Parents' Perspectives about Private Costs in Higher Education

Padma Ramachandran

Report of a Pilot Study

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Prepared by:

Institute of Urban and Regional Development

G-4, Anugriha, Jawahar Nagar,

Thiruvananthapuram – 695 041

Preface

Early this year, IURD had submitted a proposal to KRPLLD of the Centre for Development Studies to undertake a study on "Determinants and Components of Private Costs in Higher Education Excluding Professional Courses." When an oral presentation was made to KRPLLD on the scope and methodology of the study, a suggestion came up that IURD may undertake a **pilot study** and reformulate the proposal and the methodology. The study consisted of an intensive and extensive literature survey, a consultative meeting of experts on the subject and an in-depth interview of the parent of a boy who got admission in an unaided engineering college in Thiruvananthapuram District.

On the basis of the findings of this exercise, a revised proposal is prepared and submitted herewith for approval.

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The expenditure that a student of higher education has to incur by way of tuition fees, examination fees and on miscellaneous items in government-run institutions is, by and large, very nominal in Kerala even at present. Attempts to raise the fee-structure, which has seen only marginal increases over a long period, have been strongly resisted by the student community supported by the parents, student organisations and some political parties.

The latest study on the subject in Kerala seems to be the one undertaken by Sri. N. Ajith Kumar in 2000. Since then, there has been a paradigm shift in the educational policy of the Kerala Government in favour of the private sector in higher education especially in respect of the professional courses such as engineering, medicine and teacher-training. As a result, several engineering, medical and teacher-training colleges and a host of para-professional courses such as nursing, pharmacy, social work etc., have come into existence in the private sector and most of them are unaided / self-financing. Taking advantage of this situation, some of the managements have collected / are collecting handsome donations and exorbitant fees under various heads. This tendency towards commercialisation of higher education has naturally invited severe criticisms from eminent educationists, social activists and of course, some political groups. The situation still continues to be explosive.

But, there is a paradox. The very same parents, who strongly oppose even nominal increases in fees in government-run institutions, are quite willing or at least, not unwilling to pay capitation fee, (up to Rs. two lakh in the case of engineering and Rs. 15-20 lakh for medicine), high tuition fees and other surcharges to private institutions.

Hence, an in-depth study of the subject with focus on the perspectives of the parents about the private costs will unravel the mystery of the paradox especially in the current turbulent socio-political context. An understanding of the undercurrents and the causative variables in the sector will provide the clue for initiating corrective action so that higher education may be brought within the paying capacity of the common man.

It is also noted that private costs vary, depending upon the income-level and the academic interests of parents and the differential capabilities of their wards in studies. Furthermore, some of the parents prefer private institutions, since they do not have confidence in the quality and effectiveness of the instructions given in state-run colleges.

Another possible factor may be the increasing competition in the job-market and the urge of the parents to equip their children with the best education available in the State or elsewhere so that they can effectively face the competition.

It is true that a good number of studies on the subject are available; but they focus mainly on the different components of private costs and do not examine why the parents are prepared to meet the high costs. The present study proposes to inquire into this tendency in higher education, the reasons for such costs, the sources from which money has been raised, and the consequence of such 'investments' in terms of the erosion in the living standards of the families.

The objectives

The overall objective of the study is to inquire into parents' perspectives about the ever increasing private costs in higher education and identify the socio-economic factors, which compel parents to spend more on the education of their wards.

Specific objectives

1. To understand the sources and difficulties experienced by the parents, especially of the lower middle class and the lower class to mobilize the finance required for the education of their wards

2. To study the subsidy components such as freeships, scholarships/stipends etc. in detail, so that a realistic estimate of the private costs can be obtained and examine whether there is need for revamping it in order to bring higher education accessible to the disadvantaged sections.

3. To assess the willingness of the students and their parents, especially of the middle and upper classes to meet at least part of the ever increasing institutional / public costs of education in the State

4. To analyse the consequences of such private costs in terms of the erosion caused in the living standards of the families especially, in the lower stratum of society

The hypotheses

It is hypothesised that:

"increasing competition in the employment market increases the private costs of education"; and

"investments by way of private costs had produced better results for the wards of those who had invested."

Significance of the study

Prof. A. Abdul Salim's studies are perhaps the most comprehensive ones on the subject of costs of higher education and private costs as one of the components. The first study was undertaken in 1989-90, and the second one in 1998-'99 (See Review of Literature) and they reflect a true picture of those periods. But times have changed since 2001:

- The amount of capitation fee for admission in private colleges especially the professional ones has gone up considerably.
- Computer literacy is a must, which is an additional cost-factor.
- Special fees are being levied in several colleges under various heads.
- Private tuition fees have increased considerably.
- The life style and living standards of the student community have scaled-up over the years, which mean additional expense for the parents.

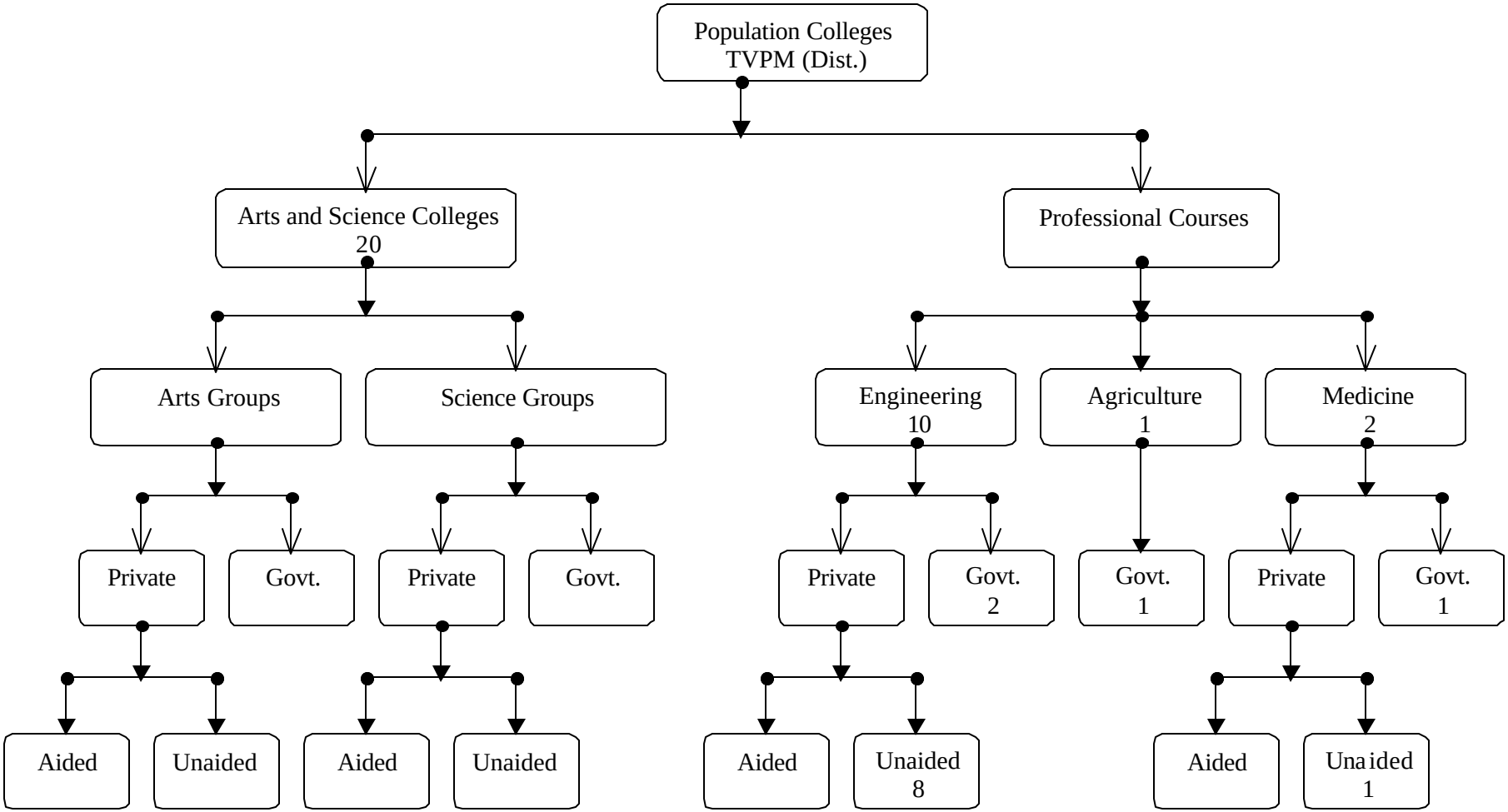
This study will look into all these aspects and their implications for the stakeholders.

Design of the study

The population consists of the **parents** of the students in the Arts and Science Colleges and in the professional colleges such as Engineering, Medicine and Agriculture in Thiruvananthapuram District.

It is obvious that the population is highly heterogeneous and hence, a **stratified random sampling design** is suggested. Stratification and sub-stratifications could be based on the following variables as shown in the chart given below:

Chart



Parents' Perspectives about Private Costs in Higher Education

There are eight Government and twelve aided Arts and Science Colleges in Thiruvananthapuram District (2002)

From each stratum shown in the chart, colleges will be selected on **simple random basis** (Lottery method) and students from the selected colleges will be chosen on a **quota basis** (Quota sampling). The quota will consist of students from the upper, middle and lower classes, SC / ST and boys and girls. **Since in most cases, the costs are borne by the parents, they will be the principal respondents**.

The **size of the sample** will be statistically determined. In addition to these respondents, Principals and Managers of the selected colleges and tutorial institutions, private tuition masters and leaders of student unions will be interviewed for relevant information.

Methods of data collection

- Structured interviews of parents and students using separate schedules
- Informal interviews of principals, managers and leaders of student unions
- Focus group discussions of student groups and parent groups
- Study of relevant records to scan the fee-structure and other payments collected by the college / hostel authorities
- Case study of a few families

Correlation analysis

The key variables that influence private costs are:

1. Sector – Government and private sectors in education. In the private sector, there are aided and unaided institutions.

2. Sex – boys and girls. The assumption is that boys spend more money than girls do

3. Class status of the families – upper, middle, lower middle and lower.

4. SC / ST and backward classes, which are eligible for freeships /scholarships

5. Competitive nature of the job market

6. Aspiration-level of the parents regarding the career prospects of their wards

Expected outcome of the study

- We get dependable information regarding the pattern of private expenditure by different categories of parents/students/courses and locations and indirectly, the problems of higher education.
- From a sociological point of view, we get the perception of the parents, teachers and the students about the quality of instructions provided and the education policy of the Government and its implications.
- An insight into the causes why such private costs are being incurred
- The findings and recommendations of the study will be helpful to the university authorities and the policy makers.

Parents' Perspectives about Private Costs in Higher Education

Review of Literature

In India, a good number of researchers have taken up the analysis of the economics of higher education. Cost of education is defined as the cost incurred by the parents and the public / government for providing education to the citizens. It consists of private cost and institutional cost. Private cost is defined as that part of investment in education, which is made by the students or their parents, or both. It is again classified into academic cost and incidental cost.

Academic cost is defined as the expenditure which is directly related to instruction whereas, the cost which is not directly related to instruction is referred to as incidental cost. The major components of academic cost are pre-admission cost, fees given to the college, private tuition fee, cost of books, stationary, project / thesis work, study tours and other instrumental costs. Incidental cost consists of subscriptions, travel cost, hostel expenses, clothing, entertainment and others.

The importance of higher education in national development, and in the development of individuals, has been universally recognised. However, higher education systems, the world over, are being subject to ever increasing financial constraints with governments steadily withdrawing their support. As a consequence, a large vibrant private sector in higher education has emerged and naturally, this sector has become highly competitive and the market forces determining the "prices" are activated.

One of the earliest studies available on the subject is that undertaken by Krishna Pillai in 1965 on "Parental Cost in the Education of Children in Government Arts and Science Colleges for the Three-year Degree." This study considered the problem of educational cost in general without any specific focus.

George Mathew (1987) conducted a study on "Cost-benefit Analysis of Education in a Rural Area: A Study of Chunakkara Village." The sample consisted of 290 households. The method used was normative survey. The overall objective was "to calculate the rate of private returns on investment in education at various levels." The study has the following specific objectives:

1. to estimate the private cost of education at various levels
2. to study the patterns of earnings of the family members at various levels such as SSLC, graduation and post-graduation by constructing, age, education and earning profiles
3. to find out whether there exists any significant difference among the various educational categories with regard to their socio-economic status, and
4. to study the pattern of waiting period by the earning members in the area according to the level of education.

The study revealed that the private rate of returns at SSLC, graduation and post-graduation were 15.10 per cent, 12.15 per cent, 13.83 per cent respectively. The period of waiting of SSLC groups extends to 7 years, 9 years in the case of graduates and 5 years in the case of post-graduates. The study also emphasised that there is significant difference in the socio-economic status of the various educational categories when compared, except in the case of graduates and post-graduates.

Ramachandran (1987) attempted to analyse the problems of higher education in India with special reference to Kerala. His aim was to:

1. identify vital problem-areas in higher education such as enrolment, expenditure, financing and planning;

2. assess the total costs in higher education classified under different institutional categories; and

3. compare costs of higher education by components and the sources of financing these costs.

The growth of expenditure was found to be higher than that of enrolment and institutions. Whereas the total expenditure was increasing year by year, the corresponding growth in fee receipts was very low, thus increasing the burden of the government. The bulk of public expenditure on higher education was spent for the development and maintenance of the Arts and Science Colleges in Kerala and the salaries of the staff constituted the largest component in the total cost of education.

K. S. Chalam (1986) analyses the socio-economic background of the private costs of higher education. The findings are:

1. The private costs of education in all the degree courses are found to be two to three times more than the unit institutional costs. But, in the case of University Colleges, the private costs are estimated to be less than the institutional costs.

2. The private costs of students increase progressively with the increase in the parental income. It is also found that students belonging to the lower income groups spend a higher proportion of their incomes on higher education than the higher-income bracket students do.

3. Students belonging to the families of professional and administrative occupations spend the highest amount on their personal expenditure. The private costs of the children of agricultural families are almost equal to those of the children of administrative and professional occupations.

4. The children of lower income and lower occupation status families are under-represented in higher education particularly in professional courses in relation to their proportion to the total population.

5. Scheduled Caste students at both the degree and the post-graduate levels spend less than the backward castes particularly on the item, 'books and stationery'. Backward caste students spend less than all other students though the cost of food of these students is the same as that of the Scheduled Caste students.

6. The net private costs of higher education indicate that the government's (Social Welfare Department) contribution to the total private costs of higher education constitutes 43.53 per cent of the total private costs of the Scheduled Castes in the degree classes, 44.21 per cent in the university colleges and 34.02 per cent in the medical colleges. In the case of backward caste students, the contribution of the government to the total private cost is 38.44 per cent, 37.43 per cent and 32.16 per cent respectively at the degree, university and medical colleges. This scholarship amount of the education department, which is paid to all other students, is 15.60 per cent of the total private costs in the degree colleges, 24.07 per cent in the university colleges and 18.42 per cent in the medical colleges.

7. There are wide variations in the private costs of students at different classes of higher education, and within each class, on different items of the private costs. A number of factors like the income of the parent of the student, location of the college, the cost of education materials, age of the

student, pre-admission expenses, the style of living etc., are identified as the explanatory variables for the variations in the private costs of the students.

8. The government contribution to the private cost of the weaker section students constitutes less than 50 per cent of their total private cost, whereas the contribution of the government to the institution's deficit is cent per cent.

The private cost-estimates broadly indicate the fact that the parents of the students of the weaker sections bear half of the total private costs which amount to thousands of rupees. Therefore, one can conclude that the parents who have the economic capacity to finance the remaining fifty per cent of the private costs can only enjoy the benefits of government subsidy.

K. R. Shah (1987) estimated private costs of college education. The study shows that the private costs are substantially high and the tuition fee forms only a very small portion of the total private cost. High tuition cost acts as a potent constraint to the expansion of education.

For Tilak (1987), the social costs increased with the level of education, institutional cost formed only a relatively small part of the total social cost, and the major component is private cost……. The private cost per pupil was higher for boys than for girls except at secondary and higher professional levels whereas the institutional cost was lower for girls than for boys at all levels. The private and social costs of education of the backward castes were found to be lower when compared to those incurred by forward castes.

This study calls for reducing inequalities in investment in education among different groups of population and for reducing discrimination in employment and wages, so that the economy would reap maximum gains from investment in education.

Saila Bala Debi, (1988) made an attempt to compute the costs of higher education in Orissa, both direct and indirect. Direct cost is further subdivided into private and public costs. Direct private costs are defined as that part of investment in education, which is made either by the pupil or by his parents / guardians or both by way of fees, books, maintenance expenses during the period of study.

In the study, data regarding the average tuition fee per student has been calculated from the information given by the respondents during the survey. The following procedure has been adopted to calculate the average tuition fee per student.

(i) From the tuition fee, the scholarship amount was deducted. Although, in this survey, such cases were few, still, proper adjustment has been done for the calculation of average tuition fee.

(ii) The fees paid by the repeaters and the dropouts were taken into consideration. But, the adjustment for wastage and dropout has not been made, as the number of such cases in the sample was only 10 out of a total of 511.

Taking into consideration the above factors, the tuition fee per student for different levels and types of education has been calculated.

Private expenditure on books and stationery is one of the major items of private cost borne by the individual during his education.

Rajkumari, (1986) undertook an 'analysis of student cost' which is based on the information collected in a survey of five per cent of the students of the population colleges. 395 students were contacted. Whenever necessary, the parents were contacted to fill up the gaps in information required by the survey. The respondents were asked to provide information principally under the following major heads.

(i) Expenditure on education incurred by the family of the student

(ii) Economic, social and educational background of the parents

(iii) The sources and the amount of aid, if any, received towards meeting the expenditure on education.

Education plays, a pivotal role in the socio-economic development of Kerala. One of the recent developments in the educational sector of the State is the phenomenal growth in the number of unregistered institutions called 'Parallel and Tutorial Colleges'. These institutions in the unorganized sector now occupy a very important role in the field of education, especially in the higher education sector. Since these are neither recognised by the Government nor affiliated to any university, we have no authentic and reliable data on the parallel and tutorial systems of education in Kerala. **Report of the Survey on Parallel and Tutorial Colleges in Kerala 1989**, Published by the Department of Economics and Statistics, Thiruvananthapuram: 1990 had the following objectives:

Objectives of the survey

The main objective is to find out the total number of parallel and tutorial colleges functioning in the State and to prepare a directory of such institutions and also to assess the importance of these institutions in terms of courses covered, number of students attending these courses and the employment generated.

Results of the survey reveal that the total number of parallel, tutorial and parallel-cum-tutorial colleges in the State at the time of the enumeration was 4,601. Out of these, institutions, which offered parallel courses alone, constituted only 7.2 per cent whereas tutorial colleges formed 64.2 per cent and parallel-cum-tutorial colleges constituted 28.6 per cent

Ashok Alex Philip (1992) in his study on "Cost Analysis in Higher Education in the State of Kerala" has the following objectives:

1. To identify the trends in expenditure in higher education
2. To identify the conceptual analogy between education and industry
3. To find out the consumption pattern of students of higher learning
4. To identify the determinants of costs, both internal and external
5. To find out the pattern of student cost for various courses at the University level in Kerala
6. To reveal the disparities between urban and rural students

Findings

Direct private cost of higher education for a student depends on his / her family income; status and earning potential and transport cost, hostel expenses, pocket expenses, tuition cost, stationary cost etc.

Transport cost

1. Among the sample, only 60-82 per cent spent money for the conveyance while others were staying in the campus or nearby places. Rural students spent more on transport because the higher educational institutions were

agglomerated in the urban areas. Again, it throws light on the disparities in the investment in education between rural and urban areas.

2. Post-graduate students spent a little less than the degree students did as they think that the to and fro journey between the college and the house frequently would hinder their studies and hence, stay at the hostels or houses adjacent to the college campus. Another reason for the low transport cost of post-graduates is that they did not attend classes regularly.

Hostel expenses

About 46 per cent of hostellers spent in between Rs. 100 and 199, about 43 per cent spent in between Rs. 200 and 299 and about 11 per cent spent amounts below Rs. 99/-.

Tuition cost

1. Tuition expenses of the science courses were higher than that of the arts courses. Commerce students spent the highest amount for tuitions. History students were not in need of any extra coaching.

2. Tuition expenses of post-graduate students were two times higher than that of graduate students.

Stationary Cost

1. Stationary cost includes expenses incurred on books and stationary items. B. Ed students spent much as they have lot of practical work including the preparation of teaching aids, models etc.

2. The stationary cost of the post-graduate students (Rs.1,261) was two times more than that of the graduate students (Rs. 540).

3. The stationary cost of students of the B. Sc, B.Com, B. Ed., M. A., M. Sc., M. Com. were compared and the difference in their mean costs was tested for significance. It was found to be significant (C.R. 8.30, 10.13, 11.26, 18.70, 6.56 and 13.36 respectively). Therefore, the rural and urban students of these courses differed significantly in their stationary cost.

4. The stationary cost of students belonging to B.A courses was compared and the difference in their mean costs was tested for significance. It was not found to be significant. (C.R=1.68). Therefore, B.A students (rural and urban) do not differ significantly in their stationary cost.

5. Comparing the rural and urban students, it was found that the urban students spent more on books and less on stationeries than their rural counter parts did, because some of the stationary items were available within the family circle.

Pattern of student cost for various courses at the University level in Kerala

1. The direct private costs of students of higher education consisted of transport cost, hostel expenses, pocket expenses, tuition cost, stationary cost etc. The day scholars did not spend on hostel and pocket expenses.

2. Comparison between the direct private cost of day scholars and hostellers found that direct private cost of the latter was greater than that of the former. Generally, the direct private cost of hostellers was two times more than that of the day-scholars at the degree level and three times at the post-graduate level.

3. Among the degree courses, B. Ed students ranked first with Rs. 9, 297 as their direct private cost per annum. At the post-graduate level, science students spent the highest amount i.e., Rs. 11,655 per annum.

Disparities between rural and urban students

1. Rural students spent more on various items of expenditure because they did not have the facilities, or infrastructure suitable for higher education.

2. Transport cost analysis revealed the disparities in investment between the rural and the urban areas. It revealed the fact that higher educational institutions were clustered in the urban areas.

Sources of expenditure for higher education in Kerala

1. Direct private cost of student's higher education depends on the family income, status and earning potential of the family and the, transport cost, hostel expenses, pocket expenses, tuition cost, stationary cost etc.

2. The study classified the families into three on the basis of their income status. The Marginal Income Group (MIG) consisted of marginal farmers, marginal labourers etc. The Affluent Income Group (AIG) was characterised by their higher spending pattern and represented 24 per cent of the total population. They have a monthly income in between Rs. 2, 000 and Rs. 6,999/-. This group consisted of engineers, doctors, business men, professors and executives.

3. The higher the income, the higher would be the expenditure pattern. The Affluent Income Groups could spend more on education and other luxuries if they so desire.

4. The incidence of burden on households varied according to their income status. This burden was too heavy on Marginal Income Groups, while the respondents from Affluent Income Groups were well off in terms of their livelihood and luxury.

5. The selection, of course, was a dependent variable of the family income status. Majority of the Affluent Income Groups send their children to study English Literature, Botany, Zoology etc. at the degree level, while the Average Income Groups and Marginal Income Groups send their children to courses in mathematics, physics, etc.

6. Though vide fluctuations occurred in the family income status, it can be concluded that the family income status of the science students were higher than that of their counterparts in the arts and commerce subjects. It may be due to the inability of the low income brackets to afford the high expenses of the laboratory-based subjects.

7. The contributory factors of the earning potential of the family were:

   a) Social status of the family, which is based on, inherited assets.

   b) Size of the family

   c) Number of earning members in the family

   d) Number of dependents in the family

   e) Occupational status of the family

   f) Participation in social activities

   g) Geographical specifications namely rural and urban areas

According to Jandhyala B.G. Tilak, (1993) detailed estimates on household expenditure on higher education in India are not available, except the ones made by individual researchers based on small regional surveys. The table below shows that

households invest considerable amounts on higher education on various items and more importantly, the household expenditure is almost equivalent to institutional costs.

Fees are an important private source of finance for higher education. In ideal conditions, fees could be effectively used not only as a source of revenue for the government, but also as an effective tool for planning higher education, which is a favoured sector of the privileged. The proportion of students attending higher education increases with increasing levels of family income. The ability of the students and their parents to pay is much higher than what they are actually paying. But the student composition of higher education is not homogeneous: some are economically very rich, and are ready to meet even the full cost of education, as reflected in the growth of 'capitation fee' colleges. The rich students in the government colleges could be asked to pay higher fees than the economically weaker ones.

Household Expenditure on Higher Education in Kerala, 1985-86 or Post-graduate (M. A. / M. Com) Courses (Rs. per Pupil)

	First year Rs.	Second year Rs.	Average per year Rs.
Admission costs	121.19	-	60.60
Tuition and special fees	131.00	127.81	129.40
Examination fees	31.62	37.71	34.67
Books, stationery, etc.	362.94	476.96	419.70
Study tours etc.	39.22	53.88	46.55
Board and lodging	2,161.67	3,129.65	2,645.66
Travel	300.08	472.00	386.04
Clothes	547.38	547.14	547.26
Medical expenses	493.44	687.88	590.66
Entertainment	285.28	431.88	358.58
Miscellaneous	274.79	419.88	347.33
Total	4,748.61	6.384.29	5,566.45
Direct subsidies received	669.10	709.71	689.41
Total minus subsidies	4,079.51	5,674.58	4,877.04
Institutional cost	5,717.67	5,717.67	5,717.67

Source: P. V. B. Nair, Cost and Returns of University Education (Trivandrum: CBH Publications, 1990), PP.43-50.

A.Abdul Salim in his book, 'Cost of Higher Education in India" (1989-'90) states: "the overgrowing demand for higher education forced the government to seek new ways and means to satisfy the demands of the student community. The past few decades have witnessed remarkable efforts and policies from the part of the State Government with a view to expanding facilities for higher education. Such efforts have resulted in the opening of more colleges, introduction of the shift system, provision of more seats, starting of new courses, introduction of correspondence courses and private registration. During the period between 1956-57 and 1994-95, the number of universities in the state increased from one to six; arts and science colleges from 28 to 181; engineering colleges from one to 12 (three self-financing). Further, at present, there are five medical colleges and eight agricultural colleges in the State. Enrolment in the arts and science colleges increased from 25,467 in 1957-58 to 1, 55,988 in 1994-95. The corresponding figures in the engineering colleges were 388 and 10,521. Enrolment in the medical colleges for the year 1994-95 stood at about 5, 399 and in the agriculture colleges 2,255 (Government of Kerala - Various years).

The unprecedented growth of institutions and enrolment in Kerala has resulted in a steep rise in expenditure. Kerala allocates about 40% of its budgeted expenditure on education. Per capita expenditure on education increased from Rs. 11 in 1961-62 to Rs. 282 in 1993-94 and the total expenditure from Rs. 18.55 crore to 1157.44 crore over the period (Government of Kerala - Various years) by more than 358 times, the annual rate of growth being 17.8 per cent. Thus, there has taken place a spectacular rise in government expenditure on education, in general and higher education in particular. The steady increase in expenditure on education has already become a problem to the State Government, which faces severe financial constraints. In order to make any systematic analysis of cost effectiveness and subsidisation policy in education, detailed information is required on private and public costs and on the socio-economic characteristics of the student population involved. In this study, an attempt is made to discuss costs of higher education in Kerala, on the basis of micro-level studies of selected institutions.

Objectives

This study has the following specific objectives:

1. Calculation of the recurring and the capital costs of higher education by types and levels and analysis of per unit cost incurred by government or other institutions

2. Computation of the private cost of higher education and investigation into the financial commitment of households according to socio-economic categories

3. Measurement of the unit social-cost of higher education; and

4. Enquiry into the extent of government subsidisation of higher education and subsidisation of students according to their socio-economic background

In the concluding chapter, Salim states that "An important part of the unit-cost analysis of the present study is the estimation of private cost, according to the socio-economic background of the students. This exercise was undertaken in the hope that it would indicate the relative sacrifice made by the different income and occupation groups for obtaining higher education. It is also expected to help in taking policy decisions with regard to creation of equality of opportunity, in higher education. It is found that the total (gross) private cost of engineering education was 21 per cent higher than that of general education. In both engineering and arts and science colleges, total cost was higher for the degree course than the PG course. Further, the cost in the government colleges was higher of the two. Interestingly, out of the total private cost, almost 50 per cent in technical education and 61 per cent in general education was allocated on incidental items of expenditure. Among the components of academic costs, college fee, private tuition and expenditure on books played a significant role. In the case of incidental

expenses, the largest share was earmarked for hostel expenses, travel and clothing. It is observed that all students, particularly PG engineering students, received considerable amounts of money by way of subsidies, which substantially reduced the costs borne by their households. Surprisingly, the net private cost of engineering education which gives larger private benefits was considerably lower (negligible for PG students) than that of general education. Moreover, an analysis of private cost by categories of students indicated that it was highly expensive for the parents to accommodate their wards in hostels.

"The distribution of students according to the socio-economic background of their parents revealed that the facilities of higher education were being appropriated mostly by the relatively high income strata of society and students belonging to households of high level occupations. The economically well-off and higher occupation groups spent larger amounts than low income and low occupation groups. Interestingly, students from the higher income group allocated more money on private tuitions and incidental expenses".

"As indicated earlier, higher education is mostly appropriated by the students belonging to the middle and upper income groups and those from the forward communities. The benefit of the liberal government subsidy thus goes mainly to these privileged sections. Since the subsidy is largely paid out of the receipts from the indirect taxes, – the staple tax resource of the State - the incidence of the burden of higher education mainly falls on the lower income groups. Higher education of the privileged section is, thus, being liberally financed out of the revenue extracted from the poor. Such a policy is bound to perpetuate inequalities in the society. If large-scale government expenditure on higher education is treated as a measure of bringing about equality of opportunity and improve income distribution, the present system of government expenditure and subsidisation has not yielded the desired results. On the other hand, it has only aggravated the inequalities by its present financing and subsidy policy in higher education. Our present exercise shows that the paying capacity of households belonging to all except the low income group is significantly high. In their case, the proportion of

private expenditure to annual family income (12.5 %), the proportion of fee to actual family income (1.3 %) and the proportion of fee in the actual private expenditure (10.7 %) are very small; further, the proportions are found to decline regressively at higher and higher levels of income. Further, the students belonging to the privileged sections of the society spend considerably higher amounts (55 %) on incidental or non-essential items of expenditure than those from the low income group (24 %)…… In order to ensure more participation of the low income and backward community students, more subsidies will have to be given to them so as to cover their living expenses. In short, the introduction of a discriminatory system of fees with a discriminatory system of incentives is urgently called for to ensure equity in higher education supply. Under such a discriminatory system, high income groups which, at present, get higher education almost free of cost would be priced appropriately based on their capacity to pay while the low income groups would be totally or partially exempted through a package of freeships / scholarships or loans."

Cini, C. K., (1999) in her study on "The Cost-benefit Analysis of Arts Education in Thiruvananthapuram District" has specified the following objectives:

1. To find out the private cost per student at different levels of Arts education namely, at the B. A. level and at the M. A. level

2. To calculate the private returns on investment in Arts education at B. A. level

3. To calculate the private returns on investment on Arts education at M. A. level

4. To study variations on earnings at different levels of Arts education

5. To study the waiting period of the earning members according to their education

6. To trace the non-monetary benefits of education

7. To identify various factors contributing to the earnings of persons in the district.

Major findings

Private cost per student at B. A. & M. A. level education

1. The average monthly private cost for B. A. first year student is found as R.377.22. About 53.42 per cent of the total cost is spent on college fees, 30.93 per cent for tuition cost, 9.78 per cent for personal cost and 5.87 per cent for 'other cost'.

2. The average monthly private cost for a B. A second year student is found as Rs. 396.42. About 51.47 per cent of the total cost is spent on college fees, books etc. while 33.64 per cent spent on tuition. 9.3 per cent is spent on personal items and the remaining 5.58 per cent on other items.

3. The average monthly private cost for a final year B. A. student is found as Rs. 479.36. About 45 per cent of the total cost is found to be spent on college fees, books etc. 34.77 per cent on tuition 12.52 per cent on 'other cost' and 7.7 per cent on personal items.

4. The average monthly private cost for a M. A. first year student is estimated as Rs. 412.34 of which 65.64 per cent in spent for college fees, books etc, 12.13 per cent for tuition and personal items respectively and 10.10 per cent spent on 'other cost'.

5. Average monthly cost for a final year M. A. student is found to be Rs. 484.83. About 56 per cent of the total cost is spent on college fees, books

etc., while 20.63 per cent on tuition. 13.06 per cent is spent on 'other cost' and the remaining 10.31 per cent on 'personal items.

6. When Arts education at different levels are considered, the study reveals that 50 per cent of the private cost at degree level is spent on college fees, books etc.; 33 per cent on tuition cost, 9 per cent on personal cost and the remaining 8 per cent on the 'other cost'. With regards to Arts education at post-graduate level, 60.43 per cent is spent on college fees, books etc., 16.72 per cent on tuition, 11.70 per cent on other cost and 11.15 per cent on personal cost.

7. The highest percentage spent is the cost on college fees, books etc.

8. The study reveals that the private cost increases at each level that is, from first year B. A. to final year B. A and from first year M. A. to final year M. A.

There is another notable study by A. Abdul Salim entitled, "Opportunities for Higher Education: An Enquiry into Entry Barriers" (1998-'99) with the following objectives:

1. To analyse the participation levels in higher education of various socio-economic groups in society; and

2. To identify the entry barriers to higher education

The study is confined to, "problems of entry into professional education, that too, only to medical and engineering degree courses in which the entry barriers are likely to be powerful."

One of the major findings is that, "professional education is heavily biased against the rural population and the depressed communities. The share of the rural areas in

professional education (5%) is much smaller than their share in the State population (73.6%). The students of the poor, low-educated and lowly occupied parents are only marginally represented in professional education."

The study has identified ten major entry barriers in professional education. They are: annual private cost of education at the pre-degree level and for the entrance examination, parent education, parent occupation, quality of school education, pre-degree marks, quality of entrance coaching, motivation and hard work on the part of the student, Government's reservation policy, location of the residence of the student and the encouragement from parents and teachers.

Ajith Kumar N. (2000) through a study examines, "the impact of private costs on access," by using a representative sample of 283 students currently studying in MBBS, BDS, BSc. Nursing and B Pharm. courses in the medical education institution in the Government sector in Kerala. The data were collected in 2,000. The study also examines the non-financial barriers to enter these courses.

The study finds that the high private costs (fees, non-fee academic costs and maintenance costs) act as an entry barrier to medical and para medical courses. The average annual private costs of the medical and para medical courses ranged from Rs. 19, 226 for BSc. Nursing to Rs. 31, 084 for MBBS in the case of those staying in hostels / lodges. For day scholars, they ranged from Rs. 14, 436 to Rs. 21, 360. Maintenance cost is the major component of private cost. Non-fee private cost is about 90 per cent of the total. The present system of subsidising only the fee component of the private costs has not helped in promoting equity as fees constitute only a small component of the educational expenses of the student. Yet, all our discussions for and against subsidising education are largely centred on the fee component. The study finds that the average private costs exceed the annual family incomes of the low income group. It is about 50 per cent in the case of lower middle income group and about 30 per cent in the case of

middle income group. The study suggests that if, the State wants to bring down the entry barriers, it must think of providing large number of scholarships and the quantum of scholarships should be enhanced to meet the non-fee academic and maintenance expenditure, which are quite substantial.

Thus, it is obvious from this review report that the subject, "private costs in higher education" has attracted the attention of a good number of researchers all over India. Most of the investigators are interested in collecting and analysing the items of private expenditure and working out the percentage of each item to the total costs sex-wise, course-wise and region-wise. One lacuna noticed is the absence of comparative analysis of the private costs of education in the government-run institutions and those in the private institutions.

The latest study on the subject in Kerala seems to be the one undertaken by Sri. N. Ajith Kumar in 2000. Since then, there has been a paradigm shift in the educational policy of the Kerala Government in favour of the private sector in higher education especially in respect of the professional courses such as engineering, medicine and teacher-training. As a result, several engineering, medical and teacher-training colleges and a host of para-professional courses such as nursing, pharmacy, social work etc., have been established in the private sector and most of them are unaided / self-financing. Taking advantage of this situation, some of the managements have collected / are collecting handsome donations and exorbitant fees under various heads. This tendency towards commercialisation of higher education has invited severe criticisms from eminent educationists, social activists and of course, political parties, except perhaps a section of the parents. The situation still continues to be confused and explosive. Hence, an in-depth study of the subject in the current turbulent situation with focus on the parents' perspectives about the private sector will be of topical interest and the findings will be useful to all the stakeholders including the policy makers in the educational sector.

An Interview

Mr. V. Viswanathan is a Section Officer in the Government Secretariat, Thiruvananthapuram and his family consists of his wife, a son and a daughter. He has high ambitions and expectations about the future career of his children. Therefore, with some difficulty, he got admission for his son under the management quota, in an unaided Engineering College in Thiruvananthapuram District.

His son opted for electronics and had to pay a capitation fee of Rs. two lakh to begin with. Details of the other payments made in the first year are shown below:

1.	Tuition fees:	Rs. 36,000/-
2.	College Development Fund:	Rs. 10,000/-
3.	PTA fund:	Rs. 5,000/-
4.	Board and lodging (one year):	Rs. 18,000/-
5.	Private tuition fees	Rs. 5,000/-
6.	Sundry expenses including books, stationary, travels etc.:	Rs. 10,000/-
	Total	**Rs. 2, 84, 000/-**

In the second year, there is a strong demand from the boy for a two-wheeler, and a mobile phone, perhaps due to peer group influence. There are also occasional hints that during the third year, he may require a PC. His mother, a housewife is in favour of providing her son with a mobile phone so that she could communicate with him as and when she desires.

Mr. Viswanathan's daughter studies in the 9th standard in an English medium school run by a church-based organisation in the city.

He confesses that he is under some financial strain at present. As a Section Officer, he is placed on the scale of pay: 6,800-150-11,000 and his total salary per month, at present, is Rs. 10,726/-. But, his carry-home salary is only Rs. 6,156/- after several deductions such as contributions to PF, PF loan, State Life Insurance, Group Insurance, Family Benefit Scheme, House-building Advance and Motor Conveyance Advance.

It is in this context, his son joined the engineering course. Mr. Viswanathan was able to mobilize the finances required for the first year out of his savings. This is the second year and financial problems have started, troubling him. Yet, he hopes that he will be able to manage this year somehow. But, he is worried about the financial burden he will have to face during the third year. His only consolation is that he will be able to avail from banks, some loans intended for educational purpose.

To the question, "Whether he, as a parent, is against privatisation of technical education in the State?", Mr. Viswanathan answered in the negative and said, "If not for this private college and the management quota system, my son would not have secured admission. He would have joined an ordinary BSc. Course which, as you know, would not take him to anywhere."

"Don't you think that study in a private college is very costly and exploitative?"

Mr. Viswanathan agreed but stated, "There is no other option for parents like me who cannot easily secure admission for their children in State-run technical colleges. You know that we are prepared to sacrifice for the sake of our children….."

Consultants

1. **Dr. E.T Mathew**,

   CDS, Prasanth Nagar, Thiruvananthapuram

2. **Dr. Ravishankar**,

   SCERT, Poojappura, Thiruvananthapuram

3. **Dr. Viswanathan Nair**,

   Head, Dept. of Education, University of Kerala,

   Thiruvananthapuram

4. **Dr. Sivadasan Pillai**,

   Formerly Head, Dept. of Adult & Continuing Education,

   University of Kerala, Thiruvananthapuram.

5. **Dr. Reghu**,

   Dept. of Adult & Continuing Education,

   University of Kerala, Thiruvananthapuram

In a consultation workshop held on 7/12/03 at B-7, Sri Nivas, Jawahar Nagar, the following experts took part:

(i) **Dr.Viswanathan Nair**,

Head, Dept. of Education, University of Kerala,

Thiruvananthapuram

(ii) **Dr.Reghu**

Dept. of Adult & Continuing Education,

University of Kerala, Thiruvananthapuram

(iii) **Sri. T.S.N. Pillai,** Consultant to IURD

(iv) **Sri. S. Chidambara Iyer**, Executive Director, IURD

(v) **Dr. Ajay Kesavan**, Investigator, IURD

(vi) **Smt. Asha**, Investigator, IURD

The results of the consultations individually with experts and in the workshop on 7/12/03 helped in revising the proposal, which is already presented above.

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