MAJOR FINDINGS AND CONCLUSIONS

7.1 INTRODUCTION:

Although education in Mizoram is of about a century now, the state has achieved remarkable progress in this field, occupying the status of the second literate state in India today. Formal education was founded in Mizoram only with the arrival of the two Christian missionaries. Their first important contribution for the people of Mizoram was preparation of Alphabets based on Roman scripts. The first primary school was started at Aizawl in 1898 and in rural areas in 1901. The first Upper Primary School was started in 1907 and the first High School came up in 1944. In 1903 the government started giving grants-in-aid to schools maintained by the missionaries and also provided other incentives to the students, which marked the beginning of a new era in the expansion of education. Higher education in the state started quite late with the establishment of the first college in 1958. The present piece of work has made an attempt to analyze the public and private cost of higher education in Mizoram on the basis of data collected from a field survey of the higher educational institutions in the state and the students studying therein. Besides this, data were also collected from several published as well as unpublished records of the
government departments and other relevant secondary sources. The main outcomes of the in-depth analysis in the foregoing chapters are abridged as major findings in the following section.

### 7.2 MAJOR FINDINGS:

- The study finds that the literacy rate in Mizoram had increased from 36.23 percent in 1951 to 88.80 percent in 2001, while at the national level the literacy rate rose from 18.33 percent to 65.38 percent during the same period. The study also reveals that, female literacy rate in Mizoram was higher than the national average as well as the all-India female literacy rate as per 1961 Census. In the subsequent censuses of 1971, 1981, 1991 and 2001 the female literacy rate of Mizoram exceeded the national average as well as male and female literacy rates.

- District wise literacy rate shows that Aizawl district tops the rate at 96.50 percent, while Lawngtlai district records the least at 64.70 percent. Out of the eight districts of Mizoram four districts are seen to have literacy rate lower than the state-average of 88.80 percent and another four districts above it.

- As regards enrolment the study finds that, the total number of students enrolled in various levels of education increased from 205321 in 2000-01 to 285499 in 2008-09,
registering a growth rate of 3.37 percent per annum. The highest growth rate of enrolment among all levels of education in the state is observed at 15.88 percent per annum in the case of post graduate level, while the least is (-)1.63 percent per year in case of professional education. As for the percentage share of enrolment, primary level accounts for 50.30 to 53.20 percent of the total during the said period which is the highest, while enrolment in professional colleges accounts for the least. Out of the total enrolment, professional colleges constituted only 0.26 percent in 2000-01, which has just halved to 0.13 percent in 2008-09.

- The study reveals that, at primary level the number of teachers increased at an annual growth rate of 7.49 percent, which is higher than the growth rate of schools at 4.49 percent. However, in case of middle, high and higher secondary schools the number of teachers grew at a lower rate than that of the institutions. As for higher education, except in case of university, the number of teachers showed a declining trend over the period under consideration. However, the number of institutions declined in case of general and professional education, while it remained constant in case of polytechnics and university.
The study finds that, except for technical education, Aizawl district is seen to comprise the highest number of educational facilities in all respects and at all levels. Further, as the stages of education increase less and less decentralization of educational infrastructure in the state is observed.

In spite of the fact that professional and vocational education in Mizoram encompasses the areas like paramedical, agro-forestry, law, teachers training, engineering and technology, management and computer education, the facilities and levels are mostly inadequate. This is due to the recent establishment of most of the institutions and diversification of courses. The open and distance education gathered momentum only with the establishment of IGNOU Regional Centre, Aizawl in December, 2000, although the ODL system was there in the state for the last two decades.

The study examined the trend of budgetary expenditure on education for the period 1997-98 to 2009-10. It was found that budgetary expenditure on education has been continually increasing, except the reversals in 2003-04 and 2004-05, during the period under consideration. In nominal terms it increased 4.7 times over the period, i.e., from ₹ 9561.85 lakhs in 1997-98 to ₹ 44589.55 lakhs in 2009-10. This shows an annual growth rate of 11.81
percent. However, in real terms the expenditure on education rose only 2.5 times, increasing at the rate of 6.37 percent per annum during the said period.

- While expenditure on school education increased from ₹ 8531.85 lakhs to ₹ 37993.19 lakhs registering a growth rate of 11.51 percent per year, the amount incurred on higher education rose from ₹ 1030.00 lakhs to ₹ 6596.36 lakhs, showing an annual compound growth rate of 14.05 percent during the period under consideration. At constant prices, the annual growth rates of public expenditure on school education and higher education were 6.08 and 8.49 percent, respectively.

- Another important finding of the study is that, the ratio of higher educational expenditure to total educational expenditure was at its lowest level of 10.39 percent in 1999-2000 and it touched its highest level in 2001-02 with the figure reading at 17.56 percent. Except for the year 2001-02, for all the years between 1997-98 and 2009-10, the ratio of higher educational expenditure to total budgetary expenditure remained between the range of 1.15 percent and 1.92 percent. This shows the sheer negligence of the higher educational sector by the state government. Higher educational expenditure as a ratio of state’s income (NSDP) was as low as 0.82 percent in 1999-2000, which continually increased to 2.03 percent in 2001-02. After
that, it started declining and reached 1.48 percent in 2006-07. Since then, the ratio continued to improve until it reached the highest figure at 2.65 percent in 2009-10.

During the 13-year period between 1997-98 and 2009-10, plan expenditure on higher education in Mizoram grew at a compound rate of 19.46 percent, while non-plan expenditure went up by 10.03 percent and total educational expenditure rose by 14.05 percent per annum. Plan expenditure varied between 31.15 - 65.00 percent and non-plan expenditure between 35.00 - 68.85 percent during the same period. Thus, the share of non-plan expenditure on higher education in Mizoram constitutes a greater proportion of total educational expenditure.

Regarding public expenditure on higher education the study shows that, at current prices it has gone up from 1010 lakhs in 1997-98 to 3759.74 lakhs in 2007-08, registering a growth rate of 13.45 percent per annum. However, in real terms, i.e., at constant prices (1993-94=100), the compound annual growth rate was only 8.54 percent.

Another feature of public expenditure on higher education is that, the lion’s share is incurred on recurring expenditure (85 to 92 percent) leaving only 8 to 15 percent for non-recurring items. Thus, the negligible share of non-
recurring expenditure means poor capital formation in education.

- During the period 1997-98 to 2007-08, recurring expenditure grew at an annual compound rate of 13.92 percent and non-recurring expenditure by 10.24 percent, at current prices. But the growth rates, when converted into constant prices, were 8.63 and 5.08 percent, respectively.

- The study also reveals that the public cost of education incurred on general degree colleges has increased from ₹ 847.74 lakhs in 1997-98 to ₹ 3243.69 lakhs in 2007-08, recording a growth rate of 13.84 percent per annum. The amount of expenditure increased from ₹ 76.02 lakhs to ₹ 198.40 lakhs and from ₹ 86.24 lakhs to ₹ 317.65 lakhs, resulting to an annual compound growth rate of 10.81 and 11.39 percent, in case of professional colleges and technical institutions, respectively, during the same period.

- As to the per unit public cost of higher education in Mizoram the study finds that it has been continually on an increase during the study period, except the reversals in 2003-04 to 2005-06. At current prices, it grew from ₹ 13760.22 in 1997-98 to ₹ 58810.26 in 2007-08, registering an annual growth rate of 14.64 percent. While, in real terms, the growth rate was 9.24 percent p.a. during the
same period as the unit rose from ₹10361.61 to ₹27164.84.

- The growth rates of public expenditure per student were calculated to be 15.91, 12.85 and -4.58 percent per annum in general degree colleges, professional colleges and technical institutions, respectively, between the period 1997-98 and 2007-08. In absolute terms, the figures have risen from ₹12836.77 to ₹59310.48 and from ₹12482.76 to ₹48272.51 in case of general degree colleges and professional colleges, respectively, and have declined from ₹67905.51 to ₹61920.08 in case of technical institutions during the same period. However, the growth rates in real terms were 10.45, 7.54 and -9.07 percent per annum, respectively.

- The share of fee receipt to public cost per unit in Mizoram ranged from a low of 7.84 percent to a high of 12.17 percent during the period 1997-98 to 2007-08 with variations from year to year. This low contribution of fee indicates to the high extent of subsidy in higher education (table 5.23).

- The study finds that there is an inverse relationship between enrolment size and per unit public cost of higher education (table 5.24 & 5.25). On an average, a one unit increase in enrolment leads to a fall in public cost by
nearly 9 per student in Mizoram. Similarly, in case of general degree colleges, professional colleges and technical institutions per unit public cost decreases by 13, 84 and 74, respectively, resulting from a one unit increase in enrolment.

- An attempt to estimate the optimum enrolment size resulted into both minimum and maximum number of students for different types of higher educational institutions. The optimum level of enrolment that minimizes unit cost in technical institutions was calculated to be 948 students. As for the whole state of Mizoram as well as for the general degree colleges and the professional colleges the level of enrolment that minimizes unit cost could not be estimated. However, the levels of enrolment that maximizes unit cost in Mizoram and the two types of colleges are given at 9503, 4298 and 600 students, respectively. Any deviation from these numbers will lead to a reduction in the unit cost.

- The study estimated the private cost of higher education in Mizoram for the academic year 2007-08 at 40819.95, with maximum amount being 110300 and minimum amount being 24200.
Further analysis of private cost finds that, expenditure on food (14757.73) tops the items comprising 38 percent of the total, followed by accommodation (11430.43) which is 25.23 percent, fees (5801.32) i.e., 12.98 percent, books and stationeries (5103.18) accounting for 12.91 percent, personal maintenance (4940.91) constituting 12.82 percent and conveyance (3060.73) comprising 7.5 percent.

As to the socio-economic background, the study finds that 8.64 percent students hail from families whose occupation is agriculture and allied activities, 16.82 percent from self-employment, 21.36 percent from business and 53.18 percent from government service. Thus, it is crystal clear that more than half of the students are the children of government servants, and pupils from agricultural families are lagging far behind in higher education.

According to family income it is seen that 10.91 percent students come from the income group of 0 - 100000, 23.64 percent from the income group of 100000 - 150000, 23.18 percent from the income group of 150000 - 200000, 20.45 percent from the income group of 200000 - 250000, 11.82 percent from the income group of 250000 - 300000, 6.82 percent from the income
group of 300000 - 350000, and only 3.18 percent are from the income group of 350000 and above.

- Scholarship contribution to total private cost was calculated to be 8.10 percent in the year 2007-08. The amount of scholarship received by a student does not even cover the admission fee paid by him (which is 10 percent of the total private cost).

- The study estimated the total cost of higher education per student at 91503.54 for the academic year 2007-08, which is the sum of net public cost (53990.28) and net private cost (37513.26) per unit. Net public cost and net private cost per unit were arrived at by deducting the transfer payments, viz., average fee from the former and scholarship per student from the latter. It is a clear finding of the study that, the net public cost is 1.44 times higher than the net private cost (table 5.35).

- The present study identifies four different sources of finance (State Government, Local Bodies/UGC, Fees and Endowments & others) for higher education in Mizoram and finds that the state government is the major contributor, while endowments contribute the lowest share.
The share of State Government in financing higher education remained to be the highest during the period 1976-77 to 2007-08. It was recorded at 80.9 percent of the total in 1976-77 and had increased to 86.4 percent in 2007-08. The lowest amount contributed was 77.3 percent in 1980-81. In absolute terms, the amount contributed by the State government had increased 171 times during the said period.

The share of UGC and other government bodies have, throughout the period under consideration, been very low, being only 6.3 percent at the highest in 1976-77. The amount contributed was 3.4 percent in 2000-01, which was the lowest. The percentage contributions of this source were slightly higher at 4.9 percent, 5.2 percent and 5.5 percent in 1990-91, 2007-08 and 1980-81, respectively.

The relative share of fee also has undergone considerable changes. However, fee remained as the second most important source of finance for higher education in Mizoram. In 1976-77 and 1980-81, fee contributions were 11.4 percent and 11.8 percent, respectively. The share came down to 6.6 percent in 2000-01 and remained constant at 6.5 percent in 1990-91 and 2007-08.

Endowments and others contributed the least share of finance for higher education in Mizoram. It contributed the
highest share at 5.4 percent of the total fund in 1980-81. The percentage share, then, fell down to 2.8 in 1990-91. It had further declined to 2.2 percent in 2000-01 and 1.8 percent in 2007-08. The lowest contribution was recorded at only 0.4 percent in 1976-77. The reasons for the low contribution of endowment to educational finance could be either due to the apathy of the people towards the educational system or may be on account of claims of other sectors on the contributions made by the philanthropists and their organizations.

- The relative contribution of private versus public sources of fund for higher education reversed by 1980-81, with the contribution of public sources declining from 87.3 percent of the total in 1976-77 to 83 percent in 1980-81, and that of private sources increasing from 12.7 percent to 17 percent during the same period. Contribution of public sources then increased to 90.7 percent in 1990-91 and subsequently to 91.2 and 91.6 percent in 2000-01 and 2007-08, respectively. On the other hand, the contribution of private sources declined to 9.3 percent in 1990-91 and further to 8.8 percent in 2000-01 and finally to 8.4 percent in 2007-08.

- The study also reveals that, the contribution of public sources increased by 168 times, while the contribution of private sources increased by 105 times during the period.
1976-77 to 2007-08. These trends reflect government’s policy in making higher education accessible to students belonging to the weaker sections of society. The relative contribution of private sources (both fees and endowments etc.) having fallen considerably, greater burden is falling on the exchequer of the State government, thus making educational finance in Mizoram more public finance oriented.

7.3 CONCLUSION:

Expenditure on education is considered as an important component of investment which brings direct and indirect benefit to an individual and to the society. In Mizoram it is seen that, the state government spends only a negligible proportion of its budgetary resources on education, in general, and higher education, in particular. But the quantitative expansion of educational sector along with the qualitative improvement of the existing system requires that a huge amount of public resources be devoted to this crucial sector. At the same time, infrastructural development of the educational institutions should be strengthened by raising the quantum of non-recurring expenditure, which, in fact, amounts to capital formation in the educational sector and ensures better academic quality. The inverse relationship between enrolment and unit cost suggests that number of students be increased in the higher educational institutions, by means of amalgamation of less populous colleges or otherwise, in order to reduce cost per unit.
Ways and means may be devised to mobilize more resources from the people, in general, and affluent parents, in particular, as public cost is higher than private cost in Mizoram and higher education is highly subsidized.
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