CHAPTER I

INTRODUCTION AND STATEMENT OF THE PROBLEM

1) EXPANSION OF EDUCATION

1.1.1. Owing to the introduction of compulsory education, at the primary stage, there has been a rapid expansion of secondary education. Schools have been started even in small villages to cater to rural children in secondary education. Till now secondary schools were confined to cities or big towns. Children from rural areas had to go to the towns for secondary education. This was an expensive item for poor people. So, most of the children did not prosecute their education after primary education.

1.1.2. A factor that influenced the rapid expansion of secondary education was, the fee concessions given by the State Government. The State Government has undertaken to pay the fees of students, whose parents' annual income is less than Rs. 1200/- p.a. Further, the State Government has agreed to pay scholarships, free-ships to children from Scheduled caste, Back-ward classes, and similar children such as Scheduled Tribes, Nomadic Tribes etc. These concessions encourage children to take advantage of
secondary education. And naturally schools sprang up to provide secondary education to rural areas. The schools were thus assured of a steady income in the form of fees, for economically backward class children and this income met a great part of the cost of running these schools.

1.1.5: A further factor which accelerated secondary education in rural areas was the revised pattern of Grant-in-aid to secondary schools. Till now the Grant-in-aid was on percentage basis. But owing to deficits in small schools, management could not pay adequate salaries to staff. As a result qualified and trained teachers could not be attracted to rural areas. It was difficult to run rural secondary schools with adequately qualified staff, but the revised grant-in-aid pattern altered the whole position. Under the revised pattern Government pays full salaries of staff as grant-in-aid, to check mal-practices. The revised procedure ensures, that salaries are paid directly to the teachers through banks. This procedure helped trained graduates to move to rural areas. Government had permitted teacher training colleges one for each district, and increased the grant-in-aid rate to privately managed B.Ed. colleges, to two third of their expenditure.
By this the training colleges would expand their education programmes and with as many as 8 training colleges in the Shivaji University area, with an output of 1,000 B.Eds., every year, migration of B.Eds., from urban area to rural area became smooth.

1.1.4. The exploitation of secondary education can be appreciated by the rapid increase in secondary schools. Taking Ratnagiri District as an example, the number of secondary schools is 220, for a population of 20 lakhs. (figures rounded), which means secondary schools cater on average to a population of 10,000. Further expansion has also become an immediate necessity, and owing to financial curb, it has not been possible for more schools to spring up. The secondary education in general, is promoted by private bodies. Wherever need is felt for a secondary school, some local leaders form a society for promotion of education and get it registered. At the outset a few people came forth with donations for schools. Government recognizes a school run by a registered society for grant-in-aid. With the restricted flow of grant-in-aid, and limited popular contribution aid, the schools are faced with the diverge position of making both ends meet.

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* Figures taken from All India Census Report, 1971.
11) FINANCIAL POSITION

1.2.1. The financial position of secondary schools is greatly straitened. They find it hard to make both ends meet. It is difficult for them to get a constant flow of local contribution for meeting deficit; or for providing equipment for laboratories, libraries, teaching aids and such other items which have become essential in the schemes of modern education. Thus many of our schools do not possess a sufficient stock of equipment and teaching aids.

With the salaries of staff being paid by the Government, the tension in this field is reduced. But the situation in respect of items other than staff has remained as grave as before.

1.2.2. It has become necessary therefore, to undertake an investigation in the financial position of secondary education in general, with a reference to rural areas. And a preliminary to this would be a study of the costing structure with reference to different items, and per capita cost of students to be borne by agencies of education.

1.2.3. This naturally leads to an enquiry into the receipts and expenditures of secondary schools.
These accounts are balanced at the end of every year and get audited by chartered accounts, and then submitted to the department. We shall examine different receipt and expenditure items of this statement. This will give us an idea of the present expenditure and also enable us to find roughly, which item needs to be strengthened for promoting secondary education.

1.3.4. Under the receipts, the main source of income is that of tuition fees. In the rural areas the bulk of this income comes from the State Government, which reimburses the tuition fees. Normally the other items of income are the grants-in-aid. The grant-in-aid, under the revised pattern, is that of salaries of staff plus 12% as incidental expenses.

1.3.5. An item of uncertain receipts is the management's contribution. In the beginning such contributions are usually limited to capital costs, especially furniture and library. But the management's costs, towards recurring expenditure are generally nil. There is hardly any reserve fund to provide a perpetual source of income. The public impression is that, once a school is started, the Government and the parents should meet the recurring expenditure. Another item of receipt may be taken as miscellaneous receipts, arising out of sale of craft work etc. With the expenditure
en work experience, it is expected that a part of the cost would be met with by sale proceeds. But the idea is generally blank: Importance attached to work experience is very little, and the work done in this subject is nominal. At one time Ghandhi envisaged that the recurring cost of craft work should be met with from sale proceeds, so that the craft work in a school should not be a liability to the management. But that idea has now receded far, in the background and work experience has become a luxury item, to several secondary schools. For this item they have to depend upon special Government grants.

1.2.6. Besides the above items, there are accessory Government grants for building and equipment of a special nature. Owing to the high costs involved in building material, Government grants in respect of buildings are not adequate. Further they are on a sharing basis. In respect of buildings they are 50% and the balance be made available from local contributions. And very often, raising the balance, has become a difficult problem. Government has also been giving grants for laboratories, work-shops etc., which have become indispensable, as a result of revised curricula.

1.3.7. I have so far surveyed the main items of receipts. Now coming to the expenditure side, the staff salaries form a bulk of expenditure. Since the Government meets this item directly, the anxiety of private schools to pay the staff adequately, is allayed. As regards contingencies, I expect to meet this. But when the staffing salaries come down, which is a normal case in rural schools, the grant on per capita will also be less, and thus schools have to forgo even some of the essential items of expenditure for want of funds. It is expected that, schools should meet annual recurring expenditures, on furniture, library and scientific materials. This also, is to be made out of 12% grants. As such these items of expenditure, which are a must for a progressive school, are being curtailed. I have given a model budget to show the receipts and expenditures, of a school, in Appendix A.
iii) OBJECTIVES OF THE STUDY

1.5.1: I have already stated above, if we want to improve financial conditions of secondary schools, with a view to making them more efficient, the only course left open is to make a study of the receipt and expenditure items of these schools. But since these items will be fluctuating in different years for schools and also for different years. If we want to arrive at a true picture, we will have to average them; so that the fluctuations for different years are ironed out. This is my first objective. In this investigation, I intend to find out in percentages, the receipts and expenditures of rural schools for different items, both on receipt and expenditure side. This will give us a picture of what an average school is spending annually on the staff, as well as on equipments, teaching aids etc. This picture, doubtless, will be an indication of our weaknesses in respect of the schools and will show which side needs to be strengthened and to what extent.

1.5.2: The next objective is to find the per capita cost for a student. What does it cost to impart secondary education to a pupil, in these days?
Who shares this expenditure and on what item it shares? This will be an average figure for all the schools selected, for a span of five years. If we want to open more schools, this will be a guide to indicate the expenditure. Perhaps, it will be possible to estimate with the help of the figures, what it may cost to bring to school, primary passed children who are not attending secondary education. This will give us an idea for receipts and expenditures if new schools are to be opened in rural areas. Since the per capita expenditure will be split on different items, it will also give us an idea as to what new schools would offer per capita costs, on different items, such as staff, equipment etc. So, this is my second object:

1.3.3. The third one and equally important is to devise a rating scale to measure and evaluate schools in rural areas. Such a scale is urgently required, because we want to develop the rural schools to their fullest capacity. This would be possible only when we can evaluate these schools and find out their deficiencies. In the absence of a reliable tool, for this work, there has been hardly any evaluation. And the development of the school for want of such an evaluation technique, has
become ship-shod and confusing. When money is secured, it will be necessary to list out priorities in respect of a school needing development. And what we find of the rural schools, if there is a vital need of the problem, my object in devising the rating scale is to focus the attention of planners on the weak points of the schools and bring out lime-light the inadequacies of rural schools for further reconstruction.

1.3.4. My fourth objective in this investigation is to study the impact of expenditure on the achievements. The standard of achievement, expected by the public for secondary schools in the S.S.C. Examinations, has been generally acknowledged as a door to higher education, as well as to services. Schools showing a high percentage of results are lauded by parents or public. But there is a general impression that results are generally related to expenditure. Many people think that schools which spend more, show better results. As such there has been a demand of many people, 'give us more funds, we give you better results.' I want to examine in our present conditions, whether there is any direct relationship between expenditure and S.S.C. Examination results. Whether popular impression that, if a school spends more, it can show better results is a fact. For this
I have obtained percentages of passes, for these schools in sample, for over a period of five years. This object of taking average of five years is to smoothen out any special or erratic cases occurring in different years:

1:3.5: In short, the objectives of my investigation can be briefly recapitulated as under:
1) To study the statements of accounts of secondary schools, for a period of five years, with a view to find out the expenditures on percentage basis, as well as receipts, and to study costs structure.
2) To calculate per capita costs on the basis of the expenditures in 1 above and to study the distribution over different items.
3) To construct a rating scale for evaluating secondary schools to verify their shortcomings.
4) To verify whether there is any relationship between expenditure and the S.S.C. Examination results.

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