual social norm of a woman settling down in the husband's home, often in a different village, further undermines the perceived economic benefits of sending daughters to schools. The concept of a daughter as "someone else's wealth" which can at best benefit another household, reduces the incentives of sending daughters to school. At the same time, the labour market also discriminates against women in terms of wages and availability of jobs, which further reinforces the perceived futility of girl's education. Thus the vicious cycle continues. The practice of dowry further aggravates the situation.

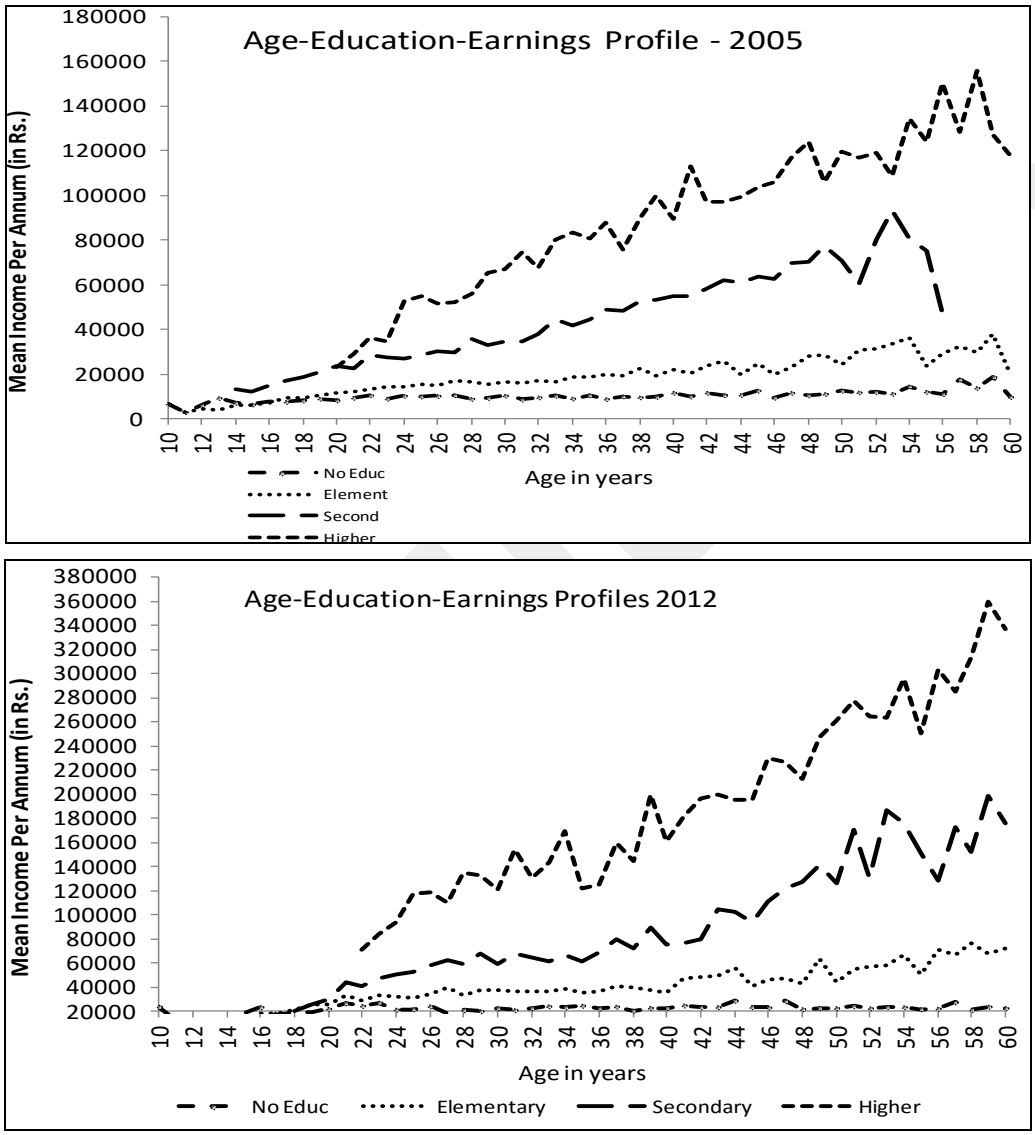
It can be observed from the above table that the earning premium for a bachelor's degree relative to a high school degree is more than twice. Further, the earning premium has been compared across different levels of education, viz, elementary, secondary and higher levels, with no education of the working age group between 10- 60 years. In other words, an age-earning profile of the working age population in 2005 and 2011-12 was estimated by using the IHDS I and II data.

These age-earning curves for no education, elementary, secondary and higher education may be seen in Figures 7-A and 7-B. The figures show how incomes vary over the life cycle for people with various levels of education. It can be noted that those with higher levels of education start full-time work at a later age, but as the graph shows, their incomes quickly outpace those who started working earlier. But such future income gains from education must be compared with the total costs incurred to understand the value of human capital as an investment.

The age-earning profiles on mean earnings suggest that there is an incentive to acquire higher levels of education as returns to higher education are positive and monotonically increasing. But, at the same time, inequality in earnings begins to emerge at secondary education. Along with expanding access to secondary education, it is necessary to examine the equity in its distribution.

FIGURE 7-A and 7-B

Age-Earnings Profiles of Persons between Age Group 10-60 by Levels of Education in India in 2005 and 2012



Source: Based on Unit Data, Indian Human Development Survey - I and II

As access to secondary schooling becomes gradually universal, it is usually obtained first by advantaged groups and only later by the marginalised and poor. Even when low-income and other socially marginalised groups achieve access to secondary education, further differentiation occurs between the higher and lower quality schools, determined, for

instance, by varying layers of public provision, varying quality of private schools, selection or filtering via interviews, examinations, etc. Differentiation can also appear during the transition to higher education.

Unequal access to good quality elementary education means secondary education remains or becomes a source of generating inequality. Apparently, given the access and quality of education, private rates of return to education vary across social groups. For instance, it was estimated that returns to higher education varied ranging from -29.10 per cent among the socially deprived (Scheduled Caste /Scheduled Tribe) workers with highest returns at 26.1 per cent amongst the Brahmin/high caste groups (Geetha Rani, 2013).

Costs and Benefits of Education: Explaining the Demand Supply Gap

Education and its effect on wage inequality could be explained by a fundamental concept of economics --- the law of supply and demand. Demand refers to how much (quantity) of a product or service is desired by buyers. The quantity demanded, that is the desired demand in the present case, is the enrolment across grades as illustrated in Figure 1. However, the effective demand depends on the quality and cost of schooling both direct and indirect that people can afford. In his seminal work, Becker (1975) provided an empirical analysis of human capital formation in a demand-supply framework with special reference to education. The supply curve captures the financing aspect of human capital formation. If the individual is faced with a relatively flatter supply curve, financing education becomes easier for him and his family. The sources of financing education however include both governmental and non-governmental sources. Further, he showed that education and training increase an individual's cognitive capacity which in turn increases his/her productivity.

Productivity tends to increase the earnings of educated and skilled individuals, and this becomes a measure of human capital. But before investing in education, a person always assesses the costs involved in and the benefits arising out of it. The expected returns then act as a guiding factor for decision making. Factors influencing the returns may be the earnings foregone while learning and consumption benefits from education. A person would invest in education if its perceived benefits in terms of future earnings are greater than the cost of education, including the earnings foregone. Also, there remain risk and uncertainty regarding the estimation of future earnings in terms of wages, as the future is always uncertain. A rational investor would make sure before investing that the expected rate of return would be greater than the rate of return from risk-less assets plus a term to account for liquidity and risk premiums associated with investment (Becker, 1975). Not only individuals enjoy benefits arising out of investment in human capital; the society too, as a whole, gains substantial benefits as externalities.

The estimated earnings, costs and returns to education across income groups are reported in Table 5. Across the poorest income groups the private returns to education was the lowest and it further declined in 2011-12. This decline in the rate of return is found to be up to the middle income or Q3 quintiles. The increase, however, is marginal in Q4 and Q5 quintiles. Yet another important indication one may get by looking at the last column of Table 5. This actually tells about the burden of households in investing in elementary education for their wards. It was above one fifth of the total household incomes in 2005. But it increased to 30 per cent in 2011-12, especially among the poorest households.

TABLE 5

Cost and Earnings of Elementary Educated Individuals by Income Groups

Income Groups	*Earnings with No Education*	*Earnings with Elementary*	*HH Cost*	*Total Individual Cost*	*Private Rates of Return*	*Per Capita HH Income*	*Per Cent of Total Cost in Per Capita Income*
			2005				
Q1	6689	9106	567	7256	3.32	27811	26.1
Q2	9668	13785	831	10499	3.73	38436	27.3
Q3	11795	18191	1306	13101	4.40	51056	25.7
Q4	15311	25165	2239	17550	4.89	67012	26.2
Q5	18573	34522	5755	24328	5.77	110122	22.1
All	10321	17945	1956	12277	5.31	58868	20.9
			2011-12				
Q1	18218	23893	3524	21742	2.97	70769	30.7
Q2	22785	31927	4647	27432	3.58	92804	29.6
Q3	25360	38897	6827	32187	4.35	120339	26.7
Q4	27770	49949	10445	38215	5.55	157863	24.2
Q5	32086	67159	22055	54141	6.53	278174	19.5
All	23296	39340	9065	32361	5.10	143970	22.5

Note: * Household (HH) cost of children studying in government and government aided schools;
Source: Estimates of the Author based on unit records of IHDS II 2011-12, Unit records of 71st round of NSSO, CSO.

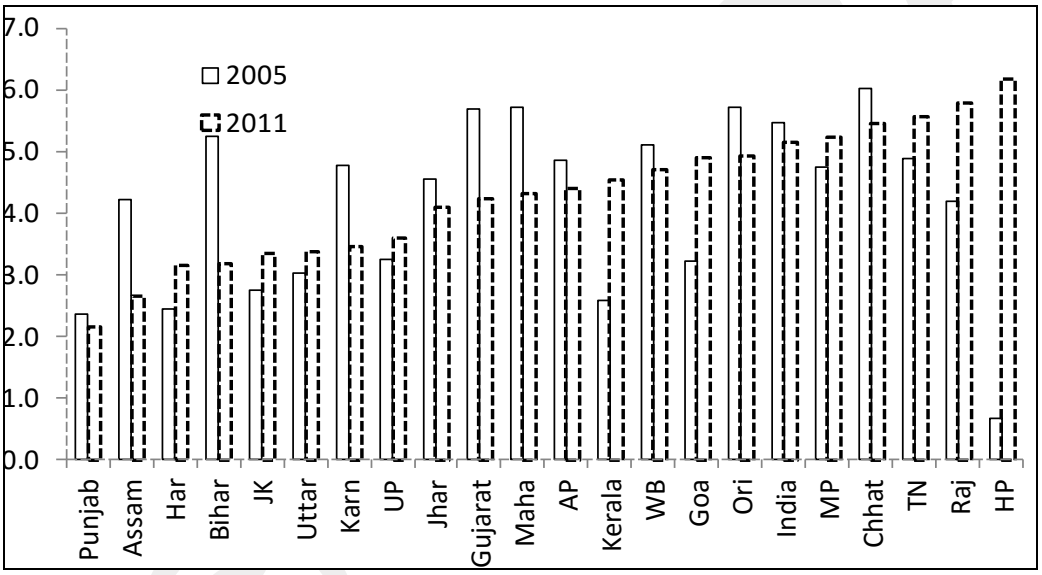
This clearly brings out that the cost and burden of elementary education is substantially high for the poorest households. The higher the GNP per capita, the less are the differences between the unit costs at each level.

Yet another attempt made in the paper is to examine the issue across states. The estimated earnings, costs and returns to education across states are reported in Tables A-3 and A-4 in the annexure. The difference between the earnings of a population with elementary education and the earnings of another population with no education varied between Rs 1,381 in Himachal Pradesh at one end, to as much as Rs 19,316 in Sikkim during 2005. The per student household cost incurred on elementary education for the children attending government and government aided schools ranged from Rs 841 in Bihar to Rs 28,841 in Goa in 2007-08. Variations in private rates of return to education were reported --- with 5.24 per cent in Bihar compared to 0.68 per cent in Himachal Pradesh in 2005. The pattern in 2011-12 was almost similar.

Again, the difference between earnings of the population with elementary education and of that with no education varied between Rs 6,343 in Meghalaya and Rs 96,496 in Arunachal Pradesh during 2011-12. The household cost of schooling ranged from Rs 1,144 in Rajasthan to Rs 5,895 in Goa. Leaving the outliers, it can be seen that the rates of return to elementary education lay around 2 to 6 per cent across states during both periods. This clearly indicates the low returns to elementary schooling across states (Tables A-3, A-4 and Figure 8). Low returns to schooling partially explain the low social demand for higher grades as was illustrated in Figure 1.

FIGURE 8

Private Rate of Return to Education across States around 2005 and 2011-12



Source: Based on Tables A-3 and A-4 in annexure

Yet another issue relates to the per capita income of India which was around Rs 66,000 in 2005-06. The question that arises is: What percentage of the population would be able to bear the indicative cost of elementary schooling at Rs 27,000 per annum? As in the case of household costs for elementary education, the per capita income was the lowest in Bihar and highest in Goa during both the periods. The per student expenditure as a percentage of per capita income across states ranged from 17.4 per cent in Chhattisgarh to as much as 114.7 per cent in Jammu & Kashmir during 2007-08. Similarly, it was the lowest in Nagaland (14 per cent) and highest in Assam (121 per cent) during 2012-13. Even if one was not to consider the extreme ends of the continuum, the share of total individual student cost still amount to more than 50 per cent of the per capita income in many states (sixteen) during 2005 and twelve states in 2011-12. This clearly demonstrates that the cost of schooling is a major deterrence for the enrolled children to stay in schools and complete the basic education.

Based on the earlier analysis, the lack of interest in studies as one major cause of dropout, combined with the cost and burden of schooling, lead to a low development trap. Thus a moot question is: What we can do to tackle the high dropout or low education development trap?

Concluding Remarks

Even though universal elementary enrolment is in place, dropout is a serious problem. The analysis in the paper clearly shows that the decline in the dropout rates over decades is only marginal --- even with the tremendous initiatives and substantial investment under various centrally sponsored schemes starting from DPEP to RTE. Causes of dropout are complex and multidimensional. Yet these can be narrowed down to two important factors at the macro level, viz, financial constraints and lack of interest in studies. The present paper examined the financial constraints in the human capital perspective by estimating the private rate of returns to education at the elementary level. It is very clear that private or household cost of education is very high. This was further examined by estimating the burden of elementary education which is substantial for poor families.

Nor is the pasture on the other side greener for them, as there exist very low private rates of return to education. The combined effect of the high costs, low returns and no interest in education (because of the poor quality of schooling) leads to the creation of an industrial reserve army as the Marxist would put it, waiting for a job while 92 per cent of the workforce is engaged in the informal labour market in India. It is, very clearly, a low development trap in which the youth are being forced to live, with very less skills at their command to compete in the labour market. This results in the extremely low proportion of formally skilled workers in India --- only 4.69 per cent of the total workforce. On the contrary, the proportion of formally skilled workers in the total workforce is 24 per cent in China, 52 per cent in the US, 68 per cent in the UK, 75 per cent in Germany, 80 per cent in Japan and 96 per cent in South Korea.

The Skill India initiative seeks to strengthen institutional training, training of trainers, infrastructure and leveraging of public infrastructure so as to enhance employment, both nationally and internationally, for the attainment of sustainable livelihoods for a majority of the workforce. However, there remains a huge gap between the current levels and the desired goals in terms of creating the skilled workforce of a higher or at least the threshold level, so as to make India a developed nation in the near future.

The foremost challenge is the existence of a huge proportion of unskilled or poorly trained workers in the informal sector wherein the largest employment generation occurs in the country. The major challenge is that though the net enrolment in primary education (grades 1-5) has almost universalised, almost half of the enrolled children dropped out from school and entered the workforce without acquiring the basic numeracy and literacy skills. In such a situation, a large part of skill training is being carried out through self-taught practices, observation or transfer of skills from a master craftsperson to an apprentice. Though the National Skill Qualification Framework makes efforts towards the skilling of a largely unskilled workforce, it still needs to go a long way in this direction.

It is clear that such low skill levels or poor quality of labour force immensely affect the prospects in the future. It is because, as is well known, the growth rate of an economy depends on its investment rate and the productivity of capital or, more precisely, on an

inverse incremental capital-output ratio. This incremental capital-output ratio which is the key to economic growth depends on a variety of factors, the most significant among them being the quality of labour. After all, the quality of labour in a country depends on the quality of its basic schooling system.

References

Tony, Addison and Rahman, Aminur (2001): Why is so Little Spent on Educating the Poor? Discussion Paper No 2001/29, UNU/WIDER, Helsinki.

Becker, S Gary (1975): *Human Capital: A Theoretical and Empirical Analysis*, Chicago: The University of Chicago Press.

Desai, Sonalde B; Dubey, Amaresh; Joshi, Brij Lal; Sen, Mitali, Shariff, Abusaleh and Vanneman, Reeve (2010): *Human Development in India: Challenges for a Society in Transition*, Oxford University Press, New Delhi.

Filmer Deon (2007): If You Build It, Will They Come? School Availability and School Enrolment in 21 Poor Countries, *Journal of Development Studies*, 43 (5): 901-928.

Gaag, Jacques van der and Tan, Jee-Peng (1998): The Benefits of Early Child Development Programs: An Economic Analysis, 18992, World Bank.

Geetha Rani, P (2013): Exploring Earnings and Education Disparities across Region, Caste, Religion and English Language Ability, *Artha Vijnana*, LV (4): 402-420.

Hanushek, Eric A and Woessmann, Ludger (2008): "The Role of Cognitive Skills in Economic Development," *Journal of Economic Literature*, 46 (3): 607-668.

Jimenez, E (1987): The Public Subsidisation of Education and Health in Developing Countries: A Review of Equity and Efficiency, *World Bank Research Observer*, No 1, pp 111-129.

Psacharopoulos, G (1995): The Profitability of Investment in Education: Concepts and Methods, Human Capital Development and Operations Policy Working Paper.

Schultz, T W (1961)" "Investment in Human Capital," *American Economic Review*, 51 (1): 1-17.

Sen, A and Dreze, Jean (2002): *India: Development and Participation*, New Delhi: Oxford University Press.

UNESCO (2009): The Dakar Goals: Monitoring Progress and Inequality, EFA Global Monitoring Report (GMR).

United Nations (2015): Resolution Adopted by the General Assembly on 25 September 2015, *Transforming Our World: The 2030 Agenda for Sustainable Development*, The General Assembly.

Annexure

TABLE A1

Dropout by Levels of Elementary Education, Location Gender and across States among Age Group 5-29 (in per cent)

States	*Rur_M*	*Rur_F*	*Rur_T*	*Urb_M*	*Urb_F*	*Urb_T*	*Rur_UPM*	*Rur_UPF*	*Rur_UPT*	*Urb_UPM*	*Urb_UPF*	*Urb_UPT*
AP	69.3	51.1	60.7	37.4	59.8	48.8	87.8	79.9	84	68.8	68.1	68.4
Assam	39.7	55.6	48.4	31.6	28.2	30.7	53.9	49.1	51.6	60.4	40.4	48.5
Bihar	50.1	39.8	44.9	38.4	35.3	37.1	33.4	28.6	31.4	37.9	12.9	28.8
Chhattisgarh	46.5	27.7	36.5	79.1	53.9	68	20.8	22.4	21.5	41.3	50.7	46
Gujarat	60.4	47.2	52.7	57.9	32.1	45.3	38.5	45.3	42.2	36.7	41.4	39
Haryana	21.7	45.4	32.8	33	49.3	39.5	34	12.2	23.1	15.3	23.2	18.5
J& K	29.9	46.9	39.6	34.7	70.7	46.3	23	8.8	18	34.2	19.8	28.2
Jharkhand	31.8	15.5	24.2	18.1	38.7	25.4	29.1	31	29.9	27.4	34.5	30.7
Karnataka	46.1	56.7	53.1	72.9	57.8	66.7	50.9	57.1	53.8	47	63.8	55.4
Kerala	43.1	100	73.8	65.2	0	58.4	38.2	62.2	45.5	93.7	35.4	59.2
MP	38.1	36.7	37.4	32.3	36.9	34.2	33.9	35	34.4	32.7	37.7	34.9
Maharashtra	70.7	64.2	67.2	48.7	48.7	48.7	52.1	49.1	50.6	42.5	28.4	35.9
Odisha	64.8	61.7	63.3	47	50.1	49	45.7	60.5	53.8	47.9	37.6	43.6
Punjab	33.3	40.1	36.1	38	30.9	35.9	49.8	36	42.7	19.7	32.3	24.7
Rajasthan	50.3	44.5	46.8	42.1	37.7	39.8	30	27.8	29	28.9	35.6	32.1
Telangana	45.9	37.9	42.1	25.7	14.3	21.2	41.5	49.7	45.2	60	37.9	46.1
Tamil Nadu	43.8	58.6	52.8	32.4	24.2	27.2	44.3	38.5	41.4	57	30.3	46.3
Uttar Pradesh	29.8	26.7	28.3	30.1	27.3	28.8	15.2	16	15.5	14.8	15.6	15.1
West Bengal	52.3	48.1	50.4	43.4	55.7	48.4	59.4	58.3	58.9	66	55.6	61.1
All India	46.5	43.5	45	41.2	40.3	40.8	37.9	38.7	38.2	41.1	37.1	39.3

Note: Rur_M – Rural Male; Rur_F – Rural Female; Rur_T – Rural Total; Urb_M – Urban Male; Urb_F – Urban Female; Urb_T – Urban Total

Source: Estimates based on unit records of NSSO 71st round data

TABLE A2

Dropout by Levels of Secondary Education, Location Gender and across States among Age Group 5-29 (in per cent)

States/Uts	*Rur_SM*	*Rur_SF*	*Rur_ST*	*Urb_SM*	*Urb_SF*	*Urb_ST*	*Rur_HSM*	*Rur_HSF*	*Rur_HST*	*Urb_HSM*	*Urb_HSF*	*Urb_HST*
Andhra Pradesh	37.9	27.4	32.7	45.8	39.9	42.3	58.2	57.8	58	44.5	44.4	44.5
Assam	33.9	39.7		35.4	30.2	32.9	24.4	26	25.1	3.2	26.8	15.8
Bihar	25.7	17.3	22.3	11	5.8	8.2	10.8	8.3	9.8	3.4	9.9	6.6
Chhattisgarh	27.5	47	35.1	61.4	47.1	56.1	23.7	30.3	25.5	41.6	27.1	34.3
Delhi	9.3	22.2	14	51.2	30.6	44.6	47.9	22.9	35.6	22.7	16	19.2
Gujarat	54.1	41.8	48.8	47	35.7	42.5	17.3	4.3	13.3	15.2	4.9	11.1
Haryana	9.9	13.2	11.6	55.3	0.9	26	6.7	0	4.1	9.5	2.3	7
Jammu& K	52.9	63.4	57.3	44.6	62.6	50.4	57.7	27.9	46.4	40.6	37.9	39
Jharkhand	23.8	28.4	25.8	35	54.9	44.5	19.6	7.4	15.7	48.3	8.5	33
Karnataka	49.7	37	42.6	39.8	25.2	32.5	42.5	36.7	40	37.5	14.5	23.9
Kerala	47.5	57	52.1	51.3	49.9	50.6	39.1	46.8	43.5	52.6	27.1	39.6
Maharashtra	56.1	52.2	53.9	44.7	34	38.9	35.5	41.4	38.3	25.9	19.1	22.3
Madhya Pradesh	56.9	58.3	57.4	52.9	34.9	45.2	16.7	15.4	16.1	18.7	2.4	11.5
Odisha	69.2	63.3	66.4	56	55.7	55.9	50.9	26.5	39.3	32.5	32.3	32.4
Punjab	12.2	15.5	13.7	15.2	17.6	16.2	10.6	6	8.8	17	6.8	12.6
Rajasthan	49.6	33.9	43.5	52.5	32.8	45.1	18.6	21.2	19.6	20.3	19.1	19.8
Tamil Nadu	41.6	54.7	48.6	49.3	39.1	44.1	19.1	16.7	17.7	30.9	17.9	22
Telangana	12.3	10.3	11.2	15.1	5.2	8.5	24.2	57.3	36.9	16.2	22.6	20.7
Uttar Pradesh	27.8	10.4	20.8	26.4	28.7	27.2	8.4	1.4	5	15.4	4.1	10
West Bengal	61.4	55.9	58.5	34.5	45	40.6	52.1	50	51.1	29.8	31.3	30.8
All India	43.5	40.6	42.1	41.9	33.7	37.9	25.5	24.3	24.9	25.3	18.1	21.5

Note: Rur_M – Rural Male; Rur_F – Rural Female; Rur_T – Rural Total; Urb_M – Urban Male; Urb_F – Urban Female; Urb_T – Urban Total

Source: Estimates based on unit records of NSSO 71st round data

TABLE A-3

Earnings, Cost and Private Rates of Return to Education across States during 2005

States	*Mean Earnings*		*Household Cost **	*Total Private Cost*	*Private Rates of Return*	*Per Capita Income*	*Per Cent of Total Cost in Per Capita Income*
	No Education	*Elementary*					
Andhra Pradesh	10531	17193	1964	12495	4.84	39727	31.5
Arunachal Pradesh	28164	60168	2038	30202	6.65	34352	87.9
Assam	17491	26412	1573	19064	4.22	21290	89.5
Bihar	8391	14452	841	9232	5.24	11051	83.5
Chhattisgarh	4110	7931	1012	5122	6.02	29385	17.4
Goa	28841	38830	1802	30643	3.22	108708	28.2
Gujarat	8673	15939	1879	10551	5.70	50016	21.1
Haryana	19591	24347	4084	23674	2.44	56917	41.6
Himachal Pradesh	24082	25463	2833	26915	0.68	43966	61.2
Jammu & Kashmir	28135	36046	3330	31466	2.74	27448	114.6
Jharkhand	13951	21968	1230	15181	4.56	24789	61.2
Karnataka	9065	14679	1631	10696	4.78	42419	25.2
Kerala	22325	28161	3182	25507	2.59	45700	55.8
Madhya Pradesh	5258	8472	1117	6375	4.74	20935	30.4
Maharashtra	8906	16407	2251	11157	5.72	57760	19.3
Manipur	12438	21516	3474	15912	5.27	23093	68.9
Meghalaya	28607	34166	1824	30431	2.03	34229	88.9
Mizoram	63499	65095	2672	66171	0.31	32488	203.7
Nagaland	18876	27128	4588	23465	3.80	39985	58.7
Orissa	5715	10506	1134	6849	5.70	27735	24.7
Punjab	23125	28502	4650	27775	2.36	49380	56.2
Rajasthan	12585	18901	1698	14283	4.18	26882	53.1
Sikkim	31145	50461	2244	33389	4.78	36448	91.6
Tamil Nadu	11550	18955	2167	13718	4.88	47606	28.8
Tripura	9351	23366	1828	11178	7.50	31111	35.9
Uttar Pradesh	11303	15253	1305	12608	3.24	17785	70.9
Uttarakhand	15786	20827	2324	18110	3.03	42619	42.5
West Bengal	11206	18924	2040	13246	5.10	31567	42.0
India	10321	17945	1956	12277	5.47	35825	34.3
CV (in per cent)	141	110	114	137	59	135	101

Note: * HH cost of children studying in government and government aided schools;
Source: Estimates of the Author based on Unit records of IHDS 2005, Unit records of 64th round of NSSO, CSO

TABLE A-4

Earnings, Cost and Private Rates of Return to Education across States during 2011-12

States	*Mean Earnings*		*Household Cost**	*Total Private Cost*	*Private Rates of Return*	*Per Capita Income*	*Per Cent of Total Cost in Per Capita Income*
	No Education	*Elementary*					
Andhra Pradesh	23319	35956	1571	24890	4.39	68970	36.1
Arunachal Pradesh	24414	120910	3613	28027	9.98	72091	38.9
Assam	43388	55027	1765	45153	2.64	37250	121.2
Bihar	19701	26400	1978	21679	3.17	22890	94.7
Chhattisgarh	8217	14576	1444	9661	5.45	46743	20.7
Goa	52500	86359	5895	58395	4.90	167838	34.8
Gujarat	22965	34679	4066	27031	4.22	89668	30.1
Haryana	36097	48290	3713	39810	3.16	108345	36.7
Himachal Pradesh	23061	45445	2095	25156	6.16	74694	33.7
Jammu & Kashmir	47910	65316	2566	50476	3.33	45380	111.2
Jharkhand	30242	44954	2047	32289	4.09	38258	84.4
Karnataka	25317	34953	3966	29283	3.45	68423	42.8
Kerala	51808	81227	4071	55879	4.53	80924	69.1
Madhya Pradesh	12075	20718	1902	13977	5.21	37994	36.8
Maharashtra	23397	35748	4480	27877	4.32	95339	29.2
Manipur	36184	59033	2784	38968	4.84	32865	118.6
Meghalaya	32710	39053	3639	36349	2.03	53542	67.9
Mizoram	33155	41956	4993	38148	2.62	54689	69.8
Nagaland	2600	54419	5122	7722	11.90	56461	13.7
Orissa	17135	28317	1638	18773	4.94	41896	44.8
Punjab	40324	48673	4734	45058	2.14	78633	57.3
Rajasthan	19586	36450	1144	20730	5.78	53735	38.6
Sikkim	39808	88947	1933	41741	6.91	124791	33.4
Tamil Nadu	32712	58908	2814	35526	5.56	88697	40.1

Tripura	23669	37714	4163	27832	4.66	50175	55.5
Uttar Pradesh	21594	30291	1712	23306	3.59	29785	78.2
Uttarakhand	31831	43553	1815	33646	3.36	81595	41.2
West Bengal	22700	36438	3852	26552	4.71	54125	49.1
All India	28515	48368	3054	31569	5.13	66278	55
CV (in per cent)	43	48	44	40	42	48	53

Note: * HH cost of children studying in government and government aided schools;
Source: Estimates of the Author based on unit records of IHDS II 2011-12, Unit records of 71st round of NSSO, CSO.

Journal of Educational Planning and Administration
Volume XXXIII, No. 3, July 2019, pp. 249-252

RESEARCH COMMUNICATION

Information Asymmetry and Adverse Selection in Higher Education: A Case Study of Selected Private Management Programmes in Coimbatore District of Tamil Nadu

Maneesha N*

Title	Information Asymmetry and Adverse Selection in Higher Education: A Case Study of Selected Private Management Programmes in Coimbatore District of Tamil Nadu
Research Scholar	Maneesha N
Supervisor	Professor S Iyyampillai
Department/University	Department of Economics, School of Economics, Commerce & Financial Studies, Bharathidasan University, Tiruchirappalli, Tamil Nadu
Degree Awarded	Ph. D
Year of Award of Degree	2018
Number of Pages	139
Availability of Thesis	Centre for Study of Social Exclusion and Inclusive Policy, Faculty of Social Sciences, Banaras Hindu University, Library

* Department of Economics, School of Economics, Commerce & Financial Studies, Bharathidasan University, Tiruchirappalli, Tamil Nadu.

Introduction

India has one of the largest higher education systems in courses of the world. In India, higher education includes degrees as well as diploma level that focus on general and professional/specialised courses. Over the past two decades, India has witnessed a rapid expansion of its higher education system with the domination of the private sector. In 2018-19, according to the All India Survey of Higher Education (AISHE), there were 993 universities, 39,931 colleges and 10,725 stand-alone institutions in India, of which around 38.77 per cent of universities and 77.8 per cent of colleges belonged to the private sector which includes private and private aided colleges. Of this category of colleges, around 64.3 per cent were private unaided colleges. State-wise data, available from the same all-India survey, show that in Andhra Pradesh and Uttar Pradesh, around 88 per cent of the colleges were in the private unaided category, followed by 87 per cent in Tamil Nadu. The total enrolment in higher education was 37.4 million with 19.2 million boys and 18.2 million girls, and private colleges accounted for 66.4 per cent of the total enrolment.

One of the criticisms levelled against these private higher education institutions (the providers) is related to the credibility of information they disseminate on the features of their programme (the course) while they contract[1] with the trainees, i.e. the students. In the context of contract theory, this refers to the problem of information asymmetry and market failure; this information asymmetry may result in market failure through adverse selection by the trainees --- where bad quality programmes (the lemons) drive good quality programmes out of the market. In this context, this study examined extent of information asymmetry and adverse selection in the market for higher education. The study is based on a case study of private unaided MBA programmes in Coimbatore district of Tamil Nadu.

Rationale of the Study

Providers are supposed to keep a greater degree of credibility in the market for education since education is an investment in human capital with lifetime returns. “An untrained worker may have natural talents, but it should be certified by the ‘educational establishments’ before the company can afford to use them, the certifying establishment must be credible.” Though there are a number of studies on various aspects of Indian higher education like financing as well as massification of the institutions in higher education markets, very few studies are available on information asymmetries in these markets. This study measures the extent of information asymmetry as well as adverse selection in the market for management education.

Review of Literature

The existing literature on the theory of information asymmetry is categorised into three sections. The first section defines the concept and various models of information asymmetry: (i) moral hazard (Ross 1973; Mirrlees 1974 and 1975; Harris and Raviv 1978;

[1] A contract in professional education market is defined as an agreement between the trainee and the provider for a particular period in which the latter is expected to give a package of training by which the former is expected to improve his or her skills to perform a particular profession.

Holmstrom 1979; and Shavell 1979), (ii) signalling (Spence 1973 and 1974; Grossman 1981; Milgrom and Roberts 1982; and Cho and Kreps 1987), and (iii) adverse selection models (Akerlof 1970; Rothschild and Stieglitz 1976; Stieglitz and Weiss 1981; Myerson 1983; and Guesnerie and Laffont 1984). The second section reviews the literature on information asymmetry in the education sector (Dill 2004; Lee 2000; Davis 2013; Rani 2010; Akerlof 1970; Kapu & Mehta 2004; Varshney 2010; Tilak 2008; Chattopadhyay 2012). The third section of the chapter describes the theoretical framework of the study.

The literature informs us that information asymmetry is a crucial problem with the investments in human capital like education. This information asymmetry between the providers and the trainees on the programmes adversely affects higher education markets in two ways. First, it adversely affects the decision making process of the trainees and thereby results in market failure through an adverse selection at programmes, and also affects the trainees' levels. Second, it gives wrong signals in the labour market. In both cases, it increases the real cost of education of the trainees.

Data and Methodology

In this study the information asymmetry is measured in terms of an information asymmetry coefficient (denoted as 'K'; where $0 \leq K \leq 1$) based on the information gap between the providers and the trainees on the features of the programme. The value of K varies directly with the value of observed asymmetry. For this purpose, 44 self-financed MBA programmes from the district under study were selected through stratified random sampling technique, from which 90 trainees and 48 middle level personnel (to represent providers) were randomly selected. The study employed a quantitative field survey to estimate the value of K. Finally, the responses were scored on a five-point scale and the information gap between the providers and the trainees on each information disseminated was assessed to formulate K as follows;

$$K \text{ for each variable} = \Sigma I / A \times G$$

Where,
I = information gap on each attribute
A = number of attributes
G = the maximum gap permitted for each attribute.

The study tested adverse selection as the difference between the actual and the expected return (at the time of joining) of the trainees. For the purpose, the study collected information on the actual returns (placement value) of the trainees (from March 2016 to November 2016). The scores were assessed with basic statistics like average, standard deviation, correlation and regression. The "t" and "chi-square" tests were used to comment upon the significance.

Major Findings

Based on the degrees of asymmetry (values of K varied, with mean 0.51 and standard deviation 0.21) observed in the market, the study classified the MBA programmes into four groups (less asymmetric: $K< 0.30$, moderately asymmetric: $0.30 < K < 0.51$, highly asymmetric: $0.51 < K < 0.72$, and extremely asymmetric: $0.72 < K$).

It is observed that information is better disseminated by the providers with a group of educational institutions as well as providers who are industrialists who form the less asymmetric group. Similarly, recent entrants into the market (past ten years) were found to be disseminating more of wrong information and form the extremely asymmetric group. They provided wrong information particularly on academic exposure ($K = 0.59$) as well as on labour market exposure ($K = 0.55$) of the programme. Therefore, substantial percentage of trainees highly disagreed with the providers on certain information like research (81.11 per cent), international tour (80 per cent), project in good companies (52.22 per cent), students exchange schemes (77.78 per cent), placement (61.11 per cent), and MOUs with the companies (62.22 per cent).

Finally, the study tested adverse selection as the difference between the expected and the actual returns of the trainee. The study found adverse selection in the market even in the less asymmetric group, where the expected return of the trainee varied significantly from the actual return ($t = 2.88$).

Conclusion and Policy Implications

The study observed significant information asymmetry in the market and concluded that the contracts between the trainees and the providers were not honoured in this market; most of the contracts were breached by the providers. Also, the trainees failed to get their due share from the training. Also, bad contracts drove good contracts (adverse selection) out of the market. It shows that the market for private management programme is a market for lemon as the major part of the market is held by the bad programmes, where either the bad has driven the good out of the market or the good has changed into lemon for sheer survival in the market. Providers make it possible through deliberately created information asymmetry where they keep the aspirants less informed. Simultaneously, the market behaviour of the trainees and the subjective nature of information disseminated in this market have been pointed out as the reasons for the observed asymmetry.

Considering the fact that this study represents institutions accredited by government agencies, the situation demands a more efficient implementation of the accreditation process, so that it works as an information agent in the market. Additionally, there must be a credible information data base along with a legal framework which can regularly monitor the information dissemination process by the provider and also to ensure that the contracts are honoured. Else, this information asymmetry would lead to market failure as in other markets, which would prove to be very costly considering the relevance of human capital in a country's growth and development.

In a nutshell, the thesis makes an important contribution towards understanding the extent and various dimensions of "information asymmetry" and "market failure" in education markets. Since the empirical context of this study is narrow, similar studies can be conducted to validate the genuineness of this study.

Journal of Educational Planning and Administration
Volume XXXIII, No. 3, July 2019, pp. 253-265

Book Reviews

PILZ, Matthias (Ed): ***India: Preparation of the World of Work: Education System and School to Work Transition***, Wiesbaden: Springer V S Verlag Für Sozialwissenschaften, pp. 357

As the very title *India: Preparation for the World of Work* suggests, this important volume, under review here, explores how the Indian education and training system prepares the youth and young adults for the "world of work" and also for the requirements of the employment market. The book has been edited by Prof Matthias Pilz who has been working as a full time professor of Business Education and director of the Centre for Modern Indian Studies at the University of Cologne (CMIS-UC). He is also director of the German Research Centre for Comparative Vocational Education and Training (GREAT). His contribution in the form of edited book *India: Preparation for the World of Work* is about the transition of youth and young adults from the closed walls of educational and training institutions to the employment market in the form of skilled human resource for the growing industrialisation sector. As stated in the author's introduction to the volume, the two chosen themes have been of utmost importance. The book very pertinently deals the construct called here the 'world of work' in the true sense comprehensively and understands 'school to work transition' in the broadest sense. It focusses on the scenario of education policy, curriculum design and cultural characteristics. The aspect of preparation, stated in the title, is understood in terms of classic terms in educational science to enable second generation to gain knowledge and skills to cope with the requirements of the world of work. Further, the book reflects upon the absence of a formalised system of vocational training in India and targets on researchers and students in political science, education and training, sociology, lifelong learning and non/informal learning, practitioners in the field of politics, teaching in VET (vocational education and training) institutions, HR managers in multinational companies which are active in India and the NGOs in India, and tries to formulate policies for the development of the economy by churning the skill gap scenario.

The book has taken up crucial issue which is of significance in social discourse on 'labour and employment.' This has been done through sixteen chapters which are the contributions made by academicians concerning the VET in India and how it has contributed in preparation of work. The book tries to shed light on the question: Why is the discussion about the preparation for the world of work so special in India? As the editor says, this is one side of the coin. The other side arises from the international context. The book ventures into mainstream issues such as formal/informal vocational education, skill gaps, and so on and so forth. Further, the contributions by various authors are based on primary, upper primary, secondary and higher secondary education, industrial training institute (ITIs) and centres, technical education in India, higher education and university, government initiative, company training, initial in India, training of teachers, NGO initiatives, education retaining,

training, informal learning, skill development under the national skills qualifications, labour market and recruitment, and the socio-economic impact of VET.

A Foreword, "*Reflection on Opportunities and Challenges of Skills Development in India,*" has been is provided by Shyamal Majumdar who follows very strategic approach in reflecting upon the policy which India is utilising for skill development such as strengthening technical and vocational education and training (TVET) system, engaging the private sector actively in TVET, aligning skills policy with national agenda of inclusive growth and integrating skills for sustainable development and green growth. Very enthusiastically, in Introduction, the editor has raised the question "*Why India's focus on preparation for the world of work is highly relevant?"* as the key question and concludes with "*A View from the Outside: India's School to Work Transition --- Challenges, Strengths and Weaknesses*."

Keeping in mind the low literacy rate and lack of skill training for a vast majority of the Indian populace poses a major hurdle to moving forward into the upcoming knowledge economy, policies are needed to ensure higher quality education and the expansion of vocational education and skill training for the poor and under-privileged. These issues of policy formulation are the hallmark of the time in order to produce upcoming generation of educated and skilled workforce who might be flexible, analytical and can serve as driving force for innovation and growth.

In his Introduction, Pilz has vey pertinently explained and elaborated the issues for the readers who are less acquainted with the formal Indian education system. Here the overview is more focussed, to be differentiated in the subsequent chapters. The editor has posed for his contributors some key questions in advance --- to be elaborated in the articles, with different emphases and different levels of intensity. The aim is to achieve a certain degree of structured discussion and coherence in the articles which cover a very diverse area; another aim is to acquaint the reader with a central theme, as orientation. These seventeen questions raised by Pilz cover the following --- aims of the programmes, institutions offering these programmes, financial assistance, special curriculum for the programmes along with institutions which are responsible for designing the curriculum, teaching and learning environment, teachers' educational backgrounds with qualifications and criteria to become a teacher, and so on. Apart from this, the contributors were asked to comment upon the cultural aspects of and understand the society. Another issue concerns the comparison of VET with general education content in society and what employees articulate about the content. The editor has also invited suggestions about any national or regional strategy that can push ahead the preparation for the world of work in the education system. Pilz concludes the chapter by taking up the issue of 'transition from school to work in India.'

S N Tara and N S Savath Kumar have raised a query regarding the causal link between education and economic performance. According to the authors, economic analysis shows that, on the whole, improvements in school level education lead to improvements in economic performance, and is is more so than the other way round. According to them, it is improvement in cognitive skills that matters for economic growth rather than the years of schooling. The study indicates the abysmal position of VET in India, where only 3 per cent of secondary school children are enrolled in the vocational stream. Despite the doubling of the number of schools offering vocational education, as stated in the Eleventh Five Year Plan. Further, the authors state that the industrial and labour market trends indicate the necessity of strengthening vocational education in India by introducing bivalent schools and Sector

Skill Council (SSC). This would definitely broaden the vocational base at the secondary level of education. Apart from this, they laud the present government's poignant goal of 'Make in India' which incorporates major new initiatives designed to facilitate investment, foster innovation, protect intellectual property, and build best-in-class manufacturing infrastructure. The authors also recommend that a vocational qualification framework should be designed, apart from introduction of a vocational university along with polytechnic community colleges, community polytechnic and other vocational programmes. An important weakness of the present education system is the dysfunctional linkage between education and the world of work. Preparation for the world of work must begin at an early stage of child's educational journey, keeping in view the poor skill development at the primary and upper primary levels.

V Gupta, C Raman and B Kriasthan are concerned with secondary and higher secondary education. With their sharp acumen, they have investigated the challenges faced by Indian VET system --- with low employability of VET graduates due to the skill mismatch. The changing trends of vocational education at secondary level of Indian system have been elaborated pertinently. A profound description of the current scenario of vocational education at secondary level, different institutes and government agencies offering vocational courses, the curriculum followed, teaching methodologies, assessment methodology and certification pattern is dealt with. Indian VET system is on the verge of failure due to the mismatch between VET graduates' acquired skill and the industries' requirement. The authors recommend forging a curriculum reform and streamlining the VET's regulatory body.

The contribution by Kothandarman Kumar deals with the formal vocational training route to enter the world of work. To encourage the vocational training and overcome the shortcomings, an extensive programme on skill development has been launched by the Government of India, where vocational training will be delivered by the industrial training institutes and vocational education will be introduced in secondary schools, and widening the scope of vocational training to the informal sector through National Skill Qualification Framework (NSQF). The chapter focuses on the ITIs as the vehicles of vocational training preparation for the world of work.

R Venkatram's contribution is on technical colleges, titled "Technical Education in India: The Strengths and Challenges." It talks about technical education playing a major role in imparting technical skill and industrial development. Considering the current demographic scenario in India where a majority of population is below the age of 25 years, higher educational institutions play a critical role. The paper tries to explore the structure of higher educational system with special reference to technical education, the strengths of these institutions and the challenges faced by them in providing such education. Besides, an increase in the number of technical institutes, and also their privatisation, have posed the challenge of maintaining quality education. Private institutes, along with the government institutes, share the responsibility of preparing the youth for the world of work. Further, the author recommends that in the current scenario of superfluous supply of institutions, a long term strategy is essential to create more jobs and enhance employability. To address the quality education issues, the GoI has launched the Technical Education Quality Improvement Programme (TEQIP), with the financial assistance coming from the World Bank.

"Higher Education/University: Taking the Skills March Forward in India --- Transitioning to the World of Work" is the title of the paper by Mona Khare. The paper tries to capture the changing profile of Indian higher education (HE) seekers and the system per se. It argues that higher education in India needs to make a leap from education for the sake of education, to education for better livelihood, to education for better living in order to provide for a smoother transition to work for the HE graduates.

The shortcomings of higher education such as non-trained faculty to take up the additional responsibility of introducing effective job oriented courses and making meaningful industry academic linkages are the issues raised by M Khare's contribution. He also elaborates upon the fact that academic, vocational and technical education remained distinct streams for long, with very little scope for either horizontal or vertical transition from one to another. Further, the chapter also discusses the imbalance between supply and demand, with the graduates coming out of quality institutions being short in supply but high in demand. The numbers of highly educated graduates are found to be falling short of meeting the employers' expectation, who feel thereby forced to take up jobs which are much below their educational qualification levels.

In his contribution, Palanithurai visualises the VET and government's efforts in the form of programmes which aim to prepare the youth for the world of work and also improve the economy, employment and income scenario, increase productivity and reduce social tensions and unrest in our present context. VET has been considered as an economic exercise rather than a strategy for development of human masses. Further, the chapter highlights the National Skill Development Mission that aims to address the challenges posed by the Indian economy and the question of how to take advantage of the demographic dividend. The success of any development initiative or programme depends on a number of factors, of which proper implementation of the initiative is a crucial factor. This mission will address the gaps in skill development and vocational education, and take the required steps to address them.

Ramasamy and Mani focus on in-company vocational training, its implications challenges and its advantage for both the employees and employers. The blue chip companies often use in-company training as a strategic plan. In-company training has many advantages for both employers and employees. As a result, many large companies leverage it as a part of their strategic plan. Upgrading the skills of employees as per requirement is cost-effective, efficient and advantageous. The introductory part of the chapter highlights that Indian labour market is facing an acute shortage of skilled and semi-skilled workers, even in the labour intensive sectors. Further, training has been considered as the process of building skills and imparting knowledge. Training improves the ability of unskilled and semi-skilled people, and is one of the major influencing factors in retention and attrition of the employees in a company. The authors recommend that vocational institutes should work closely with companies in order to offer market relevant training courses.

"Training of Teachers: Institutionalising Training and Development of Academic Faculty of TVET Institutions for Realising Excellence" is the title of a chapter contributed by Ajithkumar. The author feels that teachers and trainers will be the cornerstone in the whole process as India moves progressively towards becoming a 'knowledge economy.' He puts forth the rationale of Staff Training for Excellence, for building a knowledgeable and skilled workforce; this is seen as the most important human capital required for the development of

India. At present, India does not have a national body that be responsible for developing competence during vocational education and training. In 2013, there was a proposal to set up a centre of excellence in vocational teacher training in India under the auspices of the Australia India Education Council (with NSDC).

Another chapter deals with the initiatives of the non-government organisations (NGOs) in bridging the skill gaps by involving themselves in skill development programmes. Here, Engaiah has analysed the role of NGOs in skill development. The study analyses the role of two NGOs in governance perspectives, whose analyses show that these NGOs targeted some unskilled educated youth from socio-economically weaker sections; this resulted in fruitful outcomes through the skill training imparted. These NGOs have established the required infrastructure by roping in financial resources from multiple sources and have rendered the socio-economically weaker sections as economic actors by providing them skills.

The chapter by Badrinath takes up the issues of education, training and retraining for a skilful India in order to change the dreams into a reality. The study concludes that unemployable youth must be converted into valuable assets by providing them further education and training. The Indian companies do face various challenges in offering training programmes; these includes low budget allocations, top level managers lacking faith in training outcomes , lack of adequate infrastructure inside the organisations, the fear of losses in production, productivity and profit margins.

The contribution by Sodhi and Wessels is based on the rationale that there is still a need to strengthen the employability in the rural areas; this requires keeping a track of the status of education and skill development in the informal sector. The government has intensified its efforts and has created a separate Ministry of Skill Development and Entrepreneurship in 2014, as it did understand the importance of the issues of skill formation in the informal sector and the existing skill gaps. This paper appears to be useful for the government in understanding the issues of skill formation in the informal sector where large chunks of workforce are concentrated.

Vinay Swarup Mehrotra's chapter is titled "NVEQF: Skill Development under the National Skills Qualifications Framework in India: Imperatives and Challenges." The paper reviews the steps undertaken to integrate vocational education and general education through vocationalisation of education and skill development initiatives under the NVQF and the challenges facing the Indian economy.

Agarwal, Rao and Venkatesh highlight the lack of technical and interpersonal skills in the Indian engineering graduates; this remains one of the major reasons for low employability of young technical graduates which, no doubt, hampers the growth of our economy. The authors have focussed on the issue that the government's target to provide skills to and employ 500 million people by 2011 showed the urgency of the situation which required a well defined strategy and its effective execution. This, in turn, required a collaboration between the industry, academia, professional institutions and the government in order to achieve the envisioned employment generation for all. Industries should work in collaboration with the NSDC to define the competencies required for productive employment. Further, academic institutions must interact with industries to know about the current technological practices and their work related challenges. There is the need to bridge the gap between education and employability, and thus to help the country to benefit from its unique demographic advantage.

Ahmed has taken up an important issue. His paper is titled "Socio-Economic Impact of VET: Are Students Interested in Joining Vocational Education and Training in India, in the Context of Skilling Mission in India." As the title indicates, his contribution discusses the socio-economic impact of VET. He says the cost effectiveness of VET in India is high, but is prone to dominance by private institutions. As compared to the government-run VET institutions, private VET institutions charge much higher fees which only students from financially strong families can afford. Therefore, who wills to pursue it and who does not has become a matter of choice. Lastly, the author argues that how we perceive the VET depends on the perspective of the observer. Looked upon in a top-down perspective, it appears that VET is a matter of second choice in India. Adopting a holistic view of Indian education system and its participants, it can be concluded that VET is inaccessible for most of the Indian population. The presentation and the three-level analysis surely does not deal with all the strengths and weaknesses in a comprehensive manner. The key point is that governance and development of the Indian education system can only take place in terms of and from a multi-dimensional perspective, and in an interconnected and coordinated manner.

The book draws readers' attention to the strengths of the VET system and the challenges that need to be overcome, by looking upon issues like the skill gaps, in-company training and so on. The book will definitely be a valuable asset for those who are interested to know about the situation of the knowledge economy, VET, comparative education, social policy and justice, and skill and workplace learning. While going through the book, the reviewer came across a number of issues that need to be addressed --- such as the role that VET would play in strengthening the education of girls and women in rural area. Though now many steps have been taken to strengthen the position of women in the society, like the USHA skill centres, ICICI skill development training institute, and so on, a lot more is still to be desired. There is need to provide strength to the semi-skilled masses at the grassroots level, through VET, who are willing to work and have the potential but lack the desired skills. Further, regional discrepancies between the rural and urban areas must be carefully analysed and VET should be so implemented at the school level that each child comes to possess the VET skills. Skill education must be linked to the quality of life and service to the society; It should focus more on the informal sector where skill development is required as a tool of poverty alleviation.

Overall all the chapters are written in a lucid and journalistic style, and are not burdened with too many tables and references. One may find the book an interesting and easy reading for the professional academicians as well as general public. The central message that the book carries is that the working of the economic system and public institutions finally determines our success in filling up the skill gaps and increasing employability in the Indian economy. A value based educational system is needed to instil proper values in our youth and prepare them for the world of work.

Giri Institute of Development Studies,
Lucknow

Rajendra Prasad Mamgain
Email: mamgain.rp@gmail.com

HAMILTON, Lawrence (2019): ***Amartya Sen (Key Contemporary Thinkers Series)***,, U K, Polity Press, pp. 192, Paperback

Amartya Sen was awarded Nobel Prize in 1998 for his contribution to welfare economics and the social choice theory. Sen is known widely for his seminal work in development economics, besides political theory and philosophy. Given his accomplishments, it is rare to come across the critique of Sen's work. The book under review is not only a rare attempt, but also a competent anatomy of Sen's selected works. The book runs into five chapters covering major works of Sen, viz, choice, capability, freedom, justice and democracy. The introductory chapter sets the context, spelling out the objectives of the book. The chapter on Choice is discussed under two sections, social choice and deprivation, focussing on the axiomatic theory of social choice, definitions of welfare, poverty, inequality and deprivation. Sen's most significant advance here has been to criticise two of its central components: its unique focus on utility as an informational base and an associated but constrained view on rationality. The author brings out how Sen confronted the social choice theory in dealing with these impossibilities in real world.

Choice remains Sen's manifold contributions to economic, philosophy and politics. It has been shown by the author that Sen's expansion of how we conceive of choice and reason, still tied to social choice mechanisms, proves important in his later works centring around freedom, justice and democracy. Sen's challenge has been to describe how we can systematically and practically use 'something as complex as interpersonal comparisons involving many persons.' It is this that makes Sen's views on inequality to spread across domains: inequality of income, wealth, opportunity and so on. The concern for capabilities is explained through 'exchange entitlements' of what one owns. A person's ability to avoid hunger will depend on her/his ownership and exchange entitlements. What a person owns and her/his exchange entitlements will depend on her/his position in the economic class structure as well as the modes of production in the economy. Sen argues that poverty should be examined in the space of capabilities.

What follows from the diversity of inequality, Sen is interested in determining which of these diversities is the most important in the content of inequality. Inter personally as does the transformation of resources into need fulfilment, generally primary goods (Rawls) or resources (Dworkin) can fail to yield equal satisfaction of needs. Deprivation matters in measurement and aggregation in members of individual groups and classes. On gender and inequality, Sen suggests that inequality inside the household is one of 'resource-use' and of the transformation of the used resources into capability to function, and neither class of information is well captured within the family. The author explains lucidly what Sen means by 'capability' and 'functioning'. This chapter concludes that "he (Sen) begins his efflorescent career with a set of searching critiques into its main foundations: scepticisms regarding interpersonal comparison, 'Pareto optimality;' revealed preference, utility, rationality, poverty, inequality and welfare." The constant concern has been the informational basis for measurement in Economics in general and the assessment of living standards in particular – income, primary goods and resources.

In the second chapter, which is on Capability, the author brings out how Sen was influenced by John Rawls, contemplating whether the alternative structure provided by

Rawls could be a basis for defensible and workable alternative. Sen's view on public evaluation has been via functionings and capabilities, and constitutes an alternative to series of ideas in economics and political philosophy that predominated more than a century; utility (via utilitarianism in general and welfarisim in economics), primary goods (Rawls) and resources (Dworkin). Sen's conceptual innovations, combined with a view of objectivity and an assertive incompleteness on the role of theory in practice, provide an alternative on a number of problems with two main philosophical positions: utilitarianism and Kantianism. Sen provides a conceptual reorientation and a means of evaluating that really matter to humans: well-being, agency, quality of life and standard of living. This conceptual advance on utility, primary goods, and resources situates freedom at the centre of any capabilities-oriented assessment. Sen keeps his concern for capabilities as an instance of incomplete theorisation and how he links this directly to freedom is examined in the third chapter, titled Freedom.

The freedom he propounds and defends is best described as 'effective freedom.' The author calls this as 'effective power,' and it is closely linked to Sen's earlier work on preference and choice. This chapter is explained with three subsections, viz, literature, rationality and power. Under the section literature, the author historically examines the three main ways of thinking about freedom in vogue since the late 18th century: negative, positive and republican. Sen's view of freedom as effective power is closer to a view as the fourth power. Sen views freedom through the lens of social choice theory in general and the priority of reasoned preferences in particular, and this is based on a specific view of rationality. Sen is convinced that rationality and freedom are interdependent. Freedom has dual role in this relationship for two different reasons, viz, 'opportunity' and 'process.' He calls this as 'comprehensive outcome.' As the information basis for coming to a 'comprehensive' view of an individual's freedom, the focus is on 'human life' in its entirety, it focusses on the 'opportunity to fulfil ends and the substantive freedom to achieve these reasoned ends.' The four pillars of his capability approach are: well-being, agency, freedom, and the role of choice therein. Sen places much importance on the ability to achieve well-being and the freedom to choose between different lives that lead to well-being. Sen makes additional effort to show that what is at stake here is 'multiplicity of preferences' based on a 'multiplicity of reasons.' While concluding the third chapter, the author brings out two lines of critique:

(i) Sen avoids the most important political question around the relationship between power, politics, and the formation of agents' capabilities for freedom; the capacities (the powers) to determine what are deemed feasible. It has thus been astutely brought out by the author that Sen's views on freedom can be called a 'private' view of freedom.

(ii) Sen places a lot of emphasis on discipline, the preferences individuals might have about their preferences, 'cultural freedom' and 'role of cultivation in being able to enjoy music and the fine arts.' To substantiate this point, he refers to J S Mill's higher pleasures over lower pleasures. The author questions aptly is the kind of thing Sen has in mind when he refers to 'reasoned scrutiny' and, by extension, 'things we have reason to value?' The author retorts: isn't this not too much of an assumption, given the plurality of human life Sen repeatedly points again and again?

Public reason and its role in democracy, as conceived by Sen, lies at the heart of this book's main conclusion on which the Hamilton mounts critiques of Sen's accounts of justice, democracy and public reasoning. On the question of justice, in fourth chapter, the author notes that in the recent times, political theorists and philosophers view justice more precisely distributive justice. Sen is no different and considers freedom to lie at the heart of justice. This chapter is analysed under four subsections on distribution, injustice, comparison and impartiality. On distribution, the author lays out Sen's original view of justice, focusing on instances of injustice, comparison and impartiality. The author brings out how Sen's views on justice, rather distributive justice are influenced by Anglo-American political philosophy which influences us on how best we ought to understand politics.

The author critiques Sen, saying that institutions and outcomes as well as the associated fair distribution of goods therein depend not on pre-political and universally applicable legal structures but on representative and participative institutions that enable the articulation, identification and evaluation of actually existing needs directed towards overcoming domination. The author further explains that Sen's faith in 'public reason' leaves him blind to the fact that the problem may not be just be 'valuational plurality' and associated stubborn conflict, even despite the 'confrontation with reason,' but the conflict may have its source in irrevocably partisan interests that undermine the very idea of impartiality that lies central of Sen's account of justice. The author brings outs Sen's lack of attention on the political theory on the 'enforcement problem' becomes more problematic; how public reason and public action is ineffective in the hierarchically structured political economic and social systems. Hence, the author suggests the social, political theorists and philosophers to think beyond the mere dynamics of collective judgments and decision making. There is a need to think harder about the institutional dynamics of how to act on our decisions and work out mechanisms for making these decisions both enforceable and legitimate. This indeed lies at the heart of democracy which is discussed in the next chapter, on democracy.

In this chapter, the author commends Sen, saying that he is not only a champion of democracy to a large extent in India but also in Europe and the US, especially since the 2008 financial crisis. Looking at historically on democracy, the author simplifies the views of democracy in three different ways: (i) minimalist or elite view of democracy (ii) liberal or realist view of democracy and (iii) deliberative democracy. He notes that Sen's views on democracy fit in with the third view of democracy, which stress on the role of discussion, dialogue and public reason. The author retorts categorically that we are left with an approach to democracy (Sen's) that lacks *realism*. The author is utterly unconvinced that it is not clear as regards discussion, reason and rights can provide the 'security' and 'motivations' necessary to secure the kind of democracy Sen has in mind. This chapter is explained under three subsections such as public reason, human rights, and global imperatives.

The author brings out how Sen's view on democracy is at odd with his position on capabilities and completeness. Further, Hamilton notes that Sen does not seem to identify two big related questions on media; (i) how do we ensure the right kind of behaviour by the media or ordinary citizens?, and (ii) How do we ensure that existing or new power relations do not repress some voices, exclude certain forms of discourse or set the agenda? The author brings out the lacuna that his focus on public action avoids the dichotomy between state and market in mainstream economics. The author is upset that though Sen displays awareness of the institutional background of power relations and their link to entrenched,

multi dimensional inequalities, in the end, what does it mean, in practical terms for democracy and development? Sen conspicuously missed out the diagnosis of the institutions and power relations that have given rise to such distorted status quo.

In thinking about democracy, the worry is the priority Sen gives to impartiality and public reasoning is in danger brushing aside the main matters of disagreement. Hamilton retorts that the manner in which Sen links justice to democracy via the notion of public reasoning and impartial scrutiny, is, ironically, idealistic. This leaves out large wrap of concepts and concern that lie at the heart of democracy both in theory and practice, especially the roles of representation, power and institutions in democratic politics. Further, Sen's view of politics which is distributive justice has four problems: (1) politics is also about freedom, security, the coordination of action, the exercise of influence, the regulation of power relations, the overcoming of domination, the control of the use of force, and so on; (2) unique focus on justice presumes that justice will have something to do with rules (and principles) and conformity to such existing rules or with conformity to a better set of ideal rules. Although Sen is interested in converting the goods into capabilities, he is much less concerned with how goods are produced and what effect they have on our lives and preferences. Despite Sen's conception of an 'ideally good social order', there is nothing in his account of justice that is aimed at questioning the basic foundations of our existing local and global social orders.

Not only Hamilton points out the flaws, but also lucidly explains why such flaws occur. As the author puts it vocally, what is needed is the courage to discard some of the main underpinnings of the received views on justice: (1) that a fully rational and objective account of justice is necessary for humans to act in the world, i.e., justice might always involve irreducible conflict; (2) that evaluation of the effects of social choice, individual behaviour and the formative role of existing institutions lies at the heart of justice; and (3) that an assessment of existing power relations in terms of whether they generate states of domination cannot be avoided in assessments of justice and injustice. The author strongly notes that in order to right the ship of justice, theorists need to take more seriously two related and underemphasized concepts of justice. (i) judgement, power, relations, and overcoming dominion are central to achieving practical justice; (ii) it is necessary to combine an account of freedom with the identification, satisfaction and evaluation of needs and to show how a politics of needs is not aimed at resolving conflict but is rather about justifying partisan institutions of representation that may help institutionalize and control (class and other) conflicts.

The author ends his insightful critique by providing constructive suggestions for extending Sen's work to be realist and helpful in political action. The author suggests that it would need to provide citizens with the real means, power or capabilities to (i) to overcome obstacles in their everyday lives; (ii) resist social convention; (iii) choose their representatives; and (iv) influence, by means of their representatives, their social and economic environment. The author needs to be commended for his excellent job of explaining Sen's ideas, more understandable than Sen himself. Understandably, it is rare to find a critique of Sen, but Lawrence Hamilton's book on Sen has been an exceedingly balanced, nuanced account of not only the plus and minus of Sen but also historically examining the developments in three different disciplines: Economics, Politics and Philosophy. The way in which connecting link has been made from one chapter to another,

the questions sraised at the end of the each chapter, is actually the link or the heterodox of economics that off from economics to philosophy to politics. This book is a must read for students of Development Economics, Politics and Philosophy and anyone who is interested in understanding Development per se and Amartya Sen in particular.

Department of Educational Planning,
NIEPA, New Delhi - 110016

P Geetha Rani
geethselva@gmail.com

GANDHI, Malli and KOMPALLI H S S, Sunder (2020): ***Denotified Tribes of India: Discrimination, Development and Change,*** New Delhi: Manohar Publishers and Distributors, price: ₹ 2250.00

The Denotified Tribes (DNTs) or *Vimukta Jatis* in India are those communities within the Scheduled Castes, Scheduled Tribes and Other Backward Classes who were removed from a list that notified them as criminals under the Criminal Tribes Act of 1871. The Act that included around 200 communities under the category of hereditary criminal tribes, cementing their social identities as outcasts, and liable to constant police harassment, was repealed and replaced by a Habitual Offenders Act (HOA) in 1952. The United Nations Committee on the Elimination of Racial Discrimination, in 2007 further criticised this Act and asked India to repeal it and rehabilitate the tribes. Some of the government initiatives towards this end have been the commissioning of the National Commission for Denotified, Nomadic and Semi-Nomadic Tribes (NCDNT) established in 2006, the Renke Commission Report in 2008 and the Idate Commission Report in 2017. A Development and Welfare Board for NCDNT has also been constituted in 2019.

The DNTs in India have largely remained outside the purview of scholars, historians, artists and analysts, and are also in want of an official population estimation. These facts make the book an especially valuable addition to the literature on issues faced by the DNTs in India. The book under review is based on an indepth study conducted by the authors in some of the major settlements of DNTs in India and is divided into five parts, each covering a major objective of the study.

The first part of the book deals with the concept of DNTs, its origin and proliferation in society through the colonial period. This part also differentiates and defines the Semi-Nomadic and Nomadic Tribes which were so far clubbed under the title of Denotified Communities (DNCs), thus, scrutinising the evolution of the concept of stigmatised communities in India. However, a frequent switch-over between the concepts of DNTs and DNCs in this part may confuse a neophyte. The authors quote various studies and academicians to describe what conditions led to the emergence of *looteras*, bandits and *thugs* amongst them. The book states that faced with famine, abject poverty, forced serfdom under powerful castes and squalor, many turned towards mischievous activities such as robbery and dacoity. Over time, in order to curb these activities amongst some such tribes, various colonial acts were formulated to either categorise entire communities as criminal or force them to move into settlement areas that were governed by Christian missionaries with heavy police deployments. Their freedom to commute out of these settlements was

restricted with passes allotted to each member who required to register their movement plans and daily activities to the administration. Besides being humiliated rampantly, most often the police would cook up false charges in order to frame them. This promoted bribery in lieu of freedom. It soon turned into a vicious cycle of development led displacement from natural habitats and occupations, leading to minor criminal activities, followed by a criminal identity.

In the second part of the book, the authors give an elaborate chronological description of the draconian acts that were evolved in the name of maintaining law and order under the British regime, and were used for harassing and chastening the DNTs. Some academicians believe that these legislations between 1871 and 1905 were also measures to curb tribal rebellions against the colonial rule or to force religious conversions. Some of the other reasons for the Britishers to look down upon the DNTs and criminalise them were the non-comprehension of their social practices, 'inferior' food habits, liquor consumption and the maltreatment meted out to them by the higher caste Hindu society. Local governments were endowed with special powers to declare whole communities as criminals based on the records of crime being committed by its members. The study makes it clear that although the government tried to settle these tribes and provide them with opportunities for livelihood, education and health, there were too many loopholes in the quality of facilities being offered; these made the DNTs feel all the more persecuted and get reckless.

The third part of the book elaborates on the livelihood practices within the settlements initiated for disciplining them into law abiding communities. Officers such as sub-inspectors, assisted by police constables, maintained law and order. In case of any deviation, severe punishments were meted out. The administration decided on the kind of work to be done by members of these groups, such as breaking clods, spreading earth, supplying water to machinery, etc. Every settlement had had a supervision department consisting of government officials. Different registers on land, loans, cattle, stone, work etc were also maintained. Strict regular visits of government officials for supervision of the account details of government grants were frequently manipulated by shrewd managers. Thus, there was a perpetual problem of grant deficits. Land for agricultural was provided to the settlers, but it became a gamble for them to invest their hard-earned money in places with water stagnation and no facilities of irrigation, for instance in the reserve forests near Betapudi. There were some industrial settlements, with carpentry, weaving, blacksmithy, repair shops, stone quarrying and brick making being some of the other activities. Settlement managers tried to keep the tribes occupied throughout the year in order to avert their indulgence in criminal activities and sometimes even ordered arbitrary transfers to isolated places such as the Andamans. Outbreaks of cholera and smallpox, failure of crops being cultivated by these settlers, the great famines and economic depressions led to their diminished morale and eventual restlessness. A few settlements were indeed transformed successfully into non-criminal, agricultural or industrial settlements under the efforts of Christian missionaries.

The fourth part of the book focusses on the constant neglect of the educational and health status of the settlers, with almost no focus on opportunities for higher education. During the colonial times, health menaces such as malaria, dysentery, eczema, leprosy, smallpox and cholera led the government to introduce district medical and sanitary officers in the settlements in order to inquire into their conditions and take suitable actions. A noteworthy effort of Christian missionaries was their use of advanced clinical techniques,

food and clothing supply, but they had a religious fervour to it which often met with opposition from Hindu caste groups. Children in these settlements were regimented and controlled in schools, and were sometimes even painfully alienated from their families into boarding schools. Education was carried out in non-indigenous languages and the curriculum was in no way a reflection of the community knowledge on medicinal practices, ecological diversity, climate patterns, spiritual attitudes, art and mythology. It gradually made the students disinterested. Only a few schools, like the one in Siddhapuram settlement, worked satisfactorily. Traditional skills like acrobatics and athletics amongst the Dommara tribes declined and only some discretely limited efforts were made to preserve the Adivasi languages and literature by colonial officers. Thus the DNTs got no opportunity for psychological integration with the larger society.

The authors conclude with the fifth chapter on reforms and changes that have taken place so far and is further required. The book suggests that at present many DNTs have moved away from a criminal life through interventions from government and social workers. The authors emphasise upon the need for civil society organisations and police administration to come forward to help these communities, "wean them away" from delinquencies and settle them down. Although the authors point out that these 'criminal tribes' were a product of the "bourgeois social and political order," usage of terms such as 'wean away' could have been avoided, as they point to a subtle prejudice against these individuals, blaming their inherent nature rather than their circumstances.

The book makes a strong case in favour of the inclusion of lived experiences of struggle by these people. It also highlights the environmental stigma, familial pressure, extreme poverty, drug addiction and lack of guidance; these were what led individuals belonging to these tribes to the world of crime. These are also stories of bravery and change, and all the respondents had eventually reformed themselves into respectable individuals, completely shunning the world of crime.

One major lacuna observed in the book is a compulsive repetition and overlap of facts. The need for a clear and concise etymological description of the term DNTs was also felt while reading the book. In conclusion, however, it is a much-needed work and the authors need to be appreciated for their extensive empirical research. The book is undoubtedly a precious addition to that part of history which is often suppressed in India. When making policies for these communities, their historical accounts should form a major basis for planning. Somewhere in the larger consciousness of these communities, there remains a mark of the historical injustices against them. Unless enough is done to deal with these collective memories, their reform in a real sense will remain impossible. Despite different commissions clearly recommending the repeal of Habitual Offenders Act, the fact that it is still enforced in ten states and enacted in several others, speaks volume about our lack of concern for these communities. The authors deserve admiration for a detailed settlement specific analysis of the DNTs; this provides an excellent reading in this field as well as a valuable resource for future studies and researches on DNTs in India.

Research Scholar, National Institute of Educational Planning and Administration, New Delhi-110016

Nilanjana Moitra
moitranilanjana.nuepa@gmail.com

Subscription Form for the

Journal of Educational Planning and Administration

Please enroll me for the subscription of the
JOURNAL OF EDUCATIONAL PLANNING AND ADMINISTRATION

Name and Address
(in Capital Letters) _____

_____

_____

PIN _____

Subscription for the calendar year _____. Annual Subscription for the **Quarterly** journal commences with January and ends with October every year.

[Please tick mark (☑) the appropriate one]

- ☐ ₹ 150/- Subscription for individuals in India
- ☐ ₹ 350/- Subscription for Institutions in India
- ☐ US$ 60 Subscription for individuals outside India (By Air Mail)
- ☐ US$ 85 Subscription for Institutions outside India (By Air Mail)

NIEPA offers 20% discount on subscription for three years and above. Please make the payment by Bank Draft in favour of **NIEPA** payable at **New Delhi** or through **Online Payment Mode:**

Details of the Enclosed Online Payment/Bank Draft:

Payment ID/Bank Draft No. …….. for ₹ / US$ ……..

Dated…….. Drawn on ……..……..

Date…… Signature……..

Please mail this subscription order form along with the Bank Draft/Payment Receipt (for online payment only) to:

The Deputy Publication Officer
National Institute of Educational Planning and Administration
17-B, Sri Aurobindo Marg, New Delhi-110016 (INDIA)
Tel: 91-11-26544875, 26544800 Fax: 91-11-26853041
E-mail: niepapublications@niepa.ac.in

Journal of
Educational Planning and Administration

Regarding subscriptions, advertisement, circulation, missing issues, etc., please contact

Deputy Publication Officer
National Institute of Educational Planning and Administration
17 B Sri Aurobindo Marg, New Delhi 110016
Tel: 011-26544875
E-mail: niepapublications@niepa.ac.in

Regarding exchange of the Journal and missing issues, please contact

Librarian
National Institute of Educational Planning and Administration
17 B Sri Aurobindo Marg, New Delhi 110016
Tel: 011-26544811
E-mail: pujasingh@niepa.ac.in

Only editorial matters be addressed to the Editor, JEPA
Tel: 011-26544856 or 26544800
E-mail: jepa@niepa.ac.in

For more details please log on to our website: www.niepa.ac.in