CHAPTER I

INTRODUCTION

Economics is the science of scarce resources dealing with all problems related to the maximisation of human welfare. Man’s biological, psychological, sociological and economic problems can be solved only through the medium of education. In the words of Rabindranath Tagore, the widest road leading to the solution of all our problems is education. The highest education is that which does not merely give us information but makes human life in harmony with all existence. The history of mankind proves that higher education is the foundation for employment generations, income opportunities and standard of living. So it should be seen and treated as the most important revolutionary variable in every society especially in the rapidly changing world. Moreover, most of the economists have established and proved the existence of a close relationship between education and economic development and stressed the importance of higher education in all aspects of human life.

Resultantly, Economics of education has emerged as one of the most rapidly growing branches of Economics. It makes up the core of economics of human resources—a field of enquiry which has been silently revolutionising such technical subjects as Growth of Economics, Labour Economics, International Economics, Health Economics, Public Economics, Transport Economics, Industrial Economics and Environmental Economics. The idea behind economics of education is that economic phenomenon could be made intelligible by the concept of human capital formation through various types of education. It is higher education which determines the economic condition of the individual, society and nation. That is why, the developing countries are becoming
increasingly conscious of the need for and urgency of developing human resources as an integral part of general economic development planning. Therefore, the economic aspect of higher education has become a new thought and important issue for research all over the world in recent decades.

Economists and scholars have long been aware of the importance of higher education in human resources as well as the economic development of the country. It is true that economic development is the total effect of the development of labour force, the accumulation of physical capital and addition to the stock of knowledge and skill available in the community. It is education which turns the ordinary human beings into human capital to be utilized in agricultural, industrial and service sector. In other words, education prepares and develops the individuals to undertake any sort of mental or manual tasks in order to fulfil the basic necessities and the objectives of their life. So, everyone knows that one needs advanced education to get a good job and a good job can be translated in to the language of economists because education is a profitable private investment. That is why, most families recognise the relation of education to a young person’s economic well being and satisfaction later in life. This is mostly true that a highly academically or professionally qualified and trained person can possess good earning power and lead a sound economic life.

Moreover, the socio-economic status of the people in a society or nation is highly influenced by their education. So, the role of human resources in the economic development of a country is more important than its natural resources. It is seen that economically developed countries such as Japan, England, Germany, China, Russia, America, France, Norway, Holland, Switzerland, Denmark and Israel have attained an all
round progress through the medium of education. It is seen that most of the industrially advanced countries have almost cent per cent literacy and the quality of education is also very high. On the other hand, the under developed and un-developed countries like, Sri Lanka, Pakistan, Brazil, Somalia and India have a very low rate of literacy and poor quality of education. It shows that countries (Gulf countries) rich in natural resources are poor and countries poor in natural resources are rich. So, educational development of a country is the most potent factor of its economic development. Moreover, the rate of education plays a vital role in every aspect of human life. That is why, John Dewey says that education is life and life is education. Consequently, it is seen that both rich and poor people give due importance to higher education in the post modern society.

The predominant purpose of the present study is to analyse the socio-economic impact on higher educational choices. This problem has drawn the attention of economists as well as educationists due to the explosion of knowledge and development in science and technology which have given rise to the emergence of new disciplines. Moreover, education credentials provide an urge to obtain more education as the only way of securing a competitive advantage in the labour market. An analysis, of enrolment in higher education shows that there is a positive correlation between gross enrolment ratio (GER) in higher education and gross per capita production (GPP) of nations. It is also identified that higher education in science, Mathematics, medical and engineering subjects are particularly important, useful and usable skills in the knowledge based economy. So, the selection of the right course at the right time is very important to achieve the goals of life. This is also true that selection of post secondary education brings about a turning point in one’s personal, social and economic life. Hence, every
student should select the subject of his/her own choice is the alternative course of studies at the university or college level. At the same time, a number of socio-economic factors hinder the student from choosing the course of his/her choice. This is found common in almost all countries of the world.

ECONOMIC TREND OF HIGHER EDUCATION

Economics is a normative science which explains the need and importance of education. It teaches man to be a better producer. Therefore, the meaning and nature of education shifted from spiritualism to materialism. Consequently, economics determines the aims and objectives of education in the post modern society. The India Education Commission (1964-66) stresses the economic concept of education as an instrument to increase the national income. This is closely associated with the increase in productivity which makes education science and craft-centred. Moreover, Mathematics, engineering, medical and technical subjects or vocational education have been given much importance in these days. In economic terms, education is itself an investment which helps to eradicate ignorance, illiteracy and poverty and produces skilled labourers. Education determines the professional values of different individuals, division of labour, wage structure and guarantees for economic security.

The educational development in science is a must without which economic prosperity cannot be achieved in the post modern age. John Vaizy observes that there is a long and honourable tradition from Adam Smith to Alfred Marshall, which assigns to publicly supported education as a major not only in promoting social peace and harmony and self improvement, but in the process of wealth creation itself. M.S Huq, states that the productive capacity of labour is predominantly a produced means of production
representing the human capital created largely by investment in education.\textsuperscript{13} Therefore, education is regarded as a non-material economic good in the present society. In fact, it is a producer’s good which can be used in the process of producing other goods and services. On the other hand, it is a consumer good that can be used by a consumer to satisfy his wants. It enriches the life of the consumer by increasing his capacity to use and enjoy the available resources. It is an industry producing skilled and capable persons and prepares them to undertake various tasks in different sectors.\textsuperscript{14}

According to G. U. Papi, education makes the people more receptive to inventions and innovations. It promotes the division of labour and the use of machinery. It permits increasingly advantageous combinations of factors of production as compared with those in which the human factors are of lesser quality. Moreover, it makes possible for new technical discovery to be brought into operation with little or no delay. It not only promotes the domestic economy but also on an international scale, a far reaching mobility of labour and of entrepreneurial ability. Above all, education ensures those individuals who are responsible for making major technical, economic and political decisions possess the width of knowledge, and the breadth of view, which associated with a high moral sense, enables them to avoid potentially dangerous mistakes. As education prepares the individual for life, importance to the study of subjects like science, medicine, law, engineering, education (B.Ed) computer technical and management studies is given.\textsuperscript{15} These courses make the people self sufficient and vocationally efficient, which is very essential to be employed either in industrial or service sectors. Thus, education takes the concept of economics which is the wealth of the individual and society.
ECONOMIC IMPORTANCE OF HIGHER EDUCATION

Economists from Adam Smith to T.V.J Tilak stress the economic importance of higher education in human as well as economic development. They relate higher education to the economic growth of the country. Thus, classical economists like Adam Smith, F.A Walker, David Ricardo, J.B Say and Alfred Marshall laid the foundation of the Economics of education. The modern economists like Streemelin (America), John Vaizy (England) and Micheal (France) also emphasise the economic importance of higher education. They treat higher education as an economic good, which is a basic for all round personal, social, cultural and economic development. In fact, the building of modern nations depends upon the development of people and the organization of human activity, capital, natural, resources, foreign aid, international trade, of courses, play important role in economic growth but none is more important than man power. In the words of Alfred Marshall, education produces a man more intelligent, more ready and more trustworthy in his ordinary work, it raises the tone of his life in working hours and out of working hours, it is an important means towards the production of material wealth.16

In fact, higher education is the most valuable capital which promotes the quality and capacity of human beings. It is the key to the production of goods and services which leads to the increase of national income and economic development. Comba17 observes that the industrialisation and modernisation process cannot proceed without the development of human resources. The National Policy 1986 states that the country has reached a stage in its economic and technical development when a major effort must be made to derive the maximum benefit from the assets already created and to ensure that
the fruits of change reach all sections. Education is the highway to achieve that goal\textsuperscript{18}. Therefore, G.U Papi emphasises the economic importance of educational development as the widest possible distribution of education and training throughout all strata of the population. It is all the more necessary in a country where the labour force is abundant and perhaps even in excess of other factors of production In this case, education enhances one of the most valuable natural endowments and permits the human factor to combine in a more profitable way with the other factors. Therefore every effort to promote development in a country must start from improving the human factor. The contribution made by capital and the more or less artificial establishment of productive activities is not enough in the absence of persons of adequate quality\textsuperscript{19}.

The College Board has outlined the socio-economic benefits of higher education applicable to almost all countries\textsuperscript{20}. According to it, students who attend higher educational institutions obtain a wide range of personal, financial and other lifelong benefits. The income gap between high school candidates and college graduates has increased significantly over time. It observes that higher levels of education correspond to lower levels of unemployment and poverty. It is found that college graduates have lower smoking rates more positive perceptions of personal health and lower incarceration rates than individuals who have not graduated. Moreover, higher levels of education are correlated with higher levels of civic participation including volunteer work, voting and blood donation.

Thus, many of the benefits of higher education accrue to individual students and their families. The average earnings increase measurably with higher levels of education. Higher education improves the quality of life and reduces poverty. This is because higher
education offers graduates more jobs to choose. Moreover, studies show that compared to high school students, college graduates have longer life spans, better access to health care, better dietary and health practices, greater economic stability and security, more prestigious employment and job satisfaction, less dependency on government assistance, greater knowledge of government, greater community services and leadership, more volunteer work, more self-confidence and less criminal activity and incarceration.

The impact of higher education on the individual is reflected in the personal, social, cultural and economic life. This is because higher education prepares and develops the personality of the individual for harmonious existence in the society. It increases more chances to be employed in the country or abroad. It is possible through social and physical mobility from rural to urban or from a lower position to a higher one. It allows the people to understand the logic and principles of life. Moreover, it trains the brain to think and allows the person to work more effectively as well as efficiently. It highlights the mistakes done by others and helps to reduce the repetition of the same mistakes. In fact, it prepares people to read, write, speak and calculate effectively.

Further, education enables them to gain knowledge about many unknown matters in various fields. It is important to note that it increases the age of marriage of women and reduces the size of the family. It fosters the habits of saving and develops research attitudes. It enables a person to grab better paid jobs or promotion with higher responsibilities. Above all, it is a powerful instrument of turning an ordinary individual into a lawyer or a doctor or a professor or a scientist or an engineer or any type of skilled person. The socio-economic benefits of higher education are boundless. Thus, education is the key for securing promotion or preparing the individual for better jobs.
So, higher education can be considered as the part of life by which every individual can establish his/her individuality in the field of his/her interest and capacity.

**THE PROBLEM OF THE STUDY**

The ancient society regarded ‘education’ as a social good meant for intellectual, physical, cultural and spiritual development. In short, it was the source of preparing the child to lead a morally good life. However, the modern society treats education as an economic good which prepares and develops his/her personality in such a way to be fit for socio-economic life. So, higher education is closely associated with all round personality development and economic benefits. Further, the development of science and technology and innovation in agriculture, industry and tertiary sectors have caused knowledge explosion and require qualified, trained, experienced and skilled human resources. As a result, a number of different vocational, technical and professional courses are introduced in colleges, universities and institutions. It indicates that every individual is left with the choice of courses. So, the higher educational choices have become an important problem of the present students in the educational market.

Further, the new economic policy of the government has introduced globalization, liberalization and privatization which have caused the expansion of higher education and increased the number of higher educational institutions. It has opened avenues for the establishment of a number of self-financed higher educational institutions which offer fancy courses with a view to attract the students. At the same time, it also creates the problem of selecting the course at post-higher secondary level. This is mainly due to the fact that any individual can join any course irrespective of the marks obtained in the higher secondary examination. In fact, the student can choose any course of his own
choice according to his interest, ability and socio-economic condition and on the basis of employment generations and income opportunities. However, it is not possible for all students to join the desired courses or pursue post-higher secondary education. It is practically seen that the students who have completed the higher secondary education meritoriously with 80 or 90 per cent marks are not able to pursue their studies due to their socio-economic environments. On the other hand, the students who secure very poor marks can join engineering or law or medical or any other professional course, which is beyond their intellectual capacity but within their economic power. This is the irony of higher educational choice found in the Indian society especially in Kanniyakumari District.

It is also another problem which makes this study a significant one in the sense that a number of courses are available in all colleges, universities and institutions. But the students select only those subjects which have high employment chances and income opportunities and according to their financial environment. It means all courses are not given equal importance in terms of socio-economic status. In fact, students with poor marks join medical or engineering courses where as students with high marks join diploma courses or put an end to higher education. This is due to poverty, unemployment, illiteracy, ignorance of available courses, parental income and financial support of relatives, friends and neighbours. Apart from socio-economic factors, employment chances and income opportunities also play an important role in making higher educational choices. So, these problems also constitute the core of the present study.
Hence, the problem of the present study is to examine how the students make higher educational choices and why they do so and what factors determine it. This problem has drawn the attention of the researcher a little bit deeply. Generally, the study on socio-economic impact on higher educational choices can be conducted in two ways. It may be either a micro or a macro level of study. A macro level of study is carried out in the state or national level whereas a micro level of study is conducted at taluk or district level. A study at the macro level is not possible in countries like India, America and Russia because of their areas, variety in rural and urban characteristics, varied culture, variety in rural and urban economic disparities and varied educational systems. Therefore, a micro level study is attempted so as to draw a meaningful conclusion in respect of the socio-economic impact on higher educational choices at the district level. Thus, the present study is intended to examine the impact of socio-economic factors in making higher educational choices in Kanniyakumari District, Tamil Nadu.

THEORETICAL BACKGROUND OF THE STUDY

The study on the choice of higher education based on socio-economic factors is not a new area of research in India and abroad. But, this kind of study was limited in the past due to continuation or lack of choice of higher education. And it was made on the basis of the availability of courses in the local colleges and universities, parental education, employment and income and intelligence or marks and capacity of students. Moreover, higher education was not only a privilege of the socially as well as economically advantaged people but also the availability of higher educational choices was very limited in the ancient society. But, the new economic policies like globalization, liberalization and privatization have brought about rapid changes in the Indian higher
educational system. As a result, the number of different types of higher educational institutions has increased in almost all parts of the country. Such educational institutions have turned higher education into a profit-making product and offer multiple educational choices in Arts and Science, Commerce, Engineering, Law, Medicine, Management and Business. Therefore, any student can choose any subject of his own choice, but the choice of higher education depends on socio-economic background, employment generations and income opportunities. This is the present trend of higher educational choices in the Indian society. Hence, the socio-economic based choice of higher education has become an important area of research in recent years. In fact, a number of economists and scholars have analysed the role of socio-economic factors in making higher educational choices in India and abroad.

The study of Campbell and Siegel Barry (1967) found that the demand for higher education responds positively to changes in income and negatively to changes in price. This theory shows that there is a relationship between income and demand for higher education in America. It is observed that parental income is the main determinant of participation in higher education. El. Ginzberg (1975) found that parental education, employment, nature of occupation and income are the powerful determinants in making higher educational choices and college attendance. Egertion and Halsey (1993) identified three major aspects of access to higher education that is, period of education reduction, gender inequality and non-reduction in inequality in social class. The College Board (2004) pointed out that race/ethnicity, gender and socio-economic status play a major role in the patterns of participation in higher education. Nandita Singh (2004) also identified that there are wide disparities in the enrolment for higher education by
region, caste and gender. Dubey Amaresh (2006)\textsuperscript{26} stated that the most important determinants of post higher secondary education appear to be the economic status of households. The study observes that youth from households with vulnerable sources of income cannot afford to go for higher education firstly because higher education is expensive and secondly because they join the work force to supplement their household income. Chakrabarti Anindita (2009)\textsuperscript{27} concludes that youth belonging to Scheduled Caste (SC) and Scheduled Tribe (ST) have significantly lower odds of going to higher educational institutions compared to other groups in rural areas. He also identified that the rising cost of higher education exerts a detrimental impact on the odds of participation in higher education. The study of Mallikarajun and Fathima (2009)\textsuperscript{28} pointed out that the women students give first preference to the faculty of education, secondly medicine, thirdly engineering and lastly law. Basant and Sen (2010)\textsuperscript{29} found out the fact that the choice of higher education is dependent on religious affiliation, socio-economic status and demographic characteristics. The study also points out that the participation rate is consistently higher among the non-poor. Hence, they indicate that the socio-economic factors continue to be the important determinants of participation and choice of higher education. Chand, Piar and Sharma Himanshu (2013)\textsuperscript{30} also found that enrolment in professional courses like Engineering, Medicine, Agriculture, Pharmacy, Nursing, Bio-Technology and Information Technology is governed by a number of factors such as gender, academic performance, family income and the number of children at home.

Thus, the earlier theories on higher educational choices (Campbell and Barrey 1967; Eli Ginzberg 1975; Egertion and Halsey, 1993; Nandita Singh, 2004; College
Board 2004; Dubey Amaresh 2006; Chakrabarthe, 2009; Basant and Sen 2010; Chand and Himanshu 2013) reveal the following propositions.

- Gender of students determines the choice of higher education.
- Parental education employment and income play a major role in making higher educational choices.
- Employment and income potential have a great impact on higher educational choices.
- Cost and duration of education influence the choice of higher education.
- Cost, size of family and parents’ education, income and background also play a vital role in higher education decision-making.

In this way, the present study has a substantial theoretical background to establish the impact of socio-economic factors in making higher educational choices. Moreover, the theoretical background widens and enriches the scope of this study. Therefore, factors that influence the choices of higher education are many in the present society. Such factors may be economic, social, geographic, difference in knowledge and abilities, parental education, employment and income and expectation of employment generation, income potential, financial support and guidance of relatives, friends and neighbours. Resultantly, the theoretical background of a few studies pertaining to socio-economic impact on higher educational choices constitutes the problem for the present study.

**SIGNIFICANCE OF THE STUDY**

A number of studies have been carried out on different topics such as Education and development, Education and Human Resource Development, Education and Labour market, Education and its impact on production, employment and income. It is interesting
to note that there are studies examining the relationship between socio-economic background and higher educational achievement and factors affecting higher educational choices. Most of these studies have been carried out at macro level. A few studies have touched the area of the impact of economic factors on higher educational choices and academic achievement in India and abroad. For instance, Campell and Berry (1967) have analyzed the demand for Higher Education in America. Eli Ginzberg (1975) examined the impact of parental education, occupation and income on higher educational choices in England, Silver Miller and Donna Lyana (1992) analysed the impact of employment and income opportunities in the determination of higher educational choices in Dakota University. Malathy (2001) studied the impact of parental income, education and employment on higher educational choices in the Indian society. Similarly, social background, gender, employment generations and income opportunities also influence the choices of education at post higher secondary level. However, these studies have a limited scope. Hence, an attempt in this area is felt quite necessary and important to make the study comprehensive.

Above all, the significance of the present study can be justified in the following grounds that factors influencing higher educational choices differ from country to country, region to region and even district to district. It is seen that the cost of education, parental education, occupation and income are the major determinants of higher educational choices in the western countries whereas gender, expectation of employment generations and income opportunities and social status play an important role in the eastern countries. It is important to note that not only socio-economic factors but also environmental factors determine the choice of higher education. Moreover, privatization
has made the cost of higher education beyond the financial capacity of the poor and the average people. So, it is essential to analyse the supply and demand for higher education in professional and non-professional courses. It is notable that students scoring poor marks in the higher secondary examination join M.B.B.S. course whereas students who score high marks at plus two level do not join the courses of their choice. It is also seen that the present students prefer medical and art and science courses to an engineering course. It shows that environmental factors also determine the choice of higher education. Moreover, a number of problems are faced in making higher educational choices. Hence, this is a meaningful attempt to discern the factors which play an important role in making higher educational choices in the district level.

**OBJECTIVES OF THE STUDY**

The main objective of the present study is to analyse the socio-economic impact on higher educational choices in Kanniyakumari District. The specific objectives of this study are,

1. To investigate the growth of higher educational institutions in India, Tamil Nadu and Kanniyakumari District.
2. To study the socio-economic background of the respondents.
3. To examine the demand and supply of different types of higher education.
4. To analyse the socio-economic impact on higher educational choices.
5. To find out the problem perception of the respondents in higher educational choices.

**HYPOTHESES**

This study is carried out with certain hypotheses.
1. There has been a rapid growth of private higher educational institutions.

2. There is a gap between the demand and supply of higher education.

3. Socio-economic factors influence the higher educational choices

4. Employment generation and income opportunity motivate the choice of education.

5. Higher educational choices generate economic and non-economic problems.

**METHODOLOGY**

The present study is carried out with the help of both primary as well as secondary data. This section describes the method applied for primary data and the sources used for secondary data. It includes size of samples, method used for data collection and tools applied for data analysis.

**Sources of Data**

The present study is based on both primary and secondary data. The primary data has been collected through personal interview with the respondents and their parents. The secondary data play a vital role in analysing the growth of higher educational institutions and students enrolment in India, Tamil Nadu and Kanniyakumari District. Most of the data have been collected from various statistical reports such as Census of India, Statistical Handbook of Tamil Nadu, Statistical Hand Book of Kanniyakumari District, Annual Status of Higher Education of States and Union Territories in India-2012(ASHE-Summary Report)FICCI Higher Education Summit-2011 and 2012,UGC Reports of Higher Education at Glance -2013,and the Reports of Ministry of Human Resource Development. The study has also used data drawn from various website to analyse the present educational scenario.
Selection of Study Area and Respondents

Kanniyakumari District has been chosen as the study area out of the thirty-two districts of Tamil Nadu. This is because it has a high rate of literacy (92.14%). Moreover, this is the only district that gives equal importance to men and women in higher education. According to the Census of India-2011, the average literacy of male is 93.86 per cent and female is 90.45 per cent. It shows that this district has the lowest (3.41%) literacy gap in Tamil Nadu. Kanniyakumari district consists of four taluks namely, Agasteeswaram, Thovalai, Kalkulam and Vilavancode. Therefore, the present study has been carried out in the four taluks and 400 respondents have been selected, with 100 respondents from each taluk. The taluk wise respondents have been selected with a view to have a better representation of student population in all parts of the district. This is also done because students of this district study in other districts or states due to the availability of the courses of their choices without capitation fee or for any other personal or educational reasons. The details of the taluk-wise respondents have been given in Table 1.1.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Taluk</th>
<th>Size of Sample</th>
<th>Total</th>
<th>Per cent</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Professional Education</td>
<td>Non- Professional Education</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Thovalai</td>
<td>50</td>
<td>50</td>
<td>100</td>
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<tr>
<td>2.</td>
<td>Agasteeswaram</td>
<td>50</td>
<td>50</td>
<td>100</td>
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<td>3.</td>
<td>Kalkulam</td>
<td>50</td>
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<td>100</td>
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<td>4.</td>
<td>Vilavancode</td>
<td>50</td>
<td>50</td>
<td>100</td>
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<tr>
<td>Total</td>
<td></td>
<td>200</td>
<td>200</td>
<td>400</td>
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*Table 1.1
Number of respondents

Source: Field Survey*

Table 1.1 indicates that the study gives equal importance to the four taluks irrespective of the number of higher educational students and the size of geographical
areas while selecting the respondents for analysis. The 100 respondents selected from each taluk consist of 50 professional and 50 non-professional ones respectively. Therefore, stratified random sampling method has been adopted to collect data from the respondents studying in both courses in order to find out the determinants and motivators of higher educational choices. However, equal importance has been given to both professional courses like medicine, engineering and law and non-professional courses such as arts, science, commerce, and management studies for arriving at a meaningful conclusion.

**Methods of Data Collection**

A well structured questionnaire has been designed and pre-tested by the researcher for collecting primary data from the students and their parents. Based on the information, an interview schedule was prepared in such a way to avoid duplication and obtain reliable information for arriving at a meaningful inference and conclusion. The selected respondents are students studying first year professional and non-professional courses in the academic year 2012-2013. Questionnaires were used to collect the data about personal factors like gender, religion, caste, parental education, employment, occupation, income, size of family, types of home and motivating factors and problems in higher educational choices. The pre-tested schedule required modifications, elaborations, corrections and omissions before being used in the field study. The researcher interviewed the respondents personally and explained to them the purpose of data collection with a view to get the information related to this study. The information regarding the demand and supply of higher education has been gathered later on from the principals and the office superintendents of the respective colleges personally and
telephonically. After the collection of data through the interview schedule, it was processed with the help of a master table. Thereafter, classification tables were prepared for further analysis. The analysis of the data was made with the help of calculators and the computer.

**Statistical Analysis**

The analysis of the study consists of three parts. The first part of the analysis is concerned with the growth of higher educational institutions in India, Tamil Nadu and Kanniyakumari District. Compound growth rate and simple growth rate were arrived at to measure the growth of higher education. The second part of the study examines the socio-economic conditions and the determinants of the higher educational choices of the selected respondents with the help of percentage analysis and regression model. The details of the regression model is given below,

\[ Y = f(X_1, X_2, X_3, X_4, X_5, X_6, X_7, \ldots) \]
\[ Y = \text{Respondents} \]
\[ X_1 = \text{Parental Education} \]
\[ X_2 = \text{Parental Employment} \]
\[ X_3 = \text{Parental Occupation} \]
\[ X_4 = \text{Parental Income} \]
\[ X_5 = \text{Employment Generations} \]
\[ X_6 = \text{Income Opportunities} \]
\[ X_7 = \text{Size of Family} \]

A ‘t’ – Test has also been used separately to examine the impact of income, employment, sex, financial support etc. For employment the ‘t’ test is used as,

\[ T = \frac{EA - EB}{SE} \]

\[ S.E = \sqrt{\frac{S_1^2}{N_1} + \frac{S_2^2}{N_2}} \]

For income the ‘T’ test is used as
In the third part of this study, factor analysis is applied to find out the most important factor that motivates the higher educational choices of the respondents followed by multiple-regression. The various constraints involved in making higher educational choices have been identified and measured with the help of ‘F’ statistics and Index analysis.

**OPERATIONAL DEFINITION OF KEY TERMS**

The title of the present study consists of five important terms. The operational meanings of such terms are defined as,

1. *Social factors*: Social factors represent gender, caste, religion, community, parental education and size of the family of the respondents.

2. *Economic Factors*: Economic factors refer to the parental employment, occupation pattern and income, size of land holding, financial support of friends and relatives and educational loan

3. *Higher Education*: It represents the post-higher secondary education given at college and university levels. It includes graduate courses in Engineering, Medicine, Arts and Science, Law, Agriculture and Management Studies. So, it stands for graduate courses in professional and non-professional education.

4. *Choices*: Choices means the selection of courses for study out of multiple disciplines available at post-higher secondary level. It implies that a respondent
can either join any one of the professional courses like medicine or engineering or law or non-professional courses such as arts or science or commerce or management studies. It is assumed that choice is made on the basis of socio-economic background of the respondents or employment generations and income opportunities of the course.

5. *Kanniyakumari District*: Kanniyakumari District is the study area located in the southern most part of India. People of this district give great importance to post higher secondary education irrespective of their gender, caste, religion and economic background. Moreover, it has been one of the most important centres of higher education and research in Tamil Nadu. Almost all disciplines except law, agriculture and veterinary science are offered in most of the higher educational institutions. At present, there are 23 Arts and Science colleges, 30 Engineering colleges, 2 Medical colleges, 20 Nursing colleges (Diploma & B.Sc.), one Dental college, one Ayurveda college, one Siddha college, 2 Homeopathy colleges, one Naturopathy & Yoga science college, 2 physiotherapy colleges, 21 polytechnic colleges, 19 Teacher Training Institutes, 33 Education colleges (B.Ed.) and 18 Industrial Training Institutes in this district to meet the needs of higher education.

**ASSUMPTIONS OF THE STUDY**

There are a few assumptions on the basis of which the present study has been designed and carried out with a view to make it a meaningful and important one.
1. The respondent can join any course of his/her own choice irrespective of sex, caste, religion and location.

2. Marks obtained in the higher secondary examination are a passive factor which do not affect the higher educational choice of the respondent.

3. Psychological factors such as the respondent’s aptitude, interest and intelligence do not influence his/her choices of higher education.

4. Economic factors like parental income, occupation and nature of employment and education determine the higher educational choices.

5. Respondents who are not eligible for admission in government medical or engineering colleges can join self-financed educational institutions.

6. Expectation of employment generations, income opportunities and social status play a vital role in the respondent’s educational choices.

7. Money takes the place of merit in making higher educational choices in private colleges and universities.

**SCOPE OF THE STUDY**

The present study is limited in respect of the study area and subject matter. It analyses the growth of higher educational institutions and students’ enrolment in India, Tamil Nadu and Kanniyakumari district. It also examines the status of Indian educational system in the inter-national scenario. The study deals with the socio-economic conditions of the respondents and demand and supply of higher education in the study area. It finds out the factors motivating higher educational choices. It also analyses the significance of employment generations and income opportunities in the educational choice-making
process. The study examines the problems faced by the respondents in higher educational choices in Kanniyakumarri district.

LIMITATIONS OF THE STUDY

The present study suffers from certain limitations as listed below,

1. The study is confined to Kanniyakumari district and to the respondents pursuing first year professional courses like medicine and engineering and non-professional courses such as arts, science and commerce during 2012-2013. Hence, the findings of the study are applicable to the study area only.

2. This study also suffers from the limitation of secondary data. For example, different data are found in UGC Report, Education Summit 2012, ASHE and MHRD report for the growth of higher educational institutions and student enrolment. Moreover, up to date information related to the study is not available in all respects.

3. This study has been carried out based on certain assumptions. For instance, other things remaining the same, parental education, income, nature of occupation and expectation of employment and income opportunities are the important determinants in making higher educational choice in the study area.

4. Lack of co-operation of the institutional heads in providing details regarding demand and supply of higher education.

5. This study does not include polytechnic, teacher training and other diploma courses.

ORGANISATION OF THE STUDY

The present study consists of seven chapters. The first chapter is an introductory part that expresses the problem, significance, theoretical background, objectives,
hypotheses, methodology, assumptions, scope, limitations and organisation of the study.

The second chapter provides a brief review of related studies conducted in India, America, Japan, England and Germany. It is presented in two headings that is, socio-economic impact on higher educational achievement and socio-economic impact on higher educational choices. It also includes the research gap which distinguishes this study from the earlier studies. The third chapter describes the status of Indian educational system in the world scenario, the growth of higher educational institutions and students’ enrolment in India and Tamil Nadu and the growth of literacy and district-wise literacy in Tamil Nadu. The fourth chapter deals with the profile of Kanniyakumari District with special reference to the area-wise population and literacy, types of higher education and growth of higher educational institutions. It also examines the socio-economic background of the respondents and the demand and supply of higher education in engineering, medical and arts and science colleges during 2012-2013. The fifth chapter is the analytical part which relates socio-economic factors with higher educational choices and finds out the elements motivating educational choices in Kanniyakumari district. The sixth chapter highlights the perception on the problems faced by the respondents in making educational choices in the study area. The seventh chapter is the last part that gives a brief summary and the findings of the present study and also suggestions for further studies.
WORKS CITED


15. Ravi, Samuel (2011) *Higher Education : An Economic out - look* New Delhi:


