CHAPTER 7

FINDINGS AND SUGGESTIONS

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7. FINDINGS AND SUGGESTIONS

1. The hypothesis that there is no correlation ship between GDP growth rate and growth in Government’s spending is rejected after testing. There is a positive coefficient of correlation of 0.986 between the two variables. Hence, the alternate hypothesis that there is a correlation between the two variables is accepted.

2. The analysis of secondary data indicates that Government of India does not make adequate budgetary provision (the benchmark is to spend 6% of GDP) for education in general and higher education in particular.

3. International comparison of spending on education by select countries in the world with India is made. Here, too, it has been seen that India fares poorly even when compared with some of the developing countries in the world.

4. Generally speaking none of the Indian states spend adequate sums on education on a continuous and sustained basis. This has been proved with the available data. The bench mark, which the various Indian and global
authorities like UNESCO, Kothari Commission, have indicated is a minimum of budgetary allocation of 6% of GDP by the Government.

5. The assumption that the private sector growth and presence has been increasing has also been established with the data that has been collated from different sources for this purpose.

6. With reference to specific objectives, it has been found out that there is growing trend in respect of budgetary allocations to education in general. This trend is discernable both for the nation as a whole as well as for the State of Goa. However, this increase is inadequate considering the vast and young population of this country and the demand for quality higher educational services. The rise in budgetary allocations is also not in keeping with the significant increase in GDP in recent years.

7. The study has established the existence of a strong and positive correlation ship between GDP and budgetary allocations made to education every year. Coefficient of Co-relation is calculated for all India figures as well as for the State of Goa. But, spending on education has been on the lower side right through out the period of study. The same situation has been maintained; with rising GDP, government has allocated higher sums for education but is still falling short of the desired bench mark levels by a big margin.

8. The Primary data, which has been collected through an opinion survey of stakeholders, also indicates the preference of overwhelming majority of respondents for increased allocations by government to higher education in Goa. A total of 196 respondents have secured a score above 24 (60% of a total of 40) in the survey. They are generally in favour of the Government
assuming a greater funding responsibility. Just 12 respondents out of a total of 250 (which is less than 5%) have opined in favour of self financing or private funding of higher education. They have secured a score of less than 20. The mean scores for students is 29; for teachers it is 28.3; for parents-27 and 26.3 for others.

9. Based on the Primary data, Chi Square test has been used to test the hypothesis. With the help of results of this test, null hypothesis that perception of respondent groups is not the same on the question of Government spending on higher education is rejected.

10. Simple model to gradually enhance budgetary allocations to Education in Goa, based on a research study by Prof: Tilak, has been suggested. The said model is suitably modified keeping in view the specific needs and circumstances of the Goan economy. The Government of Goa could use this as a road map for increasing budgetary allocations to education in a phased and planned manner. It will help in achieving threshold and bench mark levels of spending on education. More importantly, it will ensure that education in general and public institutions in particular will not be starved of funds and investments. Both quantitative and qualitative expansion of education hinges on this critical component.
7.1 SUGGESTIONS AND CONCLUSIONS.

The role of higher education in the overall socio-economic development process hardly needs any emphasis. It forms the critical component and the very basis of creation of a knowledge based society. This is also the professed objective of our economy. The twenty first century would undoubtedly belong to nations and societies that lead the world in knowledge accretion and innovation in critical frontiers and areas.

In India higher education has been starved of funds for too long. It has also suffered on account of policy neglect by Union and State Governments. The need to increase public spending on education to at least 6% of GDP has been reiterated several times by governments and expert bodies. Yet the average spending is no more than 4% of national income.

1. There is an urgent need to increase spending on education, particularly in higher education. A funds-starved system of higher education can neither grow nor can it deliver on quality front. Infra-structure in majority of our colleges and universities need urgent up gradation and revamping. This involves a lot of capital expenditure. Similarly, large numbers of teaching vacancies are lying vacant for a considerably long period of time in several institutions. There is a case for treating even the operating expenditure in education as an investment; after all, social and economic returns later more than justify these initial investments. Perhaps, a one time big investment to
care of the huge back log would be in order both for the Central and the concerned State Governments.

2. The State should reaffirm its commitment to the cause of education. After a long hiatus, there is now some action on the part of the Union government to increase allocations to higher education. Typically, there is a greater problem in maintaining the tempo of higher investments in education, particularly in the higher education sector. This study has suggested a roadmap to hike outlays on education in a phased manner over a period of time.

3. Fees paid by the students are increasingly becoming the main stay of financing of higher education. In most cases of self financing courses and colleges, cost recovery by fees exceeds 100%. Even in several public funded colleges and universities, this figure has gone up significantly in recent years, in some cases up to 80% plus. Higher education has been accorded the status of quasi-merit or Merit 2 good. In that case, user charges should be not too high. The international norm for cost recovery through tuition is 20%.

4. There is a need to overhaul the present system of regulation of higher education in the country. On the one hand, it is highly regulated but poorly governed; on the other, it is unable to prevent entry of rent seeking and profit making entities which are exploiting the users. It is also preventing entry of good and new institutions in the private sector because of policy-muddle and confusion. The establishment of a National Higher Education Regulatory Authority, on the lines of suggestions made by National Knowledge
Commission and Yashpal Committee, with appropriate powers and mandates needs to be expedited.

5. Presently, University system, as a whole, is overburdened in the country. Several old and reputed universities have affiliated colleges in excess of 400 in their folds. First of all, affiliating system is itself outdated as it centralises authority and curb freedom to devise and run new courses. Secondly, with too many affiliating colleges under their supervisory control, several universities spend their time, money and energy in issues of affiliation, examination and granting of degrees. UGC has opined that a University, ideally should have no more than 50 affiliated colleges barring exceptional circumstances such as covering colleges in backward and high population regions. Similarly

6. Growth of private higher education needs to be properly regulated. Allowing it’s unbridled growth will necessarily hit access and equity in higher education. Barring a few handful of them, the rest are degree granting colleges with no holds barred for commercial exploitation.

7. One of the reasons for low access and GER in India is owing to the proliferation of self financing courses and private colleges. They offer only such courses that have market demand. Seats for such courses in public funded institutions are limited. As a result, fees, in or the other form, have been hiked by private colleges. Even the fees in public funded institutions have been hiked in respect of technical and professional colleges in recent
years in most parts of the country. Therefore, the GER is not picking up. In order to increase access, hence, there is a need to lower the fees so that the low income group students enroll for higher studies.

8. As the Cabe Committee has pointed out, the data base on higher education in India is very weak. There is no body or mechanism whereby it is possible to properly assess personal and private expenditure on higher education. Even, the detailed data break up of higher education in respect of publicly funded colleges and universities are not available. Not only is this a handicap for research studies on the subject, it also seriously affects policy formulation in this vital area.

7.2 FURTHER SCOPE FOR RESEARCH

There are fewer research studies on education in India compared with the West. There is scope for studying and documenting alternative funding practices both in India and abroad. Some of the funding options may be more suitable to western advanced nations. Student loans may be more viable there as interest rates are very low and the repayment period is also higher. Moreover, there are ample opportunities for part time job with in and outside universities and educational institutions. Similarly, alumni donations are an important source of financing in the west; in India, barring a few elite institutions, it is yet to pick up. Philanthropic donations too are not significant in third world nations.
Levels of investments in education—both private and public—are related areas of study and research. Studies relating to return on such investments are vital for future policy formulation and action.

Estimates of costs of education at various levels are not readily available; in several cases, they are not entirely reliable since they have not been compiled through rigorous primary research or through validated secondary data. Living and Boarding costs have gone up in recent years and there is wide degree of regional variation in this regard within India. Hence, there is good scope for vital research in this area.

Region specific studies on economic and financial aspects of education are highly desirable and imperative. Educational attainments and outcomes vary across the nation. There are wide variations in GER and participatory ratios in different parts of the country. Issues and access and equity too vary in a big way between regions with different levels of socio-economic achievements.

Per capita incomes are rising in both urban and rural areas, though the rise in urban areas is relatively higher. State governments' revenues too have gone up in most cases. There is scope for carrying out comprehensive research studies on the impact of financing of higher education taking into account all these perspectives. With the increase in budgetary allocations to all sectors of education, it would be imperative to study outcomes in terms of attainments in education, added skills and gainful employment.