EDUCATIONAL LOANS IN PROFESSIONAL HIGHER EDUCATION: A CASE STUDY OF PUNJAB

Student Loan program is an outcome of liberal financing concept. It is regarded as one of the most prominent methods to finance professional higher education throughout the world. Educational loans reduce the financial burden on the students and their families, lead to cost sharing, increasing investment into human capital, improving equity and access to professional higher education, stopping in egalitarian consumption of education. The study therefore, is an attempt to analyze the educational loan system, its outcomes, growth, and the extent to which it has been able to fulfill the objectives that has been set for it, in India especially in Punjab.

Objectives of the Study

a) to study the inter-regional and inter-state variations of the educational loans in India;
b) to study the rate of growth of educational loans sanctioned in Punjab;
c) to identify the professional courses for which educational loans have been availed;
d) to identify the various social, economic and other characteristics of student borrowers;
e) to workout the determinants of educational loans; and
f) to examine the present system of educational loans and make policy recommendations.

Main Findings of the Study

Performance of six regions in educational loans in terms of number of accounts and amount shows that highly benefitted region is Southern Region and least benefitted region is North-Eastern Region from all the regions in India. Largest share is contributed by public sector banks and least participation is made by private banks in educational loans in terms of accounts and amount in India as well as in the state of Punjab. The percentage of total outstanding accounts and amount advanced to women comes to 35.94 per cent and 33.12 per cent respectively. Data clears the picture that a very few percentage of accounts and amount is advanced to girl students. Nonperforming Assets (NPA) in educational loans is more in case of collateral free loans in Punjab. This high NPA is because of many youngsters are unable to repay these loans due to lack of employment opportunities. In univariate analysis Social factors as like gender, age, religion and residential location of student borrower contribute nothing in determining educational loan amount. Academic achievement, School location and board of examination of previous education, family income and course expenditure plays a significant factor in determining borrowed educational loan amount. Some of the variables play a significant role in determining educational loan amount in multivariate analysis. The study builds up a strong case for the massive involvement of educational loans and public resources in order to ensure wider access and equity in the professional higher education. So, people will have to build a social movement on the issues of social concerns.